



**EMPLOYMENT RISK MANAGEMENT AUTHORITY (ERMA)  
BOARD OF DIRECTORS MEETING  
AGENDA**

**Tuesday, April 26, 2022  
10:00 a.m.**

**Embassy Suites  
Promenade Ballroom - Central Pacific  
100 Capitol Mall  
Sacramento, CA 95814**

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In compliance with the Americans with Disabilities Act, if you need a disability-related modification or accommodation to participate in this meeting, please contact Danielle Davis at (916) 244-1116 or [danielle.davis3@sedgwick.com](mailto:danielle.davis3@sedgwick.com). Requests must be made as early as possible, and at least one full business day before the start of the meeting.

Documents and materials relating to an open session agenda item that are provided to the ERMA Board of Directors less than 72 hours prior to a regular meeting will be available for public inspection at 1750 Creekside Oaks Dr., Suite 200, Sacramento, CA 95833.

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**Page    1.    CALL TO ORDER; INTRODUCTIONS**

**2.    APPROVAL OF AGENDA AS POSTED (OR AMENDED)**

- 3.    PUBLIC COMMENTS** - This time is reserved for members of the public to address the Board relative to matters of ERMA not on the agenda. No action may be taken on non-agenda items unless authorized by law. Comments will be limited to five minutes per person and twenty minutes in total.

**4.    CONSENT CALENDAR**

If a Board member would like to discuss any item listed, it may be pulled from the Consent Calendar.

- |           |  |
|-----------|--|
| <b>5</b>  | <b>*A.</b> Minutes of February 10, 2022, Board of Directors Meeting      |
| <b>12</b> | <b>*B.</b> General Warrants from January 1, 2022, through March 31, 2022 |
| <b>13</b> | <b>*C.</b> Claims Payments from January 1, 2022, through March 31, 2022  |
| <b>15</b> | <b>*D.</b> Defense Panel Update, effective April 2022                    |
| <b>16</b> | <b>*E.</b> Board Document Review Schedule                                |

*Recommendation: Approval of the Consent Calendar.*

**5. FINANCIAL MATTERS**

- 23        \*A. Actuarial Study and Rates for the 2022/23 Program Year  
              *Recommendation: Staff recommends the Board of Directors accept and file the actuarial study as presented.*
- 98        \*B. Review of Annual Retrospective Adjustment Calculation  
              *Recommendation: Staff recommends the Board of Directors provide feedback and direction.*
- 100       \*C. Review of Preliminary Administrative and Operating Budget for the 2022/23 Program Year  
              *Recommendation: Staff recommends the Board of Directors review the Preliminary Administrative and Operating Budget for the 2022/23 Program Year and provide direction to staff, as necessary.*

**6. ADMINISTRATIVE MATTERS**

- 127       A. Review and Approval of Goals and Objectives Established at the 2022 Annual Workshop  
              *Recommendation: Staff recommends the Board of Directors adopt the goals and objectives established at the April 1, 2022, Annual Workshop.*
- 128       \*B. Draft Resolution 2022-1, Establishing Meeting Dates for the 2022/23 Fiscal Year  
              *Recommendation: Staff recommends the Board of Directors consider Resolution No. 2022-1, Establishing Meeting Dates for the 2022/23 Fiscal Year.*
- 130       C. ERMA 23<sup>rd</sup> Annual Workshop  
              *Recommendation: Staff recommends the Board of Directors provide feedback and direction as necessary.*
- 131       \*D. Draft Resolution 2022-2, Establishing Criteria for Adding and Removing Defense Counsel to the Panel of Approved Attorney Firms  
              *Recommendation: Staff recommends the Board of Directors approve Resolution No. 2022-2, Establishing Criteria for Adding and Removing Defense Counsel to the Panel of Approved Attorney Firms, effective April 26, 2022.*
- 138       \*E. Draft Resolution 2022-3, Requiring Coverage Appeals Involving Discussion of Facts and Legal Opinions Covered by the Attorney-Client and Work Product Privilege to be Held in Closed Session  
              *Recommendation: Staff recommends the Board of Directors approve Resolution No. 2022-3, Requiring Coverage Appeals Involving Discussion of Facts and Legal Opinions Covered by the Attorney-Client and Work Product Privilege to be Held in Closed Session.*
- 142       \*F. Excess Coverage Marketing Update for the 2022/23 Program Year  
              *Recommendation: None*

**7. MEMBERSHIP MATTERS**

- 144      \*A. Update Regarding the City of California City's (CIRA) Performance Improvement Plan  
*Recommendation: Staff recommends the Board of Directors provide direction as necessary.*

**8. COVERAGE MATTERS**

- 147      \*A. City of Pacific Grove (PARSAC) Appeal of Denial of Coverage  
*Recommendation: Staff recommends the Board of Directors provide direction as necessary.*

**9. CLAIMS MATTERS**

- 153      A. Pursuant to Government Code Section 54956.95(a), the Board of Directors will recess to closed session to discuss the following claims:
- Rodriguez/Prieto v. City of Antioch
- B. Report from Closed Session  
Pursuant to Government Code 54957.1, the Board of Directors must report in open session any action, or lack thereof, taken in closed session.

**10. TRAINING/LOSS PREVENTION MATTERS**

- 154      \*A. Update Regarding the Training Program for the 2021/22 Program Year  
*Recommendation: None*
- 157      \*B. Review of Training Program for the 2022/23 Program Year  
*Recommendation: Staff recommends the Board of Directors approve the proposed slate of training workshop topics for the 2022/23 Program Year and provide direction to staff.*

**11. CLOSING COMMENTS**

This time is reserved for comments by the Board of Directors members and staff and to identify matters for future Board of Directors business.

- A. Board of Directors
- B. Staff

**12. ADJOURNMENT**

**NOTICES:**

- The next Board of Directors meeting will be held on Monday, June 6, 2022, 10:00 a.m., at Embassy Suites, 100 Capitol Mall, Sacramento, CA.

**CONSENT CALENDAR**

**SUBJECT:   Consent Calendar**

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**BACKGROUND AND STATUS:**

The Consent Calendar consists of items that require approval or acceptance but are self-explanatory and typically require no discussion. Should the Board wish to discuss any item listed, it may be pulled from the Consent Calendar.

**RECOMMENDATION:**

*Approval of the Consent Calendar.*

**REFERENCE MATERIALS ATTACHED:**

- A. Minutes of February 10, 2022, Board of Directors Meeting
- B. General Warrants from January 1, 2022, through March 31, 2022
- C. Claims Payments from January 1, 2022, through March 31, 2022
- D. Defense Panel Update, effective April 2022
- E. Board Document Review Schedule

# EMPLOYMENT RISK MANAGEMENT AUTHORITY (ERMA)

## MINUTES OF THE BOARD OF DIRECTORS MEETING OF FEBRUARY 10, 2022

A regular meeting of the Board of Directors of ERMA was held on February 10, 2022. All portions of this meeting were conducted via Zoom in accordance with Government Code Section 54953.

**BOARD MEMBERS PRESENT:** John Gillison, President, CIRA (*left at 1:44 p.m.*)  
Stuart Schillinger, Vice President, BCJPIA  
Brett Miller, Treasurer, MBASIA  
Melissa Guerrero, ERMAC  
Bryan Whitemyer, CSJVRMA  
Roger Carroll, SCORE  
Charlene Calica, CCCHA (*left at 11:44 a.m.*)  
Drew Felder, OHA (*arrived at 10:10 a.m.*)  
Jeremy Wittie, VCJPA

**BOARD MEMBERS ABSENT:** Beth Lyons, PERMA  
Linda Cox, MPA

**ALTERNATE MEMBERS PRESENT:** Kin Ong, CIRA  
Heather Rowden, BCJPIA  
Steve Adams, MBASIA  
George Fink, CalTIP  
Jamie Scott, VCJPA  
Yumi Augustus, PERMA  
Becky Ramirez, CSJVRMA  
Nataline Jindoaian, CCCHA (*arrived at 11:21 a.m.*)

**ALTERNATE MEMBERS ABSENT:** Reina Schwartz, MPA  
George Rodericks, PLAN  
Wendy Howard, SCORE

**OTHERS PRESENT:** Jennifer Jobe, Executive Director  
Danielle Davis, Board Secretary  
Stacey Sullivan, Litigation Manager  
Jim Elledge, Interim Finance Manager  
Chee Xiong, Senior Accountant  
Doug Alliston, Board Counsel  
Elizabeth Arce, Liebert Cassidy Whitmore  
Michael Christian, Jackson Lewis (*arrived at 10:54 a.m., left at 12:52 p.m.*)  
Chrissy Mack, CalTIP/VCJPA  
Amy Northam, CIRA  
Conor Boughey, MBASIA  
Jeanette Workman, CSJVRMA  
Marcus Beverly, SCORE/ERMAC  
Seth Cole, Alliant  
Shadi Jalali, Alliant  
Lesley Murphy, PFM (*left at 11:57 a.m.*)  
Anne Ambrose, City of California City (*arrived at 10:34 a.m., left at 10:57 a.m.*)  
Thomas Smith, City of Antioch (*left at 12:46 p.m.*)

Anthony Morefield, City of Antioch (*left at 12:46 p.m.*)  
Byrne Conley, Gibbons & Conley (*arrived at 11:53 a.m.*)  
Jason Epperson, Epperson Law Group, PC (*left at 12:55 p.m.*)  
Lena Bowen, George Hills (*left at 11:49 a.m.*)

1. CALL TO ORDER/ROLL CALL

The February 10, 2022, Board of Directors Meeting was called to order at 10:02 a.m. by President John Gillison.

2. AUTHORIZATION TO MEET VIA TELECONFERENCE

Jennifer Jobe, Executive Director, reminded the Board that authorization must be sought at meetings every 30 days where teleconferencing occurs, pursuant to California AB 361, section 54953, subdivision (e)(1)(C), where failure to obtain a majority vote would result in immediate adjournment of the meeting to be reconvened at a later date in person. Ms. Jobe stated staff's recommendation to authorize a teleconference meeting.

**Kevin Bryant moved, seconded by Brett Miller, to find, as a result of the COVID-19 emergency, meeting in person would present imminent risks to the health or safety of attendees and the meeting should be held by teleconference as authorized by subdivision (e)(1)(C) of section 54953 of the Government Code. A roll call was conducted. The motion passed unanimously with affirmative votes by Robert Thompson, Brian Whitemyer, Melissa Guerrero, Yumi Augustus, Kevin Bryant, Roger Carroll, Charlene Calica, Jeremy Wittie, Brett Miller, Heather Rowden, and John Gillison with no nays or abstentions.**

3. APPROVAL OF AGENDA AS POSTED (OR AMENDED)

**Brett Miller moved, seconded by Kevin Bryant, to approve the Agenda as posted. A roll call was conducted. The motion passed unanimously with affirmative votes by Robert Thompson, Brian Whitemyer, Melissa Guerrero, Yumi Augustus, Kevin Bryant, Roger Carroll, Charlene Calica, Jeremy Wittie, Brett Miller, Heather Rowden, and John Gillison with no nays or abstentions.**

4. PUBLIC COMMENTS

None

5. CONSENT CALENDAR

**Brett Miller moved, seconded by Yumi Augustus, to approve the Consent Calendar as follows: A) Minutes of November 1, 2021, Meeting of the Board of Directors ; B) Minutes of November 10, 2021, Special Meeting of the Board of Directors ; C) General Warrants from October 1, 2021, through December 31, 2021; D) Claims Payments from October 1, 2021, through December 31, 2021; E) Treasurer's Reports as of September 30, 2021 and December 31, 2021; F) Internal Financial Statement for the Quarter Ended December 31, 2021; G) Benchmarking Ratio Results as of June 30, 2021; H) Annual**

**Investment Policy Review, PFM Asset Management; I) Excess Coverage and Marketing Strategy for the 2022/23 Program Year; J) Resolution No. 2021-8, Establishing Meeting Dates for the 2021/22 Fiscal Year; and K) ERMA Board Document Review Schedule. A roll call was conducted. The motion passed unanimously with affirmative votes by Robert Thompson, Brian Whitemyer, Melissa Guerrero, Yumi Augustus, Kevin Bryant, Roger Carroll, Charlene Calica, Jeremy Wittie, Brett Miller, Heather Rowden, and John Gillison with no nays or abstentions.**

6. ADMINISTRATIVE MATTERS

A. Proposal for Financial Audit Services

Ms. Jobe noted Bill Patterson, Sampson, Sampson & Patterson, LLP (Sampson), has conducted auditing services since 2003, with the most recent contract expiring upon completion of the June 30, 2021, audit. At staff's request, Sampson prepared a renewal proposal for independent financial auditing services for years ending June 30, 2022, 2023, and 2024.

Ms. Jobe reviewed the proposed fee schedule, noting an initial 5% increase over the 2021 expiring fee, followed by 4.75% increases annually thereafter. Ms. Jobe confirmed while the proposed incremental increase is a slightly higher percentage than prior years – historically, approximately 3% – this trend is consistent with other service provider cost increases. Ms. Jobe also cited the Board's alternative option to pursue a request for proposal (RFP), but noted that the population of financial auditors familiar with public entity risk pools is limited.

Discussion ensued regarding whether the adoption of Sampson's proposal would be compliant with mandates requiring entities to engage a rotation of audit partners every six years. Jim Elledge, Interim Finance Manager, confirmed that Sampson's depth of staffing would permit the rotation of audit partners, allowing ERMA to maintain compliance. Mr. Elledge also echoed Ms. Jobe's remarks concerning the limited number of potential service providers should the Board decide to issue an RFP.

**Roger Carroll moved, seconded by Brett Miller, to approve the renewal of the contract for Financial Audit Services with Sampson, Sampson & Patterson, LLP for three years, with consideration to rotate the lead audit partner and issue an RFP for services prior to completion of the June 30, 2024, audit. A roll call was conducted. The motion passed unanimously with affirmative votes by Robert Thompson, Brian Whitemyer, Melissa Guerrero, Yumi Augustus, Kevin Bryant, Roger Carroll, Charlene Calica, Jeremy Wittie, Brett Miller, Stuart Schillinger, and John Gillison with no nays or abstentions.**

7. FINANCIAL MATTERS

A. Investment Performance Review, PFM Asset Management

Lesley Murphy, Senior Managing Consultant, Public Financial Management, LLC (PFM), provided an update on ERMA's investment portfolio.

Ms. Murphy provided an overview of the market, explaining that since falling off in 2020, U.S. Gross Domestic Product (GDP) has increased rapidly. Estimates for 2021 indicate a

potential 6% GDP growth from the previous year, driven by increased corporate profits and spending power made possible due to economic stimulus packages. However, growth is expected to moderate in 2022 due to supply chain disruptions and halting stimulus payments.

Ms. Murphy continued by directing the Board's attention to the U.S. Treasury Yield Curve, illustrating interest rate increases from Q4 2021 into 2022. Ms. Murphy then reviewed U.S. Treasury Index Returns, reporting expectations of three to five rate increases from the Federal Reserve in 2022.

Ms. Murphy reported PFM continues to utilize a diversified portfolio management strategy with ERMA's portfolio. She advised in Q4 2021, the Yield at Cost was 1.19%, which is the average yield across all securities in the portfolio based on time of purchase. Ms. Murphy also commented that ERMA's portfolio is of a very high credit quality (AA rating).

A question was raised as to the vulnerability of ERMA's investments during times of Federal Reserve rate increases. Ms. Murphy confirmed PFM's practice of shortening the duration of investments relative to the benchmark to offer protection against negative market value swings, but no major adjustments are made to ERMA's portfolio.

Ms. Murphy concluded by noting PFM maintained broad diversification across permitted investment sectors, with a focus on managing long-term investments amid rising interest rates. Additionally, ERMA's portfolio is in compliance with California Government Code and ERMA's Investment Policy.

**No action was taken on this item.**

8. MEMBERSHIP MATTERS

A. Update Regarding the City of California City's (CIRA) Performance Improvement Plan

Ms. Jobe reminded the Board that annually, staff reviews performance ratios for the ERMA membership, which includes reviewing historical claims information such as frequency and severity. The purpose of this review is to identify agencies that may need assistance with training and other risks.

Ms. Jobe further recounted the City of California City (City) was identified as one such agency at the June 2021 Board meeting, during which the Board approved the City undergo a risk assessment. At the November 2021 meeting, the Board approved issuance of a formal notice of termination of participation to the City effective June 30, 2022, in accordance with ERMA's six-month notice requirement. During this time, the City was also placed on a Performance Improvement Plan (Plan), which included targeted training and direct assistance from staff in identifying and implementing best practices.

Ms. Jobe provided an update on the City's progress, stating staff will continue to meet with the City and Anne Ambrose, Interim City Manager, to ensure updated personnel policies and procedures are implemented.

Ms. Ambrose then addressed the Board to provide an update on the City's PIP status, noting



the City's adherence to regular monthly meetings, providing management training to all leadership staff, and obtaining training for council members regarding governance practices and Council and City Manager relations. Ms. Ambrose also indicated she is presently coordinating with the City's Human Resources staff to review and update personnel rules. Ms. Ambrose concluded by stating the City will soon be reviewing applications for multiple management positions in an effort to identify appropriate leadership for the City moving forward.

**No action was taken on this item.**

9. LITIGATION MANAGEMENT

A. Report from Stacey Sullivan, Litigation Manager

Stacey Sullivan, Litigation Manager, provided an overview of ERMA loss trends and member support activities over the previous quarter. Ms. Sullivan drew focus to the following three topics of import:

- **Claim Frequency.** ERMA continues to incur a significant number of new claims, with 39 new incidents in the present quarter (a 61% increase over the previous quarter).
- **Claim reporting procedures.** Ms. Sullivan raised specific concerns regarding claim reporting/handling within Police Departments, noting harassment, discrimination, and retaliation claims are frequently addressed internally without being reported to human resources. As a result, ERMA is not made aware of the incident in a timely manner and therefore is unable to provide necessary advice and counsel.
- **California AB 9.** Ms. Sullivan reminded the Board of AB 9, which extends the period for employees to file a charge from one to three years. With greater potential exposure to ERMA, Ms. Sullivan reiterated the importance of proper record retention and documentation.

Following discussion, the Board directed staff to convene the Ad Hoc Training Committee to address training concerns related to proper claim reporting procedures.

**No action was taken on this item.**

B. Defense Panel Updates

Ms. Sullivan noted two changes to the Defense Panel: The removal of Porter Scott and the addition of Rebecca Green as the primary attorney contact for Richards, Watson, & Gershon.

Ms. Jobe followed by reviewing Resolution 2021-1, Establishing Criteria for Adding and Removing Defense Counsel to the Panel of Approved Attorney Firms, which outlines requirements for participation on ERMA's defense panel. Ms. Jobe noted language in the Resolution specifies that a firm must not represent employees as plaintiffs in employment practices liability matters; however, conflicts may arise in rare instances.

Ms. Jobe recommended the Board direct staff to work with Doug Allison, Board Counsel, to revise the Resolution to clarify the eligibility requirements for defense panel firms for review at the April 26<sup>th</sup> meeting.

**Kevin Bryant moved, seconded by Brett Miller, to approve the proposed updates to the Defense Panel effective February 10, 2022. A roll call was conducted. The motion passed unanimously with affirmative votes by Robert Thompson, Brian Whitemyer, Melissa Guerrero, Yumi Augustus, Kevin Bryant, Roger Carroll, Charlene Calica, Drew Felder, Jeremy Wittie, Brett Miller, Stuart Schillinger, and John Gillison with no nays or abstentions.**

10. CLAIMS MATTERS

A. Closed Session Pursuant to Government Code Section 54956.95(a) to Discuss Claims

Pursuant to Government Code Section 54956.95(a), the Board recessed to Closed Session at 11:13 a.m. to discuss the following claims:

- Blanco, Brittney v. City of Antioch
- Oules, Rachel v. City of Mt. Shasta

B. Report from Closed Session

The Board reconvened to Open Session at 11:45 a.m. Doug Alliston, Board Counsel, advised no reportable action was taken in Closed Session.

11. COVERAGE MATTERS

A. City of Antioch (MPA) Appeal of Denial of Coverage

Ms. Sullivan presented the City of Antioch's appeal of denial of coverage and provided background information relating to the coverage denial based upon untimely reporting.

After discussion, the Board advised staff to continue working with the City to review relevant documents and assign ERMA-approved defense counsel, with plans to revisit the appeal at the April 26<sup>th</sup> meeting.

**No action was taken on this item.**

B. City of Pleasanton (BCJPIA) Appeal of Denial of Coverage

Ms. Sullivan summarized details regarding the City of Pleasanton's appeal of denial of coverage based upon untimely reporting.

Ms. Sullivan concluded her report stating she did not believe the untimely report of the claim would result in financial or other prejudice to ERMA.

**Roger Carroll moved, seconded by Charlene Calica, to grant the City of Pleasanton's appeal of denial of coverage with a 25% increase to the self-insured retention (SIR) from \$75,000 to \$93,750. A roll call was conducted. The motion passed unanimously with affirmative votes by Robert Thompson, Brian Whitemyer, Melissa Guerrero, Yumi Augustus, Kevin Bryant, Roger Carroll, Charlene Calica, Drew Felder, Jeremy Wittie,**

**Brett Miller, Stuart Schillinger, and John Gillison, with no nays or abstentions.**

C. City of Scotts Valley (MBASIA) Appeal of Denial of Coverage

Ms. Sullivan presented the City of Scott's Valley's appeal of denial of coverage based upon untimely reporting, citing no financial or other prejudice to ERMA.

Discussion ensued regarding the details of the appeal and occurrence, as well as the potential consequences of the recommended 25% late-reporting penalty to the City's \$500,000 SIR.

**Kevin Bryant moved, seconded by Roger Carroll, to grant the City of Scott's Valley appeal of denial of coverage with no penalty applied to the SIR. A roll call was conducted. The motion passed with affirmative votes by Brian Whitemyer, Yumi Augustus, Kevin Bryant, Roger Carroll, Charlene Calica, Drew Felder, Jeremy Wittie, and Brett Miller, nay votes by Robert Thompson and Stuart Schillinger, and no abstentions.**

D. City of Taft (CSJVRMA) Appeal of Denial of Coverage

Ms. Sullivan reported on the City of Taft's appeal of denial of coverage due to untimely reporting, citing no financial or other prejudice to ERMA.

**Kevin Bryant moved, seconded by Brett Miller, to grant the City of Taft's appeal of denial of coverage with a 25% increase to the SIR from \$25,000 to \$31,250. A roll call was conducted. The motion passed unanimously with affirmative votes by Robert Thompson, Brian Whitemyer, Melissa Guerrero, Yumi Augustus, Kevin Bryant, Roger Carroll, Charlene Calica, Drew Felder, Jeremy Wittie, Brett Miller, Stuart Schillinger, and John Gillison, with no nays or abstentions.**

12. CLOSING COMMENTS

A. Board of Directors

None.

B. Staff

None.

13. ADJOURNMENT

The February 10, 2022, ERMA Board of Directors Meeting adjourned at 1:18 p.m. by general consent.



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Danielle Davis, Board Secretary

System: 4/4/2022 5:50:39 PM  
User Date: 4/4/2022

Employment Risk Management Aut  
VENDOR CHECK REGISTER REPORT  
Payables Management

Page: 1  
User ID: lkokhanets

Ranges:	From:	To:	From:	To:
Check Number	First	Last	Check Date	1/1/2022
Vendor ID	First	Last	Checkbook ID	CBT GENERAL
Vendor Name	First	Last		CBT GENERAL

Sorted By: Check Number

\* Voided Checks

Check Number	Vendor ID	Vendor Check Name	Check Date	Checkbook ID	Audit Trail Code	Amount
EFT000237	AG100	in2vate, LLC	1/14/2022	CBT GENERAL	PMCHK00000808	\$8,125.00
EFT000238	AG105	AGRIp	1/14/2022	CBT GENERAL	PMCHK00000808	\$1,621.81
EFT000239	LI100	Liebert Cassidy Whitmore	1/14/2022	CBT GENERAL	PMCHK00000808	\$2,000.00
EFT000240	MU110	Murphy, Campbell, Alliston & Q	1/14/2022	CBT GENERAL	PMCHK00000808	\$2,561.50
EFT000241	YO110	York Risk Services Group, Inc.	1/14/2022	CBT GENERAL	PMCHK00000808	\$216,039.00
EFT000243	YO110	York Risk Services Group, Inc.	2/16/2022	CBT GENERAL	PMCHK00000812	\$5,420.00
EFT000245	AG100	in2vate, LLC	3/17/2022	CBT GENERAL	PMCHK00000818	\$6,972.50
EFT000246	MU110	Murphy, Campbell, Alliston & Q	3/17/2022	CBT GENERAL	PMCHK00000818	\$4,653.00
EFT000247	YO110	York Risk Services Group, Inc.	3/17/2022	CBT GENERAL	PMCHK00000818	\$211,039.00
G 003318	AL120	Alameda County Mosquito Abatem	1/14/2022	CBT GENERAL	PMCHK00000809	\$180.00
G 003319	SA100	Sampson, Sampson and Patterson	1/14/2022	CBT GENERAL	PMCHK00000809	\$5,000.00
G 003320	CV001	Coachella Valley Mosquito & Ve	2/16/2022	CBT GENERAL	PMCHK00000813	\$2,500.00
G 003321	HU100	City of Hughson	2/16/2022	CBT GENERAL	PMCHK00000813	\$1,095.00

Total Checks:	13			Total Amount of Checks:	\$467,206.81
					=====

Ranges:	From:	To:	From:	To:
Check Number	First	Last	Check Date	1/1/2022
Vendor ID	First	Last	Checkbook ID	CBT CLAIMS
Vendor Name	First	Last		CBT CLAIMS

Sorted By: Check Number

\* Voided Checks

Check Number	Vendor ID	Vendor Check Name	Check Date	Checkbook ID	Audit Trail Code	Amount
L 007536	AD105	Adams, Ferrone & Ferrone	1/17/2022	CBT CLAIMS	PMCHK00000811	\$17,830.90
L 007537	JP001	The Law Offices of Jeremy Past	1/17/2022	CBT CLAIMS	PMCHK00000811	\$99,000.00
L 007538	MA105	City of Manteca	1/17/2022	CBT CLAIMS	PMCHK00000811	\$7,246.13
L 007539	NO105	City of Novato	1/17/2022	CBT CLAIMS	PMCHK00000811	\$542,055.03
L 007540	OA100	Oakland Housing Authority	1/17/2022	CBT CLAIMS	PMCHK00000811	\$3,000.00
L 007541	PI110	City of Piedmont	1/17/2022	CBT CLAIMS	PMCHK00000811	\$631.66
L 007542	SM001	Spencer Muir	1/17/2022	CBT CLAIMS	PMCHK00000811	\$32,169.10
L 007543	YR100	City of Yreka	2/16/2022	CBT CLAIMS	PMCHK00000815	\$16,101.84
L EFT000308	BE100	Best Best and Krieger LLP	1/17/2022	CBT CLAIMS	PMCHK00000810	\$1,154.00
L EFT000309	BE100	Best Best and Krieger LLP	1/17/2022	CBT CLAIMS	PMCHK00000810	\$18,421.26
L EFT000310	BE130	Bertrand, Fox, Elliot, Osman &	1/17/2022	CBT CLAIMS	PMCHK00000810	\$9,390.20
L EFT000311	BE130	Bertrand, Fox, Elliot, Osman &	1/17/2022	CBT CLAIMS	PMCHK00000810	\$265.50
L EFT000312	JA100	Jackson Lewis P.C.	1/17/2022	CBT CLAIMS	PMCHK00000810	\$17,669.65
L EFT000313	JA100	Jackson Lewis P.C.	1/17/2022	CBT CLAIMS	PMCHK00000810	\$1,152.00
L EFT000314	JA100	Jackson Lewis P.C.	1/17/2022	CBT CLAIMS	PMCHK00000810	\$1,017.00
L EFT000315	JA100	Jackson Lewis P.C.	1/17/2022	CBT CLAIMS	PMCHK00000810	\$11,538.00
L EFT000316	JA100	Jackson Lewis P.C.	1/17/2022	CBT CLAIMS	PMCHK00000810	\$150.00
L EFT000317	JA100	Jackson Lewis P.C.	1/17/2022	CBT CLAIMS	PMCHK00000810	\$10,116.00
L EFT000318	JA100	Jackson Lewis P.C.	1/17/2022	CBT CLAIMS	PMCHK00000810	\$2,916.04
L EFT000319	JA100	Jackson Lewis P.C.	1/17/2022	CBT CLAIMS	PMCHK00000810	\$124.00
L EFT000320	JA100	Jackson Lewis P.C.	1/17/2022	CBT CLAIMS	PMCHK00000810	\$124.00
L EFT000321	LI100	Liebert Cassidy Whitmore	1/17/2022	CBT CLAIMS	PMCHK00000810	\$1,338.00
L EFT000322	LI100	Liebert Cassidy Whitmore	1/17/2022	CBT CLAIMS	PMCHK00000810	\$3,506.00
L EFT000323	LI100	Liebert Cassidy Whitmore	1/17/2022	CBT CLAIMS	PMCHK00000810	\$3,267.00
L EFT000324	LI100	Liebert Cassidy Whitmore	1/17/2022	CBT CLAIMS	PMCHK00000810	\$6,302.00
L EFT000325	LI100	Liebert Cassidy Whitmore	1/17/2022	CBT CLAIMS	PMCHK00000810	\$93.00
L EFT000326	LO100	Lozano Smith, LLP	1/17/2022	CBT CLAIMS	PMCHK00000810	\$17,560.91
L EFT000327	LO100	Lozano Smith, LLP	1/17/2022	CBT CLAIMS	PMCHK00000810	\$1,404.50
L EFT000328	LO100	Lozano Smith, LLP	1/17/2022	CBT CLAIMS	PMCHK00000810	\$9,737.04
L EFT000330	BE100	Best Best and Krieger LLP	2/16/2022	CBT CLAIMS	PMCHK00000814	\$1,048.75
L EFT000331	BE100	Best Best and Krieger LLP	2/16/2022	CBT CLAIMS	PMCHK00000814	\$411.50
L EFT000332	BE100	Best Best and Krieger LLP	2/16/2022	CBT CLAIMS	PMCHK00000814	\$1,745.50
L EFT000333	BE100	Best Best and Krieger LLP	2/16/2022	CBT CLAIMS	PMCHK00000814	\$185.02
L EFT000334	BE130	Bertrand, Fox, Elliot, Osman &	2/16/2022	CBT CLAIMS	PMCHK00000814	\$434.00
L EFT000335	BE130	Bertrand, Fox, Elliot, Osman &	2/16/2022	CBT CLAIMS	PMCHK00000814	\$59.00
L EFT000336	BE130	Bertrand, Fox, Elliot, Osman &	2/16/2022	CBT CLAIMS	PMCHK00000814	\$354.20
L EFT000337	JA100	Jackson Lewis P.C.	2/16/2022	CBT CLAIMS	PMCHK00000814	\$1,833.90
L EFT000338	JA100	Jackson Lewis P.C.	2/16/2022	CBT CLAIMS	PMCHK00000814	\$4,630.00
L EFT000339	JA100	Jackson Lewis P.C.	2/16/2022	CBT CLAIMS	PMCHK00000814	\$5,573.53
L EFT000340	JA100	Jackson Lewis P.C.	2/16/2022	CBT CLAIMS	PMCHK00000814	\$375.00
L EFT000341	JA100	Jackson Lewis P.C.	2/16/2022	CBT CLAIMS	PMCHK00000814	\$75.00
L EFT000342	JA100	Jackson Lewis P.C.	2/16/2022	CBT CLAIMS	PMCHK00000814	\$22,185.00
L EFT000343	JA100	Jackson Lewis P.C.	2/16/2022	CBT CLAIMS	PMCHK00000814	\$13,119.40
L EFT000344	JA100	Jackson Lewis P.C.	2/16/2022	CBT CLAIMS	PMCHK00000814	\$7,646.00
L EFT000345	JA100	Jackson Lewis P.C.	2/16/2022	CBT CLAIMS	PMCHK00000814	\$400.00
L EFT000346	LI100	Liebert Cassidy Whitmore	2/16/2022	CBT CLAIMS	PMCHK00000814	\$2,297.00
L EFT000347	LI100	Liebert Cassidy Whitmore	2/16/2022	CBT CLAIMS	PMCHK00000814	\$2,935.00
L EFT000348	LI100	Liebert Cassidy Whitmore	2/16/2022	CBT CLAIMS	PMCHK00000814	\$696.00
L EFT000349	LI100	Liebert Cassidy Whitmore	2/16/2022	CBT CLAIMS	PMCHK00000814	\$4,455.10
L EFT000351	JA100	Jackson Lewis P.C.	2/17/2022	CBT CLAIMS	PMCHK00000816	\$1,231.20
L EFT000352	LO100	Lozano Smith, LLP	2/17/2022	CBT CLAIMS	PMCHK00000816	\$1,821.00
L EFT000353	LO100	Lozano Smith, LLP	2/17/2022	CBT CLAIMS	PMCHK00000816	\$897.50
L EFT000354	LO100	Lozano Smith, LLP	2/17/2022	CBT CLAIMS	PMCHK00000816	\$4,665.10
L EFT000356	BE100	Best Best and Krieger LLP	3/16/2022	CBT CLAIMS	PMCHK00000817	\$59.00
L EFT000357	BE100	Best Best and Krieger LLP	3/16/2022	CBT CLAIMS	PMCHK00000817	\$397.00
L EFT000358	BE100	Best Best and Krieger LLP	3/16/2022	CBT CLAIMS	PMCHK00000817	\$2,566.00
L EFT000359	BE130	Bertrand, Fox, Elliot, Osman &	3/16/2022	CBT CLAIMS	PMCHK00000817	\$343.00
L EFT000360	BE130	Bertrand, Fox, Elliot, Osman &	3/16/2022	CBT CLAIMS	PMCHK00000817	\$871.00
L EFT000361	JA100	Jackson Lewis P.C.	3/16/2022	CBT CLAIMS	PMCHK00000817	\$11,346.15
L EFT000362	JA100	Jackson Lewis P.C.	3/16/2022	CBT CLAIMS	PMCHK00000817	\$2,464.00
L EFT000363	JA100	Jackson Lewis P.C.	3/16/2022	CBT CLAIMS	PMCHK00000817	\$11,493.43
L EFT000364	JA100	Jackson Lewis P.C.	3/16/2022	CBT CLAIMS	PMCHK00000817	\$293.00
L EFT000365	JA100	Jackson Lewis P.C.	3/16/2022	CBT CLAIMS	PMCHK00000817	\$124.00

\* Voided Checks

Check Number	Vendor ID	Vendor Check Name	Check Date	Checkbook ID	Audit Trail Code	Amount
L EFT000366	JA100	Jackson Lewis P.C.	3/16/2022	CBT CLAIMS	PMCHK00000817	\$5,116.05
L EFT000367	JA100	Jackson Lewis P.C.	3/16/2022	CBT CLAIMS	PMCHK00000817	\$1,085.00
L EFT000368	JA100	Jackson Lewis P.C.	3/16/2022	CBT CLAIMS	PMCHK00000817	\$25,112.00
L EFT000369	JA100	Jackson Lewis P.C.	3/16/2022	CBT CLAIMS	PMCHK00000817	\$6,791.35
L EFT000370	JA100	Jackson Lewis P.C.	3/16/2022	CBT CLAIMS	PMCHK00000817	\$379.49
L EFT000371	LI100	Liebert Cassidy Whitmore	3/16/2022	CBT CLAIMS	PMCHK00000817	\$1,700.00
L EFT000372	LI100	Liebert Cassidy Whitmore	3/16/2022	CBT CLAIMS	PMCHK00000817	\$3,873.40
L EFT000373	LI100	Liebert Cassidy Whitmore	3/16/2022	CBT CLAIMS	PMCHK00000817	\$1,799.00
L EFT000374	LI100	Liebert Cassidy Whitmore	3/16/2022	CBT CLAIMS	PMCHK00000817	\$5,341.67
L EFT000375	LO100	Lozano Smith, LLP	3/16/2022	CBT CLAIMS	PMCHK00000817	\$3,131.00
L EFT000376	LO100	Lozano Smith, LLP	3/16/2022	CBT CLAIMS	PMCHK00000817	\$6,541.00
L EFT000377	LO100	Lozano Smith, LLP	3/16/2022	CBT CLAIMS	PMCHK00000817	\$766.00
L EFT000378	LO100	Lozano Smith, LLP	3/16/2022	CBT CLAIMS	PMCHK00000817	\$153.50
L EFT000379	LO100	Lozano Smith, LLP	3/16/2022	CBT CLAIMS	PMCHK00000817	\$4,973.96

Total Checks:	77			Total Amount of Checks:	\$1,011,074.46
					=====

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(Effective April 11, 2022)

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## BOARD DOCUMENT REVIEW SCHEDULE

<b>I. Governing Documents</b>				
<b>Document Name</b>	<b>Origination</b>	<b>Last Review or Amendment</b>	<b>Next Scheduled Review</b>	<b>Description/Comments</b>
1. Joint Powers Authority Agreement	June 1999	July 2020	As Needed	The joint powers agreement by and between member agencies. Any changes need to be signed by all JPA members.
2. Bylaws	August 2005	April 2019	As Needed	Establishes the rules for governance.
3. Memorandum of Coverage	June 1999	November 2021	June 2022	Provides coverage for pooled risk sharing.
4. Master Program Document	June 1999	June 2021	As Needed	Sets forth the manner in which services shall be delivered to the membership.
5. Financial Stability Plan	February 2012	February 2016	As Needed	Tool to provide long-term financial viability and sustainability.
6. Investment Policy	August 1998	February 2022	February 2023	Applies to activities with regard to investing the Authority's financial assets.



## BOARD DOCUMENT REVIEW SCHEDULE

### II. Resolutions/Policies

Document Name	Origination	Last Review or Amendment	Next Scheduled Review	Description/Comments
1. Resolution 1-1998	January 1998			Authorizing the President to Approve a Demand For Payment
2. Resolution 3-1998	March 1998			Establishing the Office of Assistant Treasurer
3. Resolution 4-1998	April 1998			Establishing an Investment Policy
4. Resolution 1-2001	January 2001			Establishing a Policy for Conference Attendance
5. Resolution 3-2004	March 2004			Canceling Obsolete Resolutions
6. Resolution 4-2005	April 2005			Establishing Guidelines for the Implementation for Risk Assessments of the Underlying ERMA Members
7. Resolution 4-2007	April 2007			Authorizing ERMA to Join with Other Public Agencies as a Participant of the CA Asset Management Trust and to Invest in Shares of the Trust and in Individual Portfolios
8. Resolution 6-2007	February 2006	June 2007		Establishing Implementation Deadlines for the Employee Practices Protection Program
9. Resolution 3-2010	March 2010			Retroactivity of 2010-11 Definition of "Occurrence" in Memorandum of Coverage
10. Resolution 4-2010	April 2010			Establishing a Records Retention Policy
11. Resolution 1-2015	January 2015			Precluding Existing Members Participating Through an ERMA Affiliated JPA from Applying for Individual Membership
12. Resolution 2-2015	February 2015			Appreciation for Services to Judy Hayes (CCHA)
13. Resolution 1-2016	January 2016			Appreciation for Services to Craig Downs (VCJPA)
14. Resolution 2-2016	November 2016			Appreciation to Debra Stutsman (BCJPIA)

## BOARD DOCUMENT REVIEW SCHEDULE

### II. Resolutions/Policies Continued

Document Name	Origination	Last Review or Amendment	Next Scheduled Review	Description/Comments
15. Resolution 3-2016	November 2016			Appreciation to Florice Lewis (OHA))
16. Resolution 8-2016	August 2016			Appreciation for Services to Dan Weakley (BCJPIA)
17. Resolution 2-2017	November 2017			Regarding an Underwriting Policy and Related Processes
18. Resolution 3-2017	March 2017			Electronic Data Security and Disaster Recovery
19. Resolution 4-2017	February 2017			Travel and Expense Policy
20. Resolution 5-2017	May 2017			Establishing Guidelines Regarding Members Self-Insured Retentions
21. Resolution 3-2018	February 2003	March 2018		Establishing Criteria for Approval of Investigators
22. Resolution 4-2018	January 2011	April 2018		Establishing Target Performance Standards and Assistance Program
23. Resolution 5-2018	April 2004			Establishing Approval for Payments to Vendors
24. Resolution 2-2020	March 2014	June 2020		Establishing a Litigation Management Program
25. Resolution 1-2021	May 2016	February 2021		Establishing Criteria for Adding and Removing Defense Counsel to the Panel of Approved Attorney Firms
26. Resolution 2-2021	June 1998	February 2021		Establishing All Bank Accounts and Authorized Signatures
27. Resolution 4-2021	April 2021			Establishing Meeting Dates for the 2021/22 Fiscal Year
28. Resolution 5-2021	May 2005	February 2021		Requiring Members to Provide Proof of Compliance with Training Mandated by State Law
29. Resolution 6-2021	April 2021			Establishing Meeting Dates for the 2021/22 Fiscal Year

## BOARD DOCUMENT REVIEW SCHEDULE

### II. Resolutions/Policies Continued

Document Name	Origination	Last Review or Amendment	Next Scheduled Review	Description/Comments
30. Resolution 7-2021	November 2021			Establishing Criteria for Approval of Investigators
31. Resolution 8-2021	April 2021	February 2022		Establishing Meeting Dates for the 2021/22 Fiscal Year
32. Resolution 1-2022	April 2022			Establishing Meeting Dates for the 2022/23 Fiscal Year
33. Resolution 2-2022	April 2022			Requiring Coverage Appeals Involving Discussion of Facts and Legal Opinions Covered by the Attorney-Client and Work Product Privilege to be Held in Closed Session
34. Resolution 2-2022	April 2022			Requiring Coverage Appeals Involving Discussion of Facts and Legal Opinions Covered by the Attorney-Client and Work Product Privilege to be Held in Closed Session

## BOARD DOCUMENT REVIEW SCHEDULE

### III. Operational Documents

Document Name	Origination	Last Review or Amendment	Next Scheduled Review	Description/Comments
1. Underwriting Guidelines	April 2010	February 2014	TBD	Document sets the “rules” used to underwrite coverage including the methodology by which rates will be set.

## BOARD DOCUMENT REVIEW SCHEDULE

### IV. Contracts and Agreements

Document Name	Origination	Last Review or Amendment	Next Scheduled Review	Description/Comments
1. Bickmore Actuarial	January 2010	January 2020	June 2022	Actuarial services and annual study. <i>Current term: 7/1/2020 – 7/1/2022.</i>
2. Alliant	July 2007	April 2021	April 2024	Broker of record relationship for reinsurance and other insurance placed. <i>Current term: 7/1/2021 – 7/1/2024.</i>
3. Farley Consulting Services	March 2012	July 2017	June 2023	Claims auditing services. <i>Current term: 7/1/2018 – 7/1/2023.</i>
4. In2vate	June 1999	November 2021	November 2024	Online training platform and reporting protection line for members. <i>Current term: 9/1/21 – 9/1/24</i>
5. Jackson Lewis & Liebert Cassidy Whitmore	July 1999	April 2020	April 2023	Training, 24/7 hotline, legal updates and litigation services. <i>Current term: 7/1/2020 – 7/1/2023.</i>
6. Murphy, Campbell, Alliston Quinn	November 2019	November 2019	N/A	Board & Coverage Counsel services <i>Current term: 11/1/19 – terminated by mutual agreement.</i>
7. Sampson, Sampson & Patterson	June 2007	Feb 2022	Feb 2024	Financial audit services. <i>Current term: 7/1/2022 – 6/30/2024.</i>
8. Sedgwick	May 2002	June 2019	Feb 2023	Pool administration, finance, accounting, and litigation management services. <i>Current term: 7/1/2018 – 6/30/2023.</i>

## BOARD DOCUMENT REVIEW SCHEDULE

### V. Audits and Recognition

Document Name	Last Review	Next Review	Description/Comments
1. Actuarial Study	April 2021	April 2022	Independent actuarial audit and study performed annually.
2. Financial Audit	November 2021	November 2022	Independent financial audits performed annually.
3. California Association of Joint Powers Authority Accreditation	August 2020	August 2023	Ensures quality and professional standards for risk management pools.
4. Claims Audit	April 2021	April 2023	Independent claims audits performed biennially.

**FINANCIAL MATTERS**

**SUBJECT: Actuarial Study and Rates for the 2022/23 Program Year**

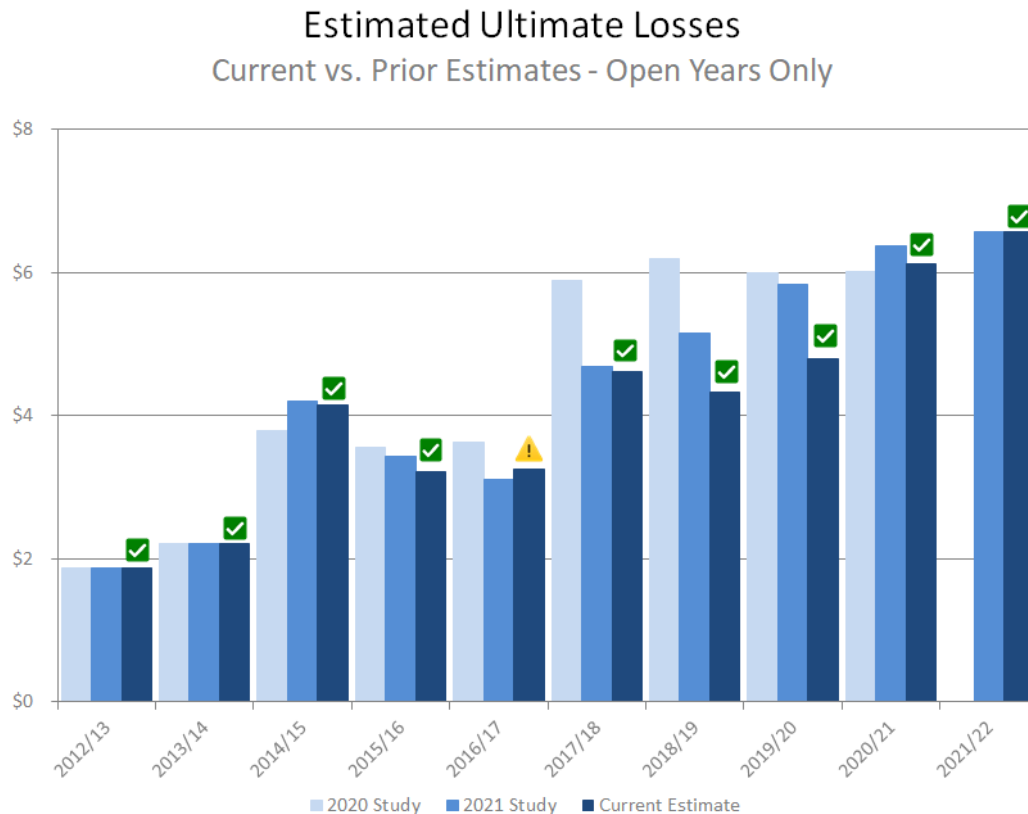
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**BACKGROUND AND STATUS:**

Enclosed is the draft actuarial study conducted by Bickmore Actuarial, dated April 4, 2022. Derek Burkhalter, Bickmore Actuarial, will present the results of their analysis and answer questions from the Board.

The actuarial analysis consists of two main components. Part one is a review of the estimates of the ultimate liabilities of the program as of June 30, 2022. Part two is a loss forecasting analysis to determine the appropriate contribution rates for the 2022/23 program year.

**ULTIMATE LOSS ESTIMATES:** The estimate of ERMA's Ultimate Loss and ALAE for all open program years decreased by \$2.3 million. The following chart shows the change in ultimate loss by program year.



**2022/23 FUNDING RATES:** The 2022/23 program year funding rates are set at the 80% confidence level (CL) and discounted using a 1.5% interest rate assumption. Staff met with ERMA's investment advisor and consulting actuary on March 21<sup>st</sup> to review the current and projected earnings rates and the duration of the program's liabilities to determine whether an adjustment to the discount rate was warranted. The conclusion was to maintain the discount rate at 1.5% based on the forecasted investment earnings.

The pooling rate required to collect at the 80% CL for the upcoming 2022/23 program year at the \$50,000 retention is \$0.602 (per \$100 of payroll), a 1.2% increase over the prior year.

**RECOMMENDATION:**

*Staff recommends the Board of Directors accept and file the actuarial study as presented.*

**REFERENCE MATERIALS ATTACHED:**

- Actuarial Study dated April 4, 2022, prepared by Bickmore Actuarial





# Actuarial Review of the Self-Insured Employment Practices Liability Program

*Outstanding Liabilities as of June 30, 2022*  
*Forecast for Program Year 2022-23*

*Presented to*  
**Employment Risk Management Authority**

April 4, 2022 - DRAFT

## **SCOPE AND SIGNATURE**

Employment Risk Management Authority (“ERMA”) has engaged Bickmore Actuarial to conduct an actuarial review of unpaid loss and loss adjustment expenses for claims that occurred on or before June 30, 2022 for its self-insured employment practices liability program utilizing data valued as of December 31, 2021. ERMA also seeks guidance on the appropriate funding level for claims to be incurred during the upcoming program year.

The specific objectives of the study are:

1. Estimate ERMA’s net liability for outstanding claims as of June 30, 2022. Liabilities net of reinsurance are presented on both an undiscounted basis as well as a discounted basis. The net liabilities are also presented at the expected level (i.e. without a risk margin) and with risk margins, which are quantified via confidence levels. The net liabilities include provisions for loss, allocated loss adjustment expense (ALAE), and unallocated loss adjustment expense (ULAE). ALAE and ULAE are defined in the Glossary section of this report.
2. Project ultimate claims costs for the 2022-23 and program year. Similar to the liability projections, the ultimate program year costs are presented on both undiscounted and discounted bases. Projections with and without risk margins are also included.
3. Provide a statement of compliance with Governmental Accounting Standards Board Statement #10.

We appreciate the opportunity to be of service to ERMA in preparing this report. Please feel free to call Mark Priven at (916) 244-1161 or Derek Burkhalter at (916) 244-1167 with any questions you may have concerning this report.

Mark Priven and Derek Burkhalter meet the Casualty Actuarial Society continuing education requirements and the American Academy of Actuaries’ qualification standards to sign Statements of Actuarial Opinion.

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**DRAFT**

Mark Priven, FCAS, MAAA  
Vice President and Principal

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**DRAFT**

Derek Burkhalter, ACAS, MAAA  
Senior Actuarial Manager

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**DRAFT**

York Lee  
Senior Actuarial Analyst

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## EXECUTIVE SUMMARY

## Net Claim Liabilities

The following table presents our conclusions regarding ERMA's net claim liabilities.

Loss & LAE Claim Liabilities  
As of June 30, 2022, Net of Reinsurance and Member Deductibles

Dollars (\$000s)	Expected <sup>1</sup>	← Confidence Level →				
		70%	75%	80%	85%	90%
Loss & ALAE	\$18,186	\$20,877	\$21,732	\$22,750	\$24,023	\$25,696
Claims Admin. (ULAE)	909	1,044	1,087	1,138	1,201	1,285
<b>Total Loss &amp; LAE</b>	<b>\$19,095</b>	<b>\$21,921</b>	<b>\$22,818</b>	<b>\$23,888</b>	<b>\$25,224</b>	<b>\$26,981</b>
NPV Adjustment <sup>2</sup>	(529)	(607)	(632)	(662)	(699)	(747)
<b>Discounted Loss &amp; LAE</b>	<b>\$18,566</b>	<b>\$21,314</b>	<b>\$22,186</b>	<b>\$23,226</b>	<b>\$24,526</b>	<b>\$26,234</b>
Short Term <sup>3</sup>	\$5,871	\$6,740	\$7,016	\$7,345	\$7,756	\$8,296
Long Term <sup>3</sup>	12,695	14,573	15,170	15,881	16,770	17,937

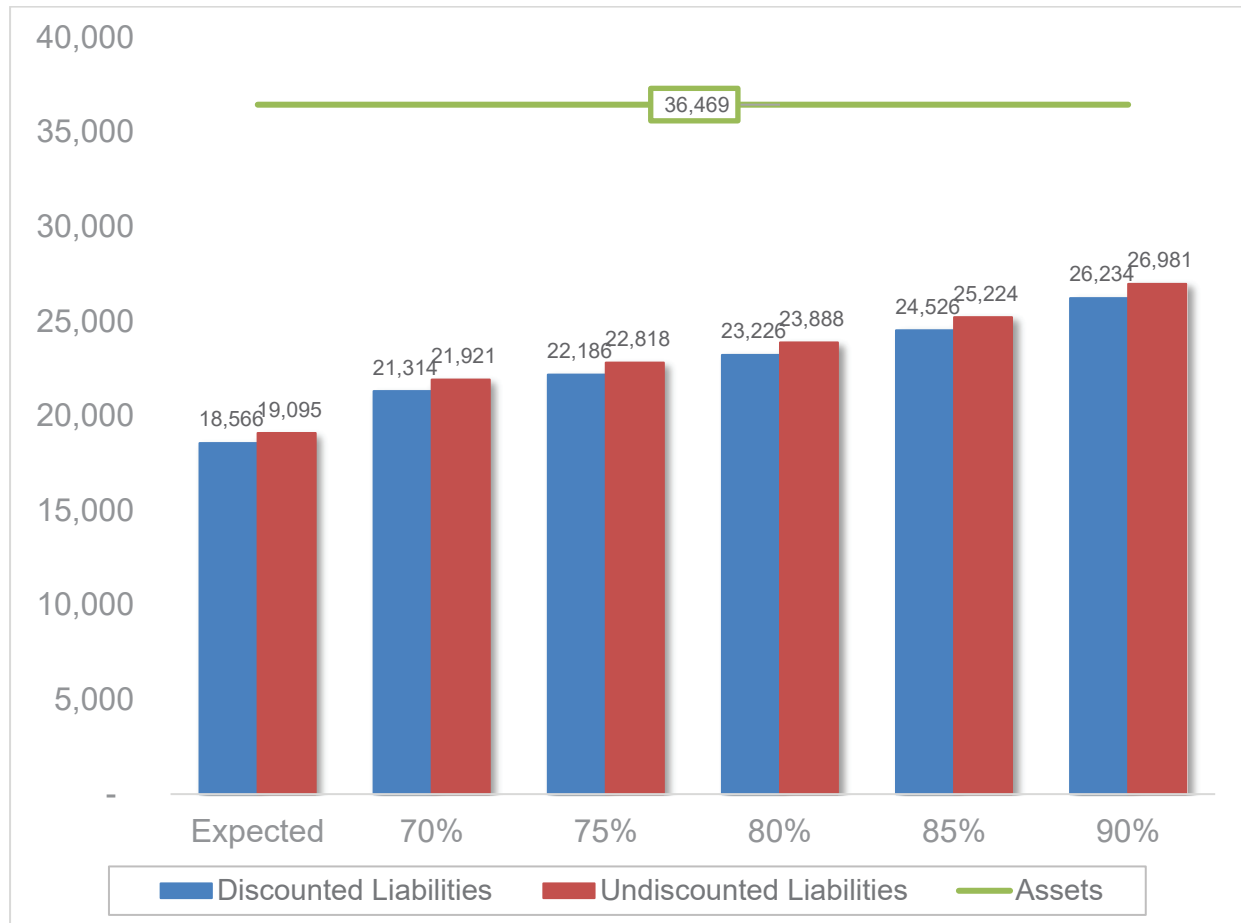
<sup>1</sup> Expected values represent the "best actuarial" or "central" estimate.

<sup>2</sup> Net present value is based on an annual discount rate of 1.5%.

<sup>3</sup> Short term liabilities are projected to be paid within 12 months of the accounting date. Long term liabilities are projected to be paid after 12 months.

The following graph displays the comparison of the program's net claim liabilities and assets as of June 30, 2022 as shown on the prior page.

Loss & LAE Claim Liabilities and Assets  
 As of June 30, 2022, Net of Reinsurance and Member Deductibles  
 (\$'000s)



We generally recommend that entities maintain funding at the 75% - 85% confidence level. However, we understand that each entity is unique, and that proper funding levels can vary based on issues such as the organization's risk tolerance, financial circumstances, and priorities.

### Statement of Compliance with GASB #10

The outstanding liabilities presented in this section that include claims administration costs comply with the requirements promulgated by GASB #10.

## Funding Projections

The following table presents our estimates of ultimate costs for the upcoming program year.

Projected Ultimate Costs  
Fiscal Year 2022-23

Dollars (\$000s) <sup>2</sup>	← Confidence Level →					
	Expected <sup>1</sup>	70%	75%	80%	85%	90%
Loss & ALAE	\$6,918	\$8,710	\$9,284	\$9,962	\$10,813	\$11,947
<u>Claims Admin. (ULAE)<sup>3</sup></u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Loss &amp; LAE</b>	<b>\$6,918</b>	<b>\$8,710</b>	<b>\$9,284</b>	<b>\$9,962</b>	<b>\$10,813</b>	<b>\$11,947</b>
NPV Adjustment <sup>4</sup>	(307)	(387)	(412)	(443)	(480)	(531)
<b>Discounted Loss &amp; LAE</b>	<b>\$6,611</b>	<b>\$8,323</b>	<b>\$8,872</b>	<b>\$9,519</b>	<b>\$10,333</b>	<b>\$11,417</b>
<hr/>						
<u>Total Funding Rate<sup>5</sup></u>						
Before JPA Credit	\$0.418	\$0.526	\$0.561	\$0.602	\$0.653	\$0.722
After JPA Credit	0.383	0.482	0.514	0.552	0.599	0.662

<sup>1</sup> Expected values represent the “best actuarial” or “central” estimate.

<sup>2</sup> Dollar amounts reflect layer of loss between anticipated member deductibles and ERMA retention (\$1,000,000).

<sup>3</sup> Not included.

<sup>4</sup> Net present value is based on an annual discount rate of 1.5%.

<sup>5</sup> Rate is per \$100 of payroll. Rates reflect layer of loss between baseline member deductible (\$50,000) and ERMA retention (\$1,000,000).

## BACKGROUND

ERMA began its self-insured employment practices liability program on July 1, 1999. Its current self-insured retention is \$1,000,000, net of a baseline \$50,000 deductible from its members. Alternative member deductible amounts include \$25,000, \$75,000, \$100,000, \$250,000 and \$500,000.

The following table shows a history of ERMA's employment practices liability program.

<b>Coverage Period</b>	<b>Layer Between Retention and \$1,000,000</b>	<b>Coverage Excess of \$1,000,000</b>
7/1/99-6/30/02	Quota Share: 75% ERMA 25% Commercial Coverage	Commercial Coverage \$9,000,000 Excess of \$1,000,000
7/1/02-6/30/04	No Quota Share: 100% ERMA	Commercial Coverage \$4,000,000 Excess of \$1,000,000
7/1/04-6/30/10	No Quota Share: 100% ERMA	No Commercial Coverage
7/1/10-6/30/18	No Quota Share: 100% ERMA	Optional Commercial Coverage \$1,000,000 Excess of \$1,000,000
7/1/18-Current	No Quota Share: 100% ERMA	Optional Commercial Coverage \$2,000,000 Excess of \$1,000,000

With regard to the contribution rates, ERMA offers a credit for members that participate through JPAs. The credit is equal to 0.10 times the percentage of the JPA that participates in ERMA. For example, if 50% of a JPA (as measured by payroll) participates in ERMA, then each member of that JPA would receive a 5% ERMA rate credit ( $5\% = 0.10 \times 50\%$ ). This credit applies to the overall rate that includes loss, loss adjustment expense, safety, administration, and other costs.

Additional background on the program is given in Appendix K.

## OBSERVATIONS AND ANALYSIS

In this section, we present a comparison to the prior analysis as well as an overview of claims trends that we have observed. The prior report for ERMA was dated April 8, 2021 and relied on data evaluated as of December 31, 2020. The current analysis relies on data evaluated as of December 31, 2021.

## Comparison of Actual versus Expected Activity

The following tables describe how paid and reported losses have emerged between the two points in time referenced above. We also compare how our projected ultimate loss & ALAE amounts have changed between these two points in time.

Actual Versus Expected Incurred Loss & ALAE<sup>1</sup>  
Prior vs. Current Reports  
(\$000s)

Fiscal Year	Expected Emergence	Actual Emergence	Actual Minus Expected Emergence
Prior	\$0	\$0	\$0
2001-02	0	0	0
2002-03	0	0	0
2003-04	0	0	0
2004-05	0	0	0
2005-06	0	0	0
2006-07	0	0	0
2007-08	0	0	0
2008-09	0	0	0
2009-10	0	0	0
2010-11	0	0	0
2011-12	0	0	0
2012-13	0	0	0
2013-14	0	0	0
2014-15	58	(2)	(60)
2015-16	112	5	(107)
2016-17	170	327	157
2017-18	314	294	(19)
2018-19	1,959	1,018	(941)
2019-20	1,930	589	(1,341)
2020-21	566	263	(303)
<b>Total</b>	<b>\$5,109</b>	<b>\$2,494</b>	<b>(\$2,615)</b>

<sup>1</sup> Loss & ALAE are limited to ERMA's self-insured retention and net of member deductibles.



Actual Versus Expected Paid Loss & ALAE<sup>1</sup>  
Prior vs. Current Reports  
(\$000s)

Fiscal Year	Expected Payments	Actual Payments	Actual Minus Expected Payments
Prior	\$0	\$0	\$0
2001-02	0	0	0
2002-03	0	0	0
2003-04	0	0	0
2004-05	0	0	0
2005-06	0	0	0
2006-07	0	0	0
2007-08	0	0	0
2008-09	0	0	0
2009-10	0	0	0
2010-11	0	0	0
2011-12	0	0	0
2012-13	0	0	0
2013-14	0	0	0
2014-15	90	0	(89)
2015-16	216	127	(90)
2016-17	522	188	(335)
2017-18	828	287	(541)
2018-19	1,992	717	(1,275)
2019-20	907	979	72
2020-21	70	168	98
<b>Total</b>	<b>\$4,625</b>	<b>\$2,465</b>	<b>(\$2,160)</b>

<sup>1</sup> Loss & ALAE are limited to ERMA's self-insured retention and net of member deductibles.

Change in Projected Ultimate Loss & ALAE<sup>1</sup>  
 Prior vs. Current Reports  
 (\$000s)

Fiscal Year	Prior Ultimate	Current Ultimate	Change in Ultimate
Prior	\$4,597	\$4,597	\$0
2001-02	751	751	0
2002-03	2,993	2,993	0
2003-04	1,973	1,973	0
2004-05	6,417	6,417	0
2005-06	3,616	3,616	0
2006-07	5,811	5,811	0
2007-08	3,528	3,528	0
2008-09	1,212	1,212	0
2009-10	3,282	3,282	0
2010-11	1,826	1,826	0
2011-12	1,917	1,917	0
2012-13	1,878	1,878	0
2013-14	2,211	2,211	0
2014-15	4,207	4,149	(58)
2015-16	3,424	3,217	(207)
2016-17	3,108	3,245	137
2017-18	4,682	4,620	(62)
2018-19	5,159	4,334	(825)
2019-20	5,834	4,788	(1,046)
2020-21	6,364	6,111	(253)
<b>Total</b>	<b>\$74,788</b>	<b>\$72,475</b>	<b>(\$2,313)</b>

<sup>1</sup> Projected ultimate loss & ALAE are limited to ERMA's self-insured retention and net of member deductibles, at expected (no risk margin), and not discounted to reflect net present value.

**Comparison of Liabilities: Prior vs. Current Reports**

The table below compares our prior report's estimated liability for outstanding claims by component as of June 30, 2021 to our current report's estimated liability for outstanding claims as of June 30, 2022.

Change in Claims Liabilities At Expected (without Risk Margin), Net of Reinsurance and Member Deductibles				
Dollars (\$000s)	Prior Report at 6/30/2021	Current Report at 6/30/2022	Dollar Change	Percent Change
Case Reserves <sup>1</sup>	\$3,990	\$3,948	(\$42)	-1.1%
IBNR <sup>2</sup>	12,881	14,238	1,357	10.5%
Claims Administration	844	909	66	7.8%
<b>Total (Undiscounted)</b>	<b>\$17,715</b>	<b>\$19,095</b>	<b>\$1,380</b>	<b>7.8%</b>
NPV Adjustment <sup>3</sup>	(501)	(529)	(28)	5.6%
<b>Total (Discounted)</b>	<b>\$17,214</b>	<b>\$18,566</b>	<b>\$1,352</b>	<b>7.9%</b>

<sup>1</sup> Established by the claims administrator.

<sup>2</sup> IBNR: Incurred But Not Reported for development beyond the case reserves.

<sup>3</sup> Net present value is based on an annual discount rate of 1.5%.

The table below reconciles our prior report's estimated liability for outstanding claims as of June 30, 2021 to our current report's estimated liability for outstanding claims as of June 30, 2022.

Reconciliation of Claims Liabilities At Expected (without Risk Margin), Net of Reinsurance and Member Deductibles	
	Dollars (\$000s)
<b>(A) Prior 6/30/2021 Discounted Loss &amp; LAE Liabilities</b>	<b>\$17,214</b>
(B) Change in Ultimate Loss & ALAE (AY 2020-21 and Prior)	(2,313)
(C) Current AY 2021-22 Estimated Ultimate Loss & ALAE	6,563
(D) Paid Loss & ALAE in 2021-22	(2,936)
(E) Change in ULAE	66
(F) Change in Net Present Value	(28)
<b>(G) Current 6/30/2022 Discounted Loss &amp; LAE Liabilities</b>	<b>\$18,566</b>

**Comparison of Funding Projections: Prior vs. Current Reports**

The following table compares our funding estimate for the 2021-22 year from our prior report to our funding estimate of the 2022-23 year from our current report.

Change in Funding Estimates  
At Expected (without Risk Margin), Net of Reinsurance

Dollars (\$000s) <sup>2</sup>	Prior Report <sup>1</sup> 2021-22	Current Report <sup>1</sup> 2022-23	Dollar Change	Percent Change
Ultimate Loss and ALAE	\$6,560	\$6,918	\$358	5.5%
<u>Claims Administration (ULAE)<sup>3</sup></u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>n/a</u>
<b>Total Loss &amp; LAE (Undiscounted)</b>	<b>\$6,560</b>	<b>\$6,918</b>	<b>\$358</b>	<b>5.5%</b>
<u>NPV Adjustment<sup>4</sup></u>	<u>(293)</u>	<u>(307)</u>	<u>(15)</u>	<u>5.0%</u>
<b>Total Loss &amp; LAE (Discounted)</b>	<b>\$6,267</b>	<b>\$6,611</b>	<b>\$344</b>	<b>5.5%</b>
Rate Before JPA Credit <sup>5</sup>	\$0.412	\$0.418	\$0.006	1.5%
Rate After JPA Credit <sup>5</sup>	0.380	0.383	0.003	0.8%

<sup>1</sup> The SIR in both the prior and current reports is \$1,000,000.

<sup>2</sup> Dollar amounts reflect layer of loss between anticipated member deductibles and ERMA retention (\$1,000,000).

<sup>3</sup> Not included.

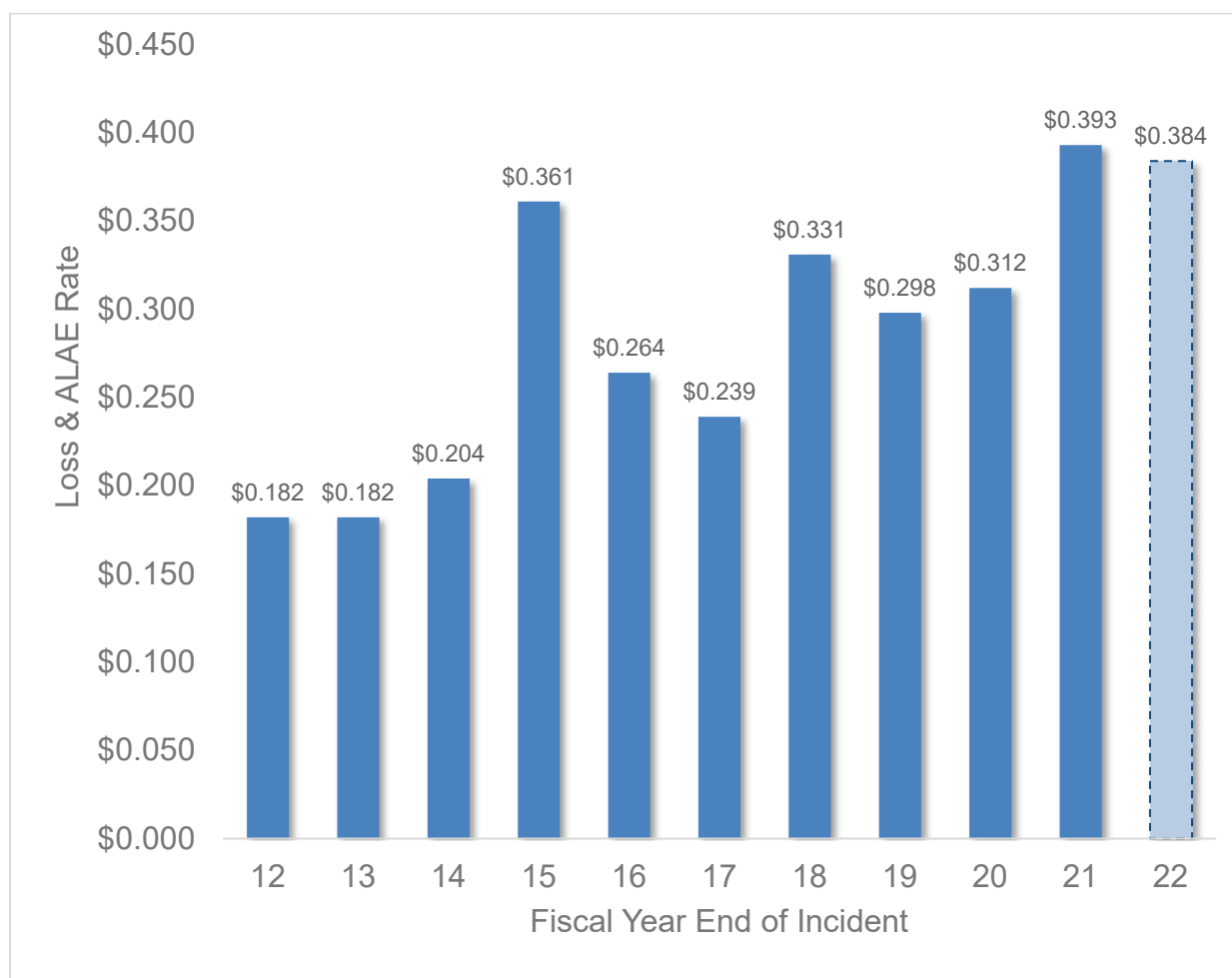
<sup>4</sup> Net present value is based on an annual discount rate of 1.5%.

<sup>5</sup> Rate is per \$100 of payroll. Rates reflect layer of loss between baseline member deductible (\$50,000) and ERMA retention (\$1,000,000).

## Loss Rate Trend

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

Loss & ALAE Rate Trend<sup>1</sup>  
Ultimate Loss & ALAE / Payroll (\$100s)

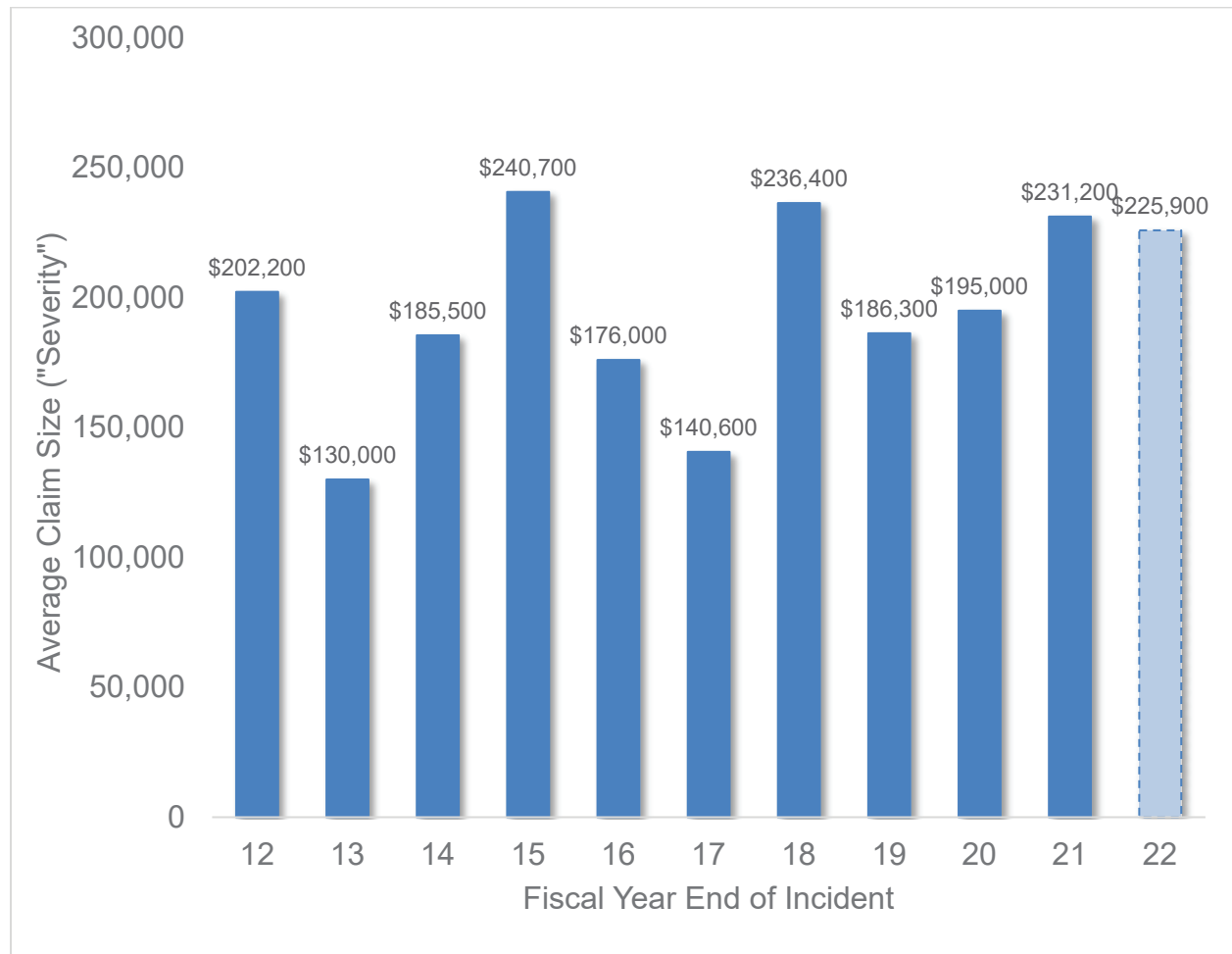


<sup>1</sup> Loss & ALAE are limited to ERMA's self-insured retention and net of member deductibles, at expected (no risk margin) and are not discounted to reflect net present value.

### Average Claim Size (Severity) Trend

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

Average Claim Size Trend<sup>1</sup>  
 Ultimate Loss & ALAE / Ultimate Reported Claims

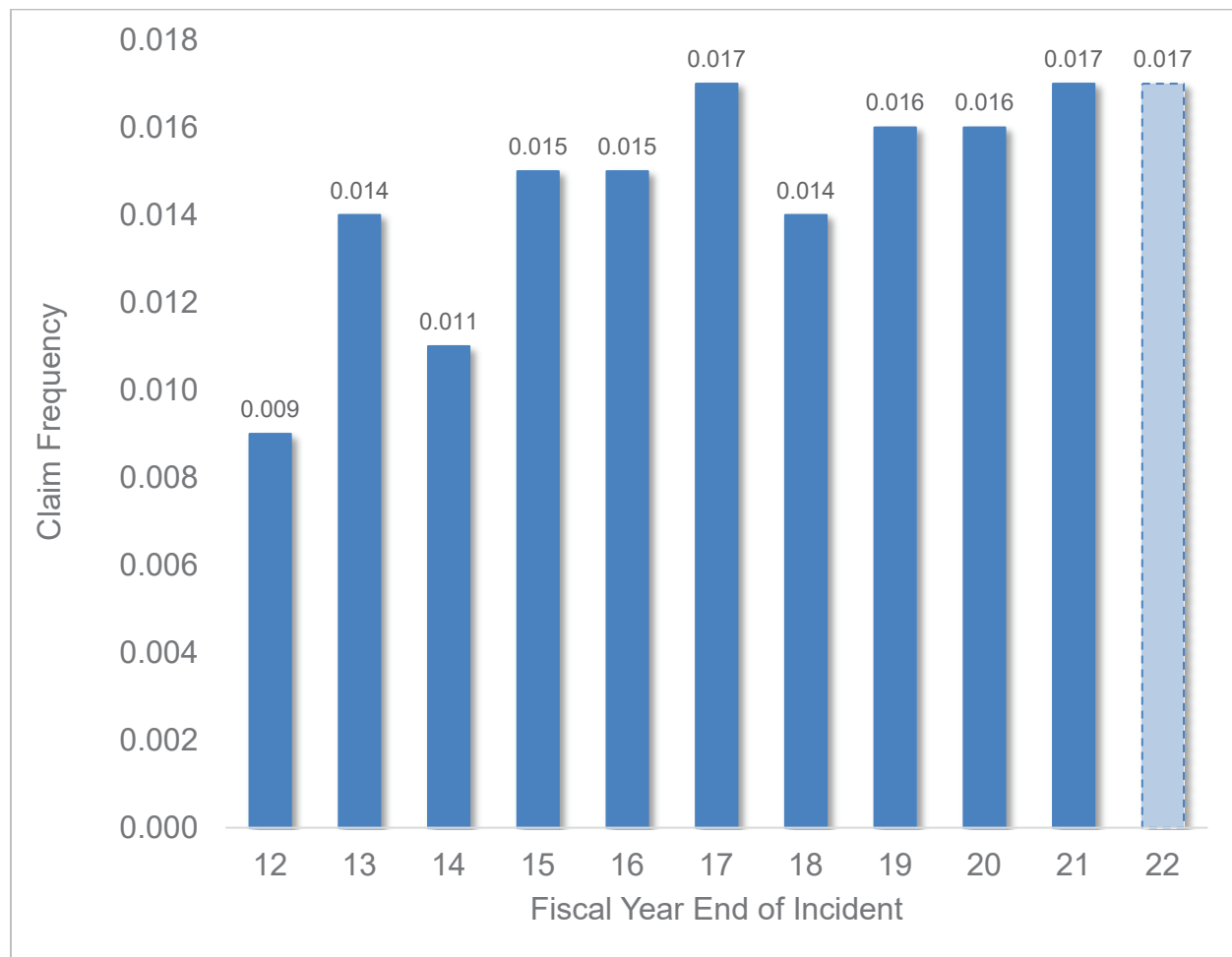


<sup>1</sup> Loss & ALAE are limited to ERMA's self-insured retention and net of member deductibles, at expected (no risk margin) and are not discounted to reflect net present value.

### Claim Frequency Trend

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

Claim Frequency Trend<sup>1</sup>  
Ultimate Reported Claims / Payroll (\$ Millions)



<sup>1</sup> Number of claims in ERMA layer.

### Loss and LAE Liabilities by Category

The following table shows the categories that compose our ultimate loss & LAE liability estimates.

Loss & ALAE Liabilities by Category and Year<sup>1</sup>  
As of June 30, 2022, Net of Reinsurance and Member Deductibles  
(\$000s)

Fiscal Year	Case Reserves	Incurred but Not Reported (IBNR)	Total Liabilities
Prior	\$0	\$0	\$0
2001-02	0	0	0
2002-03	0	0	0
2003-04	0	0	0
2004-05	0	0	0
2005-06	0	0	0
2006-07	0	0	0
2007-08	0	0	0
2008-09	0	0	0
2009-10	0	0	0
2010-11	0	0	0
2011-12	0	0	0
2012-13	0	0	0
2013-14	0	0	0
2014-15	27	41	68
2015-16	0	0	0
2016-17	574	161	734
2017-18	430	389	819
2018-19	1,058	823	1,882
2019-20	639	2,065	2,704
2020-21	901	4,555	5,456
2021-22	<u>320</u>	<u>6,204</u>	<u>6,523</u>
Total Loss & ALAE	\$3,948	\$14,238	\$18,186
<u>ULAE</u>	<u>n/a</u>	<u>909</u>	<u>909</u>
<b>Total Loss &amp; LAE</b>	<b>\$3,948</b>	<b>\$15,147</b>	<b>\$19,095</b>

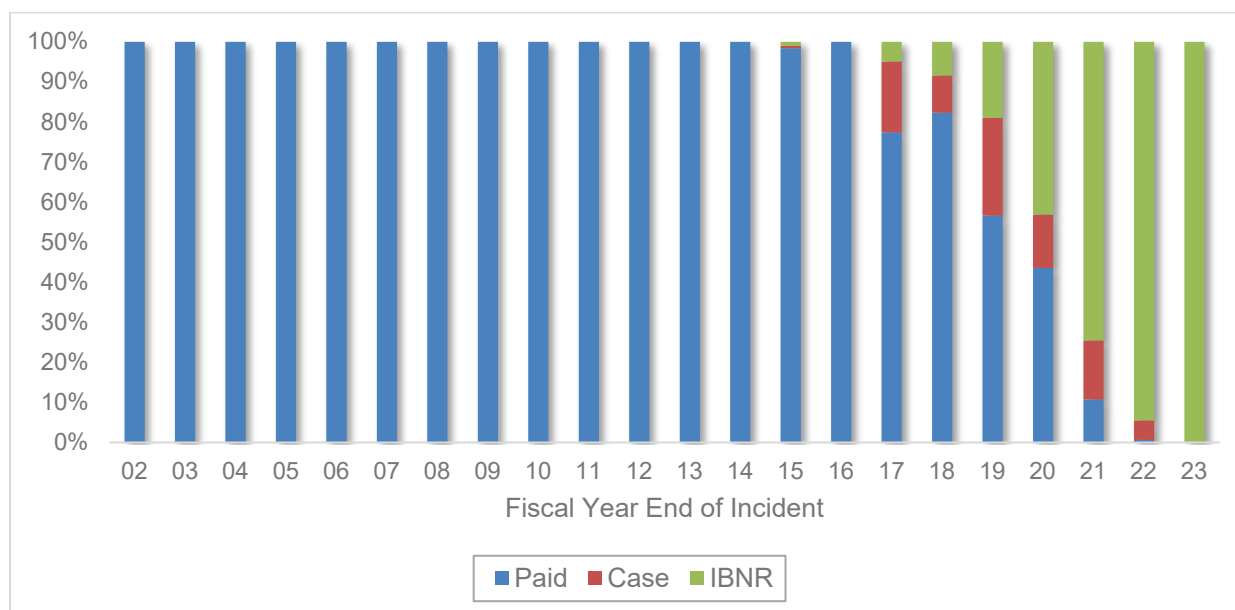
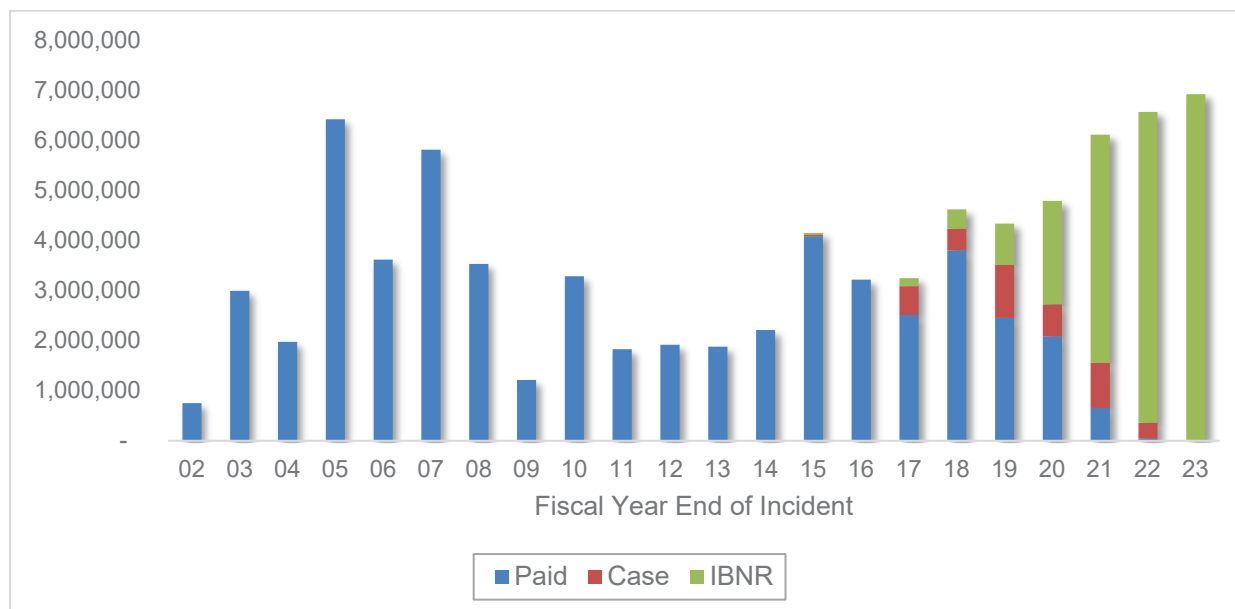
<sup>1</sup> Loss & ALAE liabilities are limited to ERMA's self-insured retention and net of member deductibles, at expected (no risk margin), and not discounted to reflect net present value.



## Losses by Component

The following graphs illustrate our selected ultimate loss and ALAE amount for each accident year, and segregates each ultimate into its component parts of (1) amounts already paid, (2) amounts already reserved for individual claims, and (3) IBNR reserves to cover both unreported claims as well as any adverse development on known claims.

Ultimate Loss & ALAE by Component  
Net of Reinsurance and Member Deductibles  
As of June 30, 2022<sup>1</sup>



<sup>1</sup> Projected 2022-23 year is informational and displayed for comparison purposes.

## METHODOLOGY

The methodology that we have used to estimate ultimate Loss & LAE liabilities is in accordance with standard actuarial principles. The 6-step process described below outlines the methods used to calculate the liabilities.

1. Estimate Ultimate Loss & ALAE: The ultimate value of losses associated with a given policy year is usually not known until many years after the policy year has expired. One estimate of future payments for a given policy year is the case reserve. However, to accurately project future payments for a given policy year, we also calculate indicated IBNR reserves that consider the following three factors:

- The amount that case reserves are redundant or deficient.
- Losses that occurred during the policy period but have not yet been reported. This is called “Pure IBNR”.
- Future payments on claims which are closed but will reopen in the future.

Ultimate loss & ALAE projections are developed for costs limited to the retention. Loss development factors are primarily based on ERMA’s own historical experience supplemented with industry data. The following methods are used to estimate ultimate loss & ALAE:

- Reported Loss Development: Includes paid losses and case reserves.
- Paid Loss Development: Based on payments only.
- Reported Exposure Method: This calculates IBNR based on expected ultimate loss times an IBNR factor. For the first layer of losses, the expected ultimate loss is based on exposure times initial loss rates. These loss rates are based on historical losses in that layer developed to ultimate using loss development factors. The loss rates in the higher layer incorporate increased limits factors based on ERMA’s historical losses and industry data. Where appropriate, historical data is adjusted for both claims and exposure trend, to reflect issues such as inflation, benefit level changes, and legal changes.
- Paid Exposure Method: This calculates unpaid costs based on expected ultimate loss times an unpaid factor. The loss rates are identical to those utilized in the reported exposure method.
- Frequency x Severity: This calculates ultimate costs based on expected ultimate severity and expected ultimate frequency derived from historical experience.

2. Select Ultimate Loss & ALAE: Based on the indicated ultimate loss and ALAE from the various methods described previously, the ultimate losses by year are selected.
3. Calculate Expected Undiscounted Unpaid Loss & ALAE: Unpaid loss & ALAE equals ultimate Loss & ALAE (calculated in step #2, above) minus payments to date.
4. Discounting/Net Present Value: Since payments associated with claims liabilities will be spread out over several years, they are discounted to reflect anticipated investment income on the assets set aside to pay these costs. The expected Loss & ALAE payout pattern is based on the paid loss development factors previously described.
5. Claims Administration: We have assumed that the liability for unpaid unallocated loss adjustment expenses (ULAE) for claims administration will be 5% of the liability for unpaid loss and allocated loss adjustment expenses (ALAE). No provision for ULAE is included with the projected costs for 2022-23.
6. Confidence Levels: The “expected” estimate of unpaid Loss & ALAE is our best estimate given current information. However, there is uncertainty inherent in the claims settlement process. This uncertainty is quantified via confidence levels. For example, we believe that future payments have a 75% chance of being less than the liabilities at the 75% confidence level and have only a 25% chance of exceeding the 75% confidence level estimates. The confidence levels are based on the Heckman Meyers approach.

## CONSIDERATIONS AND KEY ASSUMPTIONS

Several considerations should be taken into account when evaluating property/casualty claim liabilities and funding projections for upcoming years. The following is a list of issues that we have considered in this report, along with some key assumptions that we have made.

### **Data**

Data Quality: Our analysis is based on loss experience, exposure data, and other general and specific information provided to us by or on behalf of ERMA. While we have not independently audited or verified this information, we have reviewed it for reasonability and internal consistency. We have assumed that the data is accurate and complete. Any material inaccuracy or omission could invalidate the conclusions in this report and should be brought to our attention immediately.

Exposure: The exposure base utilized in this study is payroll, which was provided to us by ERMA. For the purposes of our analysis, actual payroll has been adjusted to reflect a retention-weighted equivalent based on the deductible/SIR selected for each member. A list of exposure by year can be found in Appendix L.

Claims: The claims data utilized in this study was provided to us by ERMA.

Other Program Information: Key program information, including historical retentions, claims administration costs, other program costs, and program assets, were provided to us by ERMA. We relied on this information without audit.

### **Key Dates**

Accounting Date: This study presents liabilities as of an accounting date of June 30, 2022.

Valuation Date: The data underlying this study are valued as of December 31, 2021.

Review Date: We have not reflected any actual claims activity subsequent to the valuation date.

### **Accounting Standard**

The accounting standards applicable to this analysis follow the guidance promulgated by the Governmental Accounting Standards Board (GASB).

### **Other Actuarial Considerations**

Discounting to Reflect Net Present Value: Reserves in this report are presented on both undiscounted and discounted bases. At ERMA's instruction, we have assumed that assets held for investment will generate an average annual rate of return of 1.5% over

the time during which the loss liabilities are paid out. It should be noted that actual future investment returns may vary significantly from this assumption, depending upon prevailing investment market conditions.

Uncertainty & Risk Margin: There is uncertainty regarding the ultimate cost of the reserves and funding amounts that are estimated in this report. Our estimates are presented both at the expected level (also known as the actuarial central estimate) and at higher confidence levels. The projections at higher confidence levels reflect uncertainty by including a risk margin for the potential of costs coming in higher than at the expected level.

Trending: We have adjusted historical payroll and claims costs to reflect inflation as well as other changes in the claims environment. The payroll, claim frequency, and claim cost trend factors by year are in Appendices L and E, respectively. We have also projected payroll and claim costs to account for future changes in cost levels.

External Influences: This analysis contemplates a continuation of current social, economic, judicial, and legislative trends. Historical changes have been reflected through the use of trend factors.

Homogeneity: The accuracy of loss estimates may be improved by subdividing loss experience into groups exhibiting similar characteristics. In evaluating ERMA's loss experience, we considered all of the experience together.

Credibility: Credibility is a measure of the predictive value attached to a body of data. The degree to which consideration is given to homogeneity is related to the consideration of credibility. While making more homogeneous groupings may increase the credibility of the data, partitioning into cells too small to be reliable statistically may also decrease it. As discussed above, further subdivision of data (by individual department, for instance) would reduce the statistical credibility too greatly. This aggregation of data assumes that there has been a relatively stable distribution of exposures among various risk characteristics during the years included in this analysis.

Loss Development: The rate at which costs develop to their ultimate level was included in the calculation of loss development factors. The loss development factors are described in the Methodology section of this report.

Claim Emergence Patterns: The delay between the occurrence of claims and the recording of claims was considered in the estimation of loss development factors.

Claim Settlement Patterns: The rate at which claims are closed and the impact upon incurred losses are considered in the calculation of loss development factors.

Reopened Claim Potential: The effect of reopened claims is included in the calculation of loss development factors.

Claim Frequency and Average Claim Size: The average and potential claim frequency and average claim size have been measured and considered in the liability estimates.

Large Losses & Catastrophes: The impact of large losses and catastrophes have the potential to distort the results of actuarial analyses. We have mitigated this risk by separating loss development and loss rates into the lower layer (limited to \$100,000 per occurrence) and the excess layer. In addition, our net liability and funding estimates limit loss & ALAE to the appropriate SIR. Lastly, we have utilized industry size of loss curves and increased limits factors where we feel that ERMA's experience is not fully credible.

Loss Limitations: Our projections of claim costs are limited to ERMA's SIR. We have assumed that all relevant reinsurance purchased by ERMA for costs above the SIR is collectible. The retentions used in the study are displayed by year in the Background section of this report.

Recoveries: The data underlying this report are net of salvage, subrogation and other recoveries.

Portfolio Transfers, Commutations, and Structured Settlements: No historical loss portfolio transfers or commutations have been reflected in this analysis. To the extent there are structured settlements, they have been reflected in the claims data utilized in this analysis.

Operational Changes: This analysis has not made special adjustment for any specific operational changes at ERMA.

Reasonableness: We have established the reasonability of our results by utilizing standard actuarial techniques and reasonable assumptions.

Claims Administration Costs (Unallocated Loss Adjustment Expense or ULAE): ULAE costs have been

- included in our estimate of outstanding liabilities, and
- excluded from our estimate of funding amounts for future program years.

Other Program Costs: Our estimate of the funding amounts for future program years:

- excludes contributions for excess insurance to cover claims or portions of claims that fall outside the program, and
- excludes costs for loss control, overhead, and other expenses associated with the program.

## CONDITIONS AND LIMITATIONS

It is important to recognize that the projections in this report are estimates at one point in time and are subject to future changes. Since the emergence and settlement of claims are subject to uncertainty, actual developments likely will vary, perhaps significantly, from the amounts carried in this report. No warranty is expressed or implied that such variance will not occur. The accuracy of the conclusions in this report depends on many factors, including the following:

Loss Activity since the Evaluation Date: The losses in this study were valued as of December 31, 2021. It is possible that there has been significant loss activity that has occurred since that date which would change the findings of this report.

Data Accuracy: This report relies on unaudited loss and exposure information provided by ERMA. The accuracy of our projections relies on the accuracy of this data.

Loss Development: The appropriateness of ERMA's historical and industry loss development patterns in projecting future loss development.

Trend Changes: The appropriateness of the trend indices used to adjust historical losses.

Discounting/Net Present Value: Our estimates that are discounted to reflect net present value assume a certain investment return on assets. This adjustment to reflect net present value is inaccurate to the extent that actual investment returns deviate from the assumed returns.

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

Future Law Changes: We cannot predict, nor have we attempted to predict, the impact of future law changes and court rulings on claims costs.

New Classes of Claims: Our projections make no provision for the extraordinary future emergence of new classes of loss or types of loss not sufficiently represented in ERMA's historical data, or which are not yet quantifiable.

## **DISTRIBUTION AND USE**

This report was prepared for the sole use of Employment Risk Management Authority and its auditors. This report is neither intended nor necessarily suitable for any other use. It may be forwarded to regulatory authorities as required by law. Any other distribution of this report requires the express written consent of Bickmore Actuarial. If such consent is granted, the report should be forwarded in its entirety, including all exhibits and appendices. It should also be understood that Bickmore Actuarial would be available to answer any questions regarding this report and its conclusions.



## 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, utilization review, bill review, etc.)

**Case Reserve** – The amount left to be paid on an open 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 net present value.

**Expected Losses** – The best estimate of the full, ultimate value of losses.

**Exposure Base** – An objective and easily measurable quantity that is correlated with loss. Commonly used exposure bases include payroll, population, revenue, number of employees (FTE), average daily attendance (ADA), number of vehicles and total insured value (TIV).

**Incurred but not Reported (IBNR) Losses** – This is the ultimate value of losses less any amount that has been paid to date or set up as a case reserve by the claims adjuster. It includes amounts for claims incurred but not yet received by the administrator as well as loss development on already reported claims.

**Loss Adjustment Expense** – The sum of Allocated Loss Adjustment Expense (ALAE) and Unallocated Loss Adjustment Expense (ULAE).

**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 the Methodology section.

**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 administration expenses, taxes, etc.)

## EXHIBITS AND APPENDICES

## ERMA

*Employment Practices Liability***Liabilities @ June 30, 2022**

	Includes Quota Share Losses		Excludes Quota Share Losses	
	Undiscounted	NPV @1.50%	Undiscounted	NPV @1.50%
<b>Expected Liabilities</b>				
(1) Case Reserves	3,948,000		3,948,000	
(2) Actuarial Reserve	14,238,000		14,238,000	
(3) Claims Handling Expense	909,000		909,000	
(4) Subtotal	19,095,000	18,566,000	19,095,000	18,566,000
<b>(5) Confidence Levels</b>				
Expected	19,095,000	18,566,000	19,095,000	18,566,000
60%	20,412,000	19,847,000	20,412,000	19,847,000
70%	21,921,000	21,314,000	21,921,000	21,314,000
75%	22,818,000	22,186,000	22,818,000	22,186,000
80%	23,888,000	23,226,000	23,888,000	23,226,000
85%	25,224,000	24,526,000	25,224,000	24,526,000
90%	26,981,000	26,234,000	26,981,000	26,234,000

**Funding Rates for Fiscal Year 2022-2023**

	Layer: \$50,000 to \$250,000		Layer: \$50,000 to \$350,000		Layer: \$50,000 to \$500,000	
	Undiscounted	NPV @1.50%	Undiscounted	NPV @1.50%	Undiscounted	NPV @1.50%
<b>Expected Rates</b>						
(6) Ultimate Loss & ALAE	0.201	0.192	0.257	0.246	0.321	0.307
(7) Expected JPA Participation Credit	0.017	0.017	0.022	0.022	0.028	0.028
(8) ULAE	-	-	-	-	-	-
(9) Subtotal	0.218	0.209	0.279	0.268	0.349	0.335
<b>(10) Confidence Levels</b>						
Expected	0.218	0.209	0.279	0.268	0.349	0.335
60%	0.244	0.234	0.312	0.300	0.390	0.375
70%	0.274	0.263	0.351	0.337	0.439	0.422
75%	0.293	0.280	0.374	0.360	0.468	0.450
80%	0.314	0.301	0.402	0.386	0.503	0.482
85%	0.341	0.327	0.436	0.419	0.545	0.524
90%	0.376	0.361	0.482	0.463	0.603	0.579

	Layer: \$50,000 to \$750,000		Layer: \$50,000 to \$1,000,000		Layer: \$50,000 to \$1,250,000	
	Undiscounted	NPV @1.50%	Undiscounted	NPV @1.50%	Undiscounted	NPV @1.50%
<b>Expected Rates</b>						
(6) Ultimate Loss & ALAE	0.373	0.356	0.401	0.383	0.429	0.410
(7) Expected JPA Participation Credit	0.032	0.032	0.035	0.035	0.037	0.037
(8) ULAE	-	-	-	-	-	-
(9) Subtotal	0.405	0.388	0.436	0.418	0.466	0.447
<b>(10) Confidence Levels</b>						
Expected	0.405	0.388	0.436	0.418	0.466	0.447
60%	0.453	0.434	0.487	0.467	0.521	0.500
70%	0.510	0.488	0.549	0.526	0.587	0.563
75%	0.544	0.521	0.585	0.561	0.625	0.600
80%	0.583	0.559	0.628	0.602	0.671	0.644
85%	0.633	0.606	0.681	0.653	0.728	0.699
90%	0.699	0.670	0.753	0.722	0.805	0.772

	Layer: \$50,000 to \$1,500,000		Layer: \$50,000 to \$1,750,000		Layer: \$50,000 to \$2,000,000	
	Undiscounted	NPV @1.50%	Undiscounted	NPV @1.50%	Undiscounted	NPV @1.50%
<b>Expected Rates</b>						
(6) Ultimate Loss & ALAE	0.449	0.429	0.463	0.442	0.473	0.452
(7) Expected JPA Participation Credit	0.039	0.039	0.040	0.040	0.041	0.041
(8) ULAE	-	-	-	-	-	-
(9) Subtotal	0.488	0.468	0.503	0.482	0.514	0.493
<b>(10) Confidence Levels</b>						
Expected	0.488	0.468	0.503	0.482	0.514	0.493
60%	0.546	0.523	0.562	0.539	0.575	0.551
70%	0.614	0.589	0.633	0.607	0.647	0.621
75%	0.655	0.628	0.675	0.647	0.690	0.662
80%	0.703	0.674	0.724	0.694	0.740	0.710
85%	0.763	0.731	0.786	0.753	0.803	0.771
90%	0.843	0.808	0.869	0.832	0.888	0.851

## ERMA - Employment Practices Liability

Funding Guidelines for Outstanding Liabilities at  
December 31, 2021

(A) Estimated Ultimate Losses Incurred through 12/31/21: (From Appendix F)	\$75,756,000
(B) Estimated Paid Losses through 12/31/21: (From Appendix F)	58,069,000
(C) Estimated Liability for Claims Outstanding at 12/31/21: (From Appendix F)	<u>\$17,687,000</u>
(D) Estimated Liability for Outstanding Claims Administration Fees at 12/31/21: (Based on 5.0% of (C))	884,000
(E) Total Outstanding Liability for Claims at 12/31/21: ((C) + (D))	<u>\$18,571,000</u>
(F) Reserve Discount Factor (Based on a Discount Rate of 1.50%): (Appendix H, Page 1, (G))	0.971
(G) Discounted Outstanding Liability for Claims at 12/31/21: ((E) x (F))	<u>\$18,038,000</u>

	Marginally Acceptable		Recommended		Conservative
Confidence Level of Adequacy:	70%	75%	80%	85%	90%
(H) Confidence Level Factor: (From Appendix I)	1.148	1.195	1.251	1.321	1.413
(I) Margin for Adverse Experience: ((G) x [(H) - 1])	2,670,000	3,517,000	4,527,000	5,790,000	7,450,000
(J) Total Required Assets at 12/31/21: ((G) + (I))	<u>\$20,707,000</u>	<u>\$21,555,000</u>	<u>\$22,565,000</u>	<u>\$23,828,000</u>	<u>\$25,487,000</u>

## ERMA - Employment Practices Liability

Funding Guidelines for Outstanding Liabilities at  
June 30, 2022

(A) Estimated Ultimate Losses Incurred through 6/30/22: (From Appendix F)	\$79,037,000
(B) Estimated Paid Losses through 6/30/22: (From Appendix F)	60,852,000
(C) Estimated Liability for Claims Outstanding at 6/30/22: (From Appendix F)	<u>\$18,186,000</u>
(D) Estimated Liability for Outstanding Claims Administration Fees at 6/30/22: (Based on 5.0% of (C))	909,000
(E) Total Outstanding Liability for Claims at 6/30/22: ((C) + (D))	<u>\$19,095,000</u>
(F) Reserve Discount Factor (Based on a Discount Rate of 1.50%): (Appendix H, Page 1, (H))	0.972
(G) Discounted Outstanding Liability for Claims at 6/30/22: ((E) x (F))	<u>\$18,566,000</u>

	Marginally Acceptable		Recommended		Conservative
Confidence Level of Adequacy:	70%	75%	80%	85%	90%
(H) Confidence Level Factor: (From Appendix I)	1.148	1.195	1.251	1.321	1.413
(I) Margin for Adverse Experience: ((G) x [(H) - 1])	2,748,000	3,620,000	4,660,000	5,960,000	7,668,000
(J) Total Required Assets at 6/30/22: ((G) + (I))	<u>\$21,314,000</u>	<u>\$22,186,000</u>	<u>\$23,226,000</u>	<u>\$24,526,000</u>	<u>\$26,234,000</u>
(K) Estimated Total Assets at 6/30/22: (Provided by the Authority)	36,469,000	36,469,000	36,469,000	36,469,000	36,469,000
(L) Indicated Funding Redundancy/ (Deficiency): ((K) - (J))	<u>\$15,155,000</u>	<u>\$14,283,000</u>	<u>\$13,243,000</u>	<u>\$11,943,000</u>	<u>\$10,235,000</u>

## ERMA - Employment Practices 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 Appendix F)	\$6,563,000	\$0.384			
(B) Estimated Claims Administration Fees Incurred in Accident Year 2021-2022: (From Exhibit 5, Page 1, (L))	0	0.000			
(C) Total Claims Costs Incurred in Accident Year 2021-2022: ((A) + (B))	\$6,563,000	\$0.384			
(D) Loss Discount Factor (Based on a Discount Rate of 1.50%.): (Appendix H, Page 2, (G))	0.956				
(E) Discounted Total Claims Costs Incurred in Accident Year 2021-2022: ((C) x (D))	\$6,271,000	\$0.367			
	Marginally Acceptable	Recommended	Conservative		
	70%	75%	80%	85%	90%
(F) Confidence Level Factor: (From Appendix I)	1.259	1.342	1.440	1.563	1.727
(G) Margin for Adverse Experience: ((E) x [(F) - 1])	1,624,000	2,145,000	2,759,000	3,531,000	4,559,000
(H) Recommended Funding in 2021-2022 for Claims Costs and Other Expenses: ((E) + (G))	\$7,895,000	\$8,416,000	\$9,030,000	\$9,802,000	\$10,830,000
(I) Rate per \$100 of Payroll: ((H) / \$17,080,915)	\$0.462	\$0.493	\$0.529	\$0.574	\$0.634

Payroll rates are per hundred dollars of 2021-2022 payroll of \$1,708,091,500.

## ERMA - Employment Practices Liability

## Funding Options for Program Year 2022-2023 (SIR = \$1,000,000)

	Dollar Amount	Payroll Rate			
(A) Estimated Ultimate Losses Incurred in Accident Year 2022-2023: (From Appendix F)	\$6,918,000	\$0.401			
(B) Estimated Claims Administration Fees Incurred in Accident Year 2022-2023: (From Exhibit 5, Page 1, (L))	0	0.000			
(C) Total Claims Costs Incurred in Accident Year 2022-2023: ((A) + (B))	\$6,918,000	\$0.401			
(D) Loss Discount Factor (Based on a Discount Rate of 1.50%.): (Appendix H, Page 2, (G))	0.956				
(E) Discounted Total Claims Costs Incurred in Accident Year 2022-2023: ((C) x (D))	\$6,611,000	\$0.383			
	Marginally Acceptable	Recommended		Conservative	
	70%	75%	80%	85%	90%
(F) Confidence Level Factor: (From Appendix I)	1.259	1.342	1.440	1.563	1.727
(G) Margin for Adverse Experience: ((E) x [(F) - 1])	1,712,000	2,261,000	2,909,000	3,722,000	4,806,000
(H) Recommended Funding in 2022-2023 for Claims Costs and Other Expenses: ((E) + (G))	\$8,323,000	\$8,872,000	\$9,519,000	\$10,333,000	\$11,417,000
(I) Rate per \$100 of Payroll: ((H) / \$17,252,000)	\$0.482	\$0.514	\$0.552	\$0.599	\$0.662

Payroll rates are per hundred dollars of 2022-2023 payroll of \$1,725,200,000.



## ERMA - Employment Practices Liability

## IBNR as of 6/30/22 at Expected Claims Level

Accident Year	Estimated Ultimate (A)	Reported as of 12/31/21 (B)	Estimated IBNR as of 12/31/21 (C)	Estimated Percent of IBNR Reported Between 1/1/22 and 6/30/22 (D)	Estimated IBNR Reported (E)	Estimated IBNR as of 6/30/22 (F)
Prior	\$4,597,000	\$4,597,000	\$0	100.0%	\$0	\$0
2001-2002	751,000	751,000	0	100.0%	0	0
2002-2003	2,993,000	2,993,000	0	100.0%	0	0
2003-2004	1,973,000	1,973,000	0	100.0%	0	0
2004-2005	6,417,000	6,417,000	0	100.0%	0	0
2005-2006	3,616,000	3,616,000	0	100.0%	0	0
2006-2007	5,811,000	5,811,000	0	100.0%	0	0
2007-2008	3,528,000	3,528,000	0	100.0%	0	0
2008-2009	1,212,000	1,212,000	0	100.0%	0	0
2009-2010	3,282,000	3,282,000	0	100.0%	0	0
2010-2011	1,826,000	1,826,000	0	100.0%	0	0
2011-2012	1,917,000	1,917,000	0	100.0%	0	0
2012-2013	1,878,000	1,878,000	0	100.0%	0	0
2013-2014	2,211,000	2,211,000	0	59.9%	0	0
2014-2015	4,149,000	4,088,000	61,000	33.0%	20,000	41,000
2015-2016	3,217,000	3,217,000	0	26.1%	0	0
2016-2017	3,245,000	3,028,000	217,000	26.0%	56,000	161,000
2017-2018	4,620,000	4,128,000	491,000	20.8%	102,000	389,000
2018-2019	4,334,000	3,321,000	1,013,000	18.7%	189,000	823,000
2019-2020	4,788,000	1,645,000	3,143,000	34.3%	1,078,000	2,065,000
2020-2021	6,111,000	403,000	5,708,000	20.2%	1,153,000	4,555,000
2021-2022	6,563,000	60,000	3,221,000	4.6%	299,000	6,204,000
Totals	\$79,037,000	\$61,901,000	\$13,855,000		\$2,899,000	\$14,238,000

## Notes:

- (A) From Exhibit 4, Page 1.
- (B) Provided by the Authority. These losses exclude amounts incurred above the Authority's SIR for each year.
- (C) (A) - (B).
- (D) Percentage of incurred but not reported (IBNR) expected to be reported between 1/1/22 and 6/30/22. The percentage is based on the development pattern selected in Appendix A.
- (E) ((A) - (B)) x (D).
- (F) (A) - (B) - (E).

This exhibit shows the calculation of the amount of incurred but not reported losses we expect as of 6/30/22. This amount is dependent on both the strength of the case reserves and the average frequency and severity of the losses incurred.

### Estimated Ultimate Program Losses

Notes:

- This exhibit summarizes the results of the actuarial methods we have applied to estimate ultimate losses for each year. It is important to apply a number of estimation methods because each one relies on specific assumptions about the claims process that tend to hold generally true, but that may be violated in specific situations. Thus, the more estimation methods that can be applied, the better.

## ERMA - Employment Practices Liability

## Estimated Ultimate Limited Losses Capped at \$1,000,000 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 SIR Losses (F)
Prior	\$4,597,000	\$4,597,000	\$0	\$0	\$4,597,000	\$4,597,000
2001-2002	751,000	751,000	751,000	751,000	751,000	751,000
2002-2003	2,993,000	2,993,000	2,993,000	2,993,000	2,993,000	2,993,000
2003-2004	1,973,000	1,973,000	1,973,000	1,973,000	1,973,000	1,973,000
2004-2005	6,417,000	6,417,000	6,417,000	6,417,000	6,417,000	6,417,000
2005-2006	3,616,000	3,616,000	3,616,000	3,616,000	3,616,000	3,616,000
2006-2007	5,811,000	5,811,000	5,811,000	5,811,000	5,811,000	5,811,000
2007-2008	3,528,000	3,528,000	3,528,000	3,528,000	3,528,000	3,528,000
2008-2009	1,212,000	1,212,000	1,212,000	1,212,000	1,212,000	1,212,000
2009-2010	3,282,000	3,282,000	3,282,000	3,282,000	3,282,000	3,282,000
2010-2011	1,826,000	1,826,000	1,826,000	1,826,000	1,826,000	1,826,000
2011-2012	1,917,000	1,917,000	1,917,000	1,917,000	1,917,000	1,917,000
2012-2013	1,878,000	1,878,000	1,878,000	1,878,000	1,878,000	1,878,000
2013-2014	2,222,000	2,222,000	2,222,000	2,222,000	2,211,000	2,211,000
2014-2015	4,149,000	4,108,000	4,150,000	4,110,000	4,149,000	4,149,000
2015-2016	3,314,000	3,330,000	3,310,000	3,327,000	3,217,000	3,217,000
2016-2017	3,228,000	2,392,000	3,262,000	2,527,000	4,249,000	3,245,000
2017-2018	4,620,000	4,333,000	4,558,000	4,283,000	3,651,000	4,620,000
2018-2019	3,995,000	2,936,000	4,067,000	3,564,000	4,600,000	4,334,000
2019-2020	3,562,000	6,969,000	4,256,000	5,220,000	4,991,000	4,788,000
2020-2021	4,144,000	14,428,000	5,042,000	5,243,000	5,841,000	6,111,000
2021-2022	9,256,000	0	5,918,000	5,893,000	6,525,000	6,563,000
Totals						\$79,037,000
						Projected Losses for the Year 2021-2022 (G) \$6,563,000
						Projected Losses for the Year 2022-2023 (H) \$6,918,000

## 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 5, Page 1, Line (K) / Line (G).
- (H) From Exhibit 5, 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.

## ERMA - Employment Practices Liability

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

Accident Year	Ultimate SIR Losses (A)	Trend Factor (B)	Trended SIR Losses (C)	Trended Payroll (\$00) (D)	Trended SIR Loss Rate (E)
Prior	\$0	4.142	\$0	\$0	0.000
2001-2002	751,000	3.871	2,907,000	11,063,232	0.263
2002-2003	2,993,000	3.618	10,828,000	12,718,901	0.851
2003-2004	1,973,000	3.381	6,671,000	14,497,802	0.460
2004-2005	6,417,000	3.160	20,277,000	14,031,195	1.445
2005-2006	3,616,000	2.953	10,679,000	14,255,470	0.749
2006-2007	5,811,000	2.760	16,038,000	15,968,409	1.004
2007-2008	3,528,000	2.580	9,103,000	17,453,639	0.522
2008-2009	1,212,000	2.411	2,922,000	17,117,986	0.171
2009-2010	3,282,000	2.253	7,394,000	15,050,849	0.491
2010-2011	1,826,000	2.105	3,843,000	13,916,114	0.276
2011-2012	1,917,000	1.967	3,771,000	13,470,578	0.280
2012-2013	1,878,000	1.838	3,452,000	12,914,549	0.267
2013-2014	2,211,000	1.718	3,798,000	13,216,970	0.287
2014-2015	4,149,000	1.606	6,663,000	13,672,624	0.487
2015-2016	3,217,000	1.500	4,826,000	14,120,435	0.342
2016-2017	3,245,000	1.402	4,550,000	15,369,030	0.296
2017-2018	4,620,000	1.311	6,056,000	15,405,525	0.393
2018-2019	4,334,000	1.225	5,309,000	15,661,514	0.339
2019-2020	4,788,000	1.145	5,483,000	16,120,774	0.340
2020-2021	6,111,000	1.070	6,539,000	15,954,159	0.410
2021-2022	6,563,000	1.000	6,563,000	17,080,915	0.384
Totals	\$74,441,000		\$147,671,000	\$309,060,670	\$0.478
15/16-19/20	20,204,000		26,223,000	76,677,278	0.342
18/19-20/21	15,233,000		17,330,000	47,736,000	0.363
(F) Selected SIR Rate:					\$0.375
Prior:					\$0.375
Program Year:	2021-2022	2022-2023			
(G) Factor to SIR:	1.000	1.000			
(H) Trend Factor:	1.000	1.070			
(I) Program Rate:	\$0.384	\$0.401			
(J) Trended Payroll (\$00):	17,080,915	17,252,000			
(K) Projected Program Losses:	6,563,000	6,918,000			
(L) Projected ULAE:	0	0			
(M) Projected Loss and ULAE:	\$6,563,000	\$6,918,000			

Notes appear on the next page.

## ERMA - Employment Practices Liability

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

## Notes:

- (A) From Exhibit 4, Page 2, Column (F).  
For purposes of projecting future losses, losses are capped at \$1,000,000 per occurrence.
- (B) From Appendix E, Page 1, Column (B).
- (C) (A) x (B).
- (D) Appendix L, Column (C).
- (E) (C) / (D).
- (F) Selected based on (E).
- (G) Based on a Burr distribution, a mathematical model of claims sizes. 2021-2022 is (K) / (A).
- (H) From Appendix E.
- (I) (F) x (G) x (H). 2021-2022 is (K) / (J).
- (J) Appendix L, Column (C).
- (K) (I) x (J). 2021-2022 is from Exhibit 4, Page 1.
- (L) Based on an estimated claim closing pattern and the Authority'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.

## ERMA - Employment Practices Liability

## Reported Loss Development

Accident Year (A)	SIR Reported Losses as of 12/31/21 (B)	Reported Loss Development Factor (C)	Ultimate SIR Losses (D)	Program Reported Losses as of 12/31/21 (E)	Reported Loss Development Factor (F)	Ultimate Program Losses (G)
Prior	\$4,596,564	1.000	\$4,596,564	\$4,596,564	1.000	\$4,596,564
2001-2002	751,089	1.000	751,089	751,089	1.000	751,089
2002-2003	2,992,869	1.000	2,992,869	2,992,869	1.000	2,992,869
2003-2004	1,973,193	1.000	1,973,193	1,973,193	1.000	1,973,193
2004-2005	6,416,832	1.000	6,416,832	6,416,832	1.000	6,416,832
2005-2006	3,616,204	1.000	3,616,204	3,616,204	1.000	3,616,204
2006-2007	5,810,921	1.000	5,810,921	5,810,921	1.000	5,810,921
2007-2008	3,528,296	1.000	3,528,296	3,528,296	1.000	3,528,296
2008-2009	1,211,783	1.000	1,211,783	1,211,783	1.000	1,211,783
2009-2010	3,281,809	1.000	3,281,809	3,281,809	1.000	3,281,809
2010-2011	1,825,609	1.000	1,825,609	1,825,609	1.000	1,825,609
2011-2012	1,916,982	1.000	1,916,982	1,916,982	1.000	1,916,982
2012-2013	1,878,240	1.000	1,878,240	1,878,240	1.000	1,878,240
2013-2014	2,210,525	1.005	2,221,578	2,210,525	1.005	2,221,578
2014-2015	4,087,591	1.015	4,148,905	4,087,591	1.015	4,148,905
2015-2016	3,217,101	1.030	3,313,614	3,217,101	1.030	3,313,614
2016-2017	3,027,979	1.066	3,227,826	3,027,979	1.066	3,227,826
2017-2018	4,128,295	1.119	4,619,562	4,128,295	1.119	4,619,562
2018-2019	3,320,821	1.203	3,994,948	3,320,821	1.203	3,994,948
2019-2020	1,645,192	2.165	3,561,841	1,645,192	2.165	3,561,841
2020-2021	402,990	10.284	4,144,349	402,990	10.284	4,144,349
2021-2022	60,000	154.260	9,255,600	60,000	154.260	9,255,600
Totals	\$61,900,885		\$78,288,613	\$61,900,885		\$78,288,613

## Notes:

- (A) Years are 7/1 to 6/30.
- (B) Provided by the Authority. These losses exclude amounts over the SIR.
- (C) From Appendix A, Page 2.
- (D) (B) x (C). These estimated losses exclude amounts over the SIR.
- (E) Losses capped at the Authority's SIR. Amounts are provided by the Authority.
- (F) Derived from factors on Appendix A, Page 4.
- (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.

ERMA - Employment Practices Liability  
Reported Loss DevelopmentSIR Losses Reported as of:

Accident Year	6 Months	18 Months	30 Months	42 Months	54 Months	66 Months	78 Months	90 Months	102 Months	114 Months	126 Months
2000-2001		103,442	413,632	1,835,550	2,296,236	2,338,661	2,245,413	2,244,341	2,244,341	2,244,341	2,245,413
2001-2002		70,973	513,610	477,974	608,737	752,636	751,089	751,089	751,089	751,089	751,089
2002-2003		146,315	1,685,197	2,903,639	3,374,495	2,992,869	2,992,869	2,992,869	2,992,869	2,992,869	2,992,869
2003-2004	54,900	350,467	1,192,180	2,303,633	2,201,367	1,973,193	1,973,193	1,973,193	1,973,193	1,973,193	1,973,193
2004-2005		1,369,028	4,603,521	5,319,010	6,146,322	6,396,022	6,293,430	6,345,569	6,427,033	6,416,832	6,416,832
2005-2006		2,218,120	3,245,551	3,308,445	3,717,228	3,672,438	3,666,205	3,616,204	3,616,204	3,666,204	3,616,204
2006-2007	375,000	1,681,609	3,423,179	4,377,828	5,579,104	5,516,959	5,569,281	5,666,968	5,824,962	5,810,921	5,810,921
2007-2008		849,622	2,725,692	3,136,880	3,145,495	3,252,983	3,317,511	3,663,290	3,529,825	3,528,296	3,528,296
2008-2009		555,339	1,293,202	1,383,575	1,205,499	1,211,598	1,211,783	1,211,783	1,211,783	1,211,783	1,211,783
2009-2010	138,707	589,624	1,706,613	2,566,976	2,539,673	3,065,133	3,198,892	3,448,917	3,281,809	3,281,809	3,281,809
2010-2011	50,978	468,924	683,215	1,052,897	1,348,275	1,618,093	1,891,935	1,825,609	1,825,609	1,825,609	1,825,609
2011-2012		40,319	834,141	1,873,169	2,003,952	1,916,982	1,916,982	1,916,982	1,916,982	1,916,982	1,916,982
2012-2013		273,243	1,205,976	1,955,689	1,853,607	1,976,737	1,906,737	1,873,386	1,878,240	1,878,240	
2013-2014		31,256	1,896,999	2,258,871	2,322,259	2,216,337	2,208,703	2,210,525	2,210,525		
2014-2015		1,017,660	1,717,773	3,279,690	3,503,582	3,555,273	4,089,861	4,087,591			
2015-2016		729,306	1,810,500	3,280,526	3,062,405	3,212,405	3,217,101				
2016-2017		289,949	1,410,040	2,598,638	2,700,606	3,027,979					
2017-2018		435,405	3,386,073	3,833,856	4,128,295						
2018-2019	45,000	704,379	2,302,969	3,320,821							
2019-2020	30,000	1,056,327	1,645,192								
2020-2021	140,000	402,990									
2021-2022	60,000										

Reported Loss Development Factors:

	6-18 Months	18-30 Months	30-42 Months	42-54 Months	54-66 Months	66-78 Months	78-90 Months	90-102 Months	102-114 Months	114-126 Months	126-138 Months
2000-2001		3.999	4.438	1.251	1.018	0.960	1.000	1.000	1.000	1.000	1.000
2001-2002		7.237	0.931	1.274	1.236	0.998	1.000	1.000	1.000	1.000	1.000
2002-2003		11.518	1.723	1.162	0.887	1.000	1.000	1.000	1.000	1.000	1.000
2003-2004	6.384	3.402	1.932	0.956	0.896	1.000	1.000	1.000	1.000	1.000	1.000
2004-2005		3.363	1.155	1.156	1.041	0.984	1.008	1.013	0.998	1.000	1.000
2005-2006		1.463	1.019	1.124	0.988	0.998	0.986	1.000	1.014	0.986	1.000
2006-2007	4.484	2.036	1.279	1.274	0.989	1.009	1.018	1.028	0.998	1.000	1.000
2007-2008		3.208	1.151	1.003	1.034	1.020	1.104	0.964	1.000	1.000	1.000
2008-2009		2.329	1.070	0.871	1.005	1.000	1.000	1.000	1.000	1.000	1.000
2009-2010	4.251	2.894	1.504	0.989	1.207	1.044	1.078	0.952	1.000	1.000	1.000
2010-2011	9.199	1.457	1.541	1.281	1.200	1.169	0.965	1.000	1.000	1.000	1.000
2011-2012		20.689	2.246	1.070	0.957	1.000	1.000	1.000	1.000	1.000	
2012-2013		4.414	1.622	0.948	1.066	0.965	0.983	1.003	1.000		
2013-2014		60.692	1.191	1.028	0.954	0.997	1.001	1.000			
2014-2015		1.688	1.909	1.068	1.015	1.150	0.999				
2015-2016		2.482	1.812	0.934	1.049	1.001					
2016-2017		4.863	1.843	1.039	1.121						
2017-2018		7.777	1.132	1.077							
2018-2019	15.653	3.270	1.442								
2019-2020	35.211	1.557									
2020-2021	2.879										
Average	11.152	7.517	1.628	1.084	1.039	1.018	1.009	0.997	1.001	0.999	1.000
Dollar-Weighted Averages	16.037	2.904	1.417	1.084	1.023	1.017	1.014				
3-yr	10.064	3.340	1.374	1.018	1.057	1.059	0.996	1.001	1.000	1.000	1.000
4-yr		3.517	1.463	1.031	1.037	1.042	0.997	1.001	1.000	1.000	1.000
Comparative Factors	2.999	1.280	1.016	0.979	0.987	0.998	1.000	1.001	1.000	1.000	1.000
Prior	15.000	4.750	1.800	1.075	1.050	1.035	1.015	1.010	1.005	1.000	1.000
Selected	15.000	4.750	1.800	1.075	1.050	1.035	1.015	1.010	1.005	1.000	1.000
Cumulated	154.260	10.284	2.165	1.203	1.119	1.066	1.030	1.015	1.005	1.000	1.000

ERMA - Employment Practices Liability  
Reported Loss Development

Accident Year	SIR Losses Reported as of:										
	138 Months	150 Months	162 Months	174 Months	186 Months	198 Months	210 Months	222 Months	234 Months	246 Months	258 Months
2000-2001	2,245,413	2,245,413	2,245,413	2,245,413	2,245,413	2,245,413	2,245,413	2,245,413	2,245,413	2,245,413	2,245,413
2001-2002	751,089	751,089	751,089	751,089	751,089	751,089	751,089	751,089	751,089	751,089	
2002-2003	2,992,869	2,992,869	2,992,869	2,992,869	2,992,869	2,992,869	2,992,869	2,992,869	2,992,869		
2003-2004	1,973,193	1,973,193	1,973,193	1,973,193	1,973,193	1,973,193	1,973,193	1,973,193			
2004-2005	6,416,832	6,416,832	6,416,832	6,416,832	6,416,832	6,416,832	6,416,832				
2005-2006	3,616,204	3,616,204	3,616,204	3,616,204	3,616,204	3,616,204					
2006-2007	5,810,921	5,810,921	5,810,921	5,810,921	5,810,921						
2007-2008	3,528,296	3,528,296		3,528,296							
2008-2009	1,211,783	1,211,783	1,211,783								
2009-2010	3,281,809	3,281,809									
2010-2011	1,825,609										
2011-2012											
2012-2013											
2013-2014											
2014-2015											
2015-2016											
2016-2017											
2017-2018											
2018-2019											
2019-2020											
2020-2021											
2021-2022											

## Reported Loss Development Factors:

	138-150 Months	150-162 Months	162-174 Months	174-186 Months	186-198 Months	198-210 Months	210-222 Months	222-234 Months	234-246 Months	246-258 Months	258-Ult. Months
2000-2001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2001-2002	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000		
2002-2003	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000			
2003-2004	1.000	1.000	1.000	1.000	1.000	1.000	1.000				
2004-2005	1.000	1.000	1.000	1.000	1.000	1.000					
2005-2006	1.000	1.000	1.000	1.000	1.000						
2006-2007	1.000	1.000	1.000	1.000							
2007-2008	1.000	1.000	1.000								
2008-2009	1.000	1.000									
2009-2010	1.000										
2010-2011											
2011-2012											
2012-2013											
2013-2014											
2014-2015											
2015-2016											
2016-2017											
2017-2018											
2018-2019											
2019-2020											
2020-2021											
	138-150 Months	150-162 Months	162-174 Months	174-186 Months	186-198 Months	198-210 Months	210-222 Months	222-234 Months	234-246 Months	246-258 Months	258-Ult. Months
Average	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Dollar-Weighted											
Averages											
3-yr	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000			
4-yr	1.000	1.000	1.000	1.000	1.000	1.000	1.000				
Comparative											
Factors	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Prior	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Selected	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Cumulated	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000



## ERMA - Employment Practices Liability

## Paid Loss Development

Accident Year (A)	SIR Paid Losses as of 12/31/21 (B)	Paid Loss Development Factor (C)	Ultimate SIR Losses (D)	Program Paid Losses as of 12/31/21 (E)	Paid Loss Development Factor (F)	Ultimate Program Losses (G)
Prior	\$4,596,564	1.000	\$4,596,564	\$4,596,564	1.000	\$4,596,564
2001-2002	751,089	1.000	751,089	751,089	1.000	751,089
2002-2003	2,992,869	1.000	2,992,869	2,992,869	1.000	2,992,869
2003-2004	1,973,193	1.000	1,973,193	1,973,193	1.000	1,973,193
2004-2005	6,416,832	1.000	6,416,832	6,416,832	1.000	6,416,832
2005-2006	3,616,204	1.000	3,616,204	3,616,204	1.000	3,616,204
2006-2007	5,810,921	1.000	5,810,921	5,810,921	1.000	5,810,921
2007-2008	3,528,296	1.000	3,528,296	3,528,296	1.000	3,528,296
2008-2009	1,211,783	1.000	1,211,783	1,211,783	1.000	1,211,783
2009-2010	3,281,809	1.000	3,281,809	3,281,809	1.000	3,281,809
2010-2011	1,825,609	1.000	1,825,609	1,825,609	1.000	1,825,609
2011-2012	1,916,982	1.000	1,916,982	1,916,982	1.000	1,916,982
2012-2013	1,878,240	1.000	1,878,240	1,878,240	1.000	1,878,240
2013-2014	2,210,525	1.005	2,221,578	2,210,525	1.005	2,221,578
2014-2015	4,047,591	1.015	4,108,305	4,047,591	1.015	4,108,305
2015-2016	3,217,101	1.035	3,329,700	3,217,101	1.035	3,329,700
2016-2017	2,160,608	1.107	2,391,793	2,160,608	1.107	2,391,793
2017-2018	3,557,679	1.218	4,333,253	3,557,679	1.218	4,333,253
2018-2019	1,690,975	1.736	2,935,533	1,690,975	1.736	2,935,533
2019-2020	1,216,451	5.729	6,969,048	1,216,451	5.729	6,969,048
2020-2021	167,897	85.935	14,428,229	167,897	85.935	14,428,229
2021-2022	0	4,296.750	0	0	4,296.750	0
Totals	\$58,069,218		\$80,517,828	\$58,069,218		\$80,517,828

## Notes:

- (A) Years are 7/1 to 6/30.
- (B) Provided by the Authority. These losses exclude amounts over the SIR.
- (C) From Appendix B, Page 2.
- (D) (B) x (C). These estimated losses exclude amounts over the SIR.
- (E) Losses capped at the Authority's SIR. Amounts are provided by the Authority.
- (F) Derived from factors on Appendix B, Page 4.
- (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.

ERMA - Employment Practices Liability  
Paid Loss Development

Accident Year	SIR Losses Paid as of:										
	6 Months	18 Months	30 Months	42 Months	54 Months	66 Months	78 Months	90 Months	102 Months	114 Months	126 Months
2000-2001		103,442	228,610	1,077,758	1,936,672	2,117,775	2,245,413	2,244,341	2,244,341	2,244,341	2,245,413
2001-2002		18,973	263,686	451,268	576,966	752,636	751,089	751,089	751,089	751,089	751,089
2002-2003			1,433,167	2,381,104	3,149,097	2,992,869	2,992,869	2,992,869	2,992,869	2,992,869	2,992,869
2003-2004		138,865	1,155,894	1,593,147	1,770,076	1,973,193	1,973,193	1,973,193	1,973,193	1,973,193	1,973,193
2004-2005		1,133,995	2,363,751	4,458,655	5,423,096	6,155,120	6,293,430	6,293,630	6,416,743	6,416,832	6,416,832
2005-2006		769,636	2,219,544	2,483,328	3,410,280	3,509,439	3,591,204	3,616,204	3,616,204	3,666,204	3,616,204
2006-2007		474,344	1,426,238	3,925,042	4,259,620	5,516,959	5,569,281	5,589,452	5,809,962	5,810,921	5,810,921
2007-2008		306,572	1,656,030	2,242,071	2,890,035	2,934,188	3,218,867	3,463,290	3,529,825	3,528,296	3,528,296
2008-2009		82,469	606,882	797,011	1,205,499	1,211,598	1,211,783	1,211,783	1,211,783	1,211,783	1,211,783
2009-2010	3,935	10,263	774,363	1,189,791	1,917,061	2,224,582	2,953,332	3,279,951	3,281,809	3,281,809	3,281,809
2010-2011		77,828	297,686	566,584	1,253,035	1,349,213	1,824,935	1,825,609	1,825,609	1,825,609	1,825,609
2011-2012		35,318	224,951	1,391,970	1,788,689	1,916,982	1,916,982	1,916,982	1,916,982	1,916,982	1,916,982
2012-2013		469	417,576	1,326,002	1,766,562	1,829,899	1,849,321	1,873,386	1,878,240	1,878,240	
2013-2014			233,903	1,250,117	1,943,037	2,207,951	2,208,703	2,210,525	2,210,525		
2014-2015		75,635	637,301	1,928,300	2,988,416	3,382,117	4,047,266	4,047,591			
2015-2016		37,637	817,393	2,743,234	3,037,405	3,090,585	3,217,101				
2016-2017		12,475	507,081	1,730,492	1,972,985	2,160,608					
2017-2018		10,405	1,216,325	3,270,703	3,557,679						
2018-2019		222,641	974,052	1,690,975							
2019-2020		237,639	1,216,451								
2020-2021		167,897									
2021-2022											

## Paid Loss Development Factors:

	6-18 Months	18-30 Months	30-42 Months	42-54 Months	54-66 Months	66-78 Months	78-90 Months	90-102 Months	102-114 Months	114-126 Months	126-138 Months
2000-2001		2.210	4.714	1.797	1.094	1.060	1.000	1.000	1.000	1.000	1.000
2001-2002		13.898	1.711	1.279	1.304	0.998	1.000	1.000	1.000	1.000	1.000
2002-2003			1.661	1.323	0.950	1.000	1.000	1.000	1.000	1.000	1.000
2003-2004		8.324	1.378	1.111	1.115	1.000	1.000	1.000	1.000	1.000	1.000
2004-2005		2.084	1.886	1.216	1.135	1.022	1.000	1.020	1.000	1.000	1.000
2005-2006		2.884	1.119	1.373	1.029	1.023	1.007	1.000	1.014	0.986	1.000
2006-2007		3.007	2.752	1.085	1.295	1.009	1.004	1.039	1.000	1.000	1.000
2007-2008		5.402	1.354	1.289	1.015	1.097	1.076	1.019	1.000	1.000	1.000
2008-2009		7.359	1.313	1.513	1.005	1.000	1.000	1.000	1.000	1.000	1.000
2009-2010	2.608	75.452	1.536	1.611	1.160	1.328	1.111	1.001	1.000	1.000	1.000
2010-2011		3.825	1.903	2.212	1.077	1.353	1.000	1.000	1.000	1.000	1.000
2011-2012		6.369	6.188	1.285	1.072	1.000	1.000	1.000	1.000	1.000	
2012-2013		890.354	3.175	1.332	1.036	1.011	1.013	1.003	1.000		
2013-2014			5.345	1.554	1.136	1.000	1.001	1.000			
2014-2015		8.426	3.026	1.550	1.132	1.197	1.000				
2015-2016		21.718	3.356	1.107	1.018	1.041					
2016-2017		40.648	3.413	1.140	1.095						
2017-2018		116.898	2.689	1.088							
2018-2019		4.375	1.736								
2019-2020		5.119									
2020-2021											
Average	2.608	67.686	2.645	1.381	1.098	1.071	1.014	1.006	1.001	0.999	1.000
Dollar-Weighted Averages	995.299	4.981	2.091	1.288	1.098	1.063	1.015				
3-yr		7.238	2.481	1.106	1.079	1.091	1.003	1.001	1.000	1.000	1.000
4-yr		8.101	2.684	1.195	1.090	1.077	1.003	1.001	1.000	1.000	1.000
Comparative Factors	4.341	2.135	1.445	1.148	1.053	1.029	1.016	1.010	1.009	1.007	1.007
Prior	50.000	15.000	3.300	1.450	1.100	1.070	1.020	1.010	1.005	1.000	1.000
Selected	50.000	15.000	3.300	1.425	1.100	1.070	1.020	1.010	1.005	1.000	1.000
Cumulated	4,296.750	85.935	5.729	1.736	1.218	1.107	1.035	1.015	1.005	1.000	1.000

ERMA - Employment Practices Liability  
Paid Loss Development

Accident Year	SIR Losses Paid as of:										
	138 Months	150 Months	162 Months	174 Months	186 Months	198 Months	210 Months	222 Months	234 Months	246 Months	258 Months
2000-2001	2,245,413	2,245,413	2,245,413	2,245,413	2,245,413	2,245,413	2,245,413	2,245,413	2,245,413	2,245,413	2,245,413
2001-2002	751,089	751,089	751,089	751,089	751,089	751,089	751,089	751,089	751,089	751,089	
2002-2003	2,992,869	2,992,869	2,992,869	2,992,869	2,992,869	2,992,869	2,992,869	2,992,869	2,992,869		
2003-2004	1,973,193	1,973,193	1,973,193	1,973,193	1,973,193	1,973,193	1,973,193	1,973,193			
2004-2005	6,416,832	6,416,832	6,416,832	6,416,832	6,416,832	6,416,832	6,416,832				
2005-2006	3,616,204	3,616,204	3,616,204	3,616,204	3,616,204	3,616,204					
2006-2007	5,810,921	5,810,921	5,810,921	5,810,921	5,810,921						
2007-2008	3,528,296	3,528,296		3,528,296							
2008-2009	1,211,783	1,211,783	1,211,783								
2009-2010	3,281,809	3,281,809									
2010-2011	1,825,609										
2011-2012											
2012-2013											
2013-2014											
2014-2015											
2015-2016											
2016-2017											
2017-2018											
2018-2019											
2019-2020											
2020-2021											
2021-2022											

## Paid Loss Development Factors:

	138-150 Months	150-162 Months	162-174 Months	174-186 Months	186-198 Months	198-210 Months	210-222 Months	222-234 Months	234-246 Months	246-258 Months	258-Ult. Months
2000-2001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2001-2002	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000		
2002-2003	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000			
2003-2004	1.000	1.000	1.000	1.000	1.000	1.000	1.000				
2004-2005	1.000	1.000	1.000	1.000	1.000	1.000					
2005-2006	1.000	1.000	1.000	1.000	1.000						
2006-2007	1.000	1.000	1.000	1.000							
2007-2008	1.000	1.000	1.000								
2008-2009	1.000	1.000									
2009-2010	1.000										
2010-2011											
2011-2012											
2012-2013											
2013-2014											
2014-2015											
2015-2016											
2016-2017											
2017-2018											
2018-2019											
2019-2020											
2020-2021											
Average	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Dollar-Weighted											
Averages											
3-yr	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000			
4-yr	1.000	1.000	1.000	1.000	1.000	1.000	1.000				
Comparative											
Factors	1.006	1.005	1.004	1.003	1.001	1.002	1.001	1.001	1.001	1.000	1.001
Prior	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Selected	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Cumulated	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

## ERMA - Employment Practices Liability

Exposure and Development Method  
Based on Reported Losses

Accident Year	Trended Payroll (\$00) (A)	Reported Losses as of 12/31/21 (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)
Prior	0		1.000	0.000	0.083	0	
2001-2002	11,063,232	751,089	1.000	0.000	0.068	0	751,089
2002-2003	12,718,901	2,992,869	1.000	0.000	0.235	0	2,992,869
2003-2004	14,497,802	1,973,193	1.000	0.000	0.136	0	1,973,193
2004-2005	14,031,195	6,416,832	1.000	0.000	0.457	0	6,416,832
2005-2006	14,255,470	3,616,204	1.000	0.000	0.254	0	3,616,204
2006-2007	15,968,409	5,810,921	1.000	0.000	0.364	0	5,810,921
2007-2008	17,453,639	3,528,296	1.000	0.000	0.202	0	3,528,296
2008-2009	17,117,986	1,211,783	1.000	0.000	0.071	0	1,211,783
2009-2010	15,050,849	3,281,809	1.000	0.000	0.218	0	3,281,809
2010-2011	13,916,114	1,825,609	1.000	0.000	0.131	0	1,825,609
2011-2012	13,470,578	1,916,982	1.000	0.000	0.142	0	1,916,982
2012-2013	12,914,549	1,878,240	1.000	0.000	0.145	0	1,878,240
2013-2014	13,216,970	2,210,525	1.005	0.005	0.167	11,036	2,221,561
2014-2015	13,672,624	4,087,591	1.015	0.015	0.302	61,937	4,149,528
2015-2016	14,120,435	3,217,101	1.030	0.029	0.228	93,364	3,310,465
2016-2017	15,369,030	3,027,979	1.066	0.062	0.246	234,408	3,262,387
2017-2018	15,405,525	4,128,295	1.119	0.106	0.263	429,475	4,557,770
2018-2019	15,661,514	3,320,821	1.203	0.169	0.282	746,396	4,067,217
2019-2020	16,120,774	1,645,192	2.165	0.538	0.301	2,610,566	4,255,758
2020-2021	15,954,159	402,990	10.284	0.903	0.322	4,638,927	5,041,917
2021-2022	17,080,915	60,000	154.260	0.994	0.345	5,857,558	5,917,558
Totals	309,060,670	\$57,304,321				\$14,683,669	\$71,987,990

## Notes:

- (A) Appendix L, Column (C).
- (B) Provided by the Authority. These losses exclude amounts incurred above the Authority'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)  $(A) \times (D) \times (E)$ .
- (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.

## ERMA - Employment Practices Liability

Exposure and Development Method  
Based on Paid Losses

Accident Year	Trended Payroll (\$00) (A)	Paid Losses as of 12/31/21 (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)
Prior	0		1.000	0.000	0.083	0	
2001-2002	11,063,232	751,089	1.000	0.000	0.068	0	751,089
2002-2003	12,718,901	2,992,869	1.000	0.000	0.235	0	2,992,869
2003-2004	14,497,802	1,973,193	1.000	0.000	0.136	0	1,973,193
2004-2005	14,031,195	6,416,832	1.000	0.000	0.457	0	6,416,832
2005-2006	14,255,470	3,616,204	1.000	0.000	0.254	0	3,616,204
2006-2007	15,968,409	5,810,921	1.000	0.000	0.364	0	5,810,921
2007-2008	17,453,639	3,528,296	1.000	0.000	0.202	0	3,528,296
2008-2009	17,117,986	1,211,783	1.000	0.000	0.071	0	1,211,783
2009-2010	15,050,849	3,281,809	1.000	0.000	0.218	0	3,281,809
2010-2011	13,916,114	1,825,609	1.000	0.000	0.131	0	1,825,609
2011-2012	13,470,578	1,916,982	1.000	0.000	0.142	0	1,916,982
2012-2013	12,914,549	1,878,240	1.000	0.000	0.145	0	1,878,240
2013-2014	13,216,970	2,210,525	1.005	0.005	0.167	11,036	2,221,561
2014-2015	13,672,624	4,047,591	1.015	0.015	0.302	61,937	4,109,528
2015-2016	14,120,435	3,217,101	1.035	0.034	0.228	109,462	3,326,563
2016-2017	15,369,030	2,160,608	1.107	0.097	0.246	366,736	2,527,344
2017-2018	15,405,525	3,557,679	1.218	0.179	0.263	725,246	4,282,925
2018-2019	15,661,514	1,690,975	1.736	0.424	0.282	1,872,616	3,563,591
2019-2020	16,120,774	1,216,451	5.729	0.825	0.301	4,003,191	5,219,642
2020-2021	15,954,159	167,897	85.935	0.988	0.322	5,075,592	5,243,489
2021-2022	17,080,915		4,296.750	1.000	0.345	5,892,916	5,892,916
Totals	309,060,670	\$53,472,654				\$18,118,732	\$71,591,386

## Notes:

- (A) Appendix L, Column (C).
- (B) Provided by the Authority. These losses exclude amounts paid above the Authority'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)  $(A) \times (D) \times (E)$ .
- (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.

## ERMA - Employment Practices Liability

## Exposure and Development Method

Accident Year	Trended Payroll (\$00) (A)	Ultimate SIR Losses (B)	Trend Factor (C)	Trended SIR Losses (D)	Trended SIR Loss Rate (E)	SIR Loss Rate (F)	Factor to SIR (G)	Program Loss Rate (H)
Prior	0		4.142			0.083	1.000	0.083
2001-2002	11,063,232	751,089	3.871	2,907,466	0.263	0.068	1.000	0.068
2002-2003	12,718,901	2,992,869	3.618	10,828,200	0.851	0.235	1.000	0.235
2003-2004	14,497,802	1,973,193	3.381	6,671,366	0.460	0.136	1.000	0.136
2004-2005	14,031,195	6,416,832	3.160	20,277,189	1.445	0.457	1.000	0.457
2005-2006	14,255,470	3,616,204	2.953	10,678,650	0.749	0.254	1.000	0.254
2006-2007	15,968,409	5,810,921	2.760	16,038,142	1.004	0.364	1.000	0.364
2007-2008	17,453,639	3,528,296	2.580	9,103,004	0.522	0.202	1.000	0.202
2008-2009	17,117,986	1,211,783	2.411	2,921,609	0.171	0.071	1.000	0.071
2009-2010	15,050,849	3,281,809	2.253	7,393,916	0.491	0.218	1.000	0.218
2010-2011	13,916,114	1,825,609	2.105	3,842,907	0.276	0.131	1.000	0.131
2011-2012	13,470,578	1,916,982	1.967	3,770,704	0.280	0.142	1.000	0.142
2012-2013	12,914,549	1,878,240	1.838	3,452,205	0.267	0.145	1.000	0.145
2013-2014	13,216,970	2,210,525	1.718	3,797,682	0.287	0.167	1.000	0.167
2014-2015	13,672,624	4,128,605	1.606	6,630,540	0.485	0.302	1.000	0.302
2015-2016	14,120,435	3,217,101	1.500	4,825,652	0.342	0.228	1.000	0.228
2016-2017	15,369,030	3,227,826	1.402	4,525,412	0.294	0.246	1.000	0.246
2017-2018	15,405,525	4,533,670	1.311	5,943,641	0.386	0.263	1.000	0.263
2018-2019	15,661,514	3,941,977	1.225	4,828,922	0.308	0.282	1.000	0.282
2019-2020	16,120,774	3,561,841	1.145	4,078,308	0.253	0.301	1.000	0.301
2020-2021	15,954,159	3,620,092	1.070	3,873,498	0.243	0.322	1.000	0.322
2021-2022	17,080,915	3,901,868	1.000	3,901,868	0.228	0.345	1.000	0.345
Total/Avg	309,060,670	\$67,547,332		\$140,290,879	\$0.454			
15/16-19/20	76,677,278	18,482,415		24,201,935	0.316			
18/19-20/21	47,736,447	11,123,910		12,780,728	0.268			
Selected SIR Rate:					\$0.345			
Prior:					\$0.375			

## Notes:

- (A) Appendix L, 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 SIR Rate / (C). For 2015-2016 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.

## ERMA - Employment Practices Liability

## Frequency and Severity Method

Accident Year	Ultimate Program Severity (A)	Adjusted Ultimate Claims (B)	Ultimate Program Losses (C)
Prior	\$208,935	22	\$4,596,570
2001-2002	62,591	12	751,092
2002-2003	149,643	20	2,992,860
2003-2004	151,784	13	1,973,192
2004-2005	305,563	21	6,416,823
2005-2006	200,900	18	3,616,200
2006-2007	242,122	24	5,810,928
2007-2008	126,011	28	3,528,308
2008-2009	100,982	12	1,211,784
2009-2010	156,277	21	3,281,817
2010-2011	152,134	12	1,825,608
2011-2012	212,998	9	1,916,982
2012-2013	134,160	14	1,878,240
2013-2014	184,210	12	2,210,520
2014-2015	244,053	17	4,148,901
2015-2016	178,728	18	3,217,104
2016-2017	184,729	23	4,248,767
2017-2018	192,143	19	3,650,717
2018-2019	200,000	23	4,600,000
2019-2020	207,948	24	4,990,752
2020-2021	216,346	27	5,841,342
2021-2022	225,000	29	6,525,000
Total		418	\$79,233,507

## 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.

## ERMA - Employment Practices Liability

## Frequency and Severity Method

Accident Year	Ultimate SIR Losses (A)	Adjusted Ultimate Claims (B)	Ultimate SIR Severity (C)	Trend Factor (D)	Trended SIR Severity (E)	SIR Severity (F)	Factor to SIR (G)	Program Severity (H)
Prior	\$4,596,564	22	\$208,935	2.281	\$476,581	\$208,935	1.000	\$208,935
2001-2002	751,089	12	62,591	2.193	137,262	62,591	1.000	62,591
2002-2003	2,992,869	20	149,643	2.108	315,447	149,643	1.000	149,643
2003-2004	1,973,193	13	151,784	2.028	307,818	151,784	1.000	151,784
2004-2005	6,416,832	21	305,563	1.949	595,542	305,563	1.000	305,563
2005-2006	3,616,204	18	200,900	1.875	376,688	200,900	1.000	200,900
2006-2007	5,810,921	24	242,122	1.803	436,546	242,122	1.000	242,122
2007-2008	3,528,296	28	126,011	1.733	218,377	126,011	1.000	126,011
2008-2009	1,211,783	12	100,982	1.667	168,337	100,982	1.000	100,982
2009-2010	3,281,809	21	156,277	1.603	250,512	156,277	1.000	156,277
2010-2011	1,825,609	12	152,134	1.541	234,438	152,134	1.000	152,134
2011-2012	1,916,982	9	212,998	1.482	315,663	212,998	1.000	212,998
2012-2013	1,878,240	14	134,160	1.425	191,178	134,160	1.000	134,160
2013-2014	2,210,525	12	184,210	1.370	252,368	184,210	1.000	184,210
2014-2015	4,148,905	17	244,053	1.317	321,418	244,053	1.000	244,053
2015-2016	3,217,101	18	178,728	1.267	226,448	178,728	1.000	178,728
2016-2017	3,245,107	23	141,092	1.218	171,850	184,729	1.000	184,729
2017-2018	4,619,563	19	243,135	1.171	284,711	192,143	1.000	192,143
2018-2019	4,031,083	23	175,264	1.125	197,172	200,000	1.000	200,000
2019-2020	4,737,701	24	197,404	1.082	213,591	207,948	1.000	207,948
2020-2021	6,385,779	27	236,510	1.040	245,970	216,346	1.000	216,346
2021-2022	6,575,310	29	226,735	1.000	226,735	225,000	1.000	225,000

Average SIR Severity: \$280,211  
Average 15/16-19/20 SIR Severity: 218,754  
Average 16/17-20/21 SIR Severity: 222,659

Selected SIR Severity: \$225,000  
Prior: \$230,000

## 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 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.



## ERMA - Employment 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)
Prior	22	22	22	0.0		1.862	
2001-2002	12	12	12	1,106.3	0.011	1.808	0.020
2002-2003	20	20	20	1,271.9	0.016	1.755	0.028
2003-2004	13	13	13	1,449.8	0.009	1.704	0.015
2004-2005	21	21	21	1,403.1	0.015	1.654	0.025
2005-2006	18	18	18	1,425.5	0.013	1.606	0.021
2006-2007	24	24	24	1,596.8	0.015	1.559	0.023
2007-2008	28	28	28	1,745.4	0.016	1.513	0.024
2008-2009	12	12	12	1,711.8	0.007	1.469	0.010
2009-2010	21	21	21	1,505.1	0.014	1.426	0.020
2010-2011	12	12	12	1,391.6	0.009	1.385	0.012
2011-2012	9	9	9	1,347.1	0.007	1.345	0.009
2012-2013	14	14	14	1,291.5	0.011	1.306	0.014
2013-2014	12	12	12	1,321.7	0.009	1.267	0.011
2014-2015	17	17	17	1,367.3	0.012	1.231	0.015
2015-2016	18	20	18	1,412.0	0.013	1.195	0.016
2016-2017	23	24	23	1,536.9	0.015	1.160	0.017
2017-2018	19	22	19	1,540.6	0.012	1.126	0.014
2018-2019	23	25	23	1,566.2	0.015	1.093	0.016
2019-2020	24	62	24	1,612.1	0.015	1.061	0.016
2020-2021	53	96	27	1,595.4	0.017	1.030	0.018
2021-2022	106	0	29	1,708.1	0.017	1.000	0.017
Total	521	504	418	30,906.1			0.017
15/16-19/20	107	153	107	7,667.7			0.016
(H) Selected Frequency:							0.017
Prior:							0.017
Program Year:				2021-2022	2022-2023		
(I) Trend Factor:				1.000	1.030		
(J) Selected Frequency:				0.017	0.018		
(K) Est. Payroll (\$000,000):				1,708.1	1,725.2		
(L) Ultimate Claims:				29	31		

## Notes:

- (A) Appendix D, Page 4, (C).  
 (B) Appendix D, Page 5, (C).  
 (C) Selected from (A) and (B).  
 (D) Appendix L, Column (C) / 10,000.  
 (E) (C) / (D).  
 (F) Appendix E, Page 1, Column (F).  
 (G) (E) x (F).  
 (H) The selected frequency of 0.017 is based on (G).  
 (I) Appendix E, Page 1, Column (F).  
 (J) (H) x (I). 2021-2022 is (L) / (K).  
 (K) Appendix L, Column (C) / 10,000.  
 (L) (J) x (K). 2021-2022 is (C).

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

## ERMA - Employment Practices Liability

Frequency and Severity Method  
Reported Claim Count Development

Accident Year	Claims Reported as of 12/31/2021 (A)	Reported Claim Development Factor (B)	Ultimate Claims (C)	Trended Claim Frequency (D)
Prior	22	1.000	22	
2001-2002	12	1.000	12	0.020
2002-2003	20	1.000	20	0.028
2003-2004	13	1.000	13	0.015
2004-2005	21	1.000	21	0.025
2005-2006	18	1.000	18	0.020
2006-2007	24	1.000	24	0.023
2007-2008	28	1.000	28	0.024
2008-2009	12	1.000	12	0.010
2009-2010	21	1.000	21	0.020
2010-2011	12	1.000	12	0.012
2011-2012	9	1.000	9	0.009
2012-2013	14	1.000	14	0.014
2013-2014	12	1.000	12	0.012
2014-2015	17	1.000	17	0.015
2015-2016	18	1.000	18	0.015
2016-2017	23	1.005	23	0.017
2017-2018	19	1.015	19	0.014
2018-2019	22	1.061	23	0.016
2019-2020	20	1.220	24	0.016
2020-2021	15	3.538	53	0.034
2021-2022	6	17.690	106	0.062
Total	378		521	0.021

## Notes:

- (A) Provided by the Authority.
- (B) From Appendix D, Page 6.
- (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 Authority. 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.

## ERMA - Employment Practices Liability

Frequency and Severity Method  
Closed Claim Count Development

Accident Year	Claims Closed as of 12/31/2021 (A)	Closed Claim Development Factor (B)	Ultimate Claims (C)	Trended Claim Frequency (D)
Prior	22	1.000	22	
2001-2002	12	1.000	12	0.020
2002-2003	20	1.000	20	0.028
2003-2004	13	1.000	13	0.015
2004-2005	21	1.000	21	0.025
2005-2006	18	1.000	18	0.020
2006-2007	24	1.000	24	0.023
2007-2008	28	1.000	28	0.024
2008-2009	12	1.000	12	0.010
2009-2010	21	1.000	21	0.020
2010-2011	12	1.000	12	0.012
2011-2012	9	1.000	9	0.009
2012-2013	14	1.000	14	0.014
2013-2014	12	1.010	12	0.012
2014-2015	16	1.035	17	0.015
2015-2016	18	1.092	20	0.017
2016-2017	20	1.218	24	0.018
2017-2018	16	1.401	22	0.016
2018-2019	11	2.242	25	0.017
2019-2020	10	6.166	62	0.041
2020-2021	4	24.047	96	0.062
2021-2022	0	480.940	0	
Total	333		504	0.020

## Notes:

- (A) Provided by the Authority.
- (B) From Appendix D, Page 7.
- (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 Authority. 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.

ERMA - Employment Practices Liability  
Reported Claim Count Development

Accident Year	Claims Reported as of:													
	6 Months	18 Months	30 Months	42 Months	54 Months	66 Months	78 Months	90 Months	102 Months	114 Months	126 Months	138 Months	150 Months	162 Months
2000-2001		2	5	9	9	9	10	9	9	9	10	10	10	10
2001-2002		3	9	10	12	12	12	12	12	12	12	12	12	12
2002-2003		4	16	19	20	20	20	20	20	20	20	20	20	20
2003-2004	1	5	11	14	13	13	13	13	13	13	13	13	13	13
2004-2005		6	21	20	20	20	20	21	21	21	21	21	21	21
2005-2006		17	18	17	18	18	19	18	18	18	18	18	18	18
2006-2007	1	3	22	23	23	23	23	24	24	24	24	24	24	24
2007-2008		14	24	25	27	27	28	28	28	28	28	28	28	28
2008-2009		8	12	12	12	12	12	12	12	12	12	12	12	12
2009-2010	2	10	20	23	21	21	21	21	21	21	21	21	21	21
2010-2011	1	7	8	11	11	12	12	12	12	12	12	12	12	12
2011-2012		2	9	10	10	9	9	9	9	9	9	9	9	9
2012-2013		4	9	11	13	13	13	13	14	14	14	14	14	14
2013-2014		3	11	12	12	12	12	12	12	12	12	12	12	12
2014-2015		4	12	15	15	15	16	17	17	17	17	17	17	17
2015-2016		10	16	17	18	18	18	18	18	18	18	18	18	18
2016-2017		5	18	25	23	23	23	23	23	23	23	23	23	23
2017-2018		6	19	18	19	19	19	19	19	19	19	19	19	19
2018-2019	2	12	19	22	22	22	22	22	22	22	22	22	22	22
2019-2020	3	13	20	20	20	20	20	20	20	20	20	20	20	20
2020-2021	5	15	20	20	20	20	20	20	20	20	20	20	20	20
2021-2022	6	15	20	20	20	20	20	20	20	20	20	20	20	20

## Reported Claim Count Development Factors:

	6-18 Months	18-30 Months	30-42 Months	42-54 Months	54-66 Months	66-78 Months	78-90 Months	90-102 Months	102-114 Months	114-126 Months	126-138 Months	138-150 Months	150-162 Months	162-174 Months
2000-2001		2.500	1.800	1.000	1.000	1.111	0.900	1.000	1.000	1.111	1.000	1.000	1.000	1.000
2001-2002		3.000	1.111	1.200	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2002-2003		4.000	1.188	1.053	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2003-2004	5.000	2.200	1.273	0.929	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2004-2005		3.500	0.952	1.000	1.000	1.000	1.050	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2005-2006		1.059	0.944	1.059	1.000	1.056	0.947	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2006-2007	3.000	7.333	1.045	1.000	1.000	1.000	1.043	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2007-2008		1.714	1.042	1.080	1.000	1.037	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2008-2009		1.500	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2009-2010	5.000	2.000	1.150	0.913	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2010-2011	7.000	1.143	1.375	1.000	1.091	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2011-2012		4.500	1.111	1.000	0.900	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2012-2013		2.250	1.222	1.182	1.000	1.000	1.000	1.077	1.000	1.000	1.000	1.000	1.000	1.000
2013-2014		3.667	1.091	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2014-2015		3.000	1.250	1.000	1.000	1.067	1.063	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2015-2016		1.600	1.063	1.059	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2016-2017		3.600	1.389	0.920	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2017-2018		3.167	0.947	1.056	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2018-2019	6.000	1.583	1.158	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2019-2020	4.333	1.538	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2020-2021	3.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Average Claim-Weighted Averages	4.762	2.743	1.164	1.025	0.999	1.017	1.000	1.006	1.000	1.009	1.000	1.000	1.000	1.000
3-yr	4.000	1.871	1.161	1.000	1.000	1.022	1.024	1.029	1.000	1.000	1.000	1.000	1.000	1.000
4-yr		2.111	1.139	1.000	1.000	1.017	1.020	1.022	1.000	1.000	1.000	1.000	1.000	1.000
Comparative Factors	2.644	1.140	1.018	1.007	1.006	1.004	1.004	1.003	1.002	1.001	1.000	1.001	1.000	1.000
Prior	5.000	2.900	1.150	1.045	1.010	1.005	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Selected	5.000	2.900	1.150	1.045	1.010	1.005	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Cumulated	17.690	3.538	1.220	1.061	1.015	1.005	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

ERMA - Employment Practices Liability  
Closed Claim Development

Accident Year	Claims Closed as of:													
	6 Months	18 Months	30 Months	42 Months	54 Months	66 Months	78 Months	90 Months	102 Months	114 Months	126 Months	138 Months	150 Months	162 Months
2000-2001		2	3	5	6	6	10	9	9	9	10	10	10	10
2001-2002		1	3	6	9	12	12	12	12	12	12	12	12	12
2002-2003			7	15	19	20	20	20	20	20	20	20	20	20
2003-2004		2	5	9	9	13	13	13	13	13	13	13	13	13
2004-2005		1	9	14	14	15	20	20	20	21	21	21	21	21
2005-2006		4	12	13	14	17	18	18	18	18	18	18	18	18
2006-2007		1	3	13	19	23	23	23	23	24	24	24	24	24
2007-2008		5	9	19	24	24	27	27	28	28	28	28	28	28
2008-2009		1	7	7	11	12	12	12	12	12	12	12	12	12
2009-2010		2	5	10	15	16	20	20	21	21	21	21	21	
2010-2011		1	4	6	9	10	11	12	12	12	12	12		
2011-2012		1	1	4	8	9	9	9	9	9	9			
2012-2013			4	7	11	12	12	13	14	14				
2013-2014			3	6	9	11	12	12	12					
2014-2015		1	3	7	12	13	15	16						
2015-2016			5	10	17	17	18							
2016-2017			3	14	18	20								
2017-2018		1	4	12	16									
2018-2019		1	6	11										
2019-2020		4	10											
2020-2021		4												
2021-2022														

## Closed Claim Count Development Factors:

	6-18 Months	18-30 Months	30-42 Months	42-54 Months	54-66 Months	66-78 Months	78-90 Months	90-102 Months	102-114 Months	114-126 Months	126-138 Months	138-150 Months	150-162 Months	162-174 Months
2000-2001		1.500	1.667	1.200	1.000	1.667	0.900	1.000	1.000	1.111	1.000	1.000	1.000	1.000
2001-2002		3.000	2.000	1.500	1.333	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2002-2003			2.143	1.267	1.053	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2003-2004		2.500	1.800	1.000	1.444	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2004-2005		9.000	1.556	1.000	1.071	1.333	1.000	1.000	1.050	1.000	1.000	1.000	1.000	1.000
2005-2006		3.000	1.083	1.077	1.214	1.059	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2006-2007		3.000	4.333	1.462	1.211	1.000	1.000	1.000	1.043	1.000	1.000	1.000	1.000	1.000
2007-2008		1.800	2.111	1.263	1.000	1.125	1.000	1.037	1.000	1.000	1.000	1.000	1.000	1.000
2008-2009		7.000	1.000	1.571	1.091	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2009-2010		2.500	2.000	1.500	1.067	1.250	1.000	1.050	1.000	1.000	1.000	1.000		
2010-2011		4.000	1.500	1.500	1.111	1.100	1.091	1.000	1.000	1.000	1.000			
2011-2012		1.000	4.000	2.000	1.125	1.000	1.000	1.000	1.000	1.000				
2012-2013			1.750	1.571	1.091	1.000	1.083	1.077	1.000					
2013-2014			2.000	1.500	1.222	1.091	1.000	1.000						
2014-2015		3.000	2.333	1.714	1.083	1.154	1.067							
2015-2016			2.000	1.700	1.000	1.059								
2016-2017			4.667	1.286	1.111									
2017-2018		4.000	3.000	1.333										
2018-2019		6.000	1.833											
2019-2020		2.500												
2020-2021														
Average Claim-Weighted Averages														
3-yr		3.333	2.846	1.417	1.064	1.098	1.051	1.029	1.000	1.000	1.000	1.000	1.000	1.000
4-yr			2.611	1.465	1.089	1.075	1.042	1.022	1.000	1.000	1.000	1.000	1.000	1.000
Comparative Factors														
Prior	3.502	1.514	1.119	1.051	1.032	1.022	1.017	1.014	1.012	1.009	1.009	1.006	1.005	1.003
Selected	20.000	3.900	2.750	1.600	1.150	1.115	1.055	1.025	1.010	1.000	1.000	1.000	1.000	1.000
Cumulated	20.000	3.900	2.750	1.600	1.150	1.115	1.055	1.025	1.010	1.000	1.000	1.000	1.000	1.000
Cumulated	480.940	24.047	6.166	2.242	1.401	1.218	1.092	1.035	1.010	1.000	1.000	1.000	1.000	1.000

## ERMA - Employment Practices Liability

## Loss Trend Factors

Accident Year	Benefit Level Factor (A)	Factor to 2021-2022 Loss Rate Level (B)	Factor to 2022-2023 Loss Rate Level (C)	Factor to 2023-2024 Loss Rate Level (D)	Factor to 2024-2025 Loss Rate Level (E)	Factor to 2021-2022 Frequency Level (F)	Factor to 2022-2023 Frequency Level (G)	Factor to 2023-2024 Frequency Level (H)	Factor to 2024-2025 Frequency Level (I)	Factor to 2021-2022 Severity Level (J)
Prior	1.000	4.142	4.431	4.742	5.074	1.862	1.918	1.976	2.035	2.281
2001-2002	1.000	3.871	4.141	4.432	4.742	1.808	1.862	1.918	1.976	2.193
2002-2003	1.000	3.618	3.871	4.142	4.432	1.755	1.808	1.862	1.918	2.108
2003-2004	1.000	3.381	3.617	3.871	4.142	1.704	1.755	1.808	1.862	2.028
2004-2005	1.000	3.160	3.381	3.618	3.871	1.654	1.704	1.755	1.808	1.949
2005-2006	1.000	2.953	3.160	3.381	3.618	1.606	1.654	1.704	1.755	1.875
2006-2007	1.000	2.760	2.953	3.160	3.381	1.559	1.606	1.654	1.704	1.803
2007-2008	1.000	2.580	2.760	2.953	3.160	1.513	1.559	1.606	1.654	1.733
2008-2009	1.000	2.411	2.579	2.760	2.953	1.469	1.514	1.559	1.606	1.667
2009-2010	1.000	2.253	2.410	2.579	2.760	1.426	1.469	1.514	1.559	1.603
2010-2011	1.000	2.105	2.252	2.410	2.579	1.385	1.427	1.470	1.514	1.541
2011-2012	1.000	1.967	2.105	2.252	2.410	1.345	1.385	1.427	1.470	1.482
2012-2013	1.000	1.838	1.967	2.105	2.252	1.306	1.345	1.385	1.427	1.425
2013-2014	1.000	1.718	1.838	1.967	2.105	1.267	1.305	1.345	1.385	1.370
2014-2015	1.000	1.606	1.718	1.838	1.967	1.231	1.268	1.306	1.345	1.317
2015-2016	1.000	1.500	1.605	1.718	1.838	1.195	1.231	1.268	1.306	1.267
2016-2017	1.000	1.402	1.500	1.606	1.718	1.160	1.195	1.231	1.268	1.218
2017-2018	1.000	1.311	1.403	1.501	1.606	1.126	1.160	1.195	1.231	1.171
2018-2019	1.000	1.225	1.311	1.403	1.501	1.093	1.126	1.160	1.195	1.125
2019-2020	1.000	1.145	1.225	1.311	1.403	1.061	1.093	1.126	1.160	1.082
2020-2021	1.000	1.070	1.145	1.225	1.311	1.030	1.061	1.093	1.126	1.040
2021-2022	1.000	1.000	1.070	1.145	1.225	1.000	1.030	1.061	1.093	1.000
2022-2023	1.000	--	1.000	1.070	1.145	--	1.000	1.030	1.061	--
2023-2024	1.000	--	--	1.000	1.070	--	--	1.000	1.030	--
2024-2025	1.000	--	--	--	1.000	--	--	--	1.000	--

## Notes:

- (A) No benefit level adjustment applied.  
 (B) - (E) (A) adjusted for a 7.0% annual loss rate trend.  
 (F) - (I) (A) adjusted for a 3.0% 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.

## ERMA - Employment 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)
Prior	\$4,596,564	22	1.000	208,935		
2001-2002	751,089	12	1.000	62,591	11,063,232	0.011
2002-2003	2,992,869	20	1.000	149,643	12,718,901	0.016
2003-2004	1,973,193	13	1.000	151,784	14,497,802	0.009
2004-2005	6,416,832	21	1.000	305,563	14,031,195	0.015
2005-2006	3,616,204	18	1.000	200,900	14,255,470	0.013
2006-2007	5,810,921	24	1.000	242,122	15,968,409	0.015
2007-2008	3,528,296	28	1.000	126,011	17,453,639	0.016
2008-2009	1,211,783	12	1.000	100,982	17,117,986	0.007
2009-2010	3,281,809	21	1.000	156,277	15,050,849	0.014
2010-2011	1,825,609	12	1.000	152,134	13,916,114	0.009
2011-2012	1,916,982	9	1.000	212,998	13,470,578	0.007
2012-2013	1,878,240	14	1.000	134,160	12,914,549	0.011
2013-2014	2,210,525	12	1.000	184,210	13,216,970	0.009
2014-2015	4,128,605	17	1.000	242,859	13,672,624	0.012
2015-2016	3,217,101	18	1.000	178,728	14,120,435	0.013
2016-2017	3,227,826	23	1.000	140,340	15,369,030	0.015
2017-2018	4,533,670	19	1.000	238,614	15,405,525	0.012
2018-2019	3,941,977	23	1.000	171,390	15,661,514	0.015
2019-2020	3,561,841	24	1.000	148,410	16,120,774	0.015
2020-2021	3,620,092	27	1.000	134,077	15,954,159	0.017

Severity Trend FactorsFrequency Trend Factors

Latest 10 x 2020-2021	1.000	1.079
Mvg 5-Yr Wtd Latest 10 x 2020-2021	1.026	1.030
Latest 5 x 2020-2021	0.983	1.030
Mvg 5-Yr Wtd Latest 5 x 2020-2021	0.989	1.072
Prior	1.030	1.030
Default	1.030	0.975

Selected Residual Trend	1.040	1.030
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## Notes:

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

## ERMA - Employment Practices Liability

## Payment and Reserve Forecast

<u>Accident Year</u>	<u>As of 12/31/2021</u>	<u>Calendar Period</u>	
		<u>1/1/2022 to 6/30/2022</u>	<u>7/1/2022 to 6/30/2023</u>
Prior			
Ultimate Loss	\$16,730,547	\$16,730,547	\$16,730,547
Paid in Calendar Period	-		
Paid to Date	16,730,547	16,730,547	16,730,547
Outstanding Liability			
2005-2006			
Ultimate Loss	\$3,616,204	\$3,616,204	\$3,616,204
Paid in Calendar Period	-		
Paid to Date	3,616,204	3,616,204	3,616,204
Outstanding Liability			
2006-2007			
Ultimate Loss	\$5,810,921	\$5,810,921	\$5,810,921
Paid in Calendar Period	-		
Paid to Date	5,810,921	5,810,921	5,810,921
Outstanding Liability			
2007-2008			
Ultimate Loss	\$3,528,296	\$3,528,296	\$3,528,296
Paid in Calendar Period	-		
Paid to Date	3,528,296	3,528,296	3,528,296
Outstanding Liability			
2008-2009			
Ultimate Loss	\$1,211,783	\$1,211,783	\$1,211,783
Paid in Calendar Period	-		
Paid to Date	1,211,783	1,211,783	1,211,783
Outstanding Liability			
2009-2010			
Ultimate Loss	\$3,281,809	\$3,281,809	\$3,281,809
Paid in Calendar Period	-		
Paid to Date	3,281,809	3,281,809	3,281,809
Outstanding Liability			
2010-2011			
Ultimate Loss	\$1,825,609	\$1,825,609	\$1,825,609
Paid in Calendar Period	-		
Paid to Date	1,825,609	1,825,609	1,825,609
Outstanding Liability			
2011-2012			
Ultimate Loss	\$1,916,982	\$1,916,982	\$1,916,982
Paid in Calendar Period	-		
Paid to Date	1,916,982	1,916,982	1,916,982
Outstanding Liability			



## ERMA - Employment Practices Liability

## Payment and Reserve Forecast

<u>Accident Year</u>	<u>As of 12/31/2021</u>	<u>Calendar Period</u>	
		<u>1/1/2022 to 6/30/2022</u>	<u>7/1/2022 to 6/30/2023</u>
2012-2013			
Ultimate Loss	\$1,878,240	\$1,878,240	\$1,878,240
Paid in Calendar Period	-		
Paid to Date	1,878,240	1,878,240	1,878,240
Outstanding Liability			
2013-2014			
Ultimate Loss	\$2,210,525	\$2,210,525	\$2,210,525
Paid in Calendar Period	-		
Paid to Date	2,210,525	2,210,525	2,210,525
Outstanding Liability			
2014-2015			
Ultimate Loss	\$4,148,905	\$4,148,905	\$4,148,905
Paid in Calendar Period	-	33,434	54,168
Paid to Date	4,047,591	4,081,025	4,135,193
Outstanding Liability	101,314	67,880	13,712
2015-2016			
Ultimate Loss	\$3,217,101	\$3,217,101	\$3,217,101
Paid in Calendar Period	-		
Paid to Date	3,217,101	3,217,101	3,217,101
Outstanding Liability			
2016-2017			
Ultimate Loss	\$3,245,107	\$3,245,107	\$3,245,107
Paid in Calendar Period	-	350,293	460,347
Paid to Date	2,160,608	2,510,901	2,971,248
Outstanding Liability	1,084,499	734,206	273,859
2017-2018			
Ultimate Loss	\$4,619,563	\$4,619,563	\$4,619,563
Paid in Calendar Period	-	243,171	430,643
Paid to Date	3,557,679	3,800,850	4,231,493
Outstanding Liability	1,061,884	818,713	388,070
2018-2019			
Ultimate Loss	\$4,333,609	\$4,333,609	\$4,333,609
Paid in Calendar Period	-	761,079	1,021,684
Paid to Date	1,690,975	2,452,054	3,473,738
Outstanding Liability	2,642,634	1,881,555	859,871
2019-2020			
Ultimate Loss	\$4,788,311	\$4,788,311	\$4,788,311
Paid in Calendar Period	-	867,962	1,397,915
Paid to Date	1,216,451	2,084,413	3,482,328
Outstanding Liability	3,571,860	2,703,898	1,305,983

## ERMA - Employment Practices Liability

## Payment and Reserve Forecast

<u>Accident Year</u>	<u>As of 12/31/2021</u>	<u>Calendar Period</u>	
		<u>1/1/2022 to 6/30/2022</u>	<u>7/1/2022 to 6/30/2023</u>
2020-2021			
Ultimate Loss	\$6,111,149	\$6,111,149	\$6,111,149
Paid in Calendar Period	-	487,347	1,696,786
Paid to Date	167,897	655,244	2,352,030
Outstanding Liability	5,943,252	5,455,905	3,759,119
2021-2022			
Ultimate Loss	\$3,281,367	\$6,562,733	\$6,562,733
Paid in Calendar Period	-	39,376	574,055
Paid to Date	-	39,376	613,431
Outstanding Liability	3,281,367	6,523,357	5,949,302
2022-2023			
Ultimate Loss	-	-	\$6,918,052
Paid in Calendar Period	-	-	41,508
Paid to Date	-	-	41,508
Outstanding Liability	-	-	6,876,544
Totals			
Ultimate Loss	\$75,756,028	\$79,037,394	\$85,955,446
Paid in Calendar Period	-	2,782,662	5,677,106
Paid to Date	58,069,218	60,851,880	66,528,986
Outstanding Liability	17,686,810	18,185,514	19,426,460
Total Outstanding ULAE	884,341	909,276	971,323
Outstanding Liability plus ULAE	18,571,151	19,094,790	20,397,783

Notes appear on the next page.

## ERMA - Employment Practices Liability

## Payment and Reserve Forecast

Notes to previous page:

- Accident Year is associated with date of loss. Calendar Period is associated with date of transaction. For example, for the losses which occurred during 2019-2020, \$867,962 is expected to be paid between 1/1/22 and 6/30/22, \$2,084,413 will have been paid by 6/30/22, and the reserve for remaining payments on these claims should be \$2,703,898.
- Ultimate Losses for each accident year are from Exhibit 4, Page 1.
- Paid in Calendar Period is a proportion of the Outstanding Liability from the previous calendar period. These proportions are derived from the paid loss development pattern selected in Appendix B. For example,  $\$1,397,915 = \$2,703,898 \times 51.7\%$ .
- Paid to Date is Paid in Calendar Period plus Paid to Date from previous calendar period. For example,  $\$3,482,328 = \$1,397,915 + \$2,084,413$ .
- Outstanding Liability is Ultimate Loss minus Paid to Date. For example,  $\$2,703,898 = \$4,788,311 - \$2,084,413$ .

This exhibit shows the calculation of the liability for outstanding claims as of the date of evaluation, the end of the current fiscal year, and the end of the coming fiscal year. It also shows the expected claims payout during the remainder of the current fiscal year and the coming fiscal year. Refer to the Totals at the end of the exhibit for the balance sheet information. The top parts of the exhibit show information for each program year.

## Short- and Long-Term Liabilities

<u>Liabilities as of 12/31/21:</u>		<u>Expected</u>	<u>Discounted</u>
<u>Current (Short Term)</u>	Loss and ALAE:	\$5,437,260	\$5,396,933
	ULAE:	271,863	269,847
	Short-Term Loss and LAE:	<u>\$5,709,123</u>	<u>\$5,666,780</u>
<u>Non-Current (Long Term)</u>	Loss and ALAE:	\$12,249,550	\$11,781,793
	ULAE:	612,478	589,090
	Long-Term Loss and LAE:	<u>\$12,862,028</u>	<u>\$12,370,883</u>
<u>Total Liability</u>	Loss and ALAE:	\$17,686,810	\$17,178,726
	ULAE:	884,341	858,937
	Total Loss and LAE:	<u>\$18,571,151</u>	<u>\$18,037,663</u>
<u>Liabilities as of 6/30/22:</u>			
<u>Current (Short Term)</u>	Loss and ALAE:	\$5,635,598	\$5,593,801
	ULAE:	279,529	277,456
	Short-Term Loss and LAE:	<u>\$5,915,127</u>	<u>\$5,871,257</u>
<u>Non-Current (Long Term)</u>	Loss and ALAE:	\$12,549,916	\$12,087,894
	ULAE:	629,747	606,629
	Long-Term Loss and LAE:	<u>\$13,179,663</u>	<u>\$12,694,523</u>
<u>Total Liability</u>	Loss and ALAE:	\$18,185,514	\$17,681,695
	ULAE:	909,276	884,085
	Total Loss and LAE:	<u>\$19,094,790</u>	<u>\$18,565,780</u>

		<u>Discounted with a Margin for Contingencies</u>				
		<u>70%</u>	<u>75%</u>	<u>80%</u>	<u>85%</u>	<u>90%</u>
		<u>Confidence</u>	<u>Confidence</u>	<u>Confidence</u>	<u>Confidence</u>	<u>Confidence</u>
<u>Liabilities as of 12/31/21:</u>						
<u>Current (Short Term)</u>	Loss and ALAE:	\$6,195,679	\$6,449,335	\$6,751,563	\$7,129,348	\$7,625,866
	ULAE:	309,784	322,467	337,579	356,468	381,294
	Short-Term Loss and LAE:	<u>\$6,505,463</u>	<u>\$6,771,802</u>	<u>\$7,089,142</u>	<u>\$7,485,816</u>	<u>\$8,007,160</u>
<u>Non-Current (Long Term)</u>	Loss and ALAE:	\$13,525,498	\$14,079,243	\$14,739,023	\$15,563,749	\$16,647,674
	ULAE:	676,276	703,962	736,951	778,188	832,384
	Long-Term Loss and LAE:	<u>\$14,201,774</u>	<u>\$14,783,205</u>	<u>\$15,475,974</u>	<u>\$16,341,937</u>	<u>\$17,480,058</u>
<u>Total Liability</u>	Loss and ALAE:	\$19,721,177	\$20,528,578	\$21,490,586	\$22,693,097	\$24,273,540
	ULAE:	986,060	1,026,429	1,074,530	1,134,656	1,213,678
	Total Loss and LAE:	<u>\$20,707,237</u>	<u>\$21,555,007</u>	<u>\$22,565,116</u>	<u>\$23,827,753</u>	<u>\$25,487,218</u>
<u>Liabilities as of 6/30/22:</u>						
<u>Current (Short Term)</u>	Loss and ALAE:	\$6,421,684	\$6,684,592	\$6,997,845	\$7,389,411	\$7,904,041
	ULAE:	318,519	331,560	347,097	366,519	392,045
	Short-Term Loss and LAE:	<u>\$6,740,203</u>	<u>\$7,016,152</u>	<u>\$7,344,942</u>	<u>\$7,755,930</u>	<u>\$8,296,086</u>
<u>Non-Current (Long Term)</u>	Loss and ALAE:	\$13,876,902	\$14,445,034	\$15,121,955	\$15,968,108	\$17,080,194
	ULAE:	696,410	724,921	758,894	801,357	857,167
	Long-Term Loss and LAE:	<u>\$14,573,312</u>	<u>\$15,169,955</u>	<u>\$15,880,849</u>	<u>\$16,769,465</u>	<u>\$17,937,361</u>
<u>Total Liability</u>	Loss and ALAE:	\$20,298,586	\$21,129,626	\$22,119,800	\$23,357,519	\$24,984,235
	ULAE:	1,014,929	1,056,481	1,105,991	1,167,876	1,249,212
	Total Loss and LAE:	<u>\$21,313,515</u>	<u>\$22,186,107</u>	<u>\$23,225,791</u>	<u>\$24,525,395</u>	<u>\$26,233,447</u>

Note: Current (short term) liabilities are the portion of the total estimated liability shown on Appendix F that is expected to be paid out within the coming year. Totals may vary from Exhibit 1, due to rounding.

## ERMA - Employment Practices Liability

## Discount Factors to be Applied to Overall Reserves

Accident Year	Full Value of Reserve at 12/31/21 (A)	Discount Factor (B)	Discounted Reserve at 12/31/21 (C)	Full Value of Reserve at 6/30/22 (D)	Discount Factor (E)	Discounted Reserve at 6/30/22 (F)
Prior	\$0	1.000	\$0	\$0	1.000	\$0
2001-2002	0	1.000	0	0	1.000	0
2002-2003	0	1.000	0	0	1.000	0
2003-2004	0	1.000	0	0	1.000	0
2004-2005	0	1.000	0	0	1.000	0
2005-2006	0	1.000	0	0	1.000	0
2006-2007	0	1.000	0	0	1.000	0
2007-2008	0	1.000	0	0	1.000	0
2008-2009	0	1.000	0	0	1.000	0
2009-2010	0	1.000	0	0	1.000	0
2010-2011	0	1.000	0	0	1.000	0
2011-2012	0	1.000	0	0	1.000	0
2012-2013	0	0.996	0	0	1.000	0
2013-2014	0	0.991	0	0	0.993	0
2014-2015	101,314	0.988	100,051	67,880	0.990	67,176
2015-2016	0	0.985	0	0	0.985	0
2016-2017	1,084,499	0.983	1,066,246	734,206	0.984	722,821
2017-2018	1,061,884	0.981	1,042,178	818,713	0.982	803,850
2018-2019	2,642,634	0.981	2,591,166	1,881,555	0.981	1,845,880
2019-2020	3,571,860	0.977	3,489,622	2,703,898	0.980	2,649,843
2020-2021	5,943,252	0.968	5,754,227	5,455,905	0.974	5,313,743
2021-2022	3,281,367	0.955	3,135,236	6,523,357	0.962	6,278,382
Totals	\$17,686,810		\$17,178,726	\$18,185,514		\$17,681,695

(G) Discount Factor at 12/31/21 for Overall Reserve: 0.971  
 (H) Discount Factor at 6/30/22 for Overall Reserve: 0.972

## Notes:

- (A) From Appendix F, Outstanding Liability at 12/31/21.
- (B) Based on Appendix H, Page 2, Column (F).
- (C) (A) x (B).
- (D) From Appendix F, Outstanding Liability at 6/30/22.
- (E) Based on Appendix H, Page 2, Column (F).
- (F) (D) x (E).
- (G) Total of (C) / Total of (A).
- (H) Total of (F) / Total of (D).

This exhibit shows the expected impact of anticipated investment income on the liability for outstanding claims at the date of evaluation and the end of the current fiscal year. For example, if the discount factor in item (G) is 0.971, the discounted liability for outstanding claims is 97.1% of the full value.

## ERMA - Employment 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	0.2%	1.50%	0.002	0.002	0.993
9	0.8%	1.50%	0.010	0.010	0.990
8	1.4%	1.50%	0.024	0.024	0.985
7	4.1%	1.50%	0.064	0.065	0.984
6	7.3%	1.50%	0.135	0.138	0.982
5	16.4%	1.50%	0.296	0.302	0.981
4	32.3%	1.50%	0.612	0.625	0.980
3	28.2%	1.50%	0.883	0.907	0.974
2	8.7%	1.50%	0.957	0.994	0.962
1	0.6%	1.50%	0.948	1.000	0.948

(G) Discount Factor for Future Funding:	2021-2022	0.956
	2022-2023	0.956

## 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,  $95.7\% = [88.3\% / 1.015] + [8.7\% / (1.007)]$ .
- (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.

## ERMA - Employment Practices Liability

## Confidence Level Table

Probability	Projected Losses	Outstanding Losses
95%	2.000	1.571
90%	1.727	1.413
85%	1.563	1.321
80%	1.440	1.251
75%	1.342	1.195
70%	1.259	1.148
65%	1.185	1.107
60%	1.118	1.069
55%	1.059	1.033
50%	1.000	1.000
45%	0.946	0.969
40%	0.893	0.938
35%	0.840	0.907
30%	0.787	0.875
25%	0.731	0.842

To read table: For the above retention, there is a 90% chance that final loss settlements will be less than 1.727 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.

Calculated Implied 50% CLF	0.923	0.963
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## ERMA - Employment Practices Liability

## Program History

Policy Year Start Date	Policy Year End Date	Policy Year	Self-Insured Retention	
			Per Occurrence	Aggregate
7/1/1999	6/30/2001	Prior	\$1,000,000	(none)
7/1/2001	6/30/2002	2001-2002	1,000,000	(none)
7/1/2002	6/30/2003	2002-2003	1,000,000	(none)
7/1/2003	6/30/2004	2003-2004	1,000,000	(none)
7/1/2004	6/30/2005	2004-2005	1,000,000	(none)
7/1/2005	6/30/2006	2005-2006	1,000,000	(none)
7/1/2006	6/30/2007	2006-2007	1,000,000	(none)
7/1/2007	6/30/2008	2007-2008	1,000,000	(none)
7/1/2008	6/30/2009	2008-2009	1,000,000	(none)
7/1/2009	6/30/2010	2009-2010	1,000,000	(none)
7/1/2010	6/30/2011	2010-2011	1,000,000	(none)
7/1/2011	6/30/2012	2011-2012	1,000,000	(none)
7/1/2012	6/30/2013	2012-2013	1,000,000	(none)
7/1/2013	6/30/2014	2013-2014	1,000,000	(none)
7/1/2014	6/30/2015	2014-2015	1,000,000	(none)
7/1/2015	6/30/2016	2015-2016	1,000,000	(none)
7/1/2016	6/30/2017	2016-2017	1,000,000	(none)
7/1/2017	6/30/2018	2017-2018	1,000,000	(none)
7/1/2018	6/30/2019	2018-2019	1,000,000	(none)
7/1/2019	6/30/2020	2019-2020	1,000,000	(none)
7/1/2020	6/30/2021	2020-2021	1,000,000	(none)
7/1/2021	6/30/2022	2021-2022	1,000,000	(none)
7/1/2022	6/30/2023	2022-2023	1,000,000	(none)
Third Party Claims Administrator			Begin Date	End Date
			7/1/1999	Current

This exhibit summarizes some of the key facts about the history of the program.



## ERMA - Employment Practices Liability

## Incurred Losses as of 12/31/21

Accident Year (A)	Unlimited Incurred (B)	Additions to Losses (C)	Subtractions from Losses (D)	Adjusted Incurred (E)	Incurred Over SIR (F)	Incurred Over \$1,000,000 (G)	Incurred Capped at \$1,000,000 (H)	Incurred \$1,000,000 to SIR Layer (I)	Incurred Capped at SIR (J)	Incurred Capped at SIR & Aggregate (K)
Prior	\$4,596,564	\$0	\$0	\$4,596,564	\$0	\$0	\$4,596,564	\$0	\$4,596,564	\$4,596,564
2001-2002	751,089	0	0	751,089	0	0	751,089	0	751,089	751,089
2002-2003	2,992,869	0	0	2,992,869	0	0	2,992,869	0	2,992,869	2,992,869
2003-2004	1,973,193	0	0	1,973,193	0	0	1,973,193	0	1,973,193	1,973,193
2004-2005	6,416,832	0	0	6,416,832	0	0	6,416,832	0	6,416,832	6,416,832
2005-2006	3,616,204	0	0	3,616,204	0	0	3,616,204	0	3,616,204	3,616,204
2006-2007	5,810,921	0	0	5,810,921	0	0	5,810,921	0	5,810,921	5,810,921
2007-2008	3,528,296	0	0	3,528,296	0	0	3,528,296	0	3,528,296	3,528,296
2008-2009	1,211,783	0	0	1,211,783	0	0	1,211,783	0	1,211,783	1,211,783
2009-2010	3,281,809	0	0	3,281,809	0	0	3,281,809	0	3,281,809	3,281,809
2010-2011	1,825,609	0	0	1,825,609	0	0	1,825,609	0	1,825,609	1,825,609
2011-2012	1,916,982	0	0	1,916,982	0	0	1,916,982	0	1,916,982	1,916,982
2012-2013	1,878,240	0	0	1,878,240	0	0	1,878,240	0	1,878,240	1,878,240
2013-2014	2,210,525	0	0	2,210,525	0	0	2,210,525	0	2,210,525	2,210,525
2014-2015	4,087,591	0	0	4,087,591	0	0	4,087,591	0	4,087,591	4,087,591
2015-2016	3,217,101	0	0	3,217,101	0	0	3,217,101	0	3,217,101	3,217,101
2016-2017	3,027,979	0	0	3,027,979	0	0	3,027,979	0	3,027,979	3,027,979
2017-2018	4,128,295	0	0	4,128,295	0	0	4,128,295	0	4,128,295	4,128,295
2018-2019	3,320,821	0	0	3,320,821	0	0	3,320,821	0	3,320,821	3,320,821
2019-2020	1,645,192	0	0	1,645,192	0	0	1,645,192	0	1,645,192	1,645,192
2020-2021	402,990	0	0	402,990	0	0	402,990	0	402,990	402,990
2021-2022	60,000	0	0	60,000	0	0	60,000	0	60,000	60,000
Total	\$61,900,885	\$0	\$0	\$61,900,885	\$0	\$0	\$61,900,885	\$0	\$61,900,885	\$61,900,885

## Notes:

- (A) Years are 7/1 to 6/30.
- (B) Provided by the Authority.
- (C)
- (D)
- (E) (B) + (C) - (D).
- (F) Sum of incurred losses in excess of SIR.
- (G) Sum of incurred losses in excess of \$1,000,000.
- (H) (E) - (G).
- (I) (G) - (F).
- (J) (E) - (F).
- (K) Minimum of (J) and the aggregate stop loss. See Appendix J.

## ERMA - Employment Practices Liability

## Paid Losses as of 12/31/21

Accident Year (A)	Unlimited Paid (B)	Additions to Losses (C)	Subtractions from Losses (D)	Adjusted Paid (E)	Paid Over SIR (F)	Paid Over \$1,000,000 (G)	Paid Capped at \$1,000,000 (H)	Paid \$1,000,000 to SIR Layer (I)	Paid Capped at SIR (J)	Paid Capped at SIR & Aggregate (K)
Prior	\$4,596,564	\$0	\$0	\$4,596,564	\$0	\$0	\$4,596,564	\$0	\$4,596,564	\$4,596,564
2001-2002	751,089	0	0	751,089	0	0	751,089	0	751,089	751,089
2002-2003	2,992,869	0	0	2,992,869	0	0	2,992,869	0	2,992,869	2,992,869
2003-2004	1,973,193	0	0	1,973,193	0	0	1,973,193	0	1,973,193	1,973,193
2004-2005	6,416,832	0	0	6,416,832	0	0	6,416,832	0	6,416,832	6,416,832
2005-2006	3,616,204	0	0	3,616,204	0	0	3,616,204	0	3,616,204	3,616,204
2006-2007	5,810,921	0	0	5,810,921	0	0	5,810,921	0	5,810,921	5,810,921
2007-2008	3,528,296	0	0	3,528,296	0	0	3,528,296	0	3,528,296	3,528,296
2008-2009	1,211,783	0	0	1,211,783	0	0	1,211,783	0	1,211,783	1,211,783
2009-2010	3,281,809	0	0	3,281,809	0	0	3,281,809	0	3,281,809	3,281,809
2010-2011	1,825,609	0	0	1,825,609	0	0	1,825,609	0	1,825,609	1,825,609
2011-2012	1,916,982	0	0	1,916,982	0	0	1,916,982	0	1,916,982	1,916,982
2012-2013	1,878,240	0	0	1,878,240	0	0	1,878,240	0	1,878,240	1,878,240
2013-2014	2,210,525	0	0	2,210,525	0	0	2,210,525	0	2,210,525	2,210,525
2014-2015	4,047,591	0	0	4,047,591	0	0	4,047,591	0	4,047,591	4,047,591
2015-2016	3,217,101	0	0	3,217,101	0	0	3,217,101	0	3,217,101	3,217,101
2016-2017	2,160,608	0	0	2,160,608	0	0	2,160,608	0	2,160,608	2,160,608
2017-2018	3,557,679	0	0	3,557,679	0	0	3,557,679	0	3,557,679	3,557,679
2018-2019	1,690,975	0	0	1,690,975	0	0	1,690,975	0	1,690,975	1,690,975
2019-2020	1,216,451	0	0	1,216,451	0	0	1,216,451	0	1,216,451	1,216,451
2020-2021	167,897	0	0	167,897	0	0	167,897	0	167,897	167,897
2021-2022	0	0	0	0	0	0	0	0	0	0
Total	\$58,069,218	\$0	\$0	\$58,069,218	\$0	\$0	\$58,069,218	\$0	\$58,069,218	\$58,069,218

## Notes:

- (A) Years are 7/1 to 6/30.
- (B) Provided by the Authority.
- (C)
- (D)
- (E) (B) + (C) - (D).
- (F) Sum of paid losses in excess of SIR.
- (G) Sum of paid losses in excess of \$1,000,000.
- (H) (E) - (G).
- (I) (G) - (F).
- (J) (E) - (F).
- (K) Minimum of (J) and the aggregate stop loss. See Appendix J.

## ERMA - Employment Practices Liability

## Case Reserves as of 12/31/21

Accident Year (A)	Unlimited Reserves (B)	Additions to Losses (C)	Subtractions from Losses (D)	Adjusted Reserves (E)	Reserves Over SIR (F)	Reserves Over \$1,000,000 (G)	Reserves Capped at \$1,000,000 (H)	Reserves to SIR Layer \$1,000,000 (I)	Reserves Capped at SIR (J)	Reserves Capped at SIR & Aggregate (K)
Prior	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2001-2002	0	0	0	0	0	0	0	0	0	0
2002-2003	0	0	0	0	0	0	0	0	0	0
2003-2004	0	0	0	0	0	0	0	0	0	0
2004-2005	0	0	0	0	0	0	0	0	0	0
2005-2006	0	0	0	0	0	0	0	0	0	0
2006-2007	0	0	0	0	0	0	0	0	0	0
2007-2008	0	0	0	0	0	0	0	0	0	0
2008-2009	0	0	0	0	0	0	0	0	0	0
2009-2010	0	0	0	0	0	0	0	0	0	0
2010-2011	0	0	0	0	0	0	0	0	0	0
2011-2012	0	0	0	0	0	0	0	0	0	0
2012-2013	0	0	0	0	0	0	0	0	0	0
2013-2014	0	0	0	0	0	0	0	0	0	0
2014-2015	40,000	0	0	40,000	0	0	40,000	0	40,000	40,000
2015-2016	0	0	0	0	0	0	0	0	0	0
2016-2017	867,371	0	0	867,371	0	0	867,371	0	867,371	867,371
2017-2018	570,616	0	0	570,616	0	0	570,616	0	570,616	570,616
2018-2019	1,629,846	0	0	1,629,846	0	0	1,629,846	0	1,629,846	1,629,846
2019-2020	428,741	0	0	428,741	0	0	428,741	0	428,741	428,741
2020-2021	235,093	0	0	235,093	0	0	235,093	0	235,093	235,093
2021-2022	60,000	0	0	60,000	0	0	60,000	0	60,000	60,000
Total	\$3,831,667	\$0	\$0	\$3,831,667	\$0	\$0	\$3,831,667	\$0	\$3,831,667	\$3,831,667

## Notes:

- (A) Years are 7/1 to 6/30.
- (B) Appendix K, Page 1, Column (B) - Appendix K, Page 2, Column (B).
- (C) Appendix K, Page 1, Column (C) - Appendix K, Page 2, Column (C).
- (D) Appendix K, Page 1, Column (D) - Appendix K, 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 \$1,000,000.
- (H) (E) - (G).
- (I) (G) - (F).
- (J) (E) - (F).
- (K) Minimum of (J) and the aggregate stop loss. See Appendix J.

## ERMA - Employment Practices Liability

## Claim Counts as of 12/31/21

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)
Prior	22	0	0	22	22	0	0	22	0	0
2001-2002	12	0	0	12	12	0	0	12	0	0
2002-2003	20	0	0	20	20	0	0	20	0	0
2003-2004	13	0	0	13	13	0	0	13	0	0
2004-2005	21	0	0	21	21	0	0	21	0	0
2005-2006	18	0	0	18	18	0	0	18	0	0
2006-2007	24	0	0	24	24	0	0	24	0	0
2007-2008	28	0	0	28	28	0	0	28	0	0
2008-2009	12	0	0	12	12	0	0	12	0	0
2009-2010	21	0	0	21	21	0	0	21	0	0
2010-2011	12	0	0	12	12	0	0	12	0	0
2011-2012	9	0	0	9	9	0	0	9	0	0
2012-2013	14	0	0	14	14	0	0	14	0	0
2013-2014	12	0	0	12	12	0	0	12	0	0
2014-2015	17	0	0	17	16	0	0	16	1	1
2015-2016	18	0	0	18	18	0	0	18	0	0
2016-2017	23	0	0	23	20	0	0	20	3	3
2017-2018	19	0	0	19	16	0	0	16	3	3
2018-2019	22	0	0	22	11	0	0	11	11	11
2019-2020	20	0	0	20	10	0	0	10	10	10
2020-2021	15	0	0	15	4	0	0	4	11	11
2021-2022	6	0	0	6	0	0	0	0	6	6
Total	378	0	0	378	333	0	0	333	45	45

## Notes:

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

## ERMA - Employment Practices Liability

## Exposure Measures

Accident Year	Total Payroll (\$00) (A)	Inflation Trend Factor (B)	Trended Payroll (\$00) (C)
Prior	0		0
2001-2002	6,754,110	1.638	11,063,232
2002-2003	7,959,262	1.598	12,718,901
2003-2004	9,299,424	1.559	14,497,802
2004-2005	9,224,980	1.521	14,031,195
2005-2006	9,606,112	1.484	14,255,470
2006-2007	11,027,907	1.448	15,968,409
2007-2008	12,352,186	1.413	17,453,639
2008-2009	12,413,333	1.379	17,117,986
2009-2010	11,190,222	1.345	15,050,849
2010-2011	10,606,794	1.312	13,916,114
2011-2012	10,523,889	1.280	13,470,578
2012-2013	10,339,911	1.249	12,914,549
2013-2014	10,842,469	1.219	13,216,970
2014-2015	11,499,263	1.189	13,672,624
2015-2016	12,172,789	1.160	14,120,435
2016-2017	13,576,882	1.132	15,369,030
2017-2018	13,954,280	1.104	15,405,525
2018-2019	14,541,796	1.077	15,661,514
2019-2020	15,338,510	1.051	16,120,774
2020-2021	15,565,033	1.025	15,954,159
2021-2022	17,080,915	1.000	17,080,915
2022-2023	17,252,000	1.000	17,252,000

## Notes:

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

**DRAFT****ERMA****Loss Experience Through 12/31/21**

Appendix M

Page 1

**ERMA: Reported Claims and Losses**

Year	Excess of Retention					Excess of \$50,000				
	Claim Count =====>			Loss Dollars =====>		Claim Count =====>		Loss Dollars =====>		
	Paid	Incurred	Open	Paid	Incurred	Paid	Incurred	Paid	Incurred	
Prior	22	22	-	4,596,564	4,596,564	19	19	4,636,144	4,636,144	
2001-2002	12	12	-	751,089	751,089	8	8	638,646	638,646	
2002-2003	20	20	-	2,992,869	2,992,869	20	20	2,817,869	2,817,869	
2003-2004	13	13	-	1,973,193	1,973,193	14	14	1,889,282	1,889,282	
2004-2005	21	21	-	6,416,832	6,416,832	21	21	6,253,619	6,253,619	
2005-2006	18	18	-	3,616,204	3,616,204	14	14	3,441,928	3,441,928	
2006-2007	24	24	-	5,810,921	5,810,921	22	22	5,498,902	5,498,902	
2007-2008	28	28	-	3,528,296	3,528,296	26	26	3,325,117	3,325,117	
2008-2009	12	12	-	1,211,783	1,211,783	9	9	993,225	993,225	
2009-2010	21	21	-	3,281,809	3,281,809	20	20	3,646,996	3,646,996	
2010-2011	12	12	-	1,825,609	1,825,609	13	13	1,736,947	1,736,947	
2011-2012	9	9	-	1,916,982	1,916,982	11	11	1,892,260	1,892,260	
2012-2013	14	14	-	1,878,240	1,878,240	14	14	1,935,905	1,935,905	
2013-2014	12	12	-	2,210,525	2,210,525	13	13	2,111,260	2,111,260	
2014-2015	16	17	1	4,047,591	4,087,591	14	15	4,453,624	4,493,624	
2015-2016	18	18	-	3,217,101	3,217,101	20	20	3,641,172	3,641,172	
2016-2017	22	23	3	2,160,608	3,027,979	24	25	2,909,703	3,834,964	
2017-2018	18	19	3	3,557,679	4,128,295	21	23	3,939,455	4,592,406	
2018-2019	17	22	11	1,690,975	3,320,821	18	21	2,564,742	4,849,775	
2019-2020	15	20	10	1,216,451	1,645,192	13	20	1,686,300	2,221,212	
2020-2021	7	15	11	167,897	402,990	6	7	112,380	353,723	
2021-2022	-	6	6	-	60,000	-	-	-	-	
Total	351	378	45	58,069,218	61,900,885	340	355	60,125,478	64,804,977	

Year	First Dollar (to \$1M)				
	Claim Count =====>			Loss Dollars =====>	
	Total	Incurred	Open	Paid	Incurred
Prior	103	65	-	6,047,157	6,047,157
2001-2002	53	33	-	1,464,982	1,464,982
2002-2003	42	26	-	3,915,348	3,915,348
2003-2004	36	26	-	2,792,337	2,792,337
2004-2005	51	39	-	7,532,219	7,532,219
2005-2006	45	29	-	4,437,956	4,437,956
2006-2007	57	37	-	6,828,803	6,828,803
2007-2008	65	48	-	4,885,373	4,885,373
2008-2009	50	30	-	1,840,744	1,840,744
2009-2010	71	49	-	5,010,772	5,010,772
2010-2011	51	27	-	2,540,326	2,540,326
2011-2012	48	31	-	2,707,088	2,707,088
2012-2013	49	29	-	2,794,860	2,794,860
2013-2014	47	32	1	2,992,901	3,027,901
2014-2015	54	40	1	5,537,509	5,601,833
2015-2016	57	45	-	4,933,336	4,933,336
2016-2017	86	78	3	4,762,785	5,702,365
2017-2018	84	76	5	5,627,290	6,293,959
2018-2019	94	80	15	4,216,653	6,666,991
2019-2020	78	73	22	3,165,536	4,234,018
2020-2021	83	80	35	1,018,853	2,104,657
2021-2022	33	31	30	19,266	905,465
Total	1,337	1,004	112	85,072,093	92,268,490

**DRAFT****ERMA****Loss Experience Through 12/31/21**

Appendix M

Page 2

**By Member**

Member	Reported Losses First Dollar		Reported Losses ERMA Layer		Reported Claims		
	Paid	Incurred	Paid	Incurred	1st Dollar Total	With Incurred Value>\$500	In ERMA Layer
BCJPIA	5,719,309	6,785,177	2,866,036	3,616,036	120	90	17
CalTIP	170,516	170,516	115,121	115,121	2	2	1
CCCMRMIA/MPA	18,637,261	19,501,506	14,106,072	14,526,548	263	172	62
CHARMA	2,087,103	2,087,103	1,359,259	1,359,259	43	24	10
CIRA	17,412,790	18,168,863	11,360,596	11,474,346	285	208	86
CSJVRMA	15,530,508	16,669,001	12,046,831	12,884,409	245	184	85
ERMAC	941,403	1,120,252	-	-	23	19	-
MBASIA	1,929,458	2,785,902	-	100,000	28	23	1
PERMA	16,354,779	18,006,444	12,225,071	13,354,642	177	145	71
PLAN	-	35,000	-	-	2	1	-
SCORE	1,644,072	2,025,910	1,312,567	1,669,405	21	16	12
VCJPA	3,151,703	3,262,387	1,908,901	1,999,139	66	53	24
City of Vacaville	560,209	560,209	402,111	402,111	9	5	3
Oakland Housing Authority	850,973	973,210	366,653	399,869	45	25	6
Contra Costa Housing Authority	82,012	117,012	-	-	8	8	-
<b>Total</b>	<b>85,072,093</b>	<b>92,268,490</b>	<b>58,069,218</b>	<b>61,900,885</b>	<b>1,337</b>	<b>975</b>	<b>378</b>

**Percent of Total**

Member	Reported Losses First Dollar		Reported Losses ERMA Layer		Reported Claims		
	Paid	Incurred	Paid	Incurred	1st Dollar Total	With Incurred Value>\$500	In ERMA Layer
BCJPIA	7%	7%	5%	6%	9%	9%	4%
CalTIP	0%	0%	0%	0%	0%	0%	0%
CCCMRMIA/MPA	22%	21%	24%	23%	20%	18%	16%
CHARMA	2%	2%	2%	2%	3%	2%	3%
CIRA	20%	20%	20%	19%	21%	21%	23%
CSJVRMA	18%	18%	21%	21%	18%	19%	22%
ERMAC	1%	1%	0%	0%	2%	2%	0%
MBASIA	2%	3%	0%	0%	2%	2%	0%
PERMA	19%	20%	21%	22%	13%	15%	19%
PLAN	0%	0%	0%	0%	0%	0%	0%
SCORE	2%	2%	2%	3%	2%	2%	3%
VCJPA	4%	4%	3%	3%	5%	5%	6%
City of Vacaville	1%	1%	1%	1%	1%	1%	1%
Oakland Housing Authority	1%	1%	1%	1%	3%	3%	2%
Contra Costa Housing Authority	0%	0%	0%	0%	1%	1%	0%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

**Retention Rate Adjustment Factors****Losses Limited to \$1,000,000 per Occurrence**

Retention	Selected Current	Selected Prior	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	All Years
25,000	1.120	1.120	1.123	1.126	1.077	1.117	1.143	1.104	1.097	1.258	1.882	1.112
50,000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
75,000	0.900	0.900	0.896	0.896	0.936	0.896	0.882	0.914	0.924	0.798	0.472	0.908
100,000	0.820	0.820	0.801	0.807	0.880	0.813	0.776	0.839	0.855	0.657	0.376	0.834
250,000	0.500	0.500	0.441	0.435	0.612	0.458	0.380	0.496	0.522	0.188	0.028	0.513
350,000	0.360	0.360	0.294	0.287	0.497	0.286	0.226	0.368	0.359	0.099	-	0.368
500,000	0.200	0.200	0.169	0.168	0.355	0.143	0.120	0.234	0.236	0.004	-	0.221
750,000	0.070	0.070	0.055	0.064	0.123	0.051	0.047	0.078	0.097	-	-	0.080



**ERMA - New Member 1st Year Claims Made Rate**  
**Coverage for 2021-22 Occurrences Reported in 2022-23**  
**\$1,000,000 ERMA Limit, \$50,000 Member Deductible**

Occurrence Year (A)	Selected Severity (B)	Selected Frequency (C)	Estimated % of ERMA-Layer 2021-22 Claims to be Reported in 2022-23 (D)	Expected Loss Rate (E)	75% CL (F)	80% CL (G)	85% CL (H)
2021-22	\$225,000	0.017	40%	\$0.153	\$0.205	\$0.220	\$0.239

Footnotes:

- (A) Occurrence year covered  
 (B) From Appendix D, Page 2; Average claim size in ERMA layer  
 (C) From Appendix D, Page 3; # of claims per \$1M of payroll  
 (D) Selected based on estimated ERMA layer reported claim development patterns  
 (E) Expected rate per \$100 of payroll:  $(B) \times (C) \times (D) / 10,000$   
 (F) 75% Confidence Level rate per \$100 of payroll  
 (G) 80% Confidence Level rate per \$100 of payroll  
 (H) 85% Confidence Level rate per \$100 of payroll

**FINANCIAL MATTERS**

**SUBJECT: Review of Annual Retrospective Adjustment Calculation**

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**BACKGROUND AND STATUS:**

In accordance with the Financial Stability Plan (Plan) as amended on May 1, 2018, the retrospective adjustment calculation is considered annually by the Board of Directors. A preliminary calculation is enclosed using the financial statements as of December 31, 2021, restated, using the re-estimated ultimate losses from the actuarial study dated April 4, 2022.

The results of the preliminary calculation indicate a net position available for distribution of \$5.2 million as of December 31, 2021. This is a significant increase from the amount presented at the Annual Workshop on April 1, 2022, which used ultimate loss estimates from the April 2021 actuarial study. The increase in available net position is the result of favorable loss development in the 2018/19 and 2019/20 program years. The net position at the 90% confidence level in the eligible program years was essentially the same; however, the net position in the newer program years improved significantly and the prior deficits that had been suppressing the available surplus were reduced, thereby freeing more net position in the eligible program years.

Jim Elledge, Interim Finance Manager, will review the preliminary calculation with the Board and answer any questions.

**RECOMMENDATION:**

*Staff recommends the Board of Directors provide feedback and direction.*

**REFERENCE MATERIALS ATTACHED:**

- Preliminary Calculation of the Annual Retrospective Adjustment

# Employment Risk Management Authority

## Program Net Position by Member

As of December 31, 2021

Calculation of the Annual Retrospective Adjustment - Actuarial Estimates Updated per April 4, 2022 Study

Member	Retrospective Adjustment Eligible Program Years ~ Fully Five Years Old						Total Distribution Available*	~ Program Years Not Yet Eligible for Adjustment ~						Total All Program Years
	2012/13 Program Year	2013/14 Program Year	2014/15 Program Year	2015/16 Program Year	2016/17 Program Year	Member Subtotals		2017/18 Program Year	2018/19 Program Year	2019/20 Program Year	2020/21 Program Year	2021/22 Program Year	Member Subtotals	
BCIPIA	\$ 217,469	\$ 188,830	\$ 52,040	\$ 144,738	\$ 283,826	\$ 886,903		\$ 175,811	\$ 238,329	\$ 244,965	\$ 212,664	\$ 116,450	\$ 988,218	\$ 1,875,121
CalTIP								18,689	27,790	26,993	22,815	13,636	109,922	109,922
CSJVRMA	364,931	271,318	20,246	238,494	578,881	1,473,870		286,541	464,455	446,422	329,971	192,197	1,719,586	3,193,456
ERMAC					56,733	56,733		24,229	44,071	60,524	51,731	31,260	211,816	268,549
MBASIA	19,689	19,218	1,268	14,588	28,342	83,105		13,205	23,425	23,805	18,199	13,118	91,752	174,857
MPA	283,167	220,886	15,720	213,165	414,962	1,147,901		194,375	308,111	346,532	269,586	173,741	1,292,346	2,440,246
CIRA**	295,378	274,356	72,411	192,260	489,222	1,323,627		265,103	386,750	274,961	286,411	172,287	1,385,513	2,709,140
PERMA	274,553	275,976	76,822	162,807	285,012	1,075,169		184,331	348,252	324,028	314,157	192,825	1,363,594	2,438,762
PLAN JPA											13,487	7,318	20,805	20,805
SCORE	20,227	18,797	5,207	14,948	27,678	86,857		17,110	26,233	26,509	29,193	18,807	117,851	204,709
VCJPA	76,144	61,884	4,188	46,156	110,134	298,506		48,981	89,442	92,954	67,850	34,674	333,901	632,406
Oakland HA	38,042	29,012	2,004	20,048	44,023	133,129		27,824	40,133	40,878	30,183	19,865	158,883	292,012
Contra Costa County HA	9,182	7,438	449	3,888	8,842	29,800		4,445	6,908	6,600	5,360	3,443	26,757	56,557
Capital Fund														792,221
Totals:														
Net Position at Expected C.L.	\$ 1,598,782	\$ 1,367,716	\$ 250,357	\$ 1,051,090	\$ 2,327,656	\$ 6,595,602		\$ 1,260,645	\$ 2,003,901	\$ 1,915,171	\$ 1,651,606	\$ 989,621	\$ 7,820,944	\$ 15,208,764
Net Position at 90% C.L.	\$ 1,598,782	\$ 1,367,716	\$ 221,948	\$ 1,051,090	\$ 2,017,660	\$ 6,257,196	\$ 5,218,431	\$ 913,279	\$ 1,208,980	\$ 770,564	\$ (659,896)	\$ (378,869)	\$ 1,854,058	8,111,255

\*\* Effective 7/1/21, CIRA is a combination of PARSAC and REMIF members

\* Negative equity in current program years is included in Total Distribution Available

Additional Information:						Subtotals:							Subtotals:	Totals:
Open claims	0	0	1	0	3	4		3	11	10	12	6	42	46
Confidence Level Funding:	80%	80%	80%	80%	80%			80%	80%	80%	80%	80%		

**FINANCIAL MATTERS**

**SUBJECT: Review of Preliminary Administrative and Operating Budget for the 2022/23 Program Year**

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**BACKGROUND AND STATUS:**

Attached is the preliminary budget for the 2022/23 Program Year. The budget sets forth the estimated contributions required to fund ERMA's four primary expense categories and excess insurance costs for the participating members for the program year:

1. Funding for losses;
2. Excess insurance costs;
3. Loss Prevention and Training; and
4. Administrative expenses.

**Membership Changes**

The following membership activity is reflected in the proposed budget:

1. Add: City of Lindsay to CSJVRMA
2. Add: City of Canyon Lake Fire Department to PERMA

**Summary**

The following tables present the estimated 2022/23 total contributions as compared to the prior year.

**Summary Budget**

	<b>Contributions</b>	<b>% Change Over Prior Year Budget</b>
<b>2022/2023 Contributions</b>	<b>10,297,942</b>	<b>3.2%</b>
Funding for Losses – SIR to \$1M	8,718,690	3.2%
Excess Insurance	354,146	1.7%
Loss Prevention and Training	168,600	8.0%
Administrative Expenses	1,056,505	3.3%

The Board can examine the changes to individual entity contributions and the key cost drivers in the attached budget. The following is a brief discussion of the various budget components and the status of each.

Funding for Losses – SIR to \$1M

The amount of funding needed to cover the ultimate cost of claims within the self-insured layer is estimated by ERMA's independent consulting actuary based on the following: ERMA's historical loss experience, payroll of the member entities, and other factors that could impact the cost of claims. The Board of Directors selects the confidence level (CL) and discount rate upon which the rates are determined. As shown below, staff recommends the Board continue to set the funding rates at the 80% CL and discount at 1.50%. The rate increased 1.18%.

**Recommended Funding Levels**

	2021/22		2022/23	
Self-Insured Layer	Confidence Level	Discount Rate	Confidence Level	Discount Rate
Member SIR to \$1M	80%	1.50%	80%	1.50%
Funding Rate	\$0.595		\$0.602	
Funding Contribution	\$8,447,075		\$8,718,690	
Change in Contribution	3.22%			
Change in Rate	1.18%			
Change in Payroll	1.95%			

Discount Rate Selection

The funding rates are discounted to net present value (NPV), which reduces the rate to reflect investment income expected to be earned on those contributions over time. In preparation for the annual actuarial analysis, staff met with the actuary and investment advisor on March 21<sup>st</sup> to review the reasonableness of ERMA's current discount rate assumption given the current duration of liabilities and earnings potential. It was noted the estimated average earnings rates for 2022/23 and 2023/24 are 1.15% and 1.43%, respectively. Given the anticipated investment earnings and expectation of a gradual increase in the earnings rate, the consensus was to continue the interest rate assumption of 1.50%. Choosing a discount rate that closely matches the anticipated earnings protects against future funding shortfalls.

Experience Modification Factors

Experience modification (ex-mod) factors are applied to the deposit premium before excess insurance costs and provide debits and credits based on the loss experience of members. The ex-mods are based on incurred losses between \$25,000 and \$500,000 as of December 31, 2021. The three-tiered ex-mod calculation functions as follows:

- Ex-mods are calculated at the JPA level and applied in determining each member's contribution to ERMA.
- The JPA experience modifier to each underlying JPA member is used to determine the individual member contributions. It utilizes the "pure" ex-mod rather than the credibility-factored ex-mod used in the primary JPA calculation and has a floor of 0.75 and ceiling of 1.50.
- A third calculation limits annual ex-mod changes to 25% for individual members.

Excess Insurance

Excess insurance is optional and covers losses between \$1 million and \$3 million. The excess rate is currently estimated to be flat based on guidance from ERMA's broker.

Loss Prevention, Training, and Administrative Expenses

The estimated cost to operate ERMA and provide loss prevention and training services is estimated to be \$1,225,105 for the 2022/23 program year, a 3.9% increase over the prior year. Increases are based on fees contained in existing Board-approved contracts or are estimated based on historical and planned future activities.

Payroll

Actual calendar year 2021 payroll is used to determine member contributions and increased 1.95% over the prior year.

**RECOMMENDATION:**

*Staff recommends the Board of Directors review the Preliminary Administrative and Operating Budget for the 2022/23 Program Year and provide direction to staff, as necessary.*

**REFERENCE MATERIALS ATTACHED:**

- 2022/23 Preliminary Operating Budget

**2022/2023 Preliminary Operating Budget**  
**80% Confidence Level ~ 1.5% Discount Factor**  
**Excess Insurance \$2 million x \$1 million ~ \$4 million / \$10 million Aggregate**

	<b>Prior Year - 2021/2022</b>		<b>2022/2023 Preliminary Budget</b>	<b>Increase/(Dec) Over Prior Year Budget</b>	<b>Percentage Change</b>
	<b>Projected Actual</b>	<b>Approved Budget</b>			
<b><u>Claims Expense:</u></b>					
Funding for Pooled Losses (SIR to \$1M)	\$8,447,075	\$8,447,075	<b>\$8,718,690</b>	\$271,615	3.22%
Excess Insurance	348,341	348,341	<b>354,146</b>	5,805	1.67%
<b>Total Claims Costs</b>	<b>\$8,795,417</b>	<b>\$8,795,417</b>	<b>\$9,072,837</b>	<b>\$277,420</b>	<b>3.15%</b>
<b><u>Loss Prevention and Training:</u></b>					
Online Training and Reporting (In2Vate)	47,233	51,100	<b>51,100</b>	0	0.00%
Hotline Services - Jackson Lewis & LCW	6,500	6,500	<b>6,500</b>	0	0.00%
Misc. Training Expenses	0	6,000	<b>6,000</b>	0	0.00%
Customized Training / Workshops	31,650	92,500	<b>105,000</b>	12,500	13.51%
<b>Total Loss Prevention and Training</b>	<b>\$85,383</b>	<b>\$156,100</b>	<b>\$168,600</b>	<b>\$12,500</b>	<b>8.01%</b>
<b><u>Administration:</u></b>					
Program Management (Sedgwick)	\$844,157	\$844,157	<b>\$864,245</b>	\$20,088	2.38%
In-House Training Workshops (Sedgwick - 25 sessions)	included	included	included		
Risk Assessments	0	10,000	<b>10,000</b>	0	0.00%
Claims System	5,000	5,000	<b>5,000</b>	0	0.00%
Legal Services	20,000	50,000	<b>50,000</b>	0	0.00%
Actuarial Study	10,700	10,700	<b>11,235</b>	535	5.00%
Financial Audit	10,500	10,500	<b>11,025</b>	525	5.00%
Claims Audit	0	0	<b>5,900</b>	5,900	100.00%
Board Meetings & Retreat	25,302	40,000	<b>45,000</b>	5,000	12.50%
Memberships and Conferences	2,948	8,000	<b>8,800</b>	800	10.00%
Accreditation	1,417	1,500	<b>1,500</b>	0	0.00%
Fidelity Bonds	2,176	2,177	<b>3,000</b>	823	37.80%
E & O Coverage	3,014	3,000	<b>3,300</b>	300	10.00%
Investment Management Services	26,866	32,000	<b>32,000</b>	0	0.00%
Other Expenses	5,144	5,500	<b>5,500</b>	0	0.00%
<b>Total Administration</b>	<b>\$957,224</b>	<b>\$1,022,534</b>	<b>\$1,056,505</b>	<b>\$33,971</b>	<b>3.32%</b>
<b>Total Deposit Premium</b>	<b>\$9,838,024</b>	<b>\$9,974,051</b>	<b>\$10,297,942</b>	<b>\$323,891</b>	<b>3.25%</b>

**2022/2023 member changes from prior year:**

~ Addition of Lindsay in CSJVRMA (effective 7/1/21) - 25K SIR

~ Addition of Canyon Lake FD in PERMA (effective 12/1/21) - 25K SIR



**2022/2023 Preliminary Operating Budget  
Rates**

**80% Confidence Level ~ 1.5% Discount Factor**

**Excess Insurance \$2 million x \$1 million ~ \$4 million / \$10 million Aggregate**

<i><b>Pool Funding, Excess Insurance, and Administrative Rates</b></i>			
<b>Budget Item</b>	<b>Rates</b>	<b>Prior Year Rate</b>	<b>% Change</b>
Funding for Losses - 1.5% Discounted 80% CL	\$0.6020	\$0.5950	1.18%
Excess Insurance: \$2M x \$1M ~ \$4M / \$10M	0.0400	0.0400	0.00%
Loss Prevention & Training	0.0085	0.0081	5.74%
Administration	0.0533	0.0527	1.15%

<i><b>Member Retained Limit Rates - 80% C.L.</b></i>			
<b>SIR</b>	<b>Factor</b>	<b>Rates</b>	<b>SCORE ONLY*</b>
\$25,000	1.12	\$0.674	\$0.626
50,000	1.00	0.602	0.559
75,000	0.90	0.542	0.503
100,000	0.82	0.494	0.458
250,000	0.50	0.301	0.280
350,000	0.36	0.217	0.201
500,000	0.20	0.120	0.112

**\*Rate credit for SCORE's CJPRMA coverage      0.043  
in the layer from \$750K through \$1M**



## 2022/2023 Preliminary Operating Budget Member Summary

80% Confidence Level ~ 1.5% Discount Factor

Member Entities	Actual 2021 Payroll	Funding For Losses *	Loss Prevention & Training	Admin. Costs	Deposit Premium	Experience Modification Factor	Deposit Premium Adjusted for Ex Mod	Off-Balance Factor	Deposit Premium Adjusted for Off-Bal Factor	Excess Insurance \$2M x \$1M	TOTAL Deposit Premium	Prior Year Comparison		
												Deposit Premium	Percentage Change	Percentage Change Net of Payroll
BCJPIA	\$239,435,800	\$1,149,026	\$20,382	\$127,719	\$1,297,127	0.750	\$972,846	1.025	\$997,423		\$997,423	\$1,002,461	-0.5%	-0.7%
CalTIP	22,962,087	134,069	1,955	12,248	148,272	0.978	144,989	1.025	148,652	5,781	154,433	142,308	8.5%	11.4%
CIRA **	394,106,127	1,043,579	33,548	210,223	1,287,351	1.250	1,609,188	1.025	1,649,842		1,649,842	1,483,143	11.2%	9.2%
CSJVRMA	311,595,356	1,797,721	26,524	166,211	1,990,456	0.963	1,917,445	1.025	1,965,886	124,638	2,090,524	2,281,548	-8.4%	-8.3%
ERMAC	166,561,461	183,643	14,178	88,847	286,669	0.802	230,033	1.025	235,844		235,844	269,107	-12.4%	-14.6%
MBASIA	66,487,863	67,934	5,660	35,466	109,059	1.250	136,324	1.025	139,768	26,595	166,363	155,722	6.8%	1.7%
MPA	370,400,635	1,975,509	31,530	197,579	2,204,617	0.908	2,002,673	1.025	2,053,267	148,160	2,201,427	2,062,463	6.7%	5.9%
PERMA	261,168,576	1,497,703	22,232	139,312	1,659,247	1.057	1,753,943	1.025	1,798,253		1,798,253	1,668,050	7.8%	2.0%
PLAN JPA	15,688,198	87,454	1,335	8,368	97,158	0.919	89,266	1.025	91,521	6,275	97,796	86,867	12.6%	6.7%
SCORE	25,484,151	139,849	2,169	13,594	155,612	1.207	187,873	1.025	192,619		192,619	161,898	19.0%	15.6%
VCJPA	65,858,133	396,085	5,606	35,130	436,821	0.897	391,958	1.025	401,860	26,343	428,203	411,614	4.0%	1.1%
Oakland H.A.	34,697,899	208,881	2,954	18,508	230,343	0.970	223,452	1.025	229,097	13,879	242,976	235,814	3.0%	-4.0%
Contra Costa H.A.	6,185,608	37,237	527	3,300	41,063	0.945	38,785	1.025	39,765	2,474	42,239	40,868	3.4%	1.9%
<b>Total</b>	<b>\$1,980,631,895</b>	<b>\$8,718,690</b>	<b>\$168,600</b>	<b>\$1,056,505</b>	<b>\$9,943,796</b>		<b>\$9,698,774</b>		<b>\$9,943,796</b>	<b>\$354,146</b>	<b>\$10,297,942</b>	<b>\$10,001,863</b>	<b>3.0%</b>	<b>1.0%</b>

\* Includes JPA Participation Credit

\*\* CIRA is a combination of PARSAC and REMIF members effective 7/1/2021.

## 2022/2023 Preliminary Operating Budget Prior Year Comparison

Member Entities	DEPOSIT PREMIUM CHANGE			CURRENT PAYROLL CHANGE			EX MOD CALCULATION								
							EX MOD CHANGE			AVERAGE PAYROLL CHANGE			AVERAGE LOSS CHANGE*		
	Current Year	Prior Year		Current Year	Prior Year		Current Year	Prior Year		Current Year	Prior Year		Current Year	Prior Year	
	Total Deposit Premium	Total Deposit Premium	Percentage Change	Current Year Payroll	Prior Year Payroll	Percentage Change	Current Year Ex Mod	Prior Year Ex Mod	Change	Current Year Average Payroll	Prior Year Average Payroll	Change	Current Year Average Losses	Prior Year Average Losses	Percentage Change
BCIPIA	\$997,423	\$1,002,461	-0.5%	\$239,435,800	\$239,078,573	0.1%	0.750	0.770	-2.6%	\$226,379,926	\$216,743,224	4.4%	106,206	\$170,351	-37.7%
CalTIP	154,433	142,308	8.5%	22,962,087	23,644,701	-2.9%	0.978	0.887	10.2%	20,948,574	19,185,773	9.2%	35,030	-	n/a
CIRA	1,649,842	1,483,143	11.2%	394,106,127	386,266,357	2.0%	1.250	1.167	7.1%	335,560,447	203,584,710	64.8%	1,138,881	593,809	91.8%
CSJVRMA	2,090,524	2,281,548	-8.4%	311,595,356	311,962,992	-0.1%	0.963	1.067	-9.7%	285,033,133	268,103,612	6.3%	542,767	622,306	-12.8%
ERMAC	235,844	269,107	-12.4%	166,561,461	162,920,078	2.2%	0.802	0.955	-16.0%	143,121,611	137,246,346	4.3%	93,840	233,709	-59.8%
MBASIA	166,363	155,722	6.8%	66,487,863	63,216,106	5.2%	1.250	1.250	0.0%	55,261,279	51,776,667	6.7%	421,679	316,372	33.3%
MPA	2,201,427	2,062,463	6.7%	370,400,635	367,476,539	0.8%	0.908	0.868	4.7%	324,725,301	306,635,591	5.9%	536,068	434,291	23.4%
PERMA	1,798,253	1,668,050	7.8%	261,168,576	246,773,370	5.8%	1.057	1.048	0.8%	211,315,324	189,852,309	11.3%	514,588	432,609	18.9%
PLAN JPA	97,796	86,867	12.6%	15,688,198	14,219,386	10.3%	0.919	0.907	1.4%	13,696,798	13,236,583	3.5%	2,500	-	n/a
SCORE	192,619	161,898	19.0%	25,484,151	24,663,120	3.3%	1.207	1.210	-0.2%	21,823,389	20,521,062	6.3%	130,000	115,313	12.7%
VCJPA	428,203	411,614	4.0%	65,858,133	63,955,555	3.0%	0.897	0.896	0.2%	57,401,288	54,633,456	5.1%	52,421	49,275	6.4%
Oakland H.A	242,976	235,814	3.0%	34,697,899	32,406,354	7.1%	0.970	1.028	-5.6%	28,931,432	27,814,841	4.0%	46,554	67,231	-30.8%
Contra Costa H.A.	42,239	40,868	3.4%	6,185,608	6,099,076	1.4%	0.945	0.942	0.3%	5,324,966	5,130,302	3.8%	-	-	0.0%
<b>Total</b>	<b>\$10,297,942</b>	<b>\$10,001,864</b>	<b>3.0%</b>	<b>\$1,980,631,895</b>	<b>\$1,942,682,204</b>	<b>2.0%</b>				<b>\$1,729,523,466</b>	<b>\$1,514,464,475</b>	<b>14.2%</b>	<b>3,620,534</b>	<b>\$3,035,265</b>	<b>19.3%</b>

\* Average incurred losses as displayed in the Experience Modification Calculation. Individual losses from \$25k and capped at \$500k.

**2022/2023 Preliminary Operating Budget**  
**Program Administration Fee Worksheet**

Annual Base Contract Price (ABCP)	Original Contract Year 2018/2019			
				\$697,162
Percentage Increase over previous year				2.00%
	Payroll	Payroll Calc %age	Sedgwick Fees Prorated	Sedgwick Fees Annualized
Baseline as of 4/1/18	1,516,245,035		697,162	697,162
PERMA <i>Joined 7/1/18</i> San Jacinto	3,358,185	0.002215	1,544	1,544
ERMAC <i>Joined 1/1/19</i> Santa Maria	47,947,627	0.031623	11,023	22,046
SCORE <i>Joined 1/1/19</i> Fort Jones	462,893	0.000305	106	213
Totals as of 6/30/19	1,568,013,740		\$709,835	\$720,965

Annual Base Contract Price (ABCP)	2019/2020			
				\$735,384
Percentage Increase over previous year				2.00%
	Payroll	Payroll Calc %age	Sedgwick Fees Prorated	Sedgwick Fees Annualized
Baseline as of 7/1/19	1,568,013,740		735,384	735,384
PARSAC <i>Withdrew 7/1/19</i> W. Hollywood	(27,353,542)	-0.017445	(12,829)	(12,829)
PERMA <i>Withdrew 7/1/19</i> Adelanto	(3,174,293)	-0.002024	(1,489)	(1,489)
CSJVRMA <i>Withdrew 7/1/19</i> Parlier	(2,748,207)	-0.001753	(1,289)	(1,289)
PERMA <i>Joined 12/31/19</i> Rancho Mirage	7,250,967	0.004624	1,700	3,401
SCORE <i>Joined 1/1/20</i> Dunsmuir	773,287	0.000493	181	363
Totals as of 6/30/20	1,542,761,952		\$721,658	\$723,541

Annual Base Contract Price (ABCP)	2020/2021			
				\$738,012
Percentage Increase over previous year				2.00%
	Payroll	Payroll Calc %age	Sedgwick Fees Prorated	Sedgwick Fees Annualized
Baseline as of 7/1/20	1,542,761,952		738,012	738,012
PARSAC <i>Withdrawing 6/30/20</i> Pacific Grove	(8,495,678)	-0.005507	(4,064)	(4,064)
PERMA <i>Withdrawing 6/30/20</i> Stanton	(3,301,106)	-0.002140	(1,579)	(1,579)
SCORE <i>Withdrawing 6/30/20</i> Fort Jones	(533,924)	-0.000346	(255)	(255)
PLAN JPA <i>Joining 7/1/20</i> American Canyon	7,193,051	0.004662	3,441	3,441
Atherton	4,799,844	0.003111	2,296	2,296
Woodside	2,202,980	0.001428	1,054	1,054
Totals as of 6/30/21	1,544,627,119		\$738,905	\$738,905

Annual Base Contract Price (ABCP)	2021/2022			
				\$753,683
Percentage Increase over previous year				2.00%
	Payroll	Payroll Calc %age	Sedgwick Fees Prorated	Sedgwick Fees Annualized
Baseline as of 6/30/21	1,544,627,119			753,683
CIRA <i>Joining 7/1/21</i> Arcata	9,555,644	0.006186	4,663	4,663
Cloverdale	4,508,206	0.002919	2,200	2,200
Cotati	4,017,641	0.002601	1,960	1,960
Eureka	13,633,910	0.008827	6,653	6,653
Fort Bragg	3,482,902	0.002255	1,699	1,699
Fortuna	5,217,344	0.003378	2,546	2,546
Healdsburg	16,615,489	0.010757	8,107	8,107
Lakeport	3,437,869	0.002226	1,677	1,677
Rohnert Park	22,968,906	0.014870	11,207	11,207
Sebastopol	6,161,737	0.003989	3,007	3,007
Sonoma	3,264,026	0.002113	1,593	1,593
St Helena	7,761,649	0.005025	3,787	3,787
Ukiah	20,006,990	0.012953	9,762	9,762
Willits	3,279,667	0.002123	1,600	1,600
Windsor	9,265,310	0.005998	4,521	4,521
RP REMIF Salaries	295,813	0.000192	144	144
Sierra Madre	7,105,732	0.004600	3,467	3,467
PERMA <i>Joining 7/1/21</i> Murrieta Fire Dept.	10,920,443	0.007070	5,329	5,329
VCIPA <i>Withdrawing 6/30/21</i> Oroville MAD *	0	0.000000	0	0
Totals as of 6/30/22	1,696,126,398			\$827,605

Annual Base Contract Price (ABCP)	2022/2023			
				\$861,040
Percentage Increase over previous year				2.00%
	Payroll	Payroll Calc %age	Sedgwick Fees Prorated	Sedgwick Fees Annualized
Baseline as of 6/30/22	1,696,126,398			861,040
CSJVRMA <i>Joining 7/1/21</i> Exeter	2,674,088	0.001577	1,358	1,358
Lindsay	3,014,316	0.001777	1,530	1,530
PERMA <i>Joining 12/1/21</i> Canyon Lake Fire Dept.	624,333	0.000368	185	317
Totals as of 6/30/23	1,702,439,135			\$864,245

844,157.33

\* Oroville MAD: No payroll for 2020 calendar year.

2% Increase

## 2022/2023 Preliminary Operating Budget BCJPIA

1									JPA Experience Mod Calculation <i>(Used in determining the JPA's premium to ERMA)</i>				Individual Experience Mod Calculation <i>(Used in determining each individual member's premium to their JPA)</i>							Prior Year Comparison						
									2	3	4	5	6	7	8	Info Only: <i>Prior Year (2021/2022) Experience Modification</i>	9	10	11							
Member	Actual 2021 Payroll	SIR Selected	Funding For Losses	Loss Prevention & Training	Admin. Costs	Deposit Premium	JPA Participation Credit	Net Deposit Premium	JPA Experience Modification Factor	Dep Prem Adjusted for Experience Modification	Off-Balance Factor	Dep Prem Adjusted for Off Balance Factor	Individual Experience Modification Factor	Capped Individual Experience Modification	Capped Ind. Ex Mod Including .25 capped change over prior year	Prior Year (2021/2022) Experience Modification	Deposit Adjusted for Experience Modification	Off-Balance Factor	Premium Adjusted for Off Balance Factor	Prior Year Deposit Premium	Increase (Decrease)					
1 Albany/Albany JPA	\$11,838,518	\$50,000	\$71,268	\$1,008	\$6,315	\$78,591	(\$3,763)	\$74,828	0.750	\$56,121	1.025	\$57,539	0.067	0.750	0.750	0.750	\$56,121	0.952	\$53,449	\$53,110	\$339					
2 Brisbane	12,133,826	50,000	73,046	1,033	6,472	80,551	(3,857)	76,694	0.750	57,521	1.025	58,974	0.000	0.750	0.750	0.750	57,521	0.952	54,782	50,367	4,416					
3 CMFA (1/1/19)	6,162,581	100,000	30,421	525	3,287	34,233	(1,639)	32,594	0.750	24,445	1.025	25,063	0.000	0.750	0.750	0.750	24,445	0.952	23,282	22,666	616					
4 Central Marin PA	5,894,737	100,000	29,099	502	3,144	32,745	(1,568)	31,177	0.750	23,383	1.025	23,974	0.000	0.750	0.750	0.750	23,383	0.952	22,270	21,595	675					
5 Corte Madera (7/1/17)	3,653,808	100,000	18,037	311	1,949	20,297	(972)	19,325	0.750	14,494	1.025	14,860	0.000	0.750	0.750	0.750	14,494	0.952	13,804	12,907	896					
6 Emeryville	5,272,193	50,000	31,739	449	2,812	35,000	(1,676)	33,324	0.750	24,993	1.025	25,624	0.084	0.750	0.750	0.750	24,993	0.952	23,803	24,110	(307)					
7 Emeryville (MESA)	9,285,115	50,000	55,896	790	4,953	61,640	(2,951)	58,689	0.750	44,016	1.025	45,128	0.084	0.750	0.750	0.750	44,016	0.952	41,921	42,675	(754)					
8 Fairfax	3,241,259	50,000	19,512	276	1,729	21,517	(1,030)	20,487	0.750	15,365	1.025	15,753	0.000	0.750	0.750	0.750	15,365	0.952	14,634	14,882	(248)					
9 Larkspur	3,297,611	250,000	9,926	281	1,759	11,966	(573)	11,393	0.750	8,544	1.025	8,760	0.000	0.750	0.750	0.750	8,544	0.952	8,138	8,494	(356)					
10 Los Altos (07/01/12)	15,320,987	100,000	75,631	1,304	8,172	85,107	(4,075)	81,033	0.750	60,774	1.025	62,310	0.000	0.750	0.750	0.750	60,774	0.952	57,881	56,279	1,602					
11 Menlo Park (07/01/02)	30,033,508	250,000	90,401	2,557	16,020	108,978	(5,218)	103,760	0.750	77,820	1.025	79,786	0.000	0.750	0.750	0.750	77,820	0.952	74,115	76,038	(1,922)					
12 Mill Valley (07/01/01)	16,400,686	50,000	98,732	1,396	8,748	108,877	(5,213)	103,664	0.750	77,748	1.025	79,712	0.287	0.750	0.750	0.750	77,748	0.952	74,047	73,972	75					
13 Novato (09/01/07)	17,275,663	250,000	52,000	1,471	9,215	62,685	(3,001)	59,684	0.750	44,763	1.025	45,894	0.436	0.750	1.000	1.250	59,684	0.952	56,843	73,325	(16,482)					
14 Piedmont	14,361,525	50,000	86,456	1,223	7,661	95,340	(4,565)	90,775	0.750	68,081	1.025	69,801	1.406	1.406	1.406	1.277	127,596	0.952	121,521	109,870	11,651					
15 Pleasanton	46,764,786	75,000	253,372	3,981	24,945	282,298	(13,516)	268,782	0.750	201,587	1.025	206,679	0.409	0.750	0.750	0.750	201,587	0.952	191,990	193,395	(1,405)					
16 San Anselmo	2,863,971	50,000	17,241	244	1,528	19,013	(910)	18,102	0.750	13,577	1.025	13,920	0.000	0.750	0.750	0.750	13,577	0.952	12,930	13,929	(999)					
17 Sausalito	5,014,900	50,000	30,190	427	2,675	33,292	(1,594)	31,698	0.750	23,773	1.025	24,374	0.046	0.750	0.750	0.750	23,773	0.952	22,642	23,469	(828)					
18 Tiburon (7/1/11)	4,066,973	25,000	27,421	346	2,169	29,937	(1,433)	28,503	0.750	21,378	1.025	21,918	0.000	0.750	0.750	0.750	21,378	0.952	20,360	19,920	440					
19 Union City	26,553,152	75,000	143,865	2,260	14,164	160,289	(7,674)	152,615	0.750	114,461	1.025	117,353	0.000	0.750	0.750	0.750	114,461	0.952	109,012	111,459	(2,447)					
Total	\$239,435,800		\$1,214,251	\$20,382	\$127,719	\$1,362,353	(\$65,225)	\$1,297,127		\$972,846		\$997,423					\$1,047,281		\$997,423	\$1,002,461	(\$5,038)					
			(65,225)	JPA participation credit																						
			\$1,149,026	Net funding																	JPA Ex mod calc:	1 X 2 = 3; then 3 X 4 = 5		Individual Ex mod calc:	1 X 8 = 9; then 9 X 10 = 11	

## 2022/2023 Preliminary Operating Budget CalTIP

									JPA Experience Mod Calculation <i>(Used in determining the JPA's premium to ERMA)</i>				Individual Experience Mod Calculation <i>(Used in determining each individual member's premium to their JPA)</i>								Prior Year Comparison		
	Actual 2021	SIR	Funding For Losses	Loss Prevention & Training	Admin. Costs	Deposit Premium	JPA Participation Credit	Net Deposit Premium	2 JPA Experience Modification Factor	3 Dep Prem Adjusted for Experience Modification	4 Off-Balance Factor	5 Dep Prem Adjusted for Off Balance Factor	6 Individual Experience Modification Factor	7 Capped Individual Experience Modification	8 Capped Ind. Ex Mod Including .25 capped change over prior year	Info Only: Prior Year (2021/2022) Experience Modification	9 Deposit Adjusted for Experience Modification	10 Off-Balance Factor	11 Premium Adjusted for Off Balance Factor	Excess Insurance \$2M x \$1M	TOTAL Deposit Premium	Prior Year Deposit Premium	Increase (Decrease)
Member	Payroll	Selected																					
1 El Dorado County TA	\$2,732,511	\$50,000	\$16,450	\$233	\$1,458	\$18,140	(\$296)	\$17,843	0.978	\$17,448	1.025	\$17,889	5.004	1.500	1.000	0.750	\$17,843	1.285	\$22,932		\$22,932	\$18,467	\$4,465
2 Humboldt Transit	2,821,999	75,000	15,290	240	1,505	17,035	(278)	16,757	0.978	16,386	1.025	16,800	0.000	0.750	0.750	0.750	12,568	1.285	16,152		16,152	16,026	126
3 Livermore Amador Valley TA	1,862,717	50,000	11,214	159	994	12,366	(202)	12,164	0.978	11,894	1.025	12,195	0.000	0.750	0.750	0.750	9,123	1.285	11,724	745	12,470	11,341	1,128
4 Mendocino Transit	2,614,505	50,000	15,739	223	1,395	17,357	(284)	17,073	0.978	16,695	1.025	17,117	0.000	0.750	0.750	0.750	12,805	1.285	16,456	1,046	17,502	17,305	198
5 Morongo Basin TA	1,824,235	50,000	10,982	155	973	12,110	(198)	11,912	0.978	11,649	1.025	11,943	0.000	0.750	0.750	0.750	8,934	1.285	11,482		11,482	10,717	765
6 San Luis Obispo Regional TA	5,997,209	50,000	36,103	511	3,199	39,813	(651)	39,162	0.978	38,295	1.025	39,262	0.000	0.750	0.750	0.750	29,372	1.285	37,748	2,399	40,147	35,739	4,408
7 Tahoe Transportation District	3,024,381	50,000	18,207	257	1,613	20,077	(328)	19,749	0.978	19,312	1.025	19,800	0.000	0.750	0.750	0.750	14,812	1.285	19,036	1,210	20,246	20,574	(327)
8 Western Contra Costa TA	1,131,127	50,000	6,809	96	603	7,509	(123)	7,386	0.978	7,223	1.025	7,405	0.000	0.750	0.750	0.750	5,540	1.285	7,120		7,120	6,414	706
9 Yolo County Trans. District	953,404	50,000	5,739	81	509	6,329	(103)	6,226	0.978	6,088	1.025	6,242	0.000	0.750	0.750	0.750	4,669	1.285	6,001	381	6,382	5,726	657
Total	\$22,962,087		\$136,533	\$1,955	\$12,248	\$150,736	(\$2,463)	\$148,272		\$144,989		\$148,652					\$115,665		\$148,652	\$5,781	\$154,433	\$142,308	\$12,125
			(2,463)	JPA participation credit																			
			\$134,069	Net funding					JPA Ex mod calc: 1 X 2 = 3; then 3 X 4 = 5				Individual Ex mod calc: 1 X 8 = 9; then 9 X 10 = 11										

## 2022/2023 Preliminary Operating Budget

### CIRA

Member	1									JPA Experience Mod Calculation (Used in determining the JPA's premium to ERMA)				Individual Experience Mod Calculation (Used in determining each individual member's premium to their JPA)							Prior Year Comparison		
	Actual 2021 Payroll	SIR Selected	Funding For Losses	Loss Prevention & Training	Admin. Costs	Deposit Premium	JPA Participation Credit	Net Deposit Premium	JPA Experience Modification Factor	Dep Prem Adjusted for Experience Modification	4 Off-Balance Factor	Dep Prem Adjusted for Off Balance Factor	6 Individual Experience Modification Factor	7 Capped Individual Experience Modification	8 Capped Ind. Ex Mod Including .25 capped change over prior year	Info Only: Prior Year (2021/2022) Experience Modification	9 Deposit Adjusted for Experience Modification	10 Adjusted for Off-Balance Factor	11 Premium Adjusted for Off Balance Factor				
1 Amador	\$39,660	\$250,000	\$119	\$3	\$21	\$144	(\$14)	\$130	1.250	\$162	1.025	\$166	0.000	0.750	0.750	0.750	\$97	1.219	\$118	\$110	\$9		
2 Arcata	8,945,064	250,000	26,925	761	4,771	32,458	(3,238)	29,219	1.250	36,524	1.025	37,447	2.360	1.500	1.250	1.000	36,524	1.219	44,517	35,406	9,111		
3 Avalon	4,763,892	250,000	14,339	406	2,541	17,286	(1,725)	15,561	1.250	19,452	1.025	19,943	0.000	0.750	0.750	0.750	11,671	1.219	14,225	15,132	(907)		
4 Belvedere (07/01/15)	2,359,252	250,000	7,101	201	1,258	8,561	(854)	7,707	1.250	9,633	1.025	9,877	0.998	0.998	0.998	1.028	7,693	1.219	9,377	8,547	829		
5 Blue Lake	488,904	250,000	1,472	42	261	1,774	(177)	1,597	1.250	1,996	1.025	2,047	0.000	0.750	0.750	0.750	1,198	1.219	1,460	1,492	(32)		
6 California City	7,768,859	250,000	23,384	661	4,144	28,190	(2,813)	25,377	1.250	31,721	1.025	32,523	7.144	1.500	1.500	1.500	38,066	1.219	46,396	44,100	2,296		
7 Calimesa	2,359,537	250,000	7,102	201	1,259	8,562	(854)	7,707	1.250	9,634	1.025	9,878	0.981	0.981	0.981	0.750	7,559	1.219	9,214	6,049	3,165		
8 Calistoga	7,032,098	250,000	21,167	599	3,751	25,516	(2,546)	22,970	1.250	28,713	1.025	29,438	0.000	0.750	0.750	0.750	17,228	1.219	20,998	18,450	2,548		
9 Citrus Heights	18,543,725	250,000	55,817	1,579	9,892	67,287	(6,713)	60,573	1.250	75,717	1.025	77,629	1.159	1.159	1.000	0.750	60,573	1.219	73,830	51,988	21,842		
10 Clearlake	4,795,097	250,000	14,433	408	2,558	17,399	(1,736)	15,663	1.250	19,579	1.025	20,074	4.817	1.500	1.500	1.250	23,495	1.219	28,637	21,654	6,983		
11 Cloverdale	4,544,285	250,000	13,678	387	2,424	16,489	(1,645)	14,844	1.250	18,555	1.025	19,024	0.000	0.750	0.750	1.000	11,133	1.219	13,569	16,704	(3,135)		
12 Coalinga	7,127,140	250,000	21,453	607	3,802	25,861	(2,580)	23,281	1.250	29,101	1.025	29,836	4.632	1.500	1.500	1.500	34,921	1.219	42,564	31,153	11,411		
13 Cotati	4,186,582	250,000	12,602	356	2,233	15,191	(1,516)	13,676	1.250	17,094	1.025	17,526	5.174	1.500	1.250	1.000	17,094	1.219	20,836	14,886	5,949		
14 Eureka	12,772,261	250,000	38,445	1,087	6,813	46,345	(4,624)	41,721	1.250	52,151	1.025	53,468	4.988	1.500	1.250	1.000	52,151	1.219	63,564	50,517	13,047		
15 Ferndale	768,202	250,000	2,312	65	410	2,787	(278)	2,509	1.250	3,137	1.025	3,216	0.000	0.750	0.750	0.750	1,882	1.219	2,294	2,113	181		
16 Fort Bragg	3,324,954	250,000	10,008	283	1,774	12,065	(1,204)	10,861	1.250	13,576	1.025	13,919	0.000	0.750	0.750	1.000	8,146	1.219	9,928	12,905	(2,977)		
17 Fortuna	4,997,383	250,000	15,042	425	2,666	18,133	(1,809)	16,324	1.250	20,405	1.025	20,920	0.000	0.750	0.750	1.000	12,243	1.219	14,922	19,332	(4,409)		
18 Grass Valley	8,906,430	250,000	26,808	758	4,751	32,317	(3,224)	29,093	1.250	36,366	1.025	37,285	0.000	0.750	0.750	0.750	21,820	1.219	26,595	24,038	2,557		
19 Healdsburg	17,366,623	250,000	52,255	1,478	9,260	62,994	(6,285)	56,709	1.250	70,886	1.025	72,677	0.918	0.918	0.918	1.000	52,049	1.219	63,441	61,565	1,875		
20 Highland	3,496,061	250,000	10,523	298	1,865	12,686	(1,266)	11,420	1.250	14,275	1.025	14,636	0.000	0.750	0.750	0.750	8,565	1.219	10,439	9,698	742		
21 Lakeport	3,208,087	250,000	9,656	273	1,711	11,641	(1,161)	10,479	1.250	13,099	1.025	13,430	4.043	1.500	1.250	1.000	13,099	1.219	15,966	12,738	3,228		
22 Menifee (10/1/08)	19,932,044	250,000	59,995	1,697	10,632	72,324	(7,216)	65,108	1.250	81,385	1.025	83,441	4.219	1.500	1.500	1.500	97,662	1.219	119,036	82,902	36,134		
23 Nevada City	2,167,929	250,000	6,525	185	1,156	7,866	(785)	7,082	1.250	8,852	1.025	9,076	0.000	0.750	0.750	0.750	5,311	1.219	6,474	7,586	(1,112)		
24 Placenta	18,565,202	250,000	55,881	1,580	9,903	67,365	(6,721)	60,643	1.250	75,804	1.025	77,719	1.651	1.500	1.250	1.000	75,804	1.219	92,395	61,096	31,298		
25 Placerville	6,413,314	250,000	19,304	546	3,421	23,271	(2,322)	20,949	1.250	26,186	1.025	26,848	0.000	0.750	0.750	0.750	15,712	1.219	19,151	19,080	70		
26 Plymouth	789,775	250,000	2,377	67	421	2,866	(286)	2,580	1.250	3,225	1.025	3,306	0.000	0.750	0.750	0.750	1,935	1.219	2,358	1,917	442		
27 Point Arena	445,709	250,000	1,342	38	238	1,617	(161)	1,456	1.250	1,820	1.025	1,866	0.000	0.750	0.750	0.750	1,092	1.219	1,331	1,197	134		
28 Rancho Cucamonga	27,046,389	250,000	81,410	2,302	14,427	98,139	(9,792)	88,347	1.250	110,434	1.025	113,224	0.529	0.750	1.201	1.451	106,105	1.219	129,327	155,104	(25,777)		
29 Rancho Cucamonga FPD (7/1/16)	20,958,185	250,000	63,084	1,784	11,179	76,048	(7,588)	68,460	1.250	85,575	1.025	87,737	0.000	0.750	0.750	0.750	51,345	1.219	62,582	56,478	6,104		
30 Rancho Santa Margarita (01/01/04)	2,789,483	250,000	8,396	237	1,488	10,122	(1,010)	9,112	1.250	11,390	1.025	11,678	0.000	0.750	0.750	0.750	6,834	1.219	8,330	7,826	504		
31 Rohnert Park	23,529,796	250,000	70,825	2,003	12,551	85,379	(8,519)	76,860	1.250	96,075	1.025	98,502	2.559	1.500	1.250	1.000	96,075	1.219	117,102	85,106	31,996		
32 San Juan Bautista	816,173	250,000	2,457	69	435	2,962	(295)	2,666	1.250	3,333	1.025	3,417	0.000	0.750	0.750	0.750	2,000	1.219	2,437	2,221	217		
33 Sebastopol	6,137,256	250,000	18,473	522	3,274	22,269	(2,222)	20,047	1.250	25,059	1.025	25,692	10.065	1.500	1.250	1.000	25,059	1.219	30,544	22,831	7,713		
34 Sierra Madre	7,275,662	250,000	21,900	619	3,881	26,400	(2,634)	23,766	1.250	29,708	1.025	30,458	0.000	0.750	0.750	1.000	17,825	1.219	21,726	26,329	(4,603)		
35 Sonoma	3,313,245	250,000	9,973	282	1,767	12,022	(1,200)	10,823	1.250	13,528	1.025	13,870	0.000	0.750	0.750	1.000	8,117	1.219	9,894	12,094	(2,201)		
36 South Lake Tahoe	20,092,774	250,000	60,479	1,710	10,718	72,907	(7,274)	65,633	1.250	82,042	1.025	84,114	0.069	0.750	0.750	0.750	49,225	1.219	59,998	58,129	1,869		
37 St Helena	7,463,865	250,000	22,466	635	3,981	27,083	(2,702)	24,381	1.250	30,476	1.025	31,246	0.000	0.750	0.750	1.000	18,286	1.219	22,288	28,759	(6,472)		
38 Tehama	59,554	250,000	179	5	32	216	(22)	195	1.250	243	1.025	249	0.000	0.750	0.750	0.750	146	1.219	178	137	41		
39 Trinidad	404,973	250,000	1,219	34	216	1,469	(147)	1,323	1.250	1,654	1.025	1,695	0.000	0.750	0.750	0.750	992	1.219	1,209	1,053	156		
40 Truckee	10,726,963	250,000	32,288	913	5,722	38,923	(3,884)	35,040	1.250	43,800	1.025	44,906	0.000	0.750	0.750	0.750	26,280	1.219	32,031	30,720	1,311		
41 Twenty-nine Palms	2,683,337	250,000	8,077	228	1,431	9,737	(971)	8,765	1.250	10,956	1.025	11,233	12.407	1.500	1.500	1.250	13,148	1.219	16,025	12,939	3,086		
42 Ukiah	20,239,458	250,000	60,921	1,723	10,796	73,440	(7,327)	66,112	1.250	82,640	1.025	84,728	0.723	0.750	0.750	1.000	49,584	1.219	60,436	74,132	(13,695)		
43 Watsonville	34,496,161	250,000	103,833	2,936	18,401	125,171	(12,489)	112,682	1.250	140,852	1.025	144,411	2.136	1.500	1.500	1.500	169,023	1.219	206,015	188,730	17,285		
44 Wheatland	1,821,323	250,000	5,482	155	972	6,609	(659)	5,949	1.250	7,437	1.025	7,625	0.000	0.75									

2022/2023 Preliminary Operating Budget  
CSJVRMA

1										JPA Experience Mod Calculation (Used in determining the JPA's premium to ERMA)				Individual Experience Mod Calculation (Used in determining each individual member's premium to their JPA)									Prior Year Comparison	
Member	Actual 2021 Payroll	SIR Selected	Funding For Losses	Loss Prevention & Training	Admin. Costs	Deposit Premium	JPA Participation Credit	Net Deposit Premium	JPA Experience Modification Factor	Dep Prem Adjusted for Experience Modification	Off-Balance Factor	Dep Prem Adjusted for Off-Balance Factor	Individual Experience Modification Factor	Capped Individual Experience Modification	Capped Ind. Ex Mod Including .25 capped change over prior year	Info Only: Prior Year (2021/2022) Experience Modification	Deposit Adjusted for Experience Modification	Off-Balance Factor	Premium Adjusted for Off-Balance Factor	Excess Insurance \$2M x \$1M	TOTAL Deposit Premium	Prior Year Deposit Premium	Increase (Decrease)	
1 Angels Camp	\$2,399,873	\$25,000	\$16,181	\$204	\$1,280	\$17,665	(\$1,105)	\$16,560	0.963	\$15,952	1.025	\$16,355	1.930	1.500	1.000	0.750	\$16,560	1.042	\$17,248	\$960	\$18,208	\$14,952	\$3,256	
2 Atwater (07/01/00)	5,896,561	25,000	39,757	502	3,145	43,404	(2,716)	40,688	0.963	39,196	1.025	40,186	8.212	1.500	1.500	1.500	61,032	1.042	63,568	2,359	65,927	72,990	(7,063)	
3 Ceres	15,981,737	25,000	107,755	1,360	8,525	117,641	(7,362)	110,279	0.963	106,234	1.025	108,918	1.130	1.130	1.000	0.750	110,279	1.042	114,861	6,393	121,254	106,250	15,004	
4 Chowchilla (07/01/01)	4,928,932	25,000	33,233	420	2,629	36,282	(2,270)	34,011	0.963	32,764	1.025	33,591	0.000	0.750	0.750	0.750	25,508	1.042	26,568	1,972	28,540	30,161	(1,622)	
5 Corcoran	4,848,713	25,000	32,692	413	2,586	35,691	(2,233)	33,458	0.963	32,230	1.025	33,045	0.000	0.750	0.750	0.750	25,093	1.042	26,136	1,939	28,075	28,272	(196)	
6 Delano	15,299,430	25,000	103,155	1,302	8,161	112,618	(7,047)	105,571	0.963	101,698	1.025	104,268	0.096	0.750	1.250	1.500	131,963	1.042	137,447	6,120	143,566	231,129	(87,563)	
7 Dinuba (07/01/16)	10,695,776	100,000	52,799	910	5,705	59,414	(3,718)	55,696	0.963	53,653	1.025	55,009	0.000	0.750	0.750	0.750	41,772	1.042	43,508	4,278	47,786	49,270	(1,483)	
8 Dos Palos (12/01/10)	1,643,049	25,000	11,078	140	876	12,094	(757)	11,338	0.963	10,922	1.025	11,198	0.879	0.879	0.879	0.750	9,964	1.042	10,378	657	11,035	10,844	191	
9 Escalon	2,228,238	25,000	15,024	190	1,189	16,402	(1,026)	15,376	0.963	14,812	1.025	15,186	0.000	0.750	0.750	0.750	11,532	1.042	12,011	891	12,902	13,776	(874)	
10 Exeter	2,824,217	25,000	19,042	240	1,506	20,789	(1,301)	19,488	0.963	18,773	1.025	19,247	0.000	0.750	0.750	1.000	14,616	1.042	15,223	1,130	16,353	22,330	(5,977)	
11 Farmersville (7/1/16)	3,061,431	75,000	16,587	261	1,633	18,480	(1,156)	17,324	0.963	16,689	1.025	17,110	0.000	0.750	0.750	0.750	12,993	1.042	13,533	1,225	14,757	13,446	1,311	
12 Fowler	2,318,565	25,000	15,633	197	1,237	17,067	(1,068)	15,999	0.963	15,412	1.025	15,801	13.163	1.500	1.500	1.500	23,998	1.042	24,995	927	25,923	26,088	(165)	
13 Gustine	1,870,837	25,000	12,614	159	998	13,771	(862)	12,909	0.963	12,436	1.025	12,750	0.000	0.750	0.750	0.750	9,682	1.042	10,084	748	10,833	10,376	456	
14 Hughson	1,041,179	25,000	7,020	89	555	7,664	(480)	7,184	0.963	6,921	1.025	7,096	0.000	0.750	0.750	0.750	5,388	1.042	5,612	416	6,029	5,886	142	
15 Huron (07/01/10)	1,283,402	25,000	8,653	109	685	9,447	(591)	8,856	0.963	8,531	1.025	8,747	0.000	0.750	0.750	0.750	6,642	1.042	6,918	513	7,431	8,304	(873)	
16 Kerman (07/01/00)	4,543,248	25,000	30,632	387	2,423	33,443	(2,093)	31,350	0.963	30,200	1.025	30,963	0.000	0.750	0.750	0.816	23,512	1.042	24,489	1,817	26,307	30,416	(4,109)	
17 Kingsburg (07/01/05)	5,010,403	25,000	33,782	427	2,673	36,881	(2,308)	34,573	0.963	33,305	1.025	34,147	0.000	0.750	1.250	1.500	43,217	1.042	45,012	2,004	47,016	58,025	(11,009)	
18 Lathrop (10/04/05)	8,588,380	25,000	57,906	731	4,581	63,219	(3,956)	59,262	0.963	57,089	1.025	58,531	0.183	0.750	0.750	0.750	44,447	1.042	46,294	3,435	49,729	50,469	(740)	
19 Lemoore (07/01/13)	8,039,623	25,000	54,206	684	4,288	59,179	(3,703)	55,476	0.963	53,441	1.025	54,791	0.454	0.750	0.750	0.750	41,607	1.042	43,336	3,216	46,552	49,413	(2,861)	
20 Lindsay	3,334,611	25,000	22,483	284	1,779	24,546	(1,536)	23,010	0.963	22,166	1.025	22,726	0.000	0.750	0.750	1.000	17,257	1.042	17,974	1,334	19,308	25,171	(5,863)	
21 Livingston	4,874,636	25,000	32,867	415	2,600	35,882	(2,245)	33,636	0.963	32,403	1.025	33,221	0.000	0.750	0.750	0.750	25,227	1.042	26,276	1,950	28,225	29,527	(1,302)	
22 Madera	17,280,855	25,000	116,514	1,471	9,218	127,203	(7,960)	119,243	0.963	114,869	1.025	117,771	0.000	0.750	0.750	0.750	89,432	1.042	93,148	6,912	100,061	110,030	(9,969)	
23 McFarland	2,644,130	50,000	15,918	225	1,410	17,553	(1,098)	16,455	0.963	15,851	1.025	16,252	0.000	0.750	1.250	1.500	20,568	1.042	21,423	1,058	22,481	27,281	(4,800)	
24 Mendota (07/01/13)	2,962,007	25,000	19,971	252	1,580	21,803	(1,364)	20,439	0.963	19,689	1.025	20,186	0.000	0.750	0.750	0.750	15,329	1.042	15,966	1,185	17,151	15,473	1,678	
25 Merced (07/01/03)	38,584,922	100,000	190,471	3,285	20,582	214,337	(13,413)	200,924	0.963	193,554	1.025	198,444	0.647	0.750	0.750	0.750	150,693	1.042	156,955	15,434	172,389	190,642	(18,253)	
26 Newman	3,169,037	25,000	21,367	270	1,690	23,327	(1,460)	21,867	0.963	21,065	1.025	21,597	0.000	0.750	0.750	0.750	16,401	1.042	17,082	1,268	18,350	19,035	(685)	
27 Oakdale (08/01/12)	7,193,367	50,000	43,304	612	3,837	47,753	(2,988)	44,765	0.963	43,123	1.025	44,213	0.000	0.750	1.000	1.250	44,765	1.042	46,625	2,877	49,503	60,769	(11,266)	
28 Orange Cove (07/07/07)	2,480,857	50,000	14,935	211	1,323	16,469	(1,031)	15,439	0.963	14,872	1.025	15,248	0.000	0.750	0.750	0.750	11,579	1.042	12,060	992	13,052	12,905	148	
29 Patterson (07/01/13)	10,666,710	50,000	64,214	908	5,690	70,811	(4,431)	66,380	0.963	63,945	1.025	65,561	1.812	1.500	1.500	1.250	99,570	1.042	103,707	4,267	107,974	90,618	17,356	
30 Porterville	25,083,635	25,000	169,124	2,135	13,380	184,639	(11,554)	173,085	0.963	166,736	1.025	170,948	4.182	1.500	1.500	1.250	259,627	1.042	270,415	10,033	280,448	252,519	27,929	
31 Reedley	9,696,142	25,000	65,375	825	5,172	71,373	(4,466)	66,906	0.963	64,452	1.025	66,080	0.000	0.750	0.750	0.750	50,180	1.042	52,265	3,878	56,143	56,986	(843)	
32 Riverbank (07/01/12)	3,924,827	50,000	23,627	334	2,094	26,055	(1,630)	24,425	0.963	23,529	1.025	24,123	0.000	0.750	0.750	0.750	18,318	1.042	19,080	1,570	20,650	21,741	(1,091)	
33 Sanger (04/18/16)	9,655,795	25,000	65,103	822	5,151	71,076	(4,448)	66,628	0.963	64,184	1.025	65,806	0.706	0.750	1.000	1.250	66,628	1.042	69,396	3,862	73,259	93,488	(20,229)	
34 San Joaquin (08/08/03)	739,831	25,000	4,988	63	395	5,446	(341)	5,105	0.963	4,918	1.025	5,042	0.000	0.750	0.750	0.750	3,829	1.042	3,988	296	4,284	4,074	210	
35 Selma	9,055,747	50,000	54,516	771	4,831	60,117	(3,762)	56,355	0.963	54,288	1.025	55,659	0.494	0.750	0.750	0.750	42,266	1.042	44,022	3,622	47,645	46,475	1,170	
36 Shafter	9,686,378	25,000	65,309	825	5,167	71,301	(4,462)	66,839	0.963	64,387	1.025	66,014	2.058	1.500	1.151	0.901	76,932	1.042	80,128	3,875	84,003	105,474	(21,471)	
37 Sonora (07/01/13)	3,579,602	25,000	24,135	305	1,909	26,349	(1,649)	24,700	0.963	23,794	1.025	24,395	0.000	0.750	0.750	0.750	18,525	1.042	19,295	1,432	20,727	20,710	17	
38 Taft	5,524,736	25,000	37,250	470	2,947	40,667	(2,545)	38,122	0.963	36,724	1.025	37,652	0.000	0.750	0.750	0.750	28,592	1.042	29,780	2,210	31,990	50,906	(18,917)	
39 Tehachapi (7/1/13)	5,872,391	25,000	39,594	500	3,132	43,226	(2,705)	40,521	0.963	39,035	1.025	40,021	0.000	0.750	0.750	0.750	30,391	1.042	31,654	2,349	34,003	35,656	(1,653)	
40 Tulare (07/01/12)	26,746,716	100,000	132,032	2,277	14,267	148,576																		

## 2022/2023 Preliminary Operating Budget ERMAC

									JPA Experience Mod Calculation <i>(Used in determining the JPA's premium to ERMA)</i>				Individual Experience Mod Calculation <i>(Used in determining each individual member's premium to their JPA)</i>										
Member	Actual 2021	SIR	Funding For	Loss Prevention & Training	Admin. Costs	Deposit Premium	JPA Participation Credit	Net Deposit Premium	1	2	3	4	5	6	7	8	Info Only: Prior Year (2021/2022) Experience Modification	9	10	11	Prior Year Comparison		
	Payroll	Selected	Losses							JPA Experience Modification Factor	Dep Prem Adjusted for Experience Modification	Off-Balance Factor	Dep Prem Adjusted for Off Balance Factor	Individual Experience Modification Factor	Capped Individual Experience Modification	Capped Ind. Ex Mod Including .25 capped change over prior year	Prior Year (2021/2022) Experience Modification	Deposit Adjusted for Experience Modification	Off-Balance Factor	Premium Adjusted for Off Balance Factor	Prior Year Deposit Premium	Increase (Decrease)	
1 Hayward (7/1/16)	\$106,943,827	\$500,000	\$128,760	\$9,104	\$57,046	\$194,910	(\$17,716)	\$177,194		0.802	\$142,186	1.025	\$145,778	0.414	0.750	0.750	0.984	\$132,895	1.097	\$145,778	\$180,693	(\$34,915)	
2 Laguna Hills (7/1/16)	3,152,135	100,000	15,560	268	1,681	17,510	(1,592)	15,918		0.802	12,773	1.025	13,096	0.000	0.750	0.750	0.750	11,939	1.097	13,096	12,409	687	
3 Santa Maria (1/1/19)	56,465,499	500,000	67,984	4,807	30,120	102,911	(9,354)	93,557		0.802	75,073	1.025	76,970	0.130	0.750	0.750	0.750	70,168	1.097	76,970	76,005	965	
Total	\$166,561,461		\$212,305	\$14,178	\$88,847	\$315,330	(\$28,662)	\$286,669			\$230,033		\$235,844					\$215,001		\$235,844	\$269,107	(\$33,263)	
			(28,662)	JPA participation credit							JPA Ex mod calc: 1 X 2 = 3; then 3 X 4 = 5				Individual Ex mod calc: 1 X 8 = 9; then 9 X 10 = 11								
			\$183,643	Net funding																			



## 2022/2023 Preliminary Operating Budget MBASIA

										JPA Experience Mod Calculation <i>(Used in determining the JPA's premium to ERMA)</i>				Individual Experience Mod Calculation <i>(Used in determining each individual member's premium to their JPA)</i>											
1										2	3	4	5	6	7	8	Info Only: 9	10	11			Prior Year Comparison			
Member	Actual 2021	SIR	Funding For	Loss Prevention & Training	Admin. Costs	Deposit Premium	JPA Participation Credit	Net Deposit Premium	JPA Experience Modification Factor	Dep Prem Adjusted for Experience Modification	Off-Balance Factor	Dep Prem Adjusted for Off Balance Factor	Individual Experience Modification Factor	Capped Individual Experience Modification	Capped Ind. Ex Mod Including .25 capped change over prior year	Prior Year (2021/2022) Experience Modification	Deposit Adjusted for Experience Modification	Off-Balance Factor	Premium Adjusted for Off Balance Factor	Excess Insurance \$2M x \$1M	TOTAL Deposit Premium	Prior Year Deposit Premium	Increase (Decrease)		
	Payroll	Selected	Losses																						
1 Capitola	\$6,822,107	\$500,000	\$8,214	\$581	\$3,639	\$12,434	(\$1,243)	\$11,190	1.250	\$13,988	1.025	\$14,341	2.415	1.500	1.500	1.500	\$16,785	1.240	\$20,818	\$2,729	\$23,547	\$21,990	\$1,557		
2 Del Rey Oaks	1,424,757	500,000	1,715	121	760	2,597	(260)	2,337	1.250	2,921	1.025	2,995	45.160	1.500	1.500	1.500	3,506	1.240	4,348	\$70	4,918	5,180	(262)		
3 Gonzales	4,564,941	500,000	5,496	389	2,435	8,320	(832)	7,488	1.250	9,360	1.025	9,596	0.000	0.750	0.750	0.750	5,616	1.240	6,965	1,826	8,791	8,006	785		
4 Greenfield	7,759,850	500,000	9,343	661	4,139	14,143	(1,414)	12,728	1.250	15,910	1.025	16,312	9.509	1.500	1.500	1.500	19,093	1.240	23,679	3,104	26,783	24,066	2,717		
5 Hollister	17,808,033	500,000	21,441	1,516	9,499	32,456	(3,246)	29,210	1.250	36,513	1.025	37,435	1.865	1.500	1.000	0.750	29,210	1.240	36,228	7,123	43,351	35,842	7,509		
6 King City	3,482,980	500,000	4,194	296	1,858	6,348	(635)	5,713	1.250	7,141	1.025	7,322	0.000	0.750	0.750	0.750	4,285	1.240	5,314	1,393	6,707	6,297	410		
7 Marina	10,800,588	500,000	13,004	919	5,761	19,685	(1,968)	17,716	1.250	22,145	1.025	22,705	0.175	0.750	0.750	1.000	13,287	1.240	16,479	4,320	20,799	25,884	(5,085)		
8 Sand City	2,983,122	500,000	3,592	254	1,591	5,437	(544)	4,893	1.250	6,116	1.025	6,271	0.000	0.750	0.750	0.750	3,670	1.240	4,552	1,193	5,745	5,387	358		
9 Scotts Valley	4,762,536	500,000	5,734	405	2,540	8,680	(868)	7,812	1.250	9,765	1.025	10,012	10.028	1.500	1.250	1.000	9,765	1.240	12,111	1,905	14,016	12,863	1,153		
10 Soledad	6,078,949	500,000	7,319	517	3,243	11,079	(1,108)	9,971	1.250	12,464	1.025	12,779	0.272	0.750	0.750	0.750	7,478	1.240	9,275	2,432	11,707	10,208	1,499		
Total	\$66,487,863		\$80,051	\$5,660	\$35,466	\$121,177	(\$12,118)	\$109,059		\$136,324		\$139,768					\$112,695		\$139,768	\$26,595	\$166,363	\$155,722	\$10,641		
			(12,118)	JPA participation credit																					
			\$67,934	Net funding																					
JPA Ex mod calc:									1 X 2 = 3; then 3 X 4 = 5				Individual Ex mod calc:									1 X 8 = 9; then 9 X 10 = 11			

## 2022/2023 Preliminary Operating Budget MPA

									JPA Experience Mod Calculation (Used in determining the JPA's premium to ERMA)				Individual Experience Mod Calculation (Used in determining each individual member's premium to their JPA)										
1									2	3	4	5	6	7	8	Info Only: Prior Year (2021/2022) Experience Modification	9	10	11			Prior Year Comparison	
Member	Actual 2021 Payroll	SIR Selected	Funding For Losses	Loss Prevention & Training	Admin. Costs	Deposit Premium	JPA Participation Credit	Net Deposit Premium	JPA Experience Modification Factor	Dep Prem Adjusted for Experience Modification	Off-Balance Factor	Dep Prem Adjusted for Off Balance Factor	Individual Experience Modification Factor	Capped Individual Experience Modification	Capped Ind. Ex Mod Including .25 capped change over prior year	Deposit Adjusted for Experience Modification	Off-Balance Factor	Premium Adjusted for Off Balance Factor	Excess Insurance \$2M x \$1M	TOTAL Deposit Premium	Prior Year Deposit Premium	Increase (Decrease)	
1 Antioch	\$42,716,768	\$50,000	\$257,155	\$3,636	\$22,786	\$283,577	(\$26,075)	\$257,502	0.908	\$233,915	1.025	\$239,824	1.180	1.180	1.000	0.750	\$257,502	0.936	\$241,038	\$17,087	\$258,124	\$196,662	\$61,463
2 Brentwood	37,120,298	50,000	223,464	3,160	19,801	246,425	(22,659)	223,766	0.908	203,269	1.025	208,404	1.860	1.500	1.500	1.275	335,649	0.936	314,188	14,848	329,036	270,130	58,906
3 Clayton	2,446,671	50,000	14,729	208	1,305	16,242	(1,493)	14,749	0.908	13,398	1.025	13,736	0.000	0.750	0.750	0.750	11,062	0.936	10,354	979	11,333	11,356	(23)
4 Danville	8,300,584	50,000	49,970	707	4,428	55,104	(5,067)	50,037	0.908	45,454	1.025	46,602	1.144	1.144	1.144	1.000	57,265	0.936	53,604	3,320	56,924	50,981	5,943
5 El Cerrito	20,037,891	50,000	120,628	1,706	10,689	133,022	(12,232)	120,791	0.908	109,726	1.025	112,498	2.834	1.500	1.250	1.000	150,989	0.936	141,335	8,015	149,350	131,961	17,389
6 Hercules	7,841,522	50,000	47,206	668	4,183	52,056	(4,787)	47,270	0.908	42,940	1.025	44,025	0.000	0.750	0.750	0.982	35,452	0.936	33,186	3,137	36,322	46,343	(10,021)
7 LaFayette	4,863,651	50,000	29,279	414	2,594	32,288	(2,969)	29,319	0.908	26,633	1.025	27,306	0.000	0.750	0.750	0.750	21,989	0.936	20,583	1,945	22,529	20,476	2,053
8 Manteca	47,618,778	50,000	286,665	4,054	25,401	316,119	(29,067)	287,052	0.908	260,758	1.025	267,345	1.638	1.500	1.500	1.339	430,578	0.936	403,048	19,048	422,095	360,916	61,179
9 Martinez	14,827,796	50,000	89,263	1,262	7,909	98,435	(9,051)	89,384	0.908	81,196	1.025	83,247	0.000	0.750	0.750	0.750	67,038	0.936	62,752	5,931	68,683	71,104	(2,422)
10 Moraga	4,244,403	50,000	25,551	361	2,264	28,177	(2,591)	25,586	0.908	23,242	1.025	23,829	1.914	1.500	1.000	0.750	25,586	0.936	23,950	1,698	25,648	20,628	5,019
11 Oakley (07/01/02)	10,287,048	50,000	61,928	876	5,487	68,291	(6,279)	62,012	0.908	56,331	1.025	57,754	0.142	0.750	0.750	0.750	46,509	0.936	43,535	4,115	47,650	46,637	1,013
12 Orinda	3,795,506	50,000	22,849	323	2,025	25,197	(2,317)	22,880	0.908	20,784	1.025	21,309	0.000	0.750	0.750	0.750	17,160	0.936	16,063	1,518	17,581	17,464	117
13 Pacifica (03/09/07)	20,489,492	75,000	111,012	1,744	10,929	123,686	(11,373)	112,313	0.908	102,025	1.025	104,602	0.000	0.750	0.750	0.750	84,235	0.936	78,849	8,196	87,045	82,217	4,827
14 Pinole	11,654,031	50,000	70,157	992	6,216	77,366	(7,114)	70,252	0.908	63,817	1.025	65,429	0.000	0.750	0.750	0.750	52,689	0.936	49,320	4,662	53,982	51,752	2,229
15 Pittsburg	29,371,054	50,000	176,814	2,500	15,667	194,981	(17,929)	177,052	0.908	160,834	1.025	164,897	0.045	0.750	0.753	1.003	133,320	0.936	124,796	11,748	136,545	178,919	(42,375)
16 Pleasant Hill	13,627,759	50,000	82,039	1,160	7,269	90,468	(8,319)	82,150	0.908	74,625	1.025	76,510	0.000	0.750	0.817	1.067	67,116	0.936	62,825	5,451	68,276	84,602	(16,326)
17 San Pablo	17,280,331	100,000	85,303	1,471	9,218	95,991	(8,826)	87,165	0.908	79,180	1.025	81,181	0.000	0.750	0.750	0.750	65,374	0.936	61,194	6,912	68,106	66,647	1,458
18 San Ramon	34,615,081	50,000	208,383	2,947	18,464	229,794	(21,130)	208,664	0.908	189,550	1.025	194,339	0.038	0.750	0.750	0.750	156,498	0.936	146,492	13,846	160,338	158,222	2,116
19 Walnut Creek	39,261,971	50,000	236,357	3,342	20,943	260,642	(23,966)	236,676	0.908	214,996	1.025	220,428	0.491	0.750	0.750	0.750	177,507	0.936	166,158	15,705	181,862	195,446	(13,584)
Total	\$370,400,635		\$2,198,752	\$31,530	\$197,579	\$2,427,861	(\$223,244)	\$2,204,617		\$2,002,673		\$2,053,267				\$2,193,516		\$2,053,267	\$148,160	\$2,201,427	\$2,062,463	\$138,964	
(223,244) JPA participation credit																							
\$1,975,509 Net funding									JPA Ex mod calc: 1 X 2 = 3; then 3 X 4 = 5				Individual Ex mod calc: 1 X 8 = 9; then 9 X 10 = 11										

## 2022/2023 Preliminary Operating Budget PERMA

1									JPA Experience Mod Calculation (Used in determining the JPA's premium to ERMA)				Individual Experience Mod Calculation (Used in determining each individual member's premium to their JPA)							Prior Year Comparison		
Member	Actual 2021 Payroll	SIR Selected	Funding For Losses	Loss Prevention & Training	Admin. Costs	Deposit Premium	JPA Participation Credit	Net Deposit Premium	JPA Experience Modification Factor	Dep Prem Adjusted for Experience Modification	Off-Balance Factor	Dep Prem Adjusted for Off Balance Factor	Individual Experience Modification Factor	Capped Individual Experience Modification	Capped Ind. Ex Mod Including .25 capped change over prior year	Info Only: Prior Year (2021/2022) Experience Modification	Deposit Adjusted for Experience Modification	Off-Balance Factor	Premium Adjusted for Off Balance Factor	Prior Year Deposit Premium	Increase (Decrease)	
1 Banning (02/14/02)	\$20,790,967	\$25,000	\$140,181	\$1,770	\$11,090	\$153,041	(\$13,428)	\$139,613	1.057	\$147,581	1.025	\$151,309	4.076	1.500	1.500	1.500	\$209,420	1.068	\$223,610	\$211,826	\$11,784	
2 Barstow (02/04/02)	15,789,586	25,000	106,460	1,344	8,422	116,226	(10,198)	106,028	1.057	112,080	1.025	114,911	1.369	1.369	1.152	0.902	122,145	1.068	130,422	99,541	30,880	
3 Canyon Lake (07/01/11) *	892,825	25,000	6,020	76	476	6,572	(577)	5,995	1.057	6,338	1.025	6,498	0.000	0.750	0.750	0.750	4,497	1.068	4,801	6,695	(1,893)	
4 Cathedral City (02/14/01)	23,565,957	25,000	158,891	2,006	12,571	173,468	(15,220)	158,247	1.057	167,279	1.025	171,505	2.576	1.500	1.500	1.315	237,371	1.068	253,456	219,746	33,710	
5 Coachella (10/01/00)	6,870,836	25,000	46,326	585	3,665	50,576	(4,438)	46,138	1.057	48,771	1.025	50,004	0.000	0.750	0.750	0.750	34,604	1.068	36,949	35,066	1,883	
6 Desert Hot Springs (07/01/01)	9,072,007	25,000	61,167	772	4,839	66,779	(5,859)	60,919	1.057	64,396	1.025	66,023	1.147	1.147	1.000	0.750	60,919	1.068	65,047	43,292	21,755	
7 Eastvale (07/01/15)	3,511,690	25,000	23,677	299	1,873	25,849	(2,268)	23,581	1.057	24,927	1.025	25,557	14.075	1.500	1.250	1.000	29,477	1.068	31,474	19,358	12,116	
8 Hesperia (07/01/10)	12,057,616	50,000	72,587	1,026	6,432	80,045	(7,023)	73,022	1.057	77,189	1.025	79,139	0.197	0.750	0.750	0.750	54,766	1.068	58,477	59,077	(600)	
9 Holtville (07/01/08)	1,454,155	25,000	9,804	124	776	10,704	(939)	9,765	1.057	10,322	1.025	10,583	0.000	0.750	0.750	0.750	7,324	1.068	7,820	7,683	137	
10 ICTC (07/01/12)	775,810	25,000	5,231	66	414	5,711	(501)	5,210	1.057	5,507	1.025	5,646	0.000	0.750	0.750	0.750	3,907	1.068	4,172	3,867	305	
11 Jurupa Valley (11/2/15)	4,483,298	25,000	30,228	382	2,391	33,001	(2,896)	30,106	1.057	31,824	1.025	32,628	0.950	0.950	0.950	1.000	28,590	1.068	30,528	17,114	13,414	
12 La Mesa (07/01/02)	28,186,015	25,000	190,041	2,399	15,035	207,476	(18,204)	189,272	1.057	200,074	1.025	205,128	0.160	0.750	0.750	0.750	141,954	1.068	151,573	150,353	1,220	
13 Murrieta (07/01/01) **	44,962,080	100,000	221,951	3,827	23,984	249,762	(21,914)	227,847	1.057	240,851	1.025	246,936	0.000	0.750	0.750	0.750	170,886	1.068	182,465	169,499	12,966	
14 Palm Sps Tram (11/01/05)	3,622,804	25,000	24,426	308	1,932	26,667	(2,340)	24,327	1.057	25,716	1.025	26,366	0.249	0.750	0.750	0.750	18,246	1.068	19,482	21,686	(2,204)	
15 Perris (09/25/00)	10,493,641	25,000	70,752	893	5,598	77,243	(6,777)	70,466	1.057	74,487	1.025	76,369	0.169	0.750	0.750	0.750	52,849	1.068	56,430	50,103	6,327	
16 Rancho Mirage (12/31/19)	7,701,017	25,000	51,923	656	4,108	56,687	(4,974)	51,713	1.057	54,664	1.025	56,045	1.436	1.436	1.436	1.250	74,279	1.068	79,313	70,154	9,159	
17 San Jacinto (07/01/18)	5,381,447	25,000	36,284	458	2,871	39,613	(3,476)	36,137	1.057	38,199	1.025	39,164	0.000	0.750	0.750	0.750	27,103	1.068	28,939	28,458	481	
18 SDRTC (11/04/13)	641,463	25,000	4,325	55	342	4,722	(414)	4,307	1.057	4,553	1.025	4,668	0.000	0.750	0.750	0.750	3,231	1.068	3,450	3,064	386	
19 SunLine (11/04/13)	18,967,339	50,000	114,183	1,615	10,118	125,915	(11,048)	114,868	1.057	121,423	1.025	124,491	2.058	1.500	1.500	1.500	172,301	1.068	183,977	182,604	1,373	
20 Victorville (07/01/01)	40,186,087	25,000	270,951	3,421	21,436	295,807	(25,954)	269,853	1.057	285,254	1.025	292,460	0.820	0.820	0.820	0.910	221,392	1.068	236,394	260,915	(24,522)	
21 VVTA (7/1/12)	1,761,936	25,000	11,880	150	940	12,970	(1,138)	11,832	1.057	12,507	1.025	12,823	0.000	0.750	0.750	0.750	8,874	1.068	9,475	7,949	1,526	
Total	\$261,168,576		\$1,657,289	\$22,232	\$139,312	\$1,818,833	(\$159,586)	\$1,659,247		\$1,753,943		\$1,798,253					\$1,684,133		\$1,798,253	\$1,668,050	\$130,203	
			(159,586)	JPA participation credit																		
			\$1,497,703	Net funding																		
									JPA Ex mod calc: 1 X 2 = 3; then 3 X 4 = 5				Individual Ex mod calc: 1 X 8 = 9; then 9 X 10 = 11									

\* Includes Canyon Lake Fire Department

\*\* Includes Murrieta Fire Department



## 2022/2023 Preliminary Operating Budget SCORE

1									JPA Experience Mod Calculation <i>(Used in determining the JPA's premium to ERMA)</i>					Individual Experience Mod Calculation <i>(Used in determining each individual member's premium to their JPA)</i>									Prior Year Comparison					
									JPA Experience Modification Factor	Dep Prem Adjusted for Experience Modification	4 Off-Balance Factor	5 Dep Prem Adjusted for Off Balance Factor	6 Individual Experience Modification Factor	7 Capped Individual Experience Modification	8 Capped Ind. Ex Mod Including .25 capped change over prior year	Info Only: Prior Year (2021/2022) Experience Modification	9 Deposit Adjusted for Experience Modification	10 Off-Balance Factor	11 Premium Adjusted for Off Balance Factor	Credits *			Premium Net of Credits	Prior Year Deposit Premium	Increase (Decrease)			
Member	Actual 2021 Payroll	SIR Selected	Funding For Losses	Loss Prevention & Training	Admin. Costs	Deposit Premium	JPA Participation Credit	Net Deposit Premium																				
1 Biggs (07/01/17)	\$643,643	\$25,000	\$2,903	\$39	\$247	\$3,190	(\$293)	\$2,897	1.207	\$3,497	1.025	\$3,585	0.000	0.750	0.750	0.750	\$2,172	1.362	\$2,960		\$2,960	\$2,461	\$499					
2 Colfax	724,632	25,000	4,537	62	387	4,985	(458)	4,527	1.207	5,466	1.025	5,604	0.000	0.750	0.750	0.750	3,395	1.362	4,626		4,626	4,422	204					
3 Dunsmuir (01/01/20)	1,081,042	50,000	6,043	92	577	6,712	(617)	6,095	1.207	7,359	1.025	7,545	0.000	0.750	0.750	0.750	4,571	1.362	6,228	(1,077)	5,151	4,605	1,623					
4 Live Oak (07/01/04)	1,604,807	25,000	10,047	137	856	11,040	(1,014)	10,026	1.207	12,104	1.025	12,410	0.000	0.750	0.750	0.750	7,519	1.362	10,245		10,245	9,124	1,120					
5 Loomis (07/01/12)	1,234,630	25,000	7,730	105	659	8,493	(780)	7,713	1.207	9,312	1.025	9,548	0.000	0.750	0.750	0.750	5,785	1.362	7,881		7,881	6,756	1,126					
6 Mt. Shasta (07/01/01)	2,437,096	25,000	15,258	207	1,300	16,766	(1,540)	15,225	1.207	18,382	1.025	18,846	23.751	1.500	1.500	1.250	22,838	1.362	31,115		31,115	23,166	7,950					
7 Portola	908,114	25,000	5,686	77	484	6,247	(574)	5,673	1.207	6,849	1.025	7,023	0.000	0.750	0.750	0.750	4,255	1.362	5,797		5,797	4,709	1,088					
8 Rio Dell (07/01/02)	1,388,041	25,000	8,690	118	740	9,549	(877)	8,672	1.207	10,469	1.025	10,734	0.000	0.750	0.750	0.750	6,504	1.362	8,861		8,861	6,693	2,168					
9 Shasta Lake	4,778,843	25,000	29,919	407	2,549	32,875	(3,020)	29,855	1.207	36,045	1.025	36,955	0.000	0.750	0.750	0.750	22,391	1.362	30,507		30,507	26,176	4,331					
10 Susanville (07/01/04)	4,298,660	25,000	26,913	366	2,293	29,572	(2,717)	26,855	1.207	32,423	1.025	33,242	0.000	0.750	1.000	1.250	26,855	1.362	36,588		36,588	41,499	(4,911)					
11 Tulelake (07/01/15)	449,117	25,000	2,812	38	240	3,090	(284)	2,806	1.207	3,387	1.025	3,473	0.000	0.750	0.750	0.750	2,104	1.362	2,867		2,867	2,335	533					
12 Weed (07/01/15)	1,929,343	100,000	8,844	164	1,029	10,037	(922)	9,115	1.207	11,005	1.025	11,283	0.000	0.750	0.750	0.750	6,836	1.362	9,314		9,314	7,921	1,393					
13 Yreka	4,186,183	25,000	26,209	356	2,233	28,798	(2,646)	26,153	1.207	31,574	1.025	32,372	3.211	1.500	1.000	0.750	26,153	1.362	35,631		35,631	22,032	13,598					
Total	\$25,484,151		\$155,591	\$2,169	\$13,594	\$171,354	(\$15,742)	\$155,612		\$187,873		\$192,619					\$141,380		\$192,619	(\$1,077)	\$191,542	\$161,898	\$30,721					
			(15,742)	JPA participation credit																								
			\$139,849	Net funding																								
				JPA Ex mod calc: 1 X 2 = 3; then 3 X 4 = 5																								
				Individual Ex mod calc: 1 X 8 = 9; then 9 X 10 = 11																								

\* Credits of \$1,077 (\$601 & \$476) owed to Dunsmuir as the SIR 25K was used in the 2020/2021 and 2021/2022 budgets.

## 2022/2023 Preliminary Operating Budget VCIPA

1									JPA Experience Mod Calculation (Used in determining the JPA's premium to ERMA)				Individual Experience Mod Calculation (Used in determining each individual member's premium to their JPA)									Prior Year Comparison	
Member	Actual 2021 Payroll	SIR Selected	Funding For Losses	Loss Prevention & Training	Admin. Costs	Deposit Premium	JPA Participation Credit	Net Deposit Premium	JPA Experience Modification Factor	Dep Prem Adjusted for Experience Modification	Off-Balance Factor	Dep Prem Adjusted for Off Balance Factor	Individual Experience Modification Factor	Capped Individual Experience Modification	Capped Ind. Ex Mod Including .25 capped change over prior year	Info Only: Prior Year (2021/2022) Experience Modification	Deposit Adjusted for Experience Modification	Off-Balance Factor	Premium Adjusted for Off Balance Factor	Excess Insurance \$2M x \$1M	TOTAL Deposit Premium	Prior Year Deposit Premium	Increase (Decrease)
1 Alameda County	\$1,896,928	\$25,000	\$12,790	\$161	\$1,012	\$13,963	(\$1,381)	\$12,582	0.897	\$11,290	1.025	\$11,575	0.000	0.750	0.750	0.750	\$9,436	1.039	\$9,802	\$759	\$10,561	\$10,140	\$420
2 Burney Basin	61,280	25,000	413	5	33	451	(45)	406	0.897	365	1.025	374	0.000	0.750	0.750	0.750	305	1.039	317	25	341	311	31
3 Butte County	1,478,193	25,000	9,967	126	788	10,881	(1,076)	9,804	0.897	8,798	1.025	9,020	0.000	0.750	0.750	0.750	7,353	1.039	7,638	591	8,229	8,502	(273)
4 Coachella Valley (09/14/00)	5,494,131	25,000	37,044	468	2,931	40,442	(4,001)	36,441	0.897	32,699	1.025	33,525	0.000	0.750	0.750	0.750	27,331	1.039	28,389	2,198	30,587	28,782	1,805
5 Colusa	201,416	25,000	1,358	17	107	1,483	(147)	1,336	0.897	1,199	1.025	1,229	0.000	0.750	0.750	0.750	1,002	1.039	1,041	81	1,121	1,179	(58)
6 Compton Creek	151,628	25,000	1,022	13	81	1,116	(110)	1,006	0.897	902	1.025	925	0.000	0.750	0.750	0.750	754	1.039	783	61	844	830	15
7 Consolidated	1,475,950	25,000	9,951	126	787	10,864	(1,075)	9,790	0.897	8,784	1.025	9,006	3.386	1.500	1.500	1.250	14,684	1.039	15,253	590	15,843	13,572	2,272
8 Contra Costa County	3,419,534	25,000	23,056	291	1,824	25,171	(2,490)	22,681	0.897	20,352	1.025	20,866	2.049	1.500	1.500	1.500	34,021	1.039	35,339	1,368	36,706	37,513	(807)
9 Delta VCD (07/01/08)	1,671,173	25,000	11,268	142	891	12,301	(1,217)	11,084	0.897	9,946	1.025	10,197	1.131	1.131	1.000	0.750	11,084	1.039	11,514	668	12,182	9,879	2,303
10 Durham (08/26/02)	71,628	25,000	483	6	38	527	(52)	475	0.897	426	1.025	437	0.000	0.750	0.750	0.750	356	1.039	370	29	399	384	15
11 Fresno	835,173	25,000	5,631	71	445	6,148	(608)	5,539	0.897	4,971	1.025	5,096	0.000	0.750	0.750	0.750	4,155	1.039	4,315	334	4,650	4,581	68
12 Glenn County	107,391	25,000	724	9	57	791	(78)	712	0.897	639	1.025	655	0.000	0.750	0.750	0.750	534	1.039	555	43	598	646	(48)
13 Greater Los Angeles	8,007,992	25,000	53,993	682	4,272	58,946	(5,831)	53,115	0.897	47,660	1.025	48,864	0.000	0.750	0.750	0.750	39,836	1.039	41,379	3,203	44,582	42,753	1,829
14 Kings Mosquito A.D. (07/01/09)	1,056,723	25,000	7,125	90	564	7,778	(769)	7,009	0.897	6,289	1.025	6,448	0.000	0.750	0.750	0.750	5,257	1.039	5,460	423	5,883	6,391	(508)
15 Lake County VCD (02/01/04)	652,243	25,000	4,398	56	348	4,801	(475)	4,326	0.897	3,882	1.025	3,980	0.000	0.750	0.750	0.750	3,245	1.039	3,370	261	3,631	3,452	179
16 Los Angeles County West	4,401,326	25,000	29,675	375	2,348	32,398	(3,205)	29,193	0.897	26,195	1.025	26,856	1.712	1.500	1.500	1.250	43,789	1.039	45,485	1,761	47,245	37,739	9,506
17 Marin-Sonoma	3,673,537	25,000	24,768	313	1,960	27,041	(2,675)	24,366	0.897	21,863	1.025	22,416	0.000	0.750	0.750	0.750	18,274	1.039	18,982	1,469	20,451	20,013	439
18 Napa County	833,899	25,000	5,622	71	445	6,138	(607)	5,531	0.897	4,963	1.025	5,088	0.000	0.750	0.750	0.750	4,148	1.039	4,309	334	4,642	4,883	(241)
19 Northwest	1,828,122	25,000	12,326	156	975	13,457	(1,331)	12,125	0.897	10,880	1.025	11,155	0.000	0.750	0.750	0.750	9,094	1.039	9,446	731	10,177	9,567	611
20 Orange County	7,277,469	25,000	49,068	619	3,882	53,569	(5,299)	48,270	0.897	43,312	1.025	44,406	0.000	0.750	0.750	0.750	36,202	1.039	37,604	2,911	40,515	40,436	79
21 Placer County	1,867,664	25,000	12,593	159	996	13,748	(1,360)	12,388	0.897	11,115	1.025	11,396	0.000	0.750	0.750	0.750	9,291	1.039	9,651	747	10,398	11,043	(645)
22 Sacramento Yolo	5,263,526	25,000	35,489	448	2,808	38,745	(3,833)	34,912	0.897	31,326	1.025	32,118	0.000	0.750	0.750	0.750	26,184	1.039	27,198	2,105	29,303	28,786	517
23 San Gabriel Valley	3,093,067	25,000	20,855	263	1,650	22,768	(2,252)	20,516	0.897	18,409	1.025	18,874	0.000	0.750	1.000	1.250	20,516	1.039	21,310	1,237	22,547	25,116	(2,569)
24 San Joaquin County	2,761,101	25,000	18,616	235	1,473	20,324	(2,011)	18,314	0.897	16,433	1.025	16,848	0.000	0.750	0.750	0.750	13,735	1.039	14,267	1,104	15,372	15,163	209
25 San Mateo County	2,505,122	25,000	16,891	213	1,336	18,440	(1,824)	16,616	0.897	14,909	1.025	15,286	0.000	0.750	0.750	0.750	12,462	1.039	12,944	1,002	13,946	15,106	(1,160)
26 Santa Barbara County	420,405	25,000	2,835	36	224	3,095	(306)	2,788	0.897	2,502	1.025	2,565	0.000	0.750	0.750	0.750	2,091	1.039	2,172	168	2,340	2,303	37
27 Shasta	1,296,223	25,000	8,740	110	691	9,541	(944)	8,598	0.897	7,715	1.025	7,909	0.000	0.750	0.750	0.750	6,448	1.039	6,698	518	7,216	7,053	164
28 Sutter-Yuba	1,155,454	25,000	7,791	98	616	8,505	(841)	7,664	0.897	6,877	1.025	7,050	0.000	0.750	0.750	0.750	5,748	1.039	5,970	462	6,433	6,053	379
29 Tehama County	391,270	25,000	2,638	33	209	2,880	(285)	2,595	0.897	2,329	1.025	2,387	0.000	0.750	0.750	0.750	1,946	1.039	2,022	157	2,178	2,132	46
30 Turlock	965,506	25,000	6,510	82	515	7,107	(703)	6,404	0.897	5,746	1.025	5,891	0.000	0.750	0.750	0.750	4,803	1.039	4,989	386	5,375	5,582	(207)
31 West Valley	1,543,059	25,000	10,404	131	823	11,358	(1,124)	10,235	0.897	9,184	1.025	9,416	4.157	1.500	1.250	1.000	12,793	1.039	13,289	617	13,906	11,726	2,180
Total	\$65,858,133		\$444,042	\$5,606	\$35,130	\$484,778	(\$47,957)	\$436,821		\$391,958		\$401,860					\$386,880		\$401,860	\$26,343	\$428,203	\$411,614	\$16,589
			(47,957)	JPA participation credit																			
			\$396,085	Net funding						JPA Ex mod calc:	1 X 2 = 3; then 3 X 4 = 5			Individual Ex mod calc:			1 X 8 = 9; then 9 X 10 = 11						

## 2022/2023 Preliminary Operating Budget Oakland Housing Authority

Member	Actual 2021 Payroll	SIR Selected	Funding For Losses	Loss Prevention & Training	Admin. Costs	Deposit Premium	JPA Participation Credit	Net Deposit Premium	Experience Modification Factor	Deposit Premium	Off-Balance Factor	Deposit Premium	Excess Insurance \$2M x \$1M	TOTAL Deposit Premium	Prior Year Comparison	
										Adjusted for Experience Modification		Adjusted for Off Balance Factor			Prior Year Deposit Premium	Increase (Decrease)
Oakland H.A.	\$34,697,899	\$50,000	\$208,881	\$2,954	\$18,508	\$230,343	N/A	\$230,343	0.970	\$223,452	1.025	\$229,097	\$13,879	\$242,976	\$235,814	\$7,162
<b>Total</b>	<b>\$34,697,899</b>		<b>\$208,881</b>	<b>\$2,954</b>	<b>\$18,508</b>	<b>\$230,343</b>	<b>\$0</b>	<b>\$230,343</b>		<b>\$223,452</b>		<b>\$229,097</b>	<b>\$13,879</b>	<b>\$242,976</b>	<b>\$235,814</b>	<b>\$7,162</b>



2022/2023 Preliminary Operating Budget  
Contra Costa County Housing Authority

Member	Actual	SIR	Funding	Loss	Admin.	Deposit	JPA	Net	Experience	Deposit	Off-Balance	Deposit	Excess	TOTAL	Prior Year Comparison	
	2021 Payroll		For Losses	Prevention & Training			Participation Credit	Deposit Premium	Modification Factor	Adjusted for Experience Modification		Adjusted for Off Balance Factor	Insurance \$2M x \$1M		Prior Year Deposit Premium	Increase (Decrease)
Contra Costa H.A.	\$6,185,608	\$50,000	\$37,237	\$527	\$3,300	\$41,063	N/A	\$41,063	0.945	\$38,785	1.025	\$39,765	\$2,474	\$42,239	\$40,868	\$1,371
Total	\$6,185,608		\$37,237	\$527	\$3,300	\$41,063	\$0	\$41,063		\$38,785		\$39,765	\$2,474	\$42,239	\$40,868	\$1,371



**2022/2023 Preliminary Operating Budget  
Experience Modification Calculation**

Calendar Year Payroll					Incurred Losses at 12/31/21 Individual Losses from \$25k and Capped at \$500k					Experience Modification Calculation												Prior Year
Member	Actual	Actual	Actual	Actual	(Not Used or Updated)	Program	Program	Program	Program	4 Year Average Payroll	4 Year Average Losses	4 Year Loss Rate \$100/PR	Average Expected Losses	Member Experience Ratio	Credibility Factor	Deviation from Norm Multiplied by Credibility	Factored Experience Modifier	JPA Capped* Factored Experience Modifier	Ind. Capped** Ex Mod (No factor applied)	JPA Capped* Factored Experience Modifier		
	2016 Payroll	2017 Payroll	2018 Payroll	2019 Payroll	Program Year 2016/2017	Year 2017/2018	Year 2018/2019	Year 2019/2020	Year 2020/2021													
BCPIA																						
1 Albany/Albany JPA	\$ 9,800,501	\$ 10,382,672	\$ 10,821,075	\$ 11,273,329	\$ -	\$ 5,952	\$ -	\$ -	\$ -	\$ 10,569,394	\$ 1,488	0.014	\$ 22,126	0.067	0.078	-0.073	0.927		0.750			
2 Brisbane	8,700,279	9,197,185	9,629,320	10,205,927	-	-	-	-	-	\$ 9,433,178	-	-	19,747	-	0.074	-0.074	0.926		0.750			
3 CMFA (1/1/19)	-	-	6,189,890	4,119,184	-	-	-	-	-	2,577,269	-	-	5,395	-	0.039	-0.039	0.961		0.750			
4 Central Marin PA	4,680,063	4,076,456	5,034,939	5,457,093	-	-	-	-	-	4,812,138	-	-	10,074	-	0.053	-0.053	0.947		0.750			
5 Corte Madera (7/1/17)	5,778,674	6,221,073	3,277,001	3,620,916	-	-	-	-	-	4,724,416	-	-	9,890	-	0.052	-0.052	0.948		0.750			
6 Emeryville (Includes MESA)	12,998,017	14,210,641	14,450,829	15,107,489	-	-	-	-	10,000	14,191,744	2,500	0.018	29,709	0.084	0.091	-0.083	0.917		0.750			
7 Emeryville MESA Inc.	Inc.	Inc.	Inc.	Inc.	-	-	-	-	-	-	-	-	5,854	-	0.040	-0.040	0.960		0.750			
8 Fairfax	2,636,569	2,641,046	2,888,425	3,019,166	-	-	-	-	-	2,796,302	-	-	9,924	-	0.052	-0.052	0.948		0.750			
9 Larkspur	5,704,758	6,151,456	2,670,149	4,437,164	-	-	-	-	-	4,740,882	-	-	27,125	-	0.087	-0.087	0.913		0.750			
10 Los Altos (7/1/12)	10,706,200	13,123,439	14,603,898	13,397,476	-	-	-	-	-	12,957,753	-	-	60,765	-	0.130	-0.130	0.870		0.750			
11 Menlo Park (7/1/02)	27,252,249	27,678,124	29,278,317	31,900,426	162,208	-	-	-	-	29,027,279	-	-	16,462,323	9,879	0.060	34,462	0.287	0.098	-0.070	0.930		
12 Mill Valley (7/1/01)	15,054,322	16,484,232	16,782,771	17,527,967	-	-	-	39,517	-	17,813,836	16,250	0.091	37,291	0.436	0.101	-0.057	0.943		0.750			
13 Novato (9/1/07)	16,649,838	17,463,450	17,437,788	19,704,268	325,000	65,000	-	-	-	12,908,921	37,984	0.294	27,023	1.406	0.086	0.035	1.035		1.406			
14 Piedmont	11,918,651	12,293,059	13,485,707	13,938,268	-	126,306	-	-	25,632	43,784,800	37,500	0.086	91,658	0.409	0.159	-0.094	0.906		0.750			
15 Pleasanton	39,922,220	42,004,560	43,193,719	50,018,700	-	-	150,000	-	-	3,071,148	-	-	6,429	-	0.042	-0.042	0.958		0.750			
16 San Anselmo +	2,590,732	2,892,949	3,426,853	3,374,056	-	-	-	-	-	6,311,814	605	0.010	13,213	0.046	0.060	-0.058	0.942		0.750			
17 Sausalito	5,821,219	6,278,839	6,501,065	6,646,132	-	-	-	2,419	-	3,466,011	-	-	7,256	-	0.045	-0.045	0.955		0.750			
18 Tiburon (7/1/11)	3,247,062	3,434,481	3,447,463	3,735,038	-	-	-	-	-	26,730,720	-	-	55,957	-	0.124	-0.124	0.876		0.750			
19 Union City	26,905,460	27,347,240	26,580,737	26,089,444	-	-	-	-	-													
BCPIA Total	210,366,814	221,880,902	229,699,946	243,572,043	487,208	197,257	150,000	41,936	35,632	226,379,926	106,206	0.047	473,897	0.224	0.362	-0.281	0.719	0.750		0.770		
CaTIP (7/1/17)																						
1 El Dorado County TA	3,083,889	3,339,214	3,438,251	3,515,292	-	-	-	140,121	-	3,344,162	35,030	1.048	7,001	5.004	0.044	0.176	1.176		1.500			
2 Humboldt Transit	2,204,675	2,259,983	2,404,118	2,532,761	-	-	-	-	-	2,350,384	-	-	4,920	-	0.037	-0.037	0.963		0.750			
3 Livermore Amador Valley TA	1,308,339	1,328,830	1,398,699	1,671,605	-	-	-	-	-	1,426,868	-	-	2,987	-	0.029	-0.029	0.971		0.750			
4 Mendocino Transit	2,440,587	2,603,358	2,583,340	2,972,395	-	-	-	-	-	2,649,920	-	-	5,547	-	0.039	-0.039	0.961		0.750			
5 Morongo Basin TA	1,193,205	1,292,280	1,493,632	1,711,324	-	-	-	-	-	1,422,610	-	-	2,978	-	0.029	-0.029	0.971		0.750			
6 San Luis Obispo Regional TA *	4,822,545	4,901,994	5,250,315	5,584,595	-	-	-	-	-	5,139,862	-	-	10,760	-	0.055	-0.055	0.945		0.750			
7 Tahoe Transportation District	1,751,626	3,051,845	3,200,451	2,914,349	-	-	-	-	-	2,729,568	-	-	5,714	-	0.040	-0.040	0.960		0.750			
8 Western Contra Costa TA	890,176	930,194	933,377	1,059,072	-	-	-	-	-	953,205	-	-	1,995	-	0.023	-0.023	0.977		0.750			
9 Yolo County Trans. District	880,203	930,905	952,651	964,222	-	-	-	-	-	931,995	-	-	1,951	-	0.023	-0.023	0.977		0.750			
CaTIP Total	18,575,245	20,638,603	21,654,834	22,925,615	-	-	-	140,121	-	20,948,574	35,030	0.167	43,853	0.799	0.110	-0.022	0.978	0.978		0.887		

**2022/2023 Preliminary Operating Budget  
Experience Modification Calculation**

Member	Calendar Year Payroll				Incurred Losses at 12/31/21 Individual Losses from \$25k and Capped at \$500k					Experience Modification Calculation										Prior Year JPA Capped* Experience Modifier
	Actual 2016 Payroll	Actual 2017 Payroll	Actual 2018 Payroll	Actual 2019 Payroll	(Not Used or Updated) Program Year 2016/2017	Program Year 2017/2018	Program Year 2018/2019	Program Year 2019/2020	Program Year 2020/2021	4 Year Average Payroll	4 Year Average Losses	4 Year Loss Rate \$100/PR	Average Expected Losses	Member Experience Ratio	Credibility Factor	Deviation from Norm Multiplied by Credibility	Factored Experience Modifier	JPA Capped* Factored Experience Modifier	Ind. Capped** Ex Mod (No factor applied)	
<b>CSJVRMA</b>																				
1 Angels Camp	3,153,794	2,859,842	2,777,974	2,348,605	-	-	-	45,000	-	2,785,054	11,250	0.404	5,830	1.930	0.040	0.037	1.037		1.500	
2 Atwater (7/1/00)	5,439,893	5,476,157	5,310,488	5,192,561	125,000	183,214	185,000	-	-	5,354,775	92,053	1.719	11,210	8.212	0.056	0.401	1.401		1.500	
3 Ceres	15,590,041	14,621,088	14,631,988	15,762,823	14,129	-	-	143,374	-	15,151,485	35,843	0.237	31,718	1.130	0.094	0.012	1.012		1.130	
4 Chowchilla (7/1/01)	3,651,982	3,853,637	4,156,084	4,489,822	-	-	-	-	-	4,037,881	-	-	8,453	-	0.048	-0.048	0.952		0.750	
5 Corcoran	3,914,771	3,958,828	3,949,019	4,297,812	-	-	-	-	-	4,030,108	-	-	8,437	-	0.048	-0.048	0.952		0.750	
6 Delano	17,453,033	17,855,729	19,088,159	20,346,087	265,000	-	-	15,000	-	18,685,752	3,750	0.020	39,116	0.096	0.104	-0.094	0.906		0.750	
7 Dinuba (7/1/16)	11,079,439	10,880,247	10,536,727	9,977,747	-	-	-	-	-	10,618,540	-	-	22,229	-	0.078	-0.078	0.922		0.750	
8 Dos Palos (12/1/10)*	1,298,263	1,237,470	1,444,379	1,455,597	-	-	-	-	10,000	1,358,927	2,500	0.184	2,845	0.879	0.028	-0.003	0.997		0.879	
9 Escalon	1,805,937	1,930,391	2,041,877	2,169,803	-	-	-	-	-	1,987,002	-	-	4,160	-	0.034	-0.034	0.966		0.750	
10 Exeter (7/1/21)	2,786,807	2,786,681	2,667,052	2,648,021	-	-	-	-	-	2,722,140	-	-	5,698	-	0.040	-0.040	0.960		0.750	
11 Farmersville (7/1/16)	2,385,811	2,325,429	2,303,881	2,534,516	-	-	-	-	-	2,387,409	-	-	4,998	-	0.037	-0.037	0.963		0.750	
12 Fowler	1,915,691	1,923,045	1,886,263	2,048,543	-	214,205	-	-	-	1,943,386	53,551	2.756	4,068	13.163	0.034	0.408	1.408		1.500	
13 Gustine	1,535,290	1,426,840	1,419,177	1,666,735	-	-	-	-	-	1,512,011	-	-	3,165	-	0.030	-0.030	0.970		0.750	
14 Hughson	995,296	1,027,149	996,779	986,819	-	-	-	-	-	1,001,511	-	-	2,097	-	0.024	-0.024	0.976		0.750	
15 Huron (7/1/10)	1,127,219	1,140,518	1,088,812	1,122,407	-	-	-	-	-	1,119,739	-	-	2,344	-	0.025	-0.025	0.975		0.750	
16 Kerman	3,553,492	3,676,460	3,879,700	4,197,823	-	-	-	-	-	3,826,869	-	-	8,011	-	0.047	-0.047	0.953		0.750	
17 Kingsburg (7/1/05)	3,274,608	3,347,411	3,541,538	3,970,486	312,955	-	-	-	-	3,533,511	-	-	7,397	-	0.045	-0.045	0.955		0.750	
18 Lathrop (10/4/05)	5,900,778	6,345,978	6,540,966	7,346,922	-	-	-	-	10,000	6,533,661	2,500	0.038	13,677	0.183	0.061	-0.050	0.950		0.750	
19 Lemoore (7/1/13)	5,747,492	6,793,489	7,575,401	7,986,606	-	-	-	16,398	10,291	7,025,747	6,672	0.095	14,707	0.454	0.064	-0.035	0.965		0.750	
20 Lindsay (7/1/21)	3,472,143	3,538,534	2,707,806	2,702,687	-	-	-	-	-	3,105,293	-	-	6,501	-	0.042	-0.042	0.958		0.750	
21 Livingston	3,493,421	3,830,666	4,142,846	4,852,236	-	-	-	-	-	4,079,792	-	-	8,541	-	0.049	-0.049	0.951		0.750	
22 Madera	16,743,464	18,152,193	18,767,890	17,546,597	-	-	-	-	-	17,802,536	-	-	37,267	-	0.101	-0.101	0.899		0.750	
23 McFarland	2,627,754	2,822,186	2,647,349	2,507,354	52,283	-	-	-	-	2,651,161	-	-	5,550	-	0.039	-0.039	0.961		0.750	
24 Mendota (7/1/13)	2,219,972	2,229,862	2,303,571	2,427,588	-	-	-	-	-	2,295,248	-	-	4,805	-	0.036	-0.036	0.964		0.750	
25 Merced (7/1/03)	31,885,102	33,627,926	34,926,178	36,186,516	-	-	175,000	-	10,000	34,156,431	46,250	0.135	71,502	0.647	0.141	-0.050	0.950		0.750	
26 Newman	2,416,386	2,478,770	2,700,353	2,813,698	-	-	-	-	-	2,602,302	-	-	5,448	-	0.039	-0.039	0.961		0.750	
27 Oakdale (8/1/12)	7,129,086	6,656,911	5,541,135	6,700,086	-	-	-	-	-	6,506,805	-	-	13,621	-	0.061	-0.061	0.939		0.750	
28 Orange Cove (7/7/07)	1,851,368	2,044,488	1,928,958	1,992,845	-	-	-	-	-	1,954,415	-	-	4,091	-	0.034	-0.034	0.966		0.750	
29 Patterson (7/1/13)	7,029,962	8,055,172	8,730,706	9,481,497	-	-	126,292	-	-	8,324,334	31,573	0.379	17,426	1.812	0.069	0.056	1.056		1.500	
30 Porterville	19,574,393	20,077,330	20,834,525	22,223,862	-	475,000	29,020	220,000	-	20,677,528	181,005	0.875	43,286	4.182	0.109	0.348	1.348		1.500	
31 Reedley	7,658,877	7,857,246	8,279,157	8,737,363	-	-	-	-	-	8,133,161	-	-	17,026	-	0.069	-0.069	0.931		0.750	
32 Riverbank (7/1/12)	3,469,749	3,431,467	3,471,922	3,585,662	-	-	-	-	-	3,489,700	-	-	7,305	-	0.045	-0.045	0.955		0.750	
33 Sanger (4/18/16)	7,734,489	8,013,974	8,768,006	9,203,184	-	49,844	-	-	-	8,429,913	12,461	0.148	17,647	0.706	0.070	-0.021	0.979		0.750	
34 San Joaquin (8/8/03)*	706,478	657,809	612,314	562,218	-	-	-	-	-	634,705	-	-	1,329	-	0.019	-0.019	0.981		0.750	
35 Selma	5,988,578	6,316,007	6,429,071	7,339,842	-	-	16,972	-	10,000	6,518,375	6,743	0.103	13,645	0.494	0.061	-0.031	0.969		0.750	
36 Shafter	12,266,567	12,891,212	13,310,231	14,094,940	-	220,000	-	6,461	-	13,140,738	56,615	0.431	27,508	2.058	0.087	0.092	1.092		1.500	
37 Sonora 7/1/13)	3,288,898	3,243,551	3,162,020	3,274,105	-	-	-	-	-	3,242,144	-	-	6,787	-	0.043	-0.043	0.957		0.750	
38 Taft	7,644,079	8,057,857	7,616,629	7,825,578	-	-	-	-	-	7,786,036	-	-	16,299	-	0.067	-0.067	0.933		0.750	
39 Tehachapi (7/1/13)	4,377,082	4,679,849	4,949,213	5,447,707	4,982	-	-	-	-	4,863,463	-	-	10,181	-	0.053	-0.053	0.947		0.750	
40 Tulare (7/1/12)	21,610,202	23,347,776	24,561,403	24,813,620	-	-	-	-	-	23,583,250	-	-	49,368	-	0.117	-0.117	0.883		0.750	
41 Wasco	3,309,700	3,579,954	3,996,631	3,783,912	-	-	-	-	-	3,667,549	-	-	7,678	-	0.046	-0.046	0.954		0.750	
42 Woodlake (7/1/16)	1,605,018	1,676,074	1,829,444	1,980,470	-	-	-	-	-	1,772,752	-	-	3,711	-	0.032	-0.032	0.968		0.750	
<b>CSJVRMA Total</b>	<b>270,712,405</b>	<b>280,733,203</b>	<b>288,053,622</b>	<b>300,633,302</b>	<b>774,349</b>	<b>1,142,262</b>	<b>532,284</b>	<b>446,232</b>	<b>50,291</b>	<b>285,033,133</b>	<b>542,767</b>	<b>0.190</b>	<b>596,680</b>	<b>0.910</b>	<b>0.406</b>	<b>-0.037</b>	<b>0.963</b>	<b>0.963</b>		<b>1.067</b>

**2022/2023 Preliminary Operating Budget  
Experience Modification Calculation**

Calendar Year Payroll					Incurred Losses at 12/31/21 Individual Losses from \$25k and Capped at \$500k					Experience Modification Calculation										Prior Year
Member	Actual 2016 Payroll	Actual 2017 Payroll	Actual 2018 Payroll	Actual 2019 Payroll	(Not Used or Updated) Program Year 2016/2017	Program Year 2017/2018	Program Year 2018/2019	Program Year 2019/2020	Program Year 2020/2021	4 Year Average Payroll	4 Year Average Losses	4 Year Loss Rate \$100/PR	Average Expected Losses	Member Experience Ratio	Credibility Factor	Deviation from Norm Multiplied by Credibility	Factored Experience Modifier	JPA Capped* Factored Experience Modifier	Ind. Capped** Ex Mod (No factor applied)	JPA Capped* Factored Experience Modifier
<b>ERMAC</b>																				
1 Hayward (7/1/16)	90,791,035	82,550,154	101,478,933	100,929,988	441,564	11,582	226,288	20,000	67,492	93,937,528	81,340	0.087	196,646	0.414	0.233	-0.137	0.863		0.750	
2 Laguna Hills (7/1/16)	3,310,792	3,409,269	3,235,027	3,142,724	-	-	-	-	-	3,274,453	-	-	6,855	-	0.044	-0.044	0.956		0.750	
3 Santa Maria (1/1/19)	41,585,048	42,388,293	48,400,587	51,264,592	170,404	50,000	-	-	-	45,909,630	12,500	0.027	96,106	0.130	0.163	-0.142	0.858		0.750	
<b>ERMAC Total</b>	<b>135,686,875</b>	<b>128,347,716</b>	<b>153,114,547</b>	<b>155,337,304</b>	<b>611,968</b>	<b>61,582</b>	<b>226,288</b>	<b>20,000</b>	<b>67,492</b>	<b>143,121,611</b>	<b>93,840</b>	<b>0.066</b>	<b>299,607</b>	<b>0.313</b>	<b>0.288</b>	<b>-0.198</b>	<b>0.802</b>	<b>0.802</b>		<b>0.955</b>
<b>MBASIA (7/1/11)</b>																				
1 Capitola	5,959,658	6,015,372	6,065,355	6,421,510	-	123,690	-	-	-	6,115,474	30,922	0.506	12,802	2.415	0.059	0.084	1.084		1.500	
2 Del Rey Oaks	1,009,975	1,018,757	1,383,297	1,612,490	52,405	-	475,000	-	-	1,256,130	118,750	9.454	2,630	45.160	0.027	1.190	2.190		1.500	
3 Gonzales	2,799,904	3,181,254	3,572,058	4,006,408	-	-	-	-	-	3,389,906	-	-	7,096	-	0.044	-0.044	0.956		0.750	
4 Greenfield	3,300,449	4,546,123	5,262,120	5,959,984	-	379,576	-	-	-	4,767,169	94,894	1.991	9,979	9.509	0.053	0.447	1.447		1.500	
5 Hollister	13,640,783	14,860,294	16,466,251	17,320,133	-	-	13,160	115,000	115,000	15,571,865	60,790	0.390	32,598	1.865	0.095	0.082	1.082		1.500	
6 King City	2,627,976	2,855,610	3,009,891	2,986,810	-	-	-	-	-	2,870,072	-	-	6,008	-	0.041	-0.041	0.959		0.750	
7 Marina	8,595,638	8,922,530	9,056,940	9,611,831	-	-	-	3,229	10,000	9,046,735	3,307	0.037	18,938	0.175	0.072	-0.060	0.940		0.750	
8 Sand City	2,407,301	2,494,186	2,724,000	2,702,236	-	-	-	-	-	2,581,931	-	-	5,405	-	0.039	-0.039	0.961		0.750	
9 Scotts Valley	5,127,056	5,123,539	5,350,683	5,456,068	-	-	-	442,060	-	5,264,337	110,515	2.099	11,020	10.028	0.055	0.498	1.498		1.500	
10 Soledad	4,139,005	4,211,545	4,491,577	4,748,518	-	-	-	-	10,000	4,397,661	2,500	0.057	9,206	0.272	0.050	-0.037	0.963		0.750	
<b>MBASIA Total</b>	<b>49,607,745</b>	<b>53,229,210</b>	<b>57,382,172</b>	<b>60,825,988</b>	<b>52,405</b>	<b>503,266</b>	<b>488,160</b>	<b>560,289</b>	<b>135,000</b>	<b>55,261,279</b>	<b>421,679</b>	<b>0.763</b>	<b>115,682</b>	<b>3.645</b>	<b>0.179</b>	<b>0.473</b>	<b>1.473</b>	<b>1.250</b>		<b>1.250</b>
<b>MPA</b>																				
1 Antioch	27,369,276	32,424,275	32,077,410	33,598,988	-	-	310,000	-	-	31,367,487	77,500	0.247	65,664	1.180	0.135	0.024	1.024		1.180	
2 Brentwood	28,666,125	31,074,714	32,742,510	34,674,871	-	475,000	-	-	20,000	31,789,555	123,750	0.389	66,547	1.860	0.136	0.117	1.117		1.500	
3 Clayton	2,062,344	2,186,675	2,271,038	2,419,519	-	-	-	-	-	2,234,894	-	-	4,678	-	0.036	-0.036	0.964		0.750	
4 Danville	7,918,011	8,529,442	8,728,844	8,835,462	-	81,485	-	-	-	8,502,940	20,371	0.240	17,800	1.144	0.070	0.010	1.010		1.144	
5 El Cerrito	18,840,958	20,005,704	20,838,781	22,060,903	-	-	475,000	-	10,000	20,436,587	121,250	0.593	42,781	2.834	0.109	0.199	1.199		1.500	
6 Hercules	6,294,500	6,906,525	7,245,302	7,660,894	51,619	-	-	-	-	7,026,818	-	-	14,710	-	0.064	-0.064	0.936		0.750	
7 LaFayette	4,100,552	4,229,892	4,429,383	4,539,389	-	-	-	-	-	4,324,804	-	-	9,053	-	0.050	-0.050	0.950		0.750	
8 Manteca	35,434,889	37,132,165	37,885,634	42,054,691	-	-	-	380,540	142,246	38,126,845	130,697	0.343	79,814	1.638	0.148	0.095	1.095		1.500	
9 Martinez	10,528,583	12,914,506	13,790,322	14,816,049	-	-	-	-	-	13,012,365	-	-	27,240	-	0.087	-0.087	0.913		0.750	
10 Moraga	3,122,572	3,552,034	3,858,750	4,442,241	-	-	-	60,000	-	3,743,899	15,000	0.401	7,837	1.914	0.047	0.043	1.043		1.500	
11 Oakley (7/1/02)	6,482,454	8,106,705	9,130,868	9,961,975	-	-	-	-	10,000	8,420,501	2,500	0.030	17,627	0.142	0.070	-0.060	0.940		0.750	
12 Orinda	3,355,987	3,420,186	3,629,613	3,754,713	-	-	-	-	-	3,540,125	-	-	7,411	-	0.045	-0.045	0.955		0.750	
13 Pacifica (3/9/07)	17,328,037	18,291,939	18,018,205	19,060,055	-	-	-	-	-	18,174,559	-	-	38,046	-	0.103	-0.103	0.897		0.750	
14 Pinole	7,600,654	8,275,070	9,109,957	9,682,100	-	-	-	-	-	8,666,945	-	-	18,143	-	0.071	-0.071	0.929		0.750	
15 Pittsburg	24,783,244	25,932,604	27,352,663	28,785,660	1,525	-	-	-	10,000	26,713,543	2,500	0.009	55,921	0.045	0.124	-0.119	0.881		0.750	
16 Pleasant Hill	11,324,440	11,738,410	12,389,614	12,813,263	-	-	-	-	-	12,066,432	-	-	25,260	-	0.084	-0.084	0.916		0.750	
17 San Pablo	14,881,003	13,147,976	15,215,439	16,936,406	-	-	-	-	-	15,045,206	-	-	31,495	-	0.093	-0.093	0.907		0.750	
18 San Ramon	28,982,280	29,419,162	32,890,385	32,808,007	10,000	-	10,000	-	-	31,024,959	2,500	0.008	64,947	0.038	0.134	-0.129	0.871		0.750	
19 Walnut Creek	36,414,063	38,533,782	39,605,592	40,981,431	-	150,000	-	-	10,000	38,883,717	40,000	0.103	81,398	0.491	0.150	-0.076	0.924		0.750	
20 MPA JPA Staff	1,410,962	1,491,195	\$1,733,576	\$1,856,755	-	-	-	-	-	1,623,122	-	-	3,398	-	0.031	-0.031	0.969		0.750	
<b>MPA Total</b>	<b>296,900,984</b>	<b>317,312,961</b>	<b>332,943,886</b>	<b>351,743,372</b>	<b>63,144</b>	<b>706,485</b>	<b>795,000</b>	<b>440,540</b>	<b>202,246</b>	<b>324,725,301</b>	<b>536,068</b>	<b>0.165</b>	<b>679,771</b>	<b>0.789</b>	<b>0.433</b>	<b>-0.092</b>	<b>0.908</b>	<b>0.908</b>		<b>0.868</b>

**2022/2023 Preliminary Operating Budget  
Experience Modification Calculation**

Member	Calendar Year Payroll				Incurred Losses at 12/31/21 Individual Losses from \$25k and Capped at \$500k					Experience Modification Calculation										Prior Year JPA Capped* Experience Modifier
	Actual 2016 Payroll	Actual 2017 Payroll	Actual 2018 Payroll	Actual 2019 Payroll	(Not Used or Updated) Program Year 2016/2017	Program Year 2017/2018	Program Year 2018/2019	Program Year 2019/2020	Program Year 2020/2021	4 Year Average Payroll	4 Year Average Losses	4 Year Loss Rate \$100/PR	Average Expected Losses	Member Experience Ratio	Credibility Factor	Deviation from Norm Multiplied by Credibility	Factored Experience Modifier	JPA Capped* Factored Experience Modifier	Ind. Capped** Ex Mod (No factor applied)	
<b>CIRA</b>																				
1 Amador	35,858	39,527	40,620	39,420	-	-	-	-	-	38,856	-	-	81	-	0.005	-0.005	0.995		0.750	
2 Arcata (7/1/21)	8,520,460	8,575,982	9,035,795	9,295,493	-	-	-	-	175,000	8,856,933	43,750	0.494	18,541	2.360	0.072	0.097	1.097		1.500	
3 Avalon	5,423,728	6,725,017	6,475,507	6,598,744	-	-	-	-	-	6,305,749	-	-	13,200	-	0.060	-0.060	0.940		0.750	
3 Belvedere (7/1/15)	2,334,006	2,445,983	2,351,741	2,141,612	-	-	19,379	-	-	2,318,336	4,845	0.209	4,853	0.998	0.037	0.000	1.000		0.998	
4 Blue Lake	426,713	437,918	450,698	517,148	-	-	-	-	-	458,119	-	-	959	-	0.016	-0.016	0.984		0.750	
5 California City	7,158,119	6,805,845	6,595,411	8,538,890	41,139	186,035	-	249,143	-	7,274,566	108,795	1.496	15,228	7.144	0.065	0.398	1.398		1.500	
6 Calimesa	740,142	798,870	1,411,694	1,919,936	-	-	-	-	10,000	1,217,661	2,500	0.205	2,549	0.981	0.027	-0.001	0.999		0.981	
7 Calistoga	4,756,533	5,438,365	5,703,945	6,425,210	-	-	-	-	-	5,581,013	-	-	11,683	-	0.057	-0.057	0.943		0.750	
8 Citrus Heights	18,789,739	18,674,611	18,696,051	19,535,966	-	75,000	-	85,000	23,644	18,924,092	45,911	0.243	39,615	1.159	0.105	0.017	1.017		1.159	
9 Clearlake	3,347,602	3,641,534	3,892,585	4,470,339	-	154,815	-	-	-	3,838,015	38,704	1.008	8,034	4.817	0.047	0.180	1.180		1.500	
10 Cloverdale (7/1/21)	3,434,835	3,690,384	3,881,269	3,865,970	-	-	-	-	-	3,718,115	-	-	7,783	-	0.046	-0.046	0.954		0.750	
11 Coalinga	5,319,362	5,627,226	4,959,828	4,863,578	-	155,244	-	36,148	10,000	5,192,499	50,348	0.970	10,870	4.632	0.055	0.199	1.199		1.500	
12 Cotati (7/1/21)	1,551,266	2,916,343	3,433,875	3,639,220	-	-	-	-	125,000	2,885,176	31,250	1.083	6,040	5.174	0.041	0.170	1.170		1.500	
13 Eureka (7/1/21)	12,513,980	13,942,665	14,625,732	15,498,467	-	465,803	-	-	125,000	14,145,211	147,701	1.044	29,611	4.988	0.090	0.361	1.361		1.500	
14 Ferndale	643,269	672,082	656,777	695,638	-	-	-	-	-	666,942	-	-	1,396	-	0.020	-0.020	0.980		0.750	
15 Fort Bragg (7/1/21)	3,342,039	3,478,440	3,511,101	3,770,080	-	-	-	-	-	3,525,415	-	-	7,380	-	0.045	-0.045	0.955		0.750	
16 Fortuna (7/1/21)	4,243,542	4,436,244	4,832,121	4,989,529	-	-	-	-	-	4,625,359	-	-	9,683	-	0.052	-0.052	0.948		0.750	
17 Grass Valley	6,467,533	6,527,874	7,227,435	7,815,626	-	-	-	-	-	7,009,617	-	-	14,674	-	0.064	-0.064	0.936		0.750	
18 Healdsburg (7/1/21)	12,776,299	13,211,000	14,693,104	16,570,387	-	-	-	-	110,000	14,312,698	27,500	0.192	29,962	0.918	0.091	-0.007	0.993		0.918	
19 Highland	2,597,995	2,748,438	2,823,158	3,142,495	-	-	-	-	-	2,828,022	-	-	5,920	-	0.040	-0.040	0.960		0.750	
20 Lakeport (7/1/21)	2,797,974	2,722,540	2,961,072	3,333,027	-	-	-	100,000	-	2,953,653	25,000	0.846	6,183	4.043	0.041	0.126	1.126		1.500	
21 Menifee (10/1/08)	4,730,530	5,321,763	6,100,132	8,540,141	-	-	208,094	10,000	-	6,173,142	54,524	0.883	12,923	4.219	0.060	0.192	1.192		1.500	
22 Nevada City	2,377,877	2,512,433	2,554,277	2,675,062	-	-	-	-	-	2,529,912	-	-	5,296	-	0.038	-0.038	0.962		0.750	
23 Placencia	11,245,111	11,580,708	12,175,819	12,908,301	-	-	165,631	-	-	11,977,485	41,408	0.346	25,073	1.651	0.083	0.054	1.054		1.500	
24 Placerville	6,146,313	6,165,279	6,459,088	6,892,317	-	-	-	-	-	6,415,749	-	-	13,431	-	0.061	-0.061	0.939		0.750	
25 Plymouth	555,144	532,043	628,673	614,150	-	-	-	-	-	582,503	-	-	1,219	-	0.018	-0.018	0.982		0.750	
26 Point Arena	291,096	305,455	364,741	378,120	-	-	-	-	-	334,853	-	-	701	-	0.014	-0.014	0.986		0.750	
27 Rancho Cucamonga	29,333,940	30,269,435	30,893,097	31,354,233	328,831	-	135,000	-	-	30,462,676	33,750	0.111	63,770	0.529	0.133	-0.062	0.938		0.750	
28 Rancho Cucamonga FPD (7/1/16)	16,417,869	17,735,581	17,732,745	17,606,332	-	-	-	-	-	17,373,132	-	-	36,368	-	0.100	-0.100	0.900		0.750	
29 Rancho Santa Margarita (1/1/04)	2,560,400	2,649,096	2,649,876	2,779,123	-	-	-	-	-	2,659,624	-	-	5,568	-	0.039	-0.039	0.961		0.750	
30 Rohnert Park (7/1/21)	15,645,828	16,478,425	19,404,634	20,931,655	-	388,184	-	-	-	18,115,136	97,046	0.536	37,922	2.559	0.102	0.160	1.160		1.500	
31 San Juan Bautista	473,213	501,676	588,647	729,841	-	-	-	-	-	573,344	-	-	1,200	-	0.018	-0.018	0.982		0.750	
32 Sebastopol (7/1/21)	4,728,349	4,787,820	5,138,007	5,517,445	-	-	-	-	425,000	5,042,905	106,250	2.107	10,557	10.065	0.054	0.489	1.489		1.500	
33 Sierra Madre (7/1/21)	5,220,192	5,455,360	5,886,465	6,381,759	-	-	-	-	-	5,735,944	-	-	12,007	-	0.058	-0.058	0.942		0.750	
34 Sonoma (7/1/21)	2,690,883	2,833,168	2,898,014	3,047,007	-	-	-	-	-	2,867,268	-	-	6,002	-	0.041	-0.041	0.959		0.750	
35 South Lake Tahoe	17,215,677	17,589,245	18,428,864	19,379,930	-	10,557	-	-	-	18,153,429	2,639	0.015	38,002	0.069	0.102	-0.095	0.905		0.750	
36 St Helena (7/1/21)	5,722,351	6,154,993	6,403,750	7,026,537	-	-	-	-	-	6,326,908	-	-	13,245	-	0.060	-0.060	0.940		0.750	
37 Tehama	33,714	31,303	32,330	34,072	-	-	-	-	-	32,855	-	-	69	-	0.004	-0.004	0.996		0.750	
38 Trinidad	320,282	345,108	345,867	373,150	-	-	-	-	-	346,102	-	-	725	-	0.014	-0.014	0.986		0.750	
39 Truckee	8,525,098	9,318,857	9,592,170	10,297,968	-	-	-	-	-	9,433,523	-	-	19,748	-	0.074	-0.074	0.926		0.750	
40 Twentynine Palms	2,256,892	2,347,892	2,565,482	2,671,257	-	-	255,608	-	-	2,460,381	63,902	2.597	5,150	12.407	0.038	0.430	1.430		1.500	
41 Ukiah (7/1/21)	15,770,908	14,763,435	16,287,319	19,254,375	-	-	-	-	100,000	16,519,009	25,000	0.151	34,580	0.723	0.098	-0.027	0.973		0.750	
42 Watsonville	27,248,330	28,597,471	29,831,752	32,235,209	-	239,454	102,216	175,569	10,000	29,478,191	131,810	0.447	61,709	2.136	0.131	0.148	1.148		1.500	
43 Wheatland	1,461,750	1,523,573	1,635,694	1,788,939	-	-	-	-	-	1,602,489	-	-	3,355	-	0.030	-0.030	0.970		0.750	
44 Wildomar (7/1/08)	1,024,591	1,169,492	1,223,142	1,346,748	-	-	-	-	-	1,190,993	-	-	2,493	-	0.026	-0.026	0.974		0.750	
45 Willits (7/1/21)	2,767,845	2,680,123	2,888,729	3,343,277	-	-	-	-	225,000	2,919,994	56,250	1.926	6,113	9.202	0.041	0.337	1.337		1.500	
46 Windsor (7/1/21)	6,309,767	8,377,131	8,782,459	9,335,539	-	-	-	-	-	8,201,224	-	-	17,168	-	0.069	-0.069	0.931		0.750	
47 Yountville	1,882,338	2,635,304	3,363,749	3,675,605	-	-	-	-	-	2,889,249	-	-	6,048	-	0.041	-0.041	0.959		0.750	
48 Yucaipa	4,304,666	4,463,822	4,879,316	5,533,147	-	-	-	-	-	4,795,238	-	-	10,038	-	0.053	-0.053	0.947		0.750	
49 Yucca Valley	2,600,479	2,723,235	2,160,821	2,893,099	-	-	-	-	-	2,594,409	-	-	5,431	-	0.039	-0.039	0.961		0.750	
50 CIRA Staff	1,243,836	1,154,571	\$1,070,384	\$918,164	-	-	-	-	-	1,096,739	-	-	2,296	-	0.025	-0.025	0.975		0.750	
<b>CIRA Total</b>	<b>308,326,263</b>	<b>324,560,685</b>	<b>341,225,562</b>	<b>368,129,277</b>	<b>369,970</b>	<b>1,675,093</b>	<b>885,928</b>	<b>655,860</b>	<b>1,338,644</b>	<b>335,560,447</b>	<b>1,138,881</b>	<b>0.339</b>	<b>702,452</b>	<b>1.621</b>	<b>0.440</b>	<b>0.274</b>	<b>1.274</b>	<b>1.250</b>		<b>1.167</b>

**2022/2023 Preliminary Operating Budget  
Experience Modification Calculation**

Calendar Year Payroll					Incurred Losses at 12/31/21 Individual Losses from \$25k and Capped at \$500k					Experience Modification Calculation										Prior Year
Member	Actual 2016 Payroll	Actual 2017 Payroll	Actual 2018 Payroll	Actual 2019 Payroll	(Not Used or Updated) Program Year 2016/2017	Program Year 2017/2018	Program Year 2018/2019	Program Year 2019/2020	Program Year 2020/2021	4 Year Average Payroll	4 Year Average Losses	4 Year Loss Rate \$100/PR	Average Expected Losses	Member Experience Ratio	Credibility Factor	Deviation from Norm Multiplied by Credibility	Factored Experience Modifier	JPA Capped* Factored Experience Modifier	Ind. Capped** Ex Mod (No factor applied)	JPA Capped* Factored Experience Modifier
<b>PERMA</b>																				
1 Banning (2/14/02)	14,252,065	15,571,310	16,389,782	17,834,938	73,617	-	478,134	-	68,353	16,012,024	136,622	0.853	33,519	4.076	0.096	0.296	1.274	1.25	1.500	1.1669462
2 Barstow (2/04/02)	14,789,478	15,488,188	15,598,520	14,151,898	-	32,030	-	90,000	50,000	15,007,021	43,007	0.287	31,415	1.369	0.093	0.034	1.296		1.369	
3 Canyon Lake (7/1/11)	439,435	487,923	494,702	543,956	-	-	-	-	-	491,504	-	-	1,029	-	0.017	-0.017	0.983		0.750	
4 Cathedral City (2/14/01)	20,175,933	21,245,925	22,999,326	23,656,831	87,241	475,000	-	-	-	22,019,504	118,750	0.539	46,095	2.576	0.113	0.178	1.178		1.500	
5 Coachella (10/01/00)	5,635,149	5,974,186	5,963,822	6,335,648	-	-	-	-	-	5,977,201	-	-	12,512	-	0.059	-0.059	0.941		0.750	
6 Desert Hot Springs	3,892,237	4,601,543	5,517,435	6,820,411	-	-	-	50,000	-	5,207,907	12,500	0.240	10,902	1.147	0.055	0.008	1.008		1.147	
7 Eastvale (7/1/15)	784,796	843,838	1,385,475	2,313,936	-	-	-	156,991	-	1,332,011	39,248	2.946	2,788	14.075	0.028	0.363	1.363		1.500	
8 Hesperia (7/1/10)	11,543,778	12,030,252	12,301,998	12,657,105	4,500	-	-	10,000	10,000	12,133,283	5,000	0.041	25,399	0.197	0.084	-0.067	0.933		0.750	
9 Holtville (7/1/08)	1,184,853	1,281,145	1,268,229	1,293,076	-	-	-	-	-	1,256,826	-	-	2,631	-	0.027	-0.027	0.973		0.750	
10 ICTC (7/1/12)	509,701	559,992	644,765	738,110	-	-	-	-	-	613,142	-	-	1,284	-	0.019	-0.019	0.981		0.750	
11 Jurupa Valley (11/2/15)	1,071,916	1,282,341	1,471,695	1,657,942	-	-	-	10,902	-	1,370,974	2,726	0.199	2,870	0.950	0.028	-0.001	0.999		0.950	
12 La Mesa (7/1/02)	22,037,448	23,262,084	24,012,160	24,949,893	-	31,646	-	-	-	23,565,396	7,911	0.034	49,331	0.160	0.117	-0.098	0.902		0.750	
13 Murrieta (7/1/01)	32,775,278	33,566,157	34,999,253	39,596,587	-	-	-	-	-	35,234,319	-	-	73,758	-	0.143	-0.143	0.857		0.750	
14 Palm Sps Tram (11/1/05)	4,798,159	4,607,936	4,906,556	4,909,205	4,246	-	-	-	10,000	4,805,464	2,500	0.052	10,060	0.249	0.053	-0.040	0.960		0.750	
15 Perris (9/25/00)	6,196,159	6,530,512	7,175,027	8,333,606	-	-	-	-	10,000	7,058,826	2,500	0.035	14,777	0.169	0.064	-0.053	0.947		0.750	
16 Rancho Mirage (12/31/19)	6,896,156	6,639,586	7,250,967	8,066,651	-	-	-	86,758	-	7,213,340	21,690	0.301	15,100	1.436	0.065	0.028	1.028		1.436	
17 San Jacinto (7/1/18)	2,782,506	3,358,185	3,824,668	4,385,847	-	-	-	-	-	3,587,801	-	-	7,511	-	0.046	-0.046	0.954		0.750	
18 SDRTC (11/4/13)	667,310	683,648	589,513	545,756	-	-	-	-	-	621,557	-	-	1,301	-	0.019	-0.019	0.981		0.750	
19 Sunline (11/4/13)	16,071,138	16,861,855	16,474,031	17,408,813	97,391	-	-	287,799	-	16,703,959	71,950	0.431	34,968	2.058	0.098	0.104	1.104		1.500	
20 Victorville (7/1/01)	25,971,469	27,744,606	28,539,240	34,626,579	-	-	190,737	-	10,000	29,220,474	50,184	0.172	61,169	0.820	0.130	-0.023	0.977		0.820	
21 VVTA (7/1/12)	1,009,164	1,231,809	1,405,607	1,488,528	-	-	-	-	-	1,283,777	-	-	2,687	-	0.027	-0.027	0.973		0.750	
22 PERMA Staff	542,562	569,426	628,490	655,581	-	-	-	-	-	599,015	-	-	1,254	-	0.019	-0.019	0.981		0.750	
<b>PERMA Total</b>	<b>194,026,690</b>	<b>204,422,447</b>	<b>213,841,261</b>	<b>232,970,897</b>	<b>266,995</b>	<b>538,676</b>	<b>668,871</b>	<b>692,450</b>	<b>158,353</b>	<b>211,315,324</b>	<b>514,588</b>	<b>0.244</b>	<b>442,361</b>	<b>1.163</b>	<b>0.350</b>	<b>0.057</b>	<b>1.057</b>	<b>1.057</b>		<b>1.048</b>
<b>PLAN JPA</b>																				
1 American Canyon (7/1/20)	6,765,379	7,034,131	7,193,051	7,193,051	-	-	-	-	-	7,046,403	-	-	14,751	-	0.064	-0.064	0.936		0.750	
2 Atherton (7/1/20)	4,261,242	4,327,213	4,799,844	4,799,844	-	-	-	-	10,000	4,547,036	2,500	0.055	9,519	0.263	0.051	-0.038	0.962		0.750	
3 Woodside (7/1/20)	2,065,636	1,941,841	2,202,980	2,202,980	-	-	-	-	-	2,103,359	-	-	4,403	-	0.035	-0.035	0.965		0.750	
<b>PLAN JPA Total</b>	<b>13,092,257</b>	<b>13,303,185</b>	<b>14,195,875</b>	<b>14,195,875</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,000</b>	<b>13,696,798</b>	<b>2,500</b>	<b>0.018</b>	<b>28,672</b>	<b>0.087</b>	<b>0.089</b>	<b>-0.081</b>	<b>0.919</b>	<b>0.919</b>		<b>0.907</b>
<b>SCORE</b>																				
1 Biggs (7/1/17)	386,860	396,932	401,784	409,035	-	-	-	-	-	398,653	-	-	835	-	0.015	-0.015	0.985		0.750	
2 Colfax	645,079	792,003	686,920	791,853	-	-	-	-	-	728,964	-	-	1,526	-	0.021	-0.021	0.979		0.750	
3 Dunsmuir (01/01/20)	636,173	643,157	773,287	842,510	-	-	-	-	-	723,782	-	-	1,515	-	0.020	-0.020	0.980		0.750	
4 Live Oak (7/1/04)	1,357,810	1,395,034	1,386,600	1,352,814	-	-	-	-	-	1,373,065	-	-	2,874	-	0.028	-0.028	0.972		0.750	
5 Loomis (7/1/12)	735,943	857,619	945,312	1,148,076	-	-	-	-	-	921,738	-	-	1,930	-	0.023	-0.023	0.977		0.750	
6 Mt. Shasta (7/1/01)	1,943,730	2,082,387	2,187,871	2,434,448	-	430,000	-	-	-	2,162,109	107,500	4.972	4,526	23.751	0.035	0.804	1.804		1.500	
7 Portola	796,713	749,220	690,092	878,576	-	-	-	-	-	778,650	-	-	1,630	-	0.021	-0.021	0.979		0.750	
8 Rio Dell (7/1/02)	1,006,121	1,020,181	1,017,410	1,181,113	-	-	-	-	-	1,056,206	-	-	2,211	-	0.025	-0.025	0.975		0.750	
9 Shasta Lake	3,587,737	3,910,822	4,059,564	4,174,281	-	-	-	-	-	3,933,101	-	-	8,233	-	0.048	-0.048	0.952		0.750	
10 Susanville (7/1/04)	3,972,225	3,977,057	3,992,735	4,291,749	231,250	-	-	-	-	4,058,442	-	-	8,496	-	0.048	-0.048	0.952		0.750	
11 Tulelake (7/1/15)	354,832	373,352	398,502	411,085	-	-	-	-	-	384,443	-	-	805	-	0.015	-0.015	0.985		0.750	
12 Weed (7/1/15)	1,699,522	1,800,282	2,123,163	2,203,702	-	-	-	-	-	1,956,667	-	-	4,096	-	0.034	-0.034	0.966		0.750	
13 Yreka	2,986,353	3,202,905	3,490,580	3,710,444	-	-	-	-	90,000	3,347,571	22,500	0.672	7,008	3.211	0.044	0.097	1.097		1.500	
<b>SCORE Total</b>	<b>20,109,098</b>	<b>21,200,951</b>	<b>22,153,820</b>	<b>23,829,686</b>	<b>231,250</b>	<b>430,000</b>	<b>-</b>	<b>-</b>	<b>90,000</b>	<b>21,823,389</b>	<b>130,000</b>	<b>0.596</b>	<b>45,684</b>	<b>2.846</b>	<b>0.112</b>	<b>0.207</b>	<b>1.207</b>	<b>1.207</b>		<b>1.210</b>

**2022/2023 Preliminary Operating Budget  
Experience Modification Calculation**

Calendar Year Payroll					Incurred Losses at 12/31/21 Individual Losses from \$25k and Capped at \$500k					Experience Modification Calculation											Prior Year
Member	Actual 2016	Actual 2017	Actual 2018	Actual 2019	(Not Used or Updated) Program Year	Program Year	Program Year	Program Year	Program Year	4 Year Average	4 Year Average	4 Year Loss Rate	Average Expected	Member Experience	Credibility Factor	Deviation from Norm Multiplied by Credibility	Factored Experience Modifier	JPA Capped* Factored Experience Modifier	Ind. Capped** Ex Mod (No factor applied)	JPA Capped* Factored Experience Modifier	
	Payroll	Payroll	Payroll	Payroll	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	Payroll	Losses	\$100/PR	Losses	Ratio	Factor						
VCIPA																					
1 Alameda County	1,447,199	1,563,529	1,676,675	1,784,987	-	-	-	-	-	1,618,098	-	-	3,387	-	0.031	-0.031	0.969		0.750		
2 Burney Basin	48,172	50,409	55,802	54,731	-	-	-	-	-	52,279	-	-	109	-	0.005	-0.005	0.995		0.750		
3 Butte County	1,305,293	1,346,734	1,425,928	1,423,406	-	-	-	-	-	1,375,340	-	-	2,879	-	0.028	-0.028	0.972		0.750		
4 Coachella Valley (9/14/00)	4,434,691	4,649,100	4,827,948	5,051,735	-	-	-	-	-	4,740,869	-	-	9,924	-	0.052	-0.052	0.948		0.750		
5 Colusa	207,436	200,877	211,902	210,566	-	-	-	-	-	207,695	-	-	435	-	0.011	-0.011	0.989		0.750		
6 Compton Creek	110,501	119,325	127,470	136,784	-	-	-	-	-	123,520	-	-	259	-	0.008	-0.008	0.992		0.750		
7 Consolidated	1,341,775	1,481,122	1,802,644	1,722,267	-	-	45,000	-	-	1,586,952	11,250	0.709	3,322	3.386	0.030	0.072	1.072		1.500		
8 Contra Costa County	3,162,039	3,292,543	3,449,660	3,069,445	-	-	55,639	-	-	3,243,422	13,910	0.429	6,790	2.049	0.043	0.045	1.045		1.500		
9 Delta VCD ( 7/1/08)	1,212,742	1,199,039	1,408,611	1,551,225	-	-	-	-	12,718	1,342,904	3,180	0.237	2,811	1.131	0.028	0.004	1.004		1.131		
0 Durham (8/26/02)	63,249	67,783	69,762	68,168	-	-	-	-	-	67,241	-	-	141	-	0.006	-0.006	0.994		0.750		
1 Fresno	783,378	903,600	991,283	812,859	-	-	-	-	-	872,780	-	-	1,827	-	0.022	-0.022	0.978		0.750		
2 Glenn County	131,002	89,964	102,012	102,238	-	-	-	-	-	106,304	-	-	223	-	0.008	-0.008	0.992		0.750		
3 Greater Los Angeles	5,647,762	5,939,559	6,337,607	7,229,368	-	-	-	-	-	6,288,574	-	-	13,164	-	0.060	-0.060	0.940		0.750		
4 Kings MAD (7/1/09)	898,298	983,186	1,119,661	1,075,568	-	-	-	-	-	1,019,178	-	-	2,134	-	0.024	-0.024	0.976		0.750		
5 Lake County (2/1/04)	577,729	560,840	568,221	591,444	-	-	-	-	-	574,559	-	-	1,203	-	0.018	-0.018	0.982		0.750		
6 Los Angeles County West	2,943,903	3,018,465	3,210,592	3,749,765	-	46,326	-	-	-	3,230,681	11,581	0.358	6,763	1.712	0.043	0.031	1.031		1.500		
7 Marin-Sonoma	3,010,559	3,226,419	3,370,957	3,301,334	-	-	-	-	-	3,227,317	-	-	6,756	-	0.043	-0.043	0.957		0.750		
8 Napa County	710,647	753,978	777,705	831,080	-	-	-	-	-	768,353	-	-	1,608	-	0.021	-0.021	0.979		0.750		
9 Northwest	1,622,363	1,722,959	1,790,673	1,727,184	-	-	-	-	-	1,715,795	-	-	3,592	-	0.031	-0.031	0.969		0.750		
0 Orange County	6,199,879	6,064,617	6,800,125	7,496,063	-	-	-	-	-	6,640,171	-	-	13,900	-	0.062	-0.062	0.938		0.750		
1 Placer County	1,421,940	1,535,417	1,633,740	1,761,246	-	-	-	-	-	1,588,086	-	-	3,324	-	0.030	-0.030	0.970		0.750		
2 Sacramento Yolo	4,353,798	4,645,228	4,970,259	5,003,924	-	-	-	-	-	4,743,302	-	-	9,929	-	0.052	-0.052	0.948		0.750		
3 San Gabriel Valley	2,108,694	2,312,602	2,475,684	2,423,533	-	-	-	-	-	2,330,128	-	-	4,878	-	0.037	-0.037	0.963		0.750		
4 San Joaquin County	2,372,822	2,461,438	2,506,529	2,591,603	-	-	-	-	-	2,483,098	-	-	5,198	-	0.038	-0.038	0.962		0.750		
5 San Mateo County	1,956,127	2,096,070	2,239,040	2,400,213	-	-	-	-	-	2,172,863	-	-	4,549	-	0.035	-0.035	0.965		0.750		
6 Santa Barbara County	427,538	432,883	414,392	414,039	-	-	-	-	-	422,213	-	-	884	-	0.016	-0.016	0.984		0.750		
7 Shasta	980,333	1,048,691	1,121,528	1,168,703	-	-	-	-	-	1,079,814	-	-	2,260	-	0.025	-0.025	0.975		0.750		
8 Sutter-Yuba	1,000,006	1,036,945	1,198,663	1,073,033	-	-	-	-	-	1,077,162	-	-	2,255	-	0.025	-0.025	0.975		0.750		
9 Tehama County	331,540	345,687	352,442	362,519	-	-	-	-	-	348,047	-	-	729	-	0.014	-0.014	0.986		0.750		
0 Turlock	844,600	944,491	961,645	922,044	-	-	-	-	-	918,195	-	-	1,922	-	0.023	-0.023	0.977		0.750		
1 West Valley	1,273,438	1,395,475	1,433,500	1,642,988	-	-	50,000	-	-	1,436,350	12,500	0.870	3,007	4.157	0.029	0.091	1.091		1.500		
VCIPA Total	52,929,453	55,488,975	59,432,660	61,754,062	-	46,326	150,639	-	12,718	57,401,288	52,421	0.091	120,162	0.436	0.182	-0.103	0.897	0.897		0.896	
Oakland H.A.	26,867,023	28,486,957	29,405,018	30,966,730	144,657	-	25,000	151,215	10,000	28,931,432	\$ 46,554	0.161	60,564	0.769	0.129	-0.030	0.970	0.970		1.028	
Contra Costa H.A.	5,207,303	5,220,093	5,320,183	5,552,285	-	-	-	-	-	5,324,966	\$ -	-	11,147	-	0.055	-0.055	0.945	0.945		0.942	
Totals	\$ 1,602,408,154	\$ 1,674,825,888	\$ 1,768,423,386	\$ 1,872,436,436	\$ 3,001,946	\$ 5,300,946	\$ 3,922,170	\$ 3,148,644	\$ 2,110,376	\$ 1,729,523,466	\$ 3,620,534	0.209	\$ 3,620,534	1.000	1.000	0.000	1.000				

**ADMINISTRATIVE MATTERS**

**SUBJECT: Review and Approval of Goals and Objectives Established at the 2022 Annual Workshop**

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**BACKGROUND AND STATUS:**

At the April 1, 2022, Annual Workshop, the Board of Directors established the following goals and objectives for the 2022/23 Program Year:

1. Internal Marketing Initiative
  - Develop marketing strategy targeting non-participatory underlying members
2. Personnel Policies and Procedures Updates
  - Develop a program providing reimbursement of legal costs associated with personnel policies and rules updates
  - Update ERMA-recommended policies/rules
3. Review of ERMA financial position
  - Identify and conduct net position stress test
4. Develop targeted Police Department training program, with emphasis upon:
  - Prevention of harassment, discrimination, and retaliation training
  - Complaint and claims handling procedures training
    1. Introductory and Remedial

This time is reserved for the Board to formally review and approve the 2022/23 ERMA goals and objectives.

**RECOMMENDATION:**

*Staff recommends the Board of Directors adopt the goals and objectives established at the April 1, 2022, Annual Workshop.*

**ADMINISTRATIVE MATTERS**

**SUBJECT: Draft Resolution 2022-1, Establishing Meeting Dates for the 2022/23 Fiscal Year**

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**BACKGROUND AND STATUS:**

Included in the agenda packet is a resolution with proposed meeting dates for the 2022/23 Fiscal Year. The proposed dates are:

- Monday, November 7, 2022
- Thursday & Friday, February 2 & 3, 2023 (Annual Workshop/Board Meeting)
- Tuesday, April 25, 2023
- Monday, June 5, 2023

Please review your calendar for any potential conflicts with the proposed dates.

**RECOMMENDATION:**

*Staff recommends the Board of Directors consider Resolution No. 2022-1, Establishing Meeting Dates for the 2022/23 Fiscal Year.*

**REFERENCE MATERIALS ATTACHED:**

- Draft Resolution No. 2022-1, Establishing Meeting Dates for the 2022/23 Fiscal Year



**DRAFT RESOLUTION NO. 2022-1**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE EMPLOYMENT RISK  
MANAGEMENT AUTHORITY ESTABLISHING MEETING DATES FOR THE  
2022/23 FISCAL YEAR**

**BE IT RESOLVED THAT:**

The following meeting dates are hereby established for the 2022/23 fiscal year:

<u>Monday, November 7, 2022</u> Sacramento, CA 10:00 a.m.	<u>Tuesday, April 25, 2023</u> Sacramento, CA 10:00 a.m.
<u>Friday, February 3, 2023</u> TBD 10:00 a.m.	<u>Monday, June 5, 2023</u> Sacramento, CA 10:00 a.m.

**ANNUAL WORKSHOP & BOARD MEETING**

Thursday, February 2, 2023

TBD

10:00 a.m. – 5 p.m.

Friday, February 3, 2023

TBD

10:00 a.m.

This Resolution was adopted by the Board of Directors at a regular meeting of the Board on April 26, 2022, by the following vote:

AYES \_\_\_\_\_

NOES \_\_\_\_\_

ABSTAIN \_\_\_\_\_

ABSENT \_\_\_\_\_

\_\_\_\_\_  
PRESIDENT

ATTEST:

\_\_\_\_\_  
BOARD SECRETARY

**ADMINISTRATIVE MATTERS**

**SUBJECT: ERMA 23rd Annual Workshop**

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**BACKGROUND AND STATUS:**

Staff requests direction from the Board regarding the desired venue for the 23<sup>rd</sup> ERMA Annual Workshop. Prior to soliciting proposals from venues, staff has identified possible venues within the Napa and East Bay Area (room rates listed below are approximate and based upon currently available rack rates):

- [Napa Valley Marriot Hotel & Spa](#): \$219/night plus tax
- [Claremont Club & Spa](#): \$299/night plus tax
- [Archer Hotel Napa](#): \$400/per night plus tax
- [Westin Verasa Napa](#): \$349/night plus tax

A summary of room costs for the previous three workshops is as follows:

VENUE	ROOM RATE	TOTAL
Santa Cruz Dream Inn (2022)	\$369/night plus tax*	<b>\$20,083.98</b>
Santa Cruz Dream Inn (2020)	\$189/night plus tax	<b>\$22,187.61</b>
Wine & Roses (2019)	\$189/night plus tax	<b>\$11,828.28</b>

*\*Cost based upon one night only following re-schedule.*

**RECOMMENDATION:**

*Staff recommends the Board of Directors provide feedback and direction as necessary.*

**ADMINISTRATIVE MATTERS**

**SUBJECT: Draft Resolution 2022-2, Establishing Criteria for Adding and Removing Defense Counsel to the Panel of Approved Attorney Firms**

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**BACKGROUND AND STATUS:**

An important aspect of ERMA's loss mitigation process is the practice of appointing defense counsel with an established expertise in public employment law. ERMA's Panel of Approved Defense Counsel (Panel) are vetted to make sure that they have the required expertise to effectively oversee an outside investigation (if necessary), provide advice and counsel to the member if findings are substantiated, and represent the member should litigation arise. This practice allows the member agency and ERMA to address complaints made by agency employees in the most proactive manner possible.

Because the practice of public employment law within the State of California is a highly specialized area of expertise, there are a limited number of firms and litigators that meet the stringent qualifications necessary to be included on ERMA's Panel.

The current Resolution 2021-1 Establishing Criteria for Adding and Removing Defense Counsel to the Panel of Approved Attorney Firms requires that to be considered for ERMA's panel, the "firm must not represent employees as plaintiffs in employment practices liability matters." This language is broad in that it excludes firms that (even occasionally) represent plaintiffs in employment practices liability (EPL) matters against private employers.

The proposed update to the existing Resolution limits this exclusion to firms that represent plaintiffs in EPL matters against public employers within the State of California. The proposed revision will only allow firms that represent plaintiffs in EPL matters against private employers to be considered for participation on ERMA's Panel.

Attached for the Board's review and consideration is Resolution No. 2022-2, Establishing Criteria for Adding and Removing Defense Counsel to the Panel of Approved Attorney Firms, reflecting the proposed modification of criteria.

Doug Alliston, Board Counsel, will discuss the proposed Resolution and answer any questions from the Board.

**RECOMMENDATION:**

*Staff recommends the Board of Directors approve Resolution No. 2022-2, Establishing Criteria for Adding and Removing Defense Counsel to the Panel of Approved Attorney Firms, effective April 26, 2022.*

**REFERENCE MATERIALS ATTACHED:**

- Draft Resolution No. 2022-2, Establishing Criteria for Adding and Removing Defense Counsel to the Panel of Approved Attorney Firms, in redline/strikeout.

**DRAFT RESOLUTION NO. 2022-2**

**RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE EMPLOYMENT RISK MANAGEMENT AUTHORITY  
ESTABLISHING CRITERIA FOR ADDING AND REMOVING DEFENSE COUNSEL  
TO THE PANEL OF APPROVED ATTORNEY FIRMS**

WHEREAS, the Employment Risk Management Authority, hereinafter ERMA, is a Joint Powers Authority organized and existing in accordance with the laws of the State of California, and

WHEREAS, one of the functions of ERMA is to operate a “Pooled Wrongful Employment Practices” “risk sharing” coverage program, and

WHEREAS, it is in the best interest of all members to ensure the professional, competent, and cost effective handling of defense litigation of cases that come within the parameters of this program, and

WHEREAS, the ERMA program is now entering its eighteenth year of existence and the Board of Directors previously established a panel of approved attorney firms to handle the employment practices litigation of ERMA and its members, and

WHEREAS, the previously established panel now consists of the two pre-approved attorney firms and ten (10) other approved attorney firms across the State of California, some of which have never handles cases for ERMA and others of which have handled cases for ERMA with varying degrees of success, and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors as follows:

The ERMA Board continues to pre-approve to handle ERMA litigation. ERMA members are encouraged to utilize as defense counsel the two law firms that are under contract to ERMA to provide training and hotline services under the “Pooled Wrongful Employment Practices” program. Those firms are:

Jackson Lewis, P.C.; and  
Liebert Cassidy Whitmore.

A. Criteria to be Included on the Panel of Approved Attorney Firms

Attorney firms requesting to be included on the panel of approved attorney firms must meet and agree to the following provisions before the Board of Directors will consider their inclusion on the panel:

1. The firm must have at least five years of civil litigation practice which includes substantial and significant defense experience in the area of public sector employment practices liability in California. A substantial and significant percentage of the firm’s practice must consist of legal work relating to public sector employment practices liability;
2. The firm must agree to assign ERMA cases to attorneys within their firm with no less than 5 years civil litigation practice which includes substantial and significant defense experience in the area of public sector employment practices liability.

3. The firm shall provide a resume setting forth the experience of the individual attorneys that would handle ERMA cases and their areas of expertise;
4. The firm must agree that the hourly rate charged shall not exceed the currently approved rates for partners and associates as listed in Exhibit A, unless the member entity agrees to pay any difference between the maximum allowed rate and the actual rate charges. ERMA must be notified in writing if the member entity agrees to exceed the maximum allowed rate. The currently approved rates will be contained in each firm's annual contract for legal services with ERMA;
5. The firm must agree to abide by the policies and procedures established by ERMA for the handling of litigation;
6. The firm must complete the "survey of insurance" attached and incorporated herein as though fully set forth, listing applicable information with regard to general liability, automobile liability, workers' compensation, and errors and omissions liability insurance. The firm must carry errors and omissions liability insurance appropriate to the legal profession, and in an amount not less than \$1,000,000 per occurrence; and
7. The firm must not represent employees as plaintiffs in employment practices liability matters against public entities in the State of California.

Nothing in this resolution shall be construed to limit the right of a member entity to retain its own defense counsel to represent the member entity in any litigation. If, however, a member entity retains its own counsel who is not one of the defense panel firms, the member entity shall be solely responsible for that counsel's attorney's fees and costs, and the member entity shall be deemed to have waived any rights to defense and indemnity coverage from ERMA for that particular litigation.

#### B. Selection of Defense Counsel

Once the approved panel of attorney firms has been reconstituted, an attorney firm on the panel may be assigned cases from any ERMA member. Assignment to defense counsel for each case belonging to a member entity for wrongful employment practices shall be made from the defense panel by the Litigation Manager after consultation with the entity. Authority to assign a defense firm is at the sole discretion of the Litigation Manager.

Regardless of the defense counsel selected, the member entity shall bear the financial responsibility of the defense expenses, including fees, until such time as its retained limit is exhausted.

Counsel selected must be qualified to handle the type of litigation required; i.e., employment or labor law, appellate work, etc. In addition, the defense counsel selected must agree to abide by the policies and procedures established in this resolution and in Resolution 2020-3 – Establishing a Litigation Management Program, or its successor.

#### C. Evaluation of Attorney Firms

The performance of defense panel firms will be evaluated annually by the Board of Directors. The performance of the particular attorneys ~~from each firm who worked on ERMA cases will~~

also be reviewed annually. The Board of Directors reserves the right to remove any firm or any attorney from the panel.

D. In-House Counsel

A member entity has the right to utilize its own in-house counsel (i.e. an employee of the member and not a non-employee or contracted city attorney) to represent the member entity in any litigation. However, no in-house counsel's fees or costs shall be applied towards the satisfaction of the member entity's retained limit.

Furthermore, ERMA retains the right to associate in as counsel any of the defense panel firms in any litigation in which the member entity utilizes its own in-house counsel to represent the member entity at the member entity's expense. The associated defense counsel's fees and costs will apply to the member entity's retained limit.

This resolution supersedes and replaces Resolution 5-2016 which replaced Resolution 4-2004 which replaced Resolution 2-2003 which replaced Resolution 3-2000 which replaced Resolution 3-1999, Establishing Criteria for Adding Defense Counsel to the Panel of Approved Attorney Firms for ERMA. This resolution was adopted by the Board of Directors at a regular meeting of the Board held on ~~February 11, 2021~~April 26, 2022, by the following vote:

AYES \_\_\_\_\_  
NOES \_\_\_\_\_  
ABSTAIN \_\_\_\_\_  
ABSENT \_\_\_\_\_

\_\_\_\_\_  
PRESIDENT

ATTEST:

\_\_\_\_\_  
BOARD SECRETARY

## ERMA DEFENSE PANEL SURVEY OF INSURANCE

Please complete and return this form at your earliest convenience.

**Firm Name** \_\_\_\_\_ **Completed By** \_\_\_\_\_

1. **Errors and Omissions Liability** Yes\_\_\_ No\_\_\_ Amount \_\_\_\_\_

Deductible or S.I.R. \_\_\_\_\_ Claims made/occurrence basis \_\_\_\_\_

Carrier or Provider \_\_\_\_\_

Aggregate (if applicable) \_\_\_\_\_

2. **General Liability** Yes\_\_\_ No\_\_\_ Amount \_\_\_\_\_

Deductible or S.I.R. \_\_\_\_\_ Claims made/occurrence basis \_\_\_\_\_

Carrier or Provider \_\_\_\_\_

Aggregate (if applicable) \_\_\_\_\_

Would you be willing to extend coverage to the pool? Yes\_\_\_ No\_\_\_

By way of \_\_\_\_\_ certificate \_\_\_\_\_ endorsement

3. **Workers' Compensation** Yes\_\_\_ No\_\_\_ Amount \_\_\_\_\_

Carrier or Provider \_\_\_\_\_

4. **Automobile Liability** Yes\_\_\_ No\_\_\_ Amount \_\_\_\_\_

Deductible or S.I.R. \_\_\_\_\_ Claims made/occurrence basis \_\_\_\_\_

Carrier or Provider \_\_\_\_\_

Aggregate (if applicable) \_\_\_\_\_

Would you be willing to extend coverage to the pool? Yes\_\_\_ No\_\_\_

By way of \_\_\_\_\_ certificate \_\_\_\_\_ endorsement



## EXHIBIT A

### BILLING RATES OF PRE-APPROVED DEFENSE PANEL EFFECTIVE JULY 1, 2020

#### NOT TO EXCEED


	2020/21	2021/22	2022/23
<b>Partner</b>	\$295	\$310	\$325
<b>Of Counsel</b>	\$280	\$295	\$310
<b>Associate</b>	\$235	\$250	\$265
<b>Paralegal</b>	\$100	\$110	\$115

**ADMINISTRATIVE MATTERS**

**SUBJECT: Draft Resolution 2022-3, Requiring Coverage Appeals Involving Discussion of Facts and Legal Opinions Covered by the Attorney-Client and Work Product Privilege to be Held in Closed Session**

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**BACKGROUND AND STATUS:**

An important aspect of ERMA's loss mitigation practice is protecting the confidentiality of information relating to claims and lawsuits against member agencies. This is especially true when there are facts and legal opinions that come under the legal protections of the attorney-client and/or work-product privilege.

As a Joint Powers Authority (JPA), Board of Directors meetings are governed by the Ralph M. Brown Act, and most items included in the agenda for each Board of Directors meeting are required to be heard in an open-session accessible to the public.

ERMA's Memorandum of Coverage allows member agencies to appeal a denial of coverage to the Board of Directors. Historically, coverage appeals have been heard in open sessions during the Board of Directors meetings. However, some coverage appeals require a discussion of facts and/or legal opinions of Board Counsel and/or Defense Counsel that are protected by the attorney-client and/or work-product privilege. Holding discussions regarding facts and legal opinions protected by these privileges in an open session creates a risk that these protected facts and opinions may be disseminated to the public, potentially waiving one or both privileges.

California Government Code §54956.9 authorizes a public agency to convene in closed session in order to confer with, or receive advice from, its legal counsel regarding pending litigation when discussion in an open session concerning those matters would prejudice the position of the public agency in litigation.

In addition, California Government Code §54956.95 provides that nothing in the Brown Act shall be construed to prevent a JPA formed for purposes of insurance pooling, or a local agency member of such a JPA, from holding a closed session to discuss a claim for the payment of liability losses incurred by the JPA or a member.

It is in the best interest of all members to ensure the discussion of coverage appeals involving potentially privileged facts, documents, and opinions is held in closed session. In addition, it would be contrary to ERMA's interests to allow a representative of the member appealing ERMA's denial of coverage to remain present during discussions between ERMA's legal counsel and the Board of Directors regarding the merits of a coverage appeal.

Attached for the Board's review and consideration is Resolution No. 2022-3, Requiring Coverage Appeals Involving Discussion of Facts and Legal Opinions Covered by the Attorney-Client and Work Product Privilege to be Held in Closed Session.

Doug Alliston, Board Counsel, will discuss the proposed Resolution and answer any questions from the Board.

**RECOMMENDATION:**

*Staff recommends the Board of Directors approve Resolution No. 2022-3, Requiring Coverage Appeals Involving Discussion of Facts and Legal Opinions Covered by the Attorney-Client and Work Product Privilege to be Held in Closed Session.*

**REFERENCE MATERIALS ATTACHED:**

- Draft Resolution No. 2022-3, Requiring Coverage Appeals Involving Discussion of Facts and Legal Opinions Covered by the Attorney-Client and Work Product Privilege to be Held in Closed Session

**DRAFT RESOLUTION NO. 2022-3**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE EMPLOYMENT RISK MANAGEMENT AUTHORITY REQUIRING COVERAGE APPEALS INVOLVING DISCUSSION OF FACTS AND LEGAL OPINIONS COVERED BY THE ATTORNEY-CLIENT AND WORK PRODUCT PRIVILEGE TO BE HELD IN CLOSED SESSION**

**WHEREAS**, the Employment Risk Management Authority, hereinafter ERMA, is a Joint Powers Authority (JPA) organized and existing in accordance with the laws of the State of California; and

**WHEREAS**, one of the functions of ERMA is to operate a “Pooled Wrongful Employment Practices” “risk sharing” program; and

**WHEREAS**, it is in the best interest of ERMA members to ensure that all discussions regarding facts and legalities relevant to claims against ERMA or its members, including but not limited to those covered by the attorney-client and/or work product privilege, be protected from public disclosure; and

**WHEREAS**, California Government Code §54956.9 allows a meeting of a legislative body of a public agency to convene in closed session in order to confer with, or receive advice from, its legal counsel regarding pending litigation when discussion in open session concerning those matters would prejudice the position of the public agency in the litigation; and

**WHEREAS**, California Government Code §54956.95 provides that nothing in the Brown Act shall be construed to prevent a JPA formed for purposes of insurance pooling, or a local agency member of such a JPA, from holding a closed session to discuss a claim for the payment of liability losses incurred by the JPA or a member of the JPA, and

**WHEREAS**, it is in the best interest of all members to ensure that discussions regarding appeals from ERMA’s denial of coverage involving claims against members that involve potentially attorney-client privileged and/or work product facts and documents be held in closed session; and

**WHEREAS**, it would be contrary to ERMA’s interests to allow a representative of the member appealing ERMA’s denial of coverage to remain present during discussions between ERMA’s legal counsel and the Board of Directors regarding the merits of a coverage appeal.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors as follows:

The ERMA Board shall, at its discretion, hold all discussions and votes regarding member appeals from ERMA’s denial of coverage in closed session and may exclude representatives of the appealing member from all or a portion of such closed session.

This resolution was adopted by the Board of Directors at a regular meeting of the Board held on April 26, 2022, by the following vote:

AYES \_\_\_\_\_

NOES \_\_\_\_\_

ABSTAIN \_\_\_\_\_

\_\_\_\_\_  
PRESIDENT

Attest:

\_\_\_\_\_  
BOARD SECRETARY

**ADMINISTRATIVE MATTERS**

**SUBJECT: Excess Coverage Marketing Update for the 2022/23 Program Year**

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**BACKGROUND AND STATUS:**

At the February 10, 2022, Board of Directors meeting, Seth Cole, Alliant, provided a preliminary overview regarding renewal expectations based upon market fluctuations and ERMA claim development in recent years. Mr. Cole was asked to begin renewal negotiations with RSUI for the 2022/23 program year.

Mr. Cole will provide a review of proposed renewal terms, including increased limits and policy aggregates, and answer any questions from the Board.

**RECOMMENDATION:**

*None*

**REFERENCE MATERIALS ATTACHED:**

- ERMA Renewal Memo from Alliant

April 12, 2022

Jennifer Jobe  
Executive Director  
ERMA c/o Sedgwick  
1750 Creekside Oaks Drive, Suite 200  
Sacramento, CA 95833

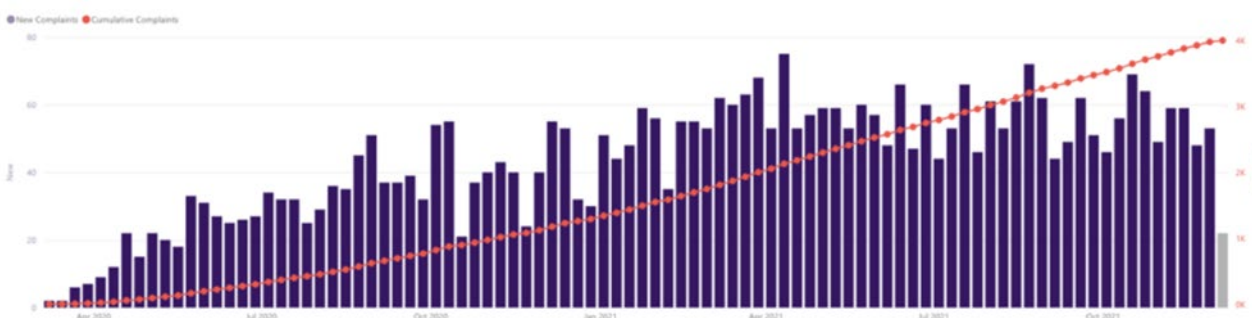
## ERMA 2022/23 RENEWAL UPDATE

Dear Jennifer:

This letter provides Sedgwick staff and the ERMA Board with updated information regarding ERMA's 2022/23 optional Excess Insurance renewal. Currently, RSUI provides \$2,000,000 in limits Each Claim per Member with a \$4,000,000 Per Member Aggregate and \$10,000,000 Policy Aggregate excess of ERMA's Retained Limit of \$1,000,000.

RSUI continues to be a good partner with ERMA on this program and is in the process of reviewing the renewal submission. Unless there is a material development in the claims, the expectation is that they will offer a fair renewal in today's market environment. Alliant will present a formal renewal quote to the Board at the June meeting.

As discussed at the Annual Workshop earlier this month, COVID-19 has caused a dramatic shift in the workplace and as a result we've seen a shift in employment practices losses in the wake of the pandemic. The chart below tracks new complaints related to COVID-19 since April 2020.



Source: Jackson Lewis

We look forward to seeing everyone in a couple of weeks and answering any questions that you or the Board may have.

Sincerely,



Seth Cole, ARM  
Senior Vice President  
[scole@alliant.com](mailto:scole@alliant.com)

cc: Shadi Jalali, Alliant

**MEMBERSHIP MATTERS**

**SUBJECT: Update Regarding the City of California City's (CIRA) Performance Improvement Plan**

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**BACKGROUND AND STATUS:**

At the November 1, 2021, meeting, the Board of Directors approved the issuance of a notice of intent to terminate the City of California City's participation in ERMA, effective June 30, 2022, with the consideration that the City enter a Performance Improvement Plan (Plan) structured to assist the City in developing an effective personnel management process.

Jennifer Jobe, Executive Director, will provide an update regarding the City's progress with Plan objectives.

**RECOMMENDATION:**

*Staff recommends the Board of Directors provide direction as necessary.*

**REFERENCE MATERIALS ATTACHED:**

- City of California City Performance Improvement Plan



## **City of California City Performance Improvement Agreement**

THIS AGREEMENT (Agreement) is made effective as of November 5, 2021, between the Employment Risk Management Authority (“ERMA”), and the City of California City (“City”), sometimes collectively referred to as the “Parties”.

On November 1, 2021, the Board of Directors of ERMA voted to enter in to a Performance Improvement Plan (“Plan”) with the City, which if the conditions of the Plan are met within the term of the Agreement, the ERMA Board of Directors will reconsider its decision to terminate the City’s participation as a member in ERMA. The ERMA Board made this decision because of significant concerns regarding the City’s governance, risk management practices, claims history and employment practices.

Upon the express consideration arising by reason of the Board of Director’s decision to reconsider its decision to terminate the City’s participation in ERMA, which consideration is expressly acknowledged and relied upon by the City, and upon express consideration of the City’s agreement to participate in and complete the Plan, which consideration is expressly acknowledged and relied upon by ERMA, the Parties agree as follows:


### **Performance Improvement Plan**

- ERMA staff have met with the City Manager to discuss the terms of the Plan prior to consideration by the ERMA Board of Directors.
- The City Council shall adopt the Plan by resolution no later than 30 days following adoption of the Plan by the ERMA Board of Directors. Once the City Council adopts the Plan, the Plan shall continue for ninety days from the date of adoption.
- All City management staff is required to complete “Management 101” training as identified by ERMA no later than 60 days after adoption of the Plan.
- The City shall retain an ERMA-recommended employment attorney from the ERMA defense panel to provide the City with ongoing advice and counsel on any/all personnel matters. Such personnel matters include, but are not limited to, termination, lay-off, job/position elimination, demotion, transfer, significant discipline, administrative leave, ADA/religion interactive process communication, and personnel investigation. Advice and counsel services shall be sought before the City takes any personnel action. If the City determines that it would like to disregard any specific advice and counsel recommendation by ERMA’s recommended employment attorney, the City shall first confer with ERMA’s Litigation Manager prior to taking the particular personnel action. If the City successfully completes the Plan and ERMA rescinds its termination of the City as a member, the City will continue to abide by the terms of this paragraph as long as the City retains its membership in ERMA.

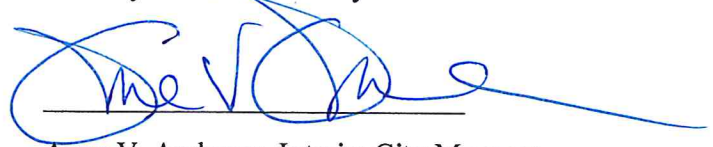
- The City Manager shall meet with ERMA staff telephonically every 30 days to review the status and progress of the Plan. Meeting dates to be established following adoption of the Plan by the City Council.

In the event the ERMA Board of Directors rescinds its termination of the City as a Member, ERMA reserves the right to continue implementation of the Plan until such time as ERMA determines that the City's employment practices are consistent with and in compliance with the City's obligations as a Member of ERMA.

For ERMA:

  
\_\_\_\_\_  
Jennifer Jobe, Executive Director

For City of California City:

  
\_\_\_\_\_  
Anne V. Ambrose, Interim City Manager

Date: November 18, 2021

Date: November 18, 2021

**COVERAGE MATTERS**

**SUBJECT: City of Pacific Grove (PARSAC) Appeal of Denial of Coverage**

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**BACKGROUND AND STATUS:**

The City of Pacific Grove (City), a former underlying member of the Public Agency Risk Sharing Authority of California (PARSAC) who withdrew from ERMA at the conclusion of the 2019/20 program year, was served with a Summons and Complaint filed by a former police officer alleging retaliation for the exercise of his First Amendment Rights in violation of 42 U.S.C. §1983. The Plaintiff was terminated after refusing to remove political stickers and flags from his vehicle (parked on City property at the police station), some of which were linked to groups that are allegedly involved in militia activities and advocating white supremacy. The Complaint alleges that at a meeting with the Chief of Police on June 1, 2020, Plaintiff was placed on administrative leave after he was ordered to remove the stickers from his personal vehicle. At that meeting, Plaintiff voiced his complaint that the department was interfering with his right to express his political beliefs through the stickers on his personal vehicle. ERMA was not provided notice of the Plaintiff's complaint until the City was served with the Complaint in February of 2022. ERMA did not have timely notice of Plaintiff's allegations that the City was engaging in retaliation for his expression of his political beliefs. In addition, ERMA did not have the opportunity to assign a defense counsel to supervise an outside investigation and provide advice and counsel to the City to determine whether the City acted appropriately in terminating Plaintiff from employment. Pursuant to the 30-day notice requirement in the Memorandum of Coverage (MOC), the City was required to report the Plaintiff's complaint of retaliation against the City no later than July 1, 2020.

Pursuant to the Master Program Document, the Litigation Manager has the following discretion with respect to determining whether a claim has been timely submitted to ERMA:

The Litigation Manager shall:

- (u) Determine, using reasonable discretion and based on the particular facts and circumstances, whether a claim has been timely reported to *ERMA* as a condition precedent to coverage under the Memorandum of Coverage; provided, however, the Litigation Manager shall have no discretion to accept as timely any of the following claims reported after 30 days: notice from the U.S. Equal Employment Opportunity Commission, the California Department of Fair Employment and Housing or any other state or federal Government agency to which an Employee has made a *Claim*; a Government claim; or a civil lawsuit. The Litigation Manager's decision may be appealed to the Board of Directors;

The July 1, 2019, MOC includes a late reporting clause and a penalty provision. These late reporting provisions are as follows:

Section VII – Conditions 1.

- (B) Any *Claim*, except one which the litigation manager has discretion to accept, which is not reported to the *Authority* within 30 days, as required by subsection (A) herein, shall be considered untimely and shall be denied.

The *Covered Party* may appeal the denial of such *Claim* to the *Authority's* Board of Directors in accordance with the appeal procedure set forth in Section 7 below. The Board shall consider the following factors in its determination of the appeal:

- (1) Late reported *Claims* are strongly disfavored. Relief from denial of coverage for a *Claim* reported more than 90 days late shall not be granted, absent extraordinary circumstances as determined by the Board, in its sole discretion.
- (2) An appeal based on the *Covered Party's* lack of familiarity with the definition of a *Claim* and/or its obligation to timely report the *Claim* to the *Authority* shall be strongly disfavored, since the *Covered Party* is responsible for understanding the definition of a *Claim* and adhering to the reporting requirements set forth herein.
- (3) An appeal based on the absence of the employee designated by the *Covered Party* as responsible for reporting *Claims* must be verified, and the employee must have been absent during the entire time the *Claim* was not reported.
- (4) An appeal of any late-reported *Claim* which the Board, in its sole discretion, determines may result in any financial or other prejudice to the *Authority* shall be denied regardless of any provision set forth herein or any other basis for the appeal.

Each appeal shall be considered on its own merits, and the Board's decision on any one appeal shall not establish any precedent for future appeals.

For all late-reported *Claims* for which the *Covered Party's* appeal of the denial of coverage is granted, the Board shall increase the *Covered Party's* Retained Limit as follows:

**PENALTY STRUCTURE**

SIR	Penalty	Percentage of Penalty to SIR
\$25,000	\$6,250	25%
\$50,000	\$12,500	25%
\$75,000	\$18,750	25%
\$100,000	\$25,000	25%
\$250,000	\$37,500	15%
\$500,000	\$50,000	10%

The relief sought by the City is based on the following mitigating circumstances:

- While the City failed to notify ERMA of the Plaintiff's complaint regarding alleged retaliation by the City, the City hired Liebert Cassidy Whitmore to oversee an outside investigation into the complaints regarding retaliation and to provide advice and counsel regarding the discipline/termination imposed.
- The City notified ERMA of the Complaint immediately upon learning of the lawsuit filed by Plaintiff.
- The City has retained Mike Christian, Jackson Lewis, to represent the City in defending the lawsuit filed by Plaintiff.

- The Litigation Manager has reviewed the context and status of the claim and has determined the late reporting of the claim will not cause significant financial or other prejudice to the Authority.
- The City had a \$50,000 SIR. Should the appeal be granted, the increase to the City's retained limit is 25% or \$12,500.

**RECOMMENDATION:**

*Staff recommends the Board of Directors provide direction as necessary.*

**REFERENCE MATERIALS ATTACHED:**

- Summary of Historical Coverage appeal Decisions 2015 – Current
- City of Pacific Grove – Letter of Appeal of Denial of Coverage

**Summary of Historical Coverage Appeal Decisions  
2015 – Current**

Agency	Appeal Date	Appeal Decision	Penalty	Notes
City of Pleasanton (BCJPIA)	February 10, 2022	Granted	25% SIR increase \$75,000 to \$93,750	Untimely Report
City of Scotts Valley (MBASIA)	February 10, 2022	Granted	N/A	Untimely Report
City of Taft (CSJVRMA)	February 10, 2022	Granted	25% SIR increase \$25,000 to \$31,250	Untimely Report
City of Banning (PERMA)	November 1, 2021	Granted	25% SIR increase \$25,000 to \$31,250	Untimely Report
City of Victorville (PERMA)	April 27, 2021	Stay	N/A	Untimely Report
Sunline Transit Agency (PERMA)	February 11, 2021	Granted	25% SIR increase \$50,000 to \$62,500	Untimely Report
City of Lathrop (CSJVRMA)	November 2, 2020	Granted	25% SIR increase \$25,000 to \$31,250	Untimely Report
City of El Cerrito (MPA)	February 7, 2020	Granted	\$500,000 SIR	Untimely Report
City of Hayward (ERMAC)	November 4, 2019	Granted	10% SIR increase \$500,000 to \$550,000	Untimely Report
City of Reedley (CSJVRMA)	April 30, 2019	Denied	N/A	Untimely Report - Significant financial or other prejudice
City of Barstow (PERMA)	February 8, 2019	Granted	25% SIR increase \$25,000 to \$31,250	Untimely Report
City of Susanville (SCORE)	February 9, 2018	Granted	25% SIR increase \$25,000 to \$31,250 per claim (3)	Untimely Report
City of Menlo Park (BCJPIA)	November 6, 2017	Granted	15% SIR increase \$250,000 to \$287,500	Untimely Report
City of Pinole (MPA)	November 2, 2015	Granted	25% SIR increase \$50,000 to \$62,500	Untimely Report
City of Coachella (PERMA)	November 2, 2015	Granted	25% SIR increase \$25,000 to \$31,250	Untimely report
City of Calimesa (PARSAC)	November 2, 2015	Denied	N/A	Non-Compliant Training



CITY OF PACIFIC GROVE  
300 Forest Avenue  
Pacific Grove, California, 93950  
Telephone (831) 648-3100 - Fax (831) 375-9863

Employment Risk Management Authority (ERMA)  
Sedgwick  
Attn: Stacey Sullivan, Litigation Manager  
Sacramento, CA  
Via email [Stacey.Sullivan@sedgwick.com](mailto:Stacey.Sullivan@sedgwick.com)

Re: Liability Claim Appeal Information

Dear Ms. Sullivan:

On February 23, 2022, the City received a Summons and Complaint regarding an alleged violation of a former employee's First Amendment rights. The claimant was Michael Gonzales, a previous Police Department employee. On February 24, 2022, the City forwarded the information to Kin Ong, from the California Intergovernmental Risk Authority (CIRA); and notified him of the Complaint. This information was forwarded to ERMA/Sedgwick on the same date.

On February 28, 2022, we spoke briefly and corresponded regarding the claim. This included ERMA's identification of the first alleged occurrence taking place on June 1, 2022. You indicated that the City's notification was outside of ERMA's thirty-day noticing requirement; and the claim would be denied. You also provided information on the appeal process and encouraged the City to appeal the claim denial.

On February 28, 2022, we sent notification that the City would like to appeal the denial. The City is respectfully requesting an appeal of the decision to deny the claim. The City staff did not realize that the first occurrence for insurance purposes would be considered June 1, 2022. This is the date the employee made the first allegation. The City staff consulted with Suzanne Solomon from Liebert, Cassidy, and Whitmore on the best approach to handle this issue. Mr. Gonzales was placed on administrative leave while an independent investigation was conducted. As a result of that investigation, there was no disciplinary action taken for this occurrence. This information combined with a transition to a new insurance provider on July 1, 2022, complicated this matter; as the new insurance authority does not require a thirty-day notification period. The City did notify both providers upon receipt of the Summons and Complaint.

A complete timeline of the City's actions are included in the attached document. It should also be noted that Suzanne Solomon, who was previously recommended by ERMA, was consulted throughout the process to assist in ensuring the matter was handled appropriately.

In relation to the new Summons and Complaint, the City has retained Michael J. Christian to represent the City based upon ERMA's recommendation.



If you have any additional questions, please contact me at (831) 648-3103 or [thannah@cityofpacificgrove.org](mailto:thannah@cityofpacificgrove.org).

Sincerely,

A handwritten signature in black ink, appearing to read 'T. Hannah', written in a cursive style.

Tori Hannah  
Administrative Services Director / Assistant City Manager



**CLAIMS MATTERS**

**SUBJECT: Closed Session - Pursuant to Government Code §54956.95(a) to Discuss Claims**

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**BACKGROUND AND STATUS:**

The confidential Litigation Manager's Report was distributed to the Board of Directors under separate cover. The Board will discuss the claims listed below during the Closed Session.

Claim	Page Number
Rodriguez/Prieto v. City of Antioch	N/A

**RECOMMENDATION:**

*None*

**REFERENCE MATERIALS ATTACHED:**

- Confidential Litigation Manager's Report (distributed under separate cover; copies to be deleted following completion of the meeting)

**TRAINING/LOSS PREVENTION MATTERS**

**SUBJECT: Update Regarding the Training Program for the 2021/22 Program Year**

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**BACKGROUND AND STATUS:**

ERMA continues to promote in-person and online training for member agencies via various resources.

**Live & Online Training**

In September 2020, trainings transitioned to a webinar format to accommodate stringent COVID restrictions. Although the majority of trainings in the 2021/22 Program Year continued to be conducted via webinar, net participation in training has remained stable. To-date, 20 trainings have been presented and/or are scheduled. Of the 20 trainings, 13 are mandated harassment and discrimination trainings.

Historically, the Board reviews a graphic highlighting the locations of the in-person training scheduled or presented in preparation of scheduling in-person trainings for the coming program year. As most of this year's sessions were conducted via webinar (16), attached is a chart listing all trainings for the 2021/22 Program Year, including format (webinar vs. in person).

Online, recorded training through ERMA's strategic partner, *in2vate*, continues to be utilized by member agencies. In addition to mandated harassment and discrimination trainings, several new topics were added this year, significantly expanding the slate of available training topics. A complete list of topics is attached.

**Training Compliance**

ERMA launched an online compliance survey on January 1, 2022. This tool allows members to self-certify their agency's compliance with mandated training. To date, 59 member agencies have completed the survey. Staff continues to utilize the weekly training bulletin, website, and communications from primary JPA Administrators to encourage completion of the survey by June 30, 2022.

**RECOMMENDATION:**

*None*

**REFERENCE MATERIALS ATTACHED:**

- 2020/21 Training Calendar
- In2vate Online Training – Usage Charts





### User Login

ERMA Member	Previous PY-YTD (7/1/20 - 4/11/21)		Current YTD (7/1/21 - 4/11/22)	
	Total Logins	Unique Logins	Total Logins	Unique Logins
BCJPIA	2134	560	3,537	829
CalTIP	304	68	271	52
CIRA	1354	123	2640	438
CSJVRMA	7,356	1,436	8,037	1,526
ERMAC	51	7	36	10
MBASIA	512	183	147	43
MPA	5371	577	4,962	686
PERMA	2017	434	3119	622
PLAN	122	18	436	70
SCORE	1058	180	899	139
VCJPA	2307	320	2596	376
<b>Grand Total</b>	<b>23497</b>	<b>4025</b>	<b>27751 (↑ 18%)</b>	<b>4921 (↑ 23%)</b>

### Online Training

ERMA Member	Previous PY-YTD (7/1/20 - 4/11/21)		Current YTD (7/1/21 - 4/11/22)	
	Assigned	Completed	Assigned	Completed
BCJPIA	544	524	1,123	713
CalTIP	93	91	43	38
CIRA	64	25	299	211
CSJVRMA	1,622	1,370	1,979	1,765
ERMAC	0	0	0	0
MBASIA	271	229	23	20
MPA	418	342	593	439
PERMA	466	369	567	548
PLAN	21	7	84	55
SCORE	151	147	147	118
VCJPA	298	269	413	344
<b>Grand Total</b>	<b>4051</b>	<b>3464</b>	<b>5590 (↑ 39%)</b>	<b>4311 (↑ 25%)</b>

**TRAINING/LOSS PREVENTION MATTERS**

**SUBJECT: Review of Training Program for the 2022/23 Program Year**

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**BACKGROUND AND STATUS:**

Annually, ERMA budgets for and conducts sixty-seven (67) live, regional, and individual trainings throughout the state. Of the 67 allocated trainings, twenty-five (25) are presented by Sedgwick, and the remaining are conducted by strategic partner firms, Jackson Lewis and Liebert Cassidy Whitmore (LCW), or another approved vendor.

Following review and discussion between staff, LCW, and Jackson Lewis, the following proposed slate of 2022/23 Program Year training workshop topics are recommended for the Board's review and consideration:

1. **Harassment, Discrimination, and Retaliation Prevention for Supervisors:** This practical workshop, designed for all levels of agency employees, provides guidance on managing day-to-day interactions to prevent unlawful discriminatory harassment and retaliation. *This training meets the requirement for AB 1825.*
2. **Harassment, Discrimination, and Retaliation Prevention for Non-Supervisors:** This one-hour workshop is designed for non-supervisory employees to prevent unlawful discriminatory harassment and retaliation. *This training meets the requirements of SB 1343.*
3. **First Amendment Issues in a Politically Charged World:** Civil unrest, political polarization, the pandemic, and conversations related to increased diversity, equity, and inclusion. This training will explore an employee's right of expression, both inside and outside of the workplace including on social media, as well an employer's ability to address and/or restrict such speech. The latest developments in First Amendment will be explored with the use of case studies to explore navigating free speech issues during this time.
4. **Legally Compliant Strategies to Promote Workforce Diversity:** This training will provide the following essential building blocks for designing lawful workforce diversity plans: an overview of the legal parameters for diversity hiring; key legal principles that help you design diversity strategies that are lawful and merit-based; and a framework for developing specific strategies tailored to the needs of your particular agency.
5. **Best Practices for Supervisors of Public Safety Employees - How to Avoid or Defend Workplace Claims and How to Create and Maintain the Ideal Work Environment:** This training is designed specifically for supervisors within public safety departments. It addresses unique public safety employee issues with harassment, discrimination, and retaliation as well as leave and disability rights. It also addresses special due process obligations and potentially applicable bill of rights.

6. **Understanding and Preventing Implicit Bias and Promoting Diversity and Inclusion in the Workplace:** This training will focus on avoiding implicit bias and promoting diversity, equality, and inclusion in the workplace.
7. **Implicit Bias in the Public Safety Workplace:** This training will explore unconscious bias in public safety departments and how it impacts the work environment and work relationships with colleagues and staff. This training will also cover how to recognize bias and offer guidance and strategies for addressing it.
8. **Best Practices for Elected Officials - Workplace Law and Understanding the Role of Elected Officials Related to Individual Employees:** This training is designed specifically for elected officials and high-level managers working directly with elected officials. Elected officials are increasingly facing employment or workplace law claims against themselves or claims against their City or Agency based on their own alleged conduct. This training will review the workplace law parameters related to elected officials and their interactions with City or Agency employees. It will include practical guidance for elected officials and those that work with them to help avoid workplace claims and create a better working environment.
9. **Iron Fists and Kid Gloves: Preventing and Addressing Retaliation in the Workplace:** This training discusses the legal aspects of potential retaliation claims under federal and state law including recent changes to whistleblower claims and will include a practical discussion on what constitutes “protected activity” and an “adverse action.”
10. **The Disability Interactive Process: Is Enough Ever Enough?** This training is designed to provide guidance on managing the interactive process including how long the interactive process must continue. Topics covered will include what is a reasonable accommodation, information the employer may request during the interactive process, and common pitfalls for employers to avoid.

Annually, three goals are taken into consideration in establishing the Training Program. The first goal is to work with our strategic partner attorney firms to ensure a slate of relevant workshops that are of interest to the member agencies is offered. The second is to schedule workshops in locations across the state that assist members in complying with AB 1825, SB 1343, and AB 2053 requirements. The final goal is to meet member needs for targeted, individual trainings — these are scheduled based upon request and on an as-needed basis and determined by staff.

As COVID-19 restrictions across the state are relaxing, staff anticipates a more robust return to live, in-person training. ERMA will however continue to provide training via webinar, thus permitting greater accessibility for participants. Following the Board’s approval of the proposed 2022/23 slate of training topics, staff will begin working to solicit interest from member agencies wishing to serve as host sites and will distribute a calendar of scheduled training dates to the member agencies by July 1<sup>st</sup>. To assist in this endeavor, staff has established a deadline of four weeks from the original point-of-contact to a firm commitment to host/schedule. As in previous years, JPA Administrators are asked to aid staff by promoting available trainings to members within their respective JPAs. Attached is the updated Training Program FAQ.

**RECOMMENDATION:**

*Staff recommends the Board of Directors approve the proposed slate of training topics for the 2022/23 program year and provide direction to staff.*

**REFERENCE MATERIALS ATTACHED:**

- Training Program FAQs

# Training Program FAQs

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- **Who do we contact regarding training matters?**

- ERMA Training  
[ermatraining@sedgwick.com](mailto:ermatraining@sedgwick.com)
- ERMA Litigation Manager  
Stacey Sullivan  
[stacey.sullivan@sedgwick.com](mailto:stacey.sullivan@sedgwick.com)  
(916) 244-1125

- **What training topics are available through ERMA?**

- **Live and Webinar-Based Training Sessions - Available by program year, July 1 – June 30**
  - AB 1825 & SB 1343 Prevention of Harassment, Discrimination, Retaliation, and Bullying
  - Select topical workshops (please note these trainings vary from year to year) offered by ERMA's attorney partners, Liebert Cassidy Whitmore and Jackson Lewis, and vendor partners. Topics include:
    - Navigating Common Legal Risks for the Front-Line Supervisor
    - Leaves, Leaves, and More Leaves
    - The Disability Interactive Process – Addressing Medical Issues and Disabilities in the Workplace; Understanding the Interactive Process and Required Accommodations
    - Public Employee Performance Management, Discipline, and Termination
    - Managing COVID-19 Issues: Now and What's Next
    - Technology, Employee Speech, and Employee Privacy
    - Discrimination/Harassment/Retaliation for Public Safety Departments
    - Hiring and Managing New Employees
    - Understanding and Preventing Implicit Bias, and Promoting Diversity and Inclusion in the Workplace
- **Online Training (provided through [in2vate](#))**
  - AB 1825 & SB 1343 Prevention of Harassment, Discrimination, and Retaliation
  - California Ethics AB 1234 Training
  - Interviewing Strategies
  - Personnel Files
  - Sensitivity Basics: Creating Positive Working Relationships
  - Workplace Investigation – Part 1: Understanding and Preparing for an Investigation
  - Workplace Investigation – Part 2: Conducting and Concluding an Investigation
  - Collective Risk Management ([Reporting Line contacts only](#))
  - Employee Protection Line - Employee Awareness ([Reporting Line contacts only](#))

- **Is there a list of scheduled trainings, and are there any close to my agency?**

For a schedule of regional workshops, please visit the ERMA [website](#) under About Us - Services.



- **Does everyone at my agency receive the ERMA training announcements?**

No, each agency has a designated Training Contact responsible for disseminating training information to agency employees. For regional trainings, the date, time, location, and registration link are also available on the ERMA website.

- **Can we use someone other than ERMA to provide AB 1825 or SB 1343 training?**

If you wish to seek reimbursement from ERMA for an AB 1825 or SB 1343 training provided by an outside vendor, the training request must first be approved by [ERMA's Litigation Manager](#) before the training is scheduled. Please note, ERMA will only reimburse up to \$2,500, if approved and training funds are available. If you do not wish to receive reimbursement, you may use any of your preferred vendors.

- **What other training is available?**

Members may access available funds via the [Training & Risk Management Program](#) for reimbursement of up to \$2,500, annually, for eligible expenditures related to employment-related training and loss control activities. Please contact [ERMA Training](#) for more information about this program.

- **Who is responsible for tracking compliance? Are sign-in sheets provided?**

ERMA does not track member compliance and does not provide sign-in sheets. It is each Member's responsibility to keep track of who has completed their AB 1825 and/or SB 1343 requirement. It is encouraged that Members create their own sign-in sheets and maintain them for verification. A self-certification process for training compliance is available via the [Training Compliance Survey](#). Member agencies are required to report on the status of state-mandated training for all supervisory staff, non-supervisory staff, and elected officials by June 30 of each program year.

- **What if my agency is out of compliance with AB 1825 and/or SB 1343?**

Members should consult with legal counsel regarding any legal consequences of non-compliance with AB 1825 and/or SB 1343. For purposes of ERMA coverage, if a claim is submitted to ERMA within the subject matter of AB 1825 and/or SB 1343 and the Member is not in substantial compliance with this statute, the Member shall be subject to an increase imposed upon its self-insured retention for the submitted claim. Please refer to the ERMA Memorandum of Coverage (MOC) and Resolution 2021-5 for further information. The MOC can be found on the ERMA [website](#) within the member portal. Please note a login is required to access this page. If you have not already registered for a username and password, please do so.

- **Who do we contact about compliance questions?**

Please contact [Stacey Sullivan](#).

- **Who should attend these trainings? Are local agency officials required to attend?**

AB 1825 requirements state that all supervisory employees are required to participate in two hours of sexual harassment training every two years. Under SB 1343, effective January 1, 2019, all non-supervisory employees, including part-time and seasonal, are required to participate in one hour of sexual harassment training every two years. SB 778 extends the deadline for employers of five or more employees to provide two hours of harassment prevention training to supervisors and one hour of harassment prevention training to all other employees, including temporary and seasonal, from January 1, 2020, to January 1, 2021.

In addition, pursuant to AB 1661, local agency officials must also participate in sexual harassment training every two years. Any training designated for a specific audience will be noted in the ERMA Training Bulletin distributed weekly.

- **What if our agency needs more than one training session?**

ERMA provides numerous regional training sessions and, on occasion, individual, on-site trainings. Fee-based trainings are also available. If you have any questions, please contact [ERMA Training](#).

- **What if we have questions on AB 1825, SB 1343, or other employment liability issues?**

For more information regarding AB 1825 and/or SB 1343 training requirements, including agency-specific questions, please feel free to utilize the ERMA Attorney Hotline for legal consultation. Every month, each Member has access to a free one-hour consultation with their designated attorney firm. More information about the Attorney Hotline is available on the ERMA [website](#).

- **What do we need to know if our agency would like to host training?**

*Please note that we must have your commitment within four weeks of initial contact.*

- **Regional or Individual** – Let us know if you would like to host and allow neighboring ERMA Members to attend, or if you prefer this training just for your agency.
- **Live or Webinar-based** – Indicate whether your agency prefers a live, in-person session or virtual, in a webinar format.
- **Room capacity** – If hosting a regional training at your facility, your agency must be able to accommodate up to 50 attendees.
- **Training Dates** – Please let us know if you would like the training conducted during a specific time frame to assist with the scheduling process.
- **Number of Attendees** – Please provide an estimate of the number of people you expect to attend from your agency. For regional trainings, each attendee may utilize [ERMANet](#) to complete their registration. The host agency should commit to registering 15 attendees for the training. If the host agency is unable to meet this requirement, the training may be re-scheduled, or the agency may host an individual training and incur the associated costs.

- **Address of training location and mailing address** – Please provide us with the exact address of the training location, as well as a mailing address for any training materials, if the mailing address is different from the training location. Also, please provide us with any parking instructions.
- **IT Equipment** – Please provide a laptop, projector, screen, and a microphone and speakers, if requested. Some presenters may bring their own laptop; others may bring their presentation on a flash drive, or it will be emailed to the training contact. Please let us know if your agency prefers a presenter not use their own equipment.
- **Refreshments** – We ask the host entity to provide light refreshments, such as water, coffee, sodas, and snacks. ERMA will reimburse for the costs of refreshments (up to \$10/per person) upon submission of a copy of the receipt(s) and the total number of attendees.