



**EMPLOYMENT RISK MANAGEMENT AUTHORITY
EXECUTIVE COMMITTEE MEETING
AGENDA**

**Friday, April 10, 2026
10:00 a.m.**

[Zoom](#)

**Dial-in Number: (669) 444-9171
Meeting ID: 347 646 8858
Passcode: 15978**

All portions of this meeting will be conducted via teleconference in accordance with Government Code Section 54953. The teleconference locations are as follows: *California Intergovernmental Risk Authority, 2330 East Bidwell Street, Suite 150, Folsom, CA 95816; Coachella Valley, 43-420 Trader Place, Indio, CA 92201; City of Union City, 34009 Alvarado-Niles Road, Union City, CA 94587; Municipal Pooling Authority, 1911 San Miguel Drive, Walnut Creek, CA 94696; WestCAT, 601 Walter Avenue, Pinole, CA 94564; and ERMA, 1750 Creekside Oaks Drive, Suite 200, Sacramento, CA 95833.*

Each location is accessible to the public, and members of the public may address the Committee from any teleconference location. Alternatively, you may attend the meeting and address the Committee via the Zoom link or dial-in number shown above.

In compliance with the Americans with Disabilities Act, if you need a disability-related modification or accommodation to participate in this meeting, please contact Rob Kramer (rob.kramer@sedgwick.com or (916.995.9391) as early as possible, and preferably at least one full business day before the start of the meeting.

Documents and materials relating to an open session agenda item provided to the Committee will be available for public inspection. Please contact Mr. Kramer via phone or email for copies.

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| <u>Page</u> | 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 Committee 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 Committee member would like to discuss any item listed, it may be pulled from the Consent Calendar.

- 4 *A. Minutes of the February 20, 2026, Executive Committee Meeting
 Recommendation: Staff recommends approval of the Consent Calendar.

5. ADMINISTRATIVE MATTERS

- 17 *A. Discuss and Review the Strategic Goals and Objectives for the 2026/27 Program Year
 Recommendation: Staff recommends the Executive Committee approve the Strategic Action Plan as presented.
- 21 *B. Update Regarding the Captive Application Status
 Recommendation: Provide direction as needed.
- 27 C. ERMA Executive Committee Vacancy
 Recommendation: Staff recommends the Executive Committee appoint Beth Lyons (PERMA) as the replacement for Linda Cox (MPA) to take effect following the meeting and that the Committee decide on who will take on the role of Vice-President of the organization through June 2026.
- 28 *D. Review and Consideration of the Conflict-of-Interest Code for the Employment Risk Management Authority
 Recommendation: Staff recommends the Executive Committee approve the Conflict-of-Interest Code, as presented.

6. FINANCIAL MATTERS

- 33 *A. Review of Annual Actuarial Study
 Recommendation: Staff recommends the Executive Committee accept and file the actuarial study, as presented.
- 111 B. Excess Coverage and Marketing Update for the 2026/27 Program Year
 Recommendation: None.
- 112 *C. Review of Preliminary Administrative and Operating Budget for the 2026/27 Program Year
 Recommendation: Staff recommends the Executive Committee review the Preliminary Administrative and Operating Budget for the 2026/27 program year and provide direction to Staff, as necessary.
- 142 *D. Review and Consideration of a Request from The City of Weed (SCORE) Regarding a Decrease of its Self-Insured Retention from \$100K to \$50K
 Recommendation: Based on the size and loss history of the City of Weed, Staff recommends allowing the City to lower its SIR to the \$50,000 member retained limit.
- 145 E. Consideration of City of Hayward and PERMA Excess Coverage
 Recommendation: Staff recommends the Executive Committee direct staff to work with Alliant to allow the City of Hayward to purchase/access \$1M in excess of \$1M in coverage through RSUI, both retroactively for the

* Reference materials enclosed with staff report.

2025/26 program year (with a “no known loss” letter) and prospectively in the 2026/27 program year. Additionally, direction to work with Alliant to allow PERMA to do the same in the 2026/27 program year.

7. MEMBERSHIP MATTERS

- 146 *A. Review of Prospective Member Application, Pioneer Fire Protection District (CIRA)

Recommendation: Staff recommends the Executive Committee conditionally approve the Pioneer Fire Protection District (CIRA) at a \$250,000 SIR (all CIRA members have this retention), retroactive to April 1, 2026, with the condition they provide a no known loss letter for the period between April 1 and April 10, 2026.

- 152 *B Review of Prospective Member Application, City of Clovis (CSJVRMA)

Recommendation: Staff recommends the Executive Committee approve the City of Clovis (CSJVRMA) at an SIR of \$500,000, effective July 1, 2026.

8. LITIGATION MANAGEMENT

- 159 *A. Update Regarding Investigators Forum

Recommendation: Staff will provide an overview of the plan for the upcoming forum; the Executive Committee to provide direction, if desired.

9. CLOSING COMMENTS

This time is reserved for comments by the Executive Committee members and staff and to identify matters for future Committee business.

- A. Executive Committee
- B. Staff

10. ADJOURNMENT

NOTICES:

The next meeting of the Board of Directors will be held on the following date:

- Friday, June 12, 2026, at 10:00 a.m., via Zoom – Board Meeting

** Reference materials enclosed with staff report.*

CONSENT CALENDAR

SUBJECT: Consent Calendar

Presented by Rob Kramer, Executive Director

RECOMMENDATION: *Staff recommends approval of the Consent Calendar.*

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 Executive Committee wish to discuss any item listed, it may be pulled from the Consent Calendar.

REFERENCE MATERIALS ATTACHED:

- Minutes of the February 20, 2026, Executive Committee Meeting

EMPLOYMENT RISK MANAGEMENT AUTHORITY (ERMA)

**MINUTES OF THE SPECIAL EXECUTIVE COMMITTEE MEETING
OF FEBRUARY 20, 2026**

A special meeting of the Executive Committee of ERMA was held on February 20, 2026. All portions of this meeting were conducted via Zoom in accordance with Government Code Section 54953.

COMMITTEE MEMBERS PRESENT:

Amy Conley, President, CIRA
Jeremy Wittie, Treasurer, VCJPA
Rob Thompson, WestCAT

COMMITTEE MEMBERS ABSENT:

Jason Castleberry, BCJPIA
Linda Cox, Vice President, MPA

OTHERS PRESENT:

Doug Alliston, Board Counsel
Rob Kramer, ERMA Executive Director
Sarah Thurston, ERMA Finance Manager
Nancy Broadhurst, ERMA
Stacey Sullivan, ERMA Litigation Manager
John Jeffs, ERMA Litigation Analyst
Wendy Enns, ERMA Legal Analyst
Kassandra Batista, ERMA Training Coordinator
Michael Kenney, Sedgwick Administrative Services Coordinator
Derek Berkhalter, Bickmore Actuarial
Dick Huntington, Bickmore Actuarial/Formation Consultant
Michael Kronbetter, PFMAM
Mallory Sampson, PFMAM
Allison Kaune, PFMAM
Yahaira Velasquez, VCJPA
Sarah Bishop, CalTIP
Chrissy Mack, CalTIP
Maria De Leon, CalTIP
Alexandra Avila, CIRA
Beth Lyons, PERMA
Jenny-Anne Flores, Liebert Cassidy Whitmore

1. CALL TO ORDER; ROLL CALL

The February 20, 2026, Special Executive Committee Meeting was called to order at 10:03 a.m. by President AmyConley.

2. APPROVAL OF AGENDA AS POSTED (OR AMENDED)

Jeremy Wittie moved, seconded by Rob Thompson, to approve the agenda as posted. A rollcall vote was conducted, and the motion passed unanimously with no nays or abstentions.

3. PUBLIC COMMENTS

Amy Conley, President, CIRA, called for public comments. There were no public comments.

4. CONSENT CALENDAR

President Conley noted the only item on the Consent Calendar was (A) Minutes of the November 10, 2025, Executive Committee Meeting, and asked whether there were any questions regarding the minutes.

Jeremy Wittie moved, seconded by Rob Thompson, to approve the following Consent Calendar item: (A) Minutes of the November 10, 2025, Executive Committee Meeting. A rollcall vote was conducted, and the motion passed unanimously with no nays or abstentions.

5. GOVERNANCE AND CAPTIVE FORMATION MATTERS

A. Consideration of Captive Name

Mr. Rob Kramer, Executive Director, introduced the discussion regarding the proposed captive name and explained that a name for the ERMA Captive is needed in order to proceed with the creation of the Articles of Incorporation and related formation documents. He advised the simplest option would be "ERMA Captive," but noted potential confusion with other similarly named pools (ERMALC). He presented additional naming options, including ERMA Captive, ERMA Captive Insurer - ERMALC, ERMA Captive Insurance Provider - ERMA CIP, ERMA Liability Captive - ERMALC, and ERMA Trust - ERMAT, and invited the Committee to provide other ideas.

President Conley asked whether staff had a preferred option. Mr. Kramer stated his preference was the straightforward "ERMA Captive" name because it was simple and easy to understand. President Conley observed that the organization would likely still be referred to by acronym, and Jeremy Wittie, Treasurer, VCIPA stated he had reviewed the proposed options and was comfortable with "ERMA Captive" unless the Committee felt a shortened acronym was necessary.

During the discussion, Sarah Thurston, ERMA Finance Manager, suggested "Captive for ERMA," which was then referred to in the discussion as "CERMA." President Conley stated she liked the smoother acronym options, including ERMAT, and also liked the newly suggested "Captive for ERMA" concept. Mr. Kramer indicated he liked the new suggestion as well, and Rob Thompson, WestCAT, stated he was comfortable with either "ERMA Captive" or "Captive for ERMA." Mr. Kramer asked the Committee to narrow the options so staff could proceed with the formation documents.

Rob Thompson moved, seconded by Jeremy Wittie, to select the proposed captive name suggested as "Captive for ERMA," referred to during the discussion as "CERMA." A rollcall vote was conducted, and the motion passed unanimously with no nays or abstentions.

B. Consideration of the Size and Composition of the Proposed Captive Board of Directors

Mr. Kramer reported that captive boards are typically composed of five to nine members and explained staff's recommendation that the proposed captive board initially mirror the ERMA Executive Committee, with the same officers and positions, plus one Utah representative as required. He advised that this would be the simplest structure to implement and would align with how other California public agency captives had recently been established.

President Conley agreed the structure made sense and asked whether staff should serve on the captive board. Mr. Kramer responded that staff would attend and present at meetings but did not need voting rights. President Conley then asked how often the proposed captive board would need to meet in Utah and whether participation in an association could reduce that requirement.

Mr. Kramer recommended that, at least for the first year, the captive board meet in person in Utah, so members could receive a more detailed orientation regarding the captive's investments, funds, and overall operations. He noted that, after the first year, the captive board could evaluate whether in-person Utah meetings continued to provide sufficient value. President Conley also advised that board service would require the completion of a detailed biographical affidavit containing personal information. Mr. Kramer stated staff would assist board members with that process once the formation moved forward. The Committee provided general direction supporting staff's recommendation to use the existing Executive Committee membership and officer structure, together with one Utah representative, as the proposed captive board composition.

The Committee took no formal action on this matter.

C. Consideration of the Captive Domicile

Mr. Kramer reported that the prior feasibility and implementation study had identified Utah as the recommended domicile and stated staff's recommendation was to proceed with Utah. He explained that Utah has a dedicated captive division, flat fee regulation rather than fees that increase with captive size, relatively low costs, and a reputation for being efficient and easy to work with. President Conley added that Utah had proven particularly friendly to California public entities and had been actively encouraging California agencies to form captives there.

Jeremy Wittie asked whether Utah and Hawaii were the only states with this type of regulation. Dick Huntington explained there were more than 30 states with captive regulations and described captive regulation generally as acknowledging that an entity forms a captive primarily to insure its own risks. He noted California still had not adopted captive legislation. Mr. Kramer introduced Mr. Huntington as part of the formation team and noted Derek Berkhalter was also involved in the business planning effort.

The Committee discussed other domiciles, including Hawaii, the Cayman Islands, and Bermuda. Dick Huntington, noted those jurisdictions were also used in some circumstances, and Mr. Kramer stated that, for ERMA's purposes, Utah remained the better fit, both operationally and from a public perception standpoint. President Conley, Mr. Wittie, and Mr. Thompson all expressed support for Utah. The Committee provided general direction supporting Utah as the proposed domicile and supporting staff's recommendation to proceed accordingly.

The Committee took no formal action on this matter.

D. Consideration of the Draft Articles of Incorporation

Mr. Kramer reviewed the draft Articles of Incorporation and explained the captive would need to be established as a separate nonprofit legal entity with its own federal tax identification number. He stated the

version included in the packet was only a draft and that the final version would need to be reviewed by Utah board counsel once that counsel was selected. President Conley asked whether the draft originated from the model used for the CARMA (The California Risk Management Authorities) captive. Mr. Kramer confirmed it did and explained it had been developed collaboratively with the Utah attorney who assisted that entity.

Mr. Kramer further explained the Articles of Incorporation were primarily foundational documents describing the purpose and organization of the entity and were similar to formation documents for any other company. Mr. Huntington confirmed that the captive would need to be formed before the application process could move forward, but stated that if the Board approved the formation package in March, the timing would still work. President Conley commented that the document appeared straightforward. The Committee provided general direction to staff to continue refining the draft Articles of Incorporation for presentation to the Board in March.

The Committee took no formal action on this matter.

E. Consideration of the Draft Captive Bylaws

Mr. Kramer introduced the draft bylaws and advised they were modeled after the CARMA documents prepared by the same Utah counsel. He stated the draft was intended to show the Committee the general scope and structure of the bylaws, including annual meetings, officer roles, quorum, and the other governance provisions typically found in governing documents, and that the final version would likely be tailored more specifically to CERMA.

President Conley stated she had no concerns with the draft but suggested that, if selected counsel had a more current or preferred form, she would support using that version as the starting point rather than attempting to revise the draft line by line. Mr. Kramer agreed and stated the documents should largely come from counsel given that counsel has repeated experience forming Utah captives. Mr. Wittie asked whether there were any unusual sections that differed from ERMA's usual governing documents. Mr. Kramer responded that most provisions were straightforward, though a few sections involving matters such as the number of "common" shares in the entity and related captive concepts were less intuitive and would need to be explained by counsel. The Committee provided general direction supporting staff's continued refinement of the bylaws through board counsel for presentation in March.

The Committee took no formal action on this matter.

F. Consideration of the Draft Captive Conflict of Interest Policy

Mr. Kramer explained the draft conflict of interest policy was intended to serve the same function for the captive that ERMA's conflict of interest policies serve for its current entities. He described the draft as generally similar in scope and purpose to those existing policies and advised it, too, would be reviewed and updated by selected counsel.

President Conley asked whether Utah imposed requirements similar to California's FPPC filing and ethics training requirements. Mr. Huntington responded that he was not aware of a Utah equivalent and stated that the principal requirement was completion of the board member affidavit, which the Utah Insurance Department uses when approving board members. Mr. Kramer added that the other captives Sedgwick works with had not been required to complete comparable Utah filings or training to date.

Mr. Wittie asked whether the affidavit referenced earlier was the same form President Conley had mentioned when describing the level of personal information required. Mr. Kramer confirmed it was. Mr. Huntington explained that the form requests a social security number, but the Department has allowed that information to be provided separately by telephone if a board member prefers not to write it on the form. President Conley stated that concern over the personal information requested was precisely why she had flagged the issue for the Committee.

Rob Thompson asked whether the fact that he is not a United States citizen would make any difference. Mr. Huntington responded that he did not believe it would, though Mr. Kramer stated staff would obtain confirmation. The Committee provided general direction supporting continued refinement of the conflict-of-interest policy for future consideration.

The Committee took no formal action on this matter.

G. Consideration of the Draft Business Plan and Reinsurance Agreement

Mr. Kramer turned the discussion over to Dick Huntington, Bickmore Actuarial, and Derek Berkhalter, Bickmore Actuarial, regarding the draft business plan. Mr. Huntington explained that the proposed captive would function as a reinsurance company and, for prospective years, would reinsure 100 percent of the losses paid by ERMA. He stated those reimbursements would occur based on a monthly or quarterly bordereau or listing of paid losses, with the captive reimbursing ERMA for the paid claim amounts. He further explained that the proposed arrangement contemplated two related documents: a go-forward reinsurance agreement for the 2026/27 program year and a one-time endorsement for a loss portfolio transfer covering all unpaid losses from years prior to July 1, 2026.

Mr. Kramer emphasized that this topic was one, in particular where feedback was needed from the Committee as to direction on whether the captive should include only go-forward losses or should also include the prior liabilities through the loss portfolio transfer. He stated staff strongly recommended doing both because ERMA had enough prior-year equity and prior liabilities to allow the captive to begin with a more meaningful asset base. He explained that a go-forward-only approach would start with a comparatively smaller amount and would not make as much immediate financial sense, whereas including the prior liabilities would position the captive closer to the scale at which its costs and investment structure become more advantageous from the outset.

Mr. Huntington added that the so-called "baby steps" approach of doing only the go-forward program is often driven by comfort level rather than by investment necessity and noted that investment conservatism can be managed through the investment policy regardless of whether the loss portfolio transfer is included. President Conley asked how the feasibility study had treated the issue. Mr. Kramer responded that the study leaned toward both go-forward and loss portfolio transfer funding because of the amount needed to make the captive worthwhile from the beginning, though it had stopped short of making a formal recommendation.

President Conley, Jeremy Wittie, and Rob Thompson each stated they agreed with the recommendation to include both the go-forward program and the loss portfolio transfer. President Conley stated it made sense to place enough money into the captive at the outset so it could function effectively and potentially earn more than ERMA is currently earning under existing constraints.

The Committee then discussed the related reinsurance agreement language. Mr. Huntington explained the annual go-forward policy would track ERMA's memorandum of coverage for the applicable policy year and that ERMA would continue to handle claim administration, with the captive simply reimbursing ERMA for covered

claim payments. He also walked through the one-time endorsement that would extend coverage to all annual periods prior to July 1, 2026, at the limits retained by ERMA in those years, for a one-time premium associated with the loss portfolio transfer.

President Conley asked whether the reinsurance agreement would need to be executed each year moving forward. Mr. Huntington clarified that the go-forward reinsurance policy would need to be renewed annually, but the loss portfolio transfer endorsement would be a one-time action and would not need to be repeated in later years. President Conley also asked whether the estimated amount to be transferred would leave ERMA with sufficient liquidity for daily operations. Mr. Kramer responded that the total amount would be fine-tuned further, but staff believed there would be enough to fund the required surplus and contribution while preserving sufficient working capital.

Following discussion, the Committee provided general direction supporting the draft business plan, including the recommendation that the proposed captive be structured with both a go-forward reinsurance component and a one-time loss portfolio transfer of prior liabilities. The Committee also supported staff's continued refinement of the reinsurance agreement and related business plan materials for presentation to the Board.

The Committee took no formal action on this matter.

6. ADMINISTRATIVE MATTERS

A. Consideration of the Captive Service Team

Mr. Kramer reviewed the proposed captive service team and stated staff would need direction on this item so formal proposals or engagement letters could be assembled for the March Board meeting. He identified Brent Andrewson of Holland & Hart as staff's recommended board counsel, explaining that Mr. Andrewson serves as counsel for other California public agency captives in Utah, is familiar with Sedgwick's captive work, and would also serve as the required Utah representative on the captive board.

President Conley stated that, through CIRA, she had recently interviewed Mr. Andrewson and another Utah attorney while evaluating counsel for a different captive and found Mr. Andrewson to be the clear choice despite his higher hourly rate. She explained that he had a deep command of captive formation work, maintained templates and checklists, and had the process "dialed in." Mr. Kramer added that, although there are some startup costs, Mr. Andrewson's ongoing billing had not proven excessive in staff's experience with other captives.

Mr. Huntington explained that many of the other recommended service providers would simply be the same partners ERMA already uses, including the auditor, broker, custodian bank, investment advisor, and bank. He also described the role of captive manager, noting that some pools self-manage while others engage Sedgwick, and that the accounting work for a captive is largely similar to pool accounting, with differences primarily in terminology such as premium and surplus. He stated Sedgwick already manages other captives successfully, and Mr. Kramer added that Sedgwick has already been approved by the State of Utah for similar work.

President Conley asked what services would be included if Sedgwick were selected as captive manager and whether additional staffing would be required. Mr. Kramer responded that the work would include accounting and administrative functions such as organizing meetings and annual reporting, that the contract amount for comparable captives was relatively modest, and that Sedgwick had been able to absorb the work within existing staffing for those entities. Mr. Huntington added that the feasibility study had already assumed this cost.

Before leaving the item, Mr. Kramer also highlighted the implementation status checklist included in the packet, explaining it was being used by staff as a running formation plan to track all steps necessary to establish the captive and move funds once approved.

Jeremy Wittie moved, seconded by Rob Thompson, to direct staff to seek formal proposals or engagement letters from the recommended captive service providers for presentation to the Board at the March meeting, including a proposal from Sedgwick to serve as captive manager. A rollcall vote was conducted, and the motion passed unanimously with no nays or abstentions.

B. Review of Administrative Insurance Coverage

Mr. Kramer explained that, once formed, the captive would need insurance coverage to protect the captive board in the same manner ERMA protects its own board. He stated Alliant would be asked to obtain indications or proposals for a package including errors and omissions coverage and likely related coverage such as general liability and possibly business auto coverage in connection with travel to meetings. Sarah Thurston stated the working budget assumption for this insurance was approximately \$8,000 for the first year.

President Conley expressed support for ensuring the captive board was protected and noted that inclusion of general liability coverage made sense if the board would be meeting in person. The Committee indicated support for staff's continued work with Alliant to obtain indications and bring the matter back as part of the overall formation package.

The Committee took no formal action on this matter

C. Draft Resolution 2025-2 Establishing Attorney Panel Rates and Establishing Criteria for Adding and Removing Defense Counsel to the Panel of Approved Attorney Firms

Mr. Kramer explained that the Committee had previously reviewed the draft proposals from Liebert Cassidy Whitmore and Jackson Lewis for renewal of their strategic partner arrangements and stated that issue had prompted staff to re-evaluate ERMA's broader attorney panel rates. He turned the discussion over to Stacey Sullivan, who reported she had been receiving substantial feedback from panel counsel over ERMA's low rates and had been advised by at least two highly valued firms that they were close to leaving ERMA's panel because the compensation was out of line with the market.

Ms. Sullivan stated she surveyed panel firms regarding the rates they charge other public entity clients, not private clients, and found ERMA's current rates were far below prevailing public entity rates. She reviewed examples showing substantially higher partner rates among panel firms' other public entity engagements. She then explained ERMA's current two-tier structure under which the strategic partners, Liebert Cassidy Whitmore and Jackson Lewis, receive rates outlined in their separate MOU with ERMA, versus the rest of the panel where the rates are separately determined, with rates delineated by partner, senior counsel, associate, and paralegal rates.

Ms. Sullivan advised staff was proposing to increase the rates and move to a single set of rates so all panel firms would be treated uniformly for litigation work. Mr. Kramer explained staff had wanted to determine whether the increases proposed by the strategic partners were appropriate in the context of the full panel and concluded, based on Ms. Sullivan's research, that the revised rates were reasonable and supported. President Conley acknowledged the increases were significant and described the discussion as painful but necessary,

noting she appreciated the three-year structure because it would avoid having to revisit the issue annually. Mr. Wittie and President Conley both noted the proposed rates still appeared to remain below many of the comparable public entity rates identified by Ms. Sullivan.

Mr. Kramer advised staff would inform the actuaries of the higher attorney and investigator rates so future financial modeling could account for the changes. After discussion, the Committee expressed support for staff's recommendation and directed staff to proceed with presenting the proposed revised panel rates and related strategic partner agreements to the Board for formal consideration.

The Committee took no formal action on this matter

7. FINANCIAL MATTERS

A. Consideration of Resolution 2025-3, Establishing all Bank and Investment Custody Accounts and Authorized Signatures for the Proposed Captive

Sarah Thurston presented the draft resolution establishing the captive's bank accounts and investment custody accounts. She explained the structure mirrored ERMA's current banking arrangement and would authorize a general account, an administrative account, and a claims account if needed, with designated authorized signers. She stated the purpose was to allow staff to move forward with opening the necessary accounts and to establish online banking and EFT authority once the captive is formed.

President Conley asked whether the designated officers would need to sign checks regularly and whether the structure would create an unnecessary administrative burden for Sedgwick staff. Mr. Kramer and Ms. Thurston responded that captive activity would be relatively limited because the captive would reimburse ERMA rather than directly administer claims, and the multiple signers primarily functioned as a safeguard and backup if the Executive Director was unavailable. President Conley also confirmed that the plan contemplated California Bank & Trust for the general banking relationship and U.S. Bank as investment custodian and stated she had no objection so long as the arrangement did not involve Bank of America.

Amy Conley moved, seconded by Jeremy Wittie, to adopt Resolution 2025-3, Establishing all Bank and Investment Custody Accounts and Authorized Signatures for the Proposed Captive, subject to the correction that the signature page reference be revised from a regular Board meeting to the Executive Committee. A rollcall vote was conducted, and the motion passed unanimously with no nays or abstentions.

B. Review and Consideration of the Draft Proposed Captive Investment Policy and Asset Allocation

Mr. Kramer introduced representatives from PFM Asset Management, including Mallory Sampson, and explained the Committee was being asked to provide direction regarding risk tolerance so the draft investment policy statement and proposed asset allocation could be refined before the Board meeting. Ms. Sampson stated the two principal inputs needed from the Committee were the preferred asset allocation and an informal required rate of return or hurdle rate for the portfolio. She explained the purpose was to match ERMA's comfort with volatility against the portfolio's long-term growth needs.

Ms. Sampson reviewed PFM's capital market assumptions and explained how various asset classes are evaluated for expected return and volatility over five-year and thirty-year periods. She emphasized that the exercise was not a recommendation to invest in all listed asset classes but rather a framework for determining the most efficient allocation based on risk tolerance. She described how portfolios are positioned along an efficient frontier and explained that captive clients generally fall somewhere between more conservative 40-60 models and more growth-oriented 70-30 models, with many settling around 60-40 over time.

At President Conley's request, Ms. Sampson gave a practical example comparing more conservative and more aggressive allocations during recent market years. She explained that the primary concern in a captive setting is avoiding a scenario in which the market is down during a heavy claim year and the entity is forced to sell assets at depressed values. She stated the best protection against that risk is maintaining sufficient short-term liquidity and cash reserves so the portfolio can withstand market volatility without forced liquidations.

Mr. Kramer noted that other captives administered by Sedgwick had started with allocations such as 60-40 and later considered adjustments as comfort with the structure increased. Jeremy Wittie and President Conley both stated they leaned conservative, especially given that ERMA does not have deep pockets behind it and should be careful in its initial approach. President Conley stated she could support either a 40-60 or 50-50 model but would be uncomfortable going beyond that at the outset. Rob Thompson likewise supported a conservative start and stated he would be comfortable with 50-50 while still allowing the Board the opportunity to go more conservative if desired.

The Committee also discussed use of a six percent informal benchmark or hurdle rate for future annual investment discussions. Ms. Sampson stated such a benchmark could be used as a reference point in evaluating whether the selected allocation is meeting long-term expectations, and she noted the risk tolerance discussion would be revisited each year rather than fixed permanently. President Conley asked how future changes in allocation would be handled from a governance perspective. Mr. Kramer explained that future decisions would be made by the captive board, though ERMA's Board would be kept informed through regular reporting.

After further discussion, Mr. Thompson and Mr. Wittie stated they were comfortable recommending a 50-50 starting allocation, and President Conley stated she could support that approach as well. Mr. Kramer agreed that 50-50 was a strong place to start. The Committee therefore provided direction that the draft investment policy be revised to reflect a 50-50 starting allocation, with the understanding that the Board would still have the opportunity to discuss and modify that recommendation and that the risk tolerance discussion would continue on an annual basis.

The Committee took no formal action on this matter

C. Review and Consideration of Proposed Captive Annual Operating Budget for Fiscal Year 2026/27

Sarah Thurston presented the proposed first-year captive budget and explained that several line items including startup and formation costs that would decline in later years. She reviewed the major categories, including captive management, actuarial work, legal services, annual audit, board meeting costs for a Utah annual meeting, license and regulatory fees, insurance coverage, investment management and custodial fees, and a contingency amount within other expenses for unanticipated startup costs.

Ms. Thurston explained that the board meeting estimate assumed travel, lodging, meals, and meeting costs for approximately eight to ten people, but noted that cost could be reduced if the meeting were held in board counsel's office or if the captive later joined the Utah association that allows entities to avoid in-person annual meetings. She stated the proposed total first-year expense budget was approximately \$208,000 and that future years would likely come in below or around \$200,000 once the one-time startup costs fell away.

Mr. Kramer and Mr. Huntington both noted that, given the expected size of the assets to be transferred to the captive, the captive should be able to pay for itself and more. Mr. Kramer offered a comparison to another captive that had generated substantial investment gains over a relatively short period. Mr. Huntington also pointed out that a large portion of the investment expense would simply replace investment expense ERMA is already incurring on the funds that would move into the captive.

President Conley asked whether the investment management estimate was based on the amount of assets under management. Ms. Thurston and Ms. Sampson explained that it was, using an estimate based on roughly a \$31 million portfolio, and Ms. Sampson further clarified the distinction between custody fees, fund or underlying investment expenses, and PFM's advisory fee. President Conley also asked how startup expenses paid initially by ERMA would be handled. Ms. Thurston stated the intent was that the captive would reimburse ERMA for those costs once operational, although ERMA may need to advance some smaller upfront items such as filing or legal fees.

Mr. Wittie requested that the materials for the Board break out one-time startup fees from recurring costs so Board members could more easily see what items would decline in future years. Ms. Thurston agreed to provide that additional detail or explanatory notation for the Board packet. President Conley stated she had no concerns with the proposed budget. The Committee reviewed the draft budget and provided direction for staff to continue refining the presentation for the Board, including clearer identification of one-time versus ongoing expenses.

The Committee took no formal action on this matter

D. Review and Consideration of Appeal Regarding Increased Retention for Contra Costa MVCD (VCJPA) Effective July 1, 2026

Mr. Kramer reminded the Committee that the Board had previously reviewed a member retained limit (MRL) study and directed ten members that met all three study thresholds to increase their self-insured retentions from \$25,000 to \$50,000 effective July 1, 2026. He explained that Contra Costa Mosquito and Vector Control District, a member within VCJPA Vector Control, had requested reconsideration because the vector control program is structured around uniform member retentions and would face administrative and accounting complications if one member alone moved to a different level.

Mr. Kramer reported that Contra Costa had exceeded the thresholds only narrowly and had done so in part because, while it reports many matters, it had only one loss that actually exceeded its retention. He stated staff therefore recommended allowing Contra Costa to remain at the \$25,000 level for the time being and for ERMA to continue monitoring the member until the next study, while expecting the VCJPA pool to prepare a longer-term plan for addressing future retention changes.

President Conley asked what actual losses had driven the result and confirmed that ERMA wanted members to report claims rather than avoid reporting. Mr. Kramer reiterated that the issue was not a pattern of significant losses but rather the way the study thresholds applied to a relatively small member. President Conley then asked Jeremy Wittie and the VCJPA representatives for input. Mr. Wittie acknowledged his pool relationship but noted he was trying to view the issue objectively. Yahaira Velasquez, Executive Director of VCJPA stated the pool would be discussing the matter with its full membership the following week and was considering whether to move all vector control members to a \$50,000 retention or otherwise create a plan for handling future situations in which one member's retention differs from the rest.

Ms. Velasquez further explained that the vector control program's current structure assumes a uniform \$25,000 retention for all members and that a different retention for one member would require separate tracking, custom claim system configurations, and additional accounting and retro calculations. She stated the pool would appreciate more time to work through those issues and indicated she was not contemplating a July 1, 2026 across-the-board change but potentially a later July 1, 2027 adjustment if warranted.

Mr. Kramer stated the Board's long-term direction had generally been to move away from \$25,000 retentions where possible, but he agreed the administrative realities described by VCJPA justified a temporary accommodation. President Conley and Rob Thompson both stated they supported staff's recommendation.

Rob Thompson moved, seconded by Jeremy Wittie, to approve the appeal and allow Contra Costa Mosquito and Vector Control District to remain at the \$25,000 self-insured retention effective July 1, 2026, with the expectation that VCJPA would continue evaluating a broader plan before the next study cycle. A rollcall vote was conducted, and the motion passed unanimously with no nays or abstentions.

E. Review and Consideration of a Request from The City of Mountain House (MPA) Regarding a Decrease of its Self-Insured Retention from \$50K to \$25K

Mr. Kramer reported that the City of Mountain House, a newly incorporated city and member of MPA, entered ERMA at a \$50,000 self-insured retention effective July 1, 2024. He explained that newer members have generally been required to enter at \$50,000 or greater and that Mountain House was now requesting to move down to a \$25,000 retention effective July 1, 2026.

Mr. Kramer advised that the cost difference to Mountain House was relatively small, approximately \$3,000, but the larger issue was the additional claim risk ERMA would assume if the request were granted. He noted Mountain House had one reportable claim with a reserve since joining ERMA and stated the request raised a policy question because ERMA has generally been trying to move away from the \$25,000 level rather than expand it.

President Conley asked whether the City had provided a substantive reason for wanting the lower retention, and Mr. Kramer responded that the request did not include much explanation. She also asked whether there was a history of similar requests being granted. Mr. Kramer stated such requests were rare and that downward changes require formal approval. President Conley then asked whether ERMA had discussed eliminating the \$25,000 option entirely. Mr. Kramer stated that issue had been discussed in the past, though the Committee and Board had retained the option largely because of some very small members, especially vector control districts.

The Committee discussed the remaining members still at the \$25,000 level and the possibility of grandfathering existing smaller entities while requiring all new members to enter at \$50,000 or above. Sarah Thurston noted that most members within certain larger pool groupings were already at \$50,000 or more and that the total number of members remaining at \$25,000 was relatively small in the context of ERMA's full membership. President Conley stated she was not persuaded there was any advantage to ERMA in allowing Mountain House to reduce its retention and said she favored continuing the broader conversation about eventually eliminating the \$25,000 option for new members.

President Conley also asked whether staff should speak with Linda Cox of MPA before a final response was sent, in case there were facts the Committee had not heard. Mr. Kramer agreed he would do so.

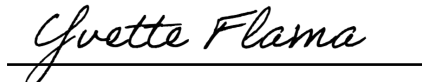
Jeremy Wittie then moved, seconded by Rob Thompson, to deny the City of Mountain House's request to reduce its self-insured retention from \$50,000 to \$25,000, subject to staff's further discussion with MPA and the possibility of revisiting the matter if materially new information arose. A rollcall vote was conducted, and the motion passed unanimously with no nays or abstentions.

8. CLOSING COMMENTS

There were no additional closing comments from the Executive Committee or staff.

9. ADJOURNMENT

The February 20, 2026, ERMA Special Executive Committee Meeting adjourned at 12:12 p.m. by general consent.


Yvette Flama, Board Secretary

ADMINISTRATIVE MATTERS

SUBJECT: Discuss and Review the Strategic Goals and Objectives for the 2026/27 Program Year
Presented by Rob Kramer, Executive Director

RECOMMENDATION: *Staff recommends the Executive Committee approve the Strategic Action Plan as presented.*

BACKGROUND AND STATUS:

Following the ERMA Annual Workshop conducted in March 2026, Staff prepared the attached Draft Strategic Action Plan for consideration and input from the Executive Committee.

Staff will review the plan with the Executive Committee and solicit feedback as to whether it properly reflects the discussion at the most recent workshop and whether there should be any adjustments, additions, or subtractions to the plan.

REFERENCE MATERIALS ATTACHED:

- ERMA 2026/27 Goals and Objectives Matrix

ERMA 2026/27 Goals & Objectives

1. Ensure Financial Stability and Alternative Financing Arrangements		
	Objectives	Comments, Responsibilities and Timeline
	A. Evaluate ERMA Underlying Member SIR Options: Consider whether or not members are properly placed with respect to their SIR selections based on member size and losses. Additionally, evaluate the process for members requesting a change in SIR, as well as whether the \$ 25,000 SIR option should continue to be permitted.	Completed in 2025 – EC Directed to conduct the MRL study every 4-5 years so this item remains in the Strategic Plan
	B. Development and Implementation of an ERMA Captive (CERMA): EC and Board have approved moving forward with the captive. 2026/27 will be focused on implementation .	- Education of EC and Board - Completed - Development of a Feasibility Study – Bickmore Actuarial/PFM – Completed - Formation - In Progress
	C. Continue to Implement and Educate on the ERMA Management all Claims from Dollar \$1: Now that the Dollar One \$1 Initiative has been initiated, continue to implement and educate the members so that by this time next year the program is running seamlessly.	- Analyze whether there is a need for individual member deposits to offset interest-earning losses – Completed - Analyze operational requirements – Completed - Analyze Sedgwick staffing needs – Completed - Consider whether exceptions should be allowed for high SIR members – Completed - Continue to implement the program and educate the members - In Progress
	D. Review Financial Status of the ERMA Capital Contribution Fund - Develop funding plan or run loss prevention items though the budget going forward	Review options with EC - In Progress
	E. Review LCW/JL MOU related to attorney hotline fees to allow unlimited access by membership	Review options with EC and with LCW/JL to allow for “unlimited” access to Attorney Hotline - In Progress

2. Enhance Member Services, Training, and Loss Mitigation		
	Objectives	Comments, Responsibilities and Timeline
	A. Continue ERMA Elected Officials Training Curriculum:	• Work with Ad Hoc Training Committee. EC and Board to establish the outlines of the program – Completed • Determine costs and time frame for implementation – Completed • Consider whether or not this training should be MANDATED - In Progress • Continue to provide training on a routine basis so long as it is being utilized by the membership (especially following elections) - In Progress
	B. Continue to Build Relationships and Evaluate the ERMA Defense and Investigators Panels: continue to conduct an annual Investigators Forum where all panel investigators and Defense Panel members are invited to attend.	• Continue to evaluate and enhance the current panels as needed - In Progress • Determine where to find additional qualified investigators and investigation firms - In Progress • Conduct an Annual ERMA Investigators Forum to bring all panel and defense counsel together to discuss ERMA expectations - Continuing • Evaluate hourly rates - Done for Investigators in 2025. Done for Defense Panel in 2026. • Consider a process for ensuring top-tier investigators are assigned the most complicated cases with streamlined timeline expectations and results - In Progress

	C. Continue ERMA Leadership Conflict Resolution Training: Develop and implement a training program that would more proactively focus on helping members develop leaders that understand how to lead in the public entity sector as well as improve conflict resolution to reduce misconduct and mistakes and improve member entity cultures.	- Consider the regional training model being utilized for the elected official trainings – Completed - Analyze potential budget costs – Completed - Continue to provide training on a routine basis so long as it is being utilized by the membership - In Progress
	D. Continue to work on Internal Marketing of ERMA by offering to attend Primary Member JPA meetings: Ensure primary members understand the value and new initiatives of ERMA	Coordinate with JPA Executive Directors - Continuing Annually

3. Other		
	Objectives	Comments, Responsibilities and Timeline
	A. Continue to be Mindful of How Best to Gather and Benchmark ERMA Loss and Underwriting Information to Determine Trends and Pro-Active Risk Management Solutions: Evaluate Information Management System Options. Continue to focus on Annual Contact Updates	- Continue to look for opportunities with the underlying JPA members to consolidate the data collection process, provide access to documents by the members, enhance the website and communicate effectively. - Continuing - Continue to conduct annual contact updates for all needed ERMA contacts from the underlying members - Continuing Annually
	B. Work to Develop and Implement a Litigation Management Philosophy – to help guide Litigation Management and Claims activities and decisions.	In Progress

ADMINISTRATIVE MATTERS

SUBJECT: Update Regarding the Captive Application Status
Presented by Rob Kramer, Executive Director

RECOMMENDATION: *Provide direction as needed.*

BACKGROUND AND STATUS:

Following direction and approval from the ERMA Executive Committee and Board of Directors at the March 2026 meetings, staff has continued the development of the Captive for ERMA (CERMA).

Staff met with the regulators from the State of Utah on Wednesday, April 1, 2026, and, in coordination with Board Counsel (Brent Andrews and John Nash of Holland and Hart), is working to get the new legal entity formed and the Articles of Incorporation signed.

The next steps include completing the State of Utah application to establish CERMA as of July 1, 2026, filing the incorporation documents to create the new legal entity (CERMA) with the Secretary of State's office in the State of Utah, making sure Sedgwick is approved to be the captive manager for CERMA, and scheduling a meeting of the CERMA Board to formally ratify/consider all of the required documents for start-up.

REFERENCE MATERIALS ATTACHED:

- Signed Articles of Incorporation for CERMA

**ARTICLES OF INCORPORATION
OF
CAPTIVE FOR EMPLOYMENT RISK MANAGEMENT AUTHORITY**

THE UNDERSIGNED, acting as the incorporators of a nonprofit corporation under the Utah Revised Nonprofit Corporation Act, Chapter 6a of Title 16 of the Utah Code of 1953, as amended (hereinafter called the “Act”), hereby adopt the following Articles of Incorporation for such corporation:

ARTICLE I - NAME

The name of this corporation is: Captive for Employment Risk Management Authority.

ARTICLE II - DURATION

The period of this corporation’s duration is perpetual.

ARTICLE III - PURPOSES AND POWERS

This corporation is organized to be a pure or sponsored captive insurance company under the Captive Insurance Companies Act, Chapter 37 of Title 31A of the Utah Code of 1953, as amended. The corporation shall have and exercise all powers necessary or convenient for the carrying out of any or all of the purposes for which it is organized.

The purpose of the corporation is to provide those benefits and services, including insurance and or reinsurance, for its member, Employment Risk Management Authority (ERMA), a California joint powers authority, which is itself a governmental entity formed and existing pursuant to California Government Code Sections 6500, et seq., and which constitutes a political subdivision under Section 115(1) of the Internal Revenue Code of 1986, as amended (or corresponding provisions of any future United States internal revenue law) (the “Code”), and any potential future member who may qualify under Section 115(1), whether or not formed and existing as a joint powers authority. By so doing the corporation provides an essential governmental function within the meaning of Section 115(1) of the Code, and the corporation is intended to qualify as an entity covered by this statute.

Furthermore, the corporation is formed exclusively for purposes for which a corporation may be formed under the Utah Revised Nonprofit Corporation Act, and not for pecuniary profit or financial gain. The net earnings of the corporation may accrue only to a Member or, if said organization ceases to exist or to qualify as an entity that may exclude its income from gross income under Section 115 of the Code, to one or more state or local governments, political subdivisions thereof, or entities which may otherwise exclude their income from gross income under Section 115 of the Code.

No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to, its directors, officers, or other private persons or organizations, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered, and goods purchased, and to make payments and distributions in furtherance of the purposes set forth in this Article III and/or as may be allowed by law.

ARTICLE IV – MEMBERS AND STOCK

4.1 Number of Shares. The aggregate number of shares of capital stock which this corporation shall be authorized to issue is one thousand (1000) with zero (\$0) par value.

4.2 Classification; Rights and Preferences. All shares of capital stock of this corporation shall be of the same class, voting common, and shall have the same rights and preferences.

4.3 Stock Not Assessable. Fully paid shares of capital stock of this corporation shall not be liable to any call and shall be nonassessable.

4.4 Members. The stockholders shall be the voting members of the corporation, and membership shall be maintained only through the acquisition and holding of stock in the corporation.

ARTICLE V - REGISTERED AGENT AND REGISTERED OFFICE

The name of the corporation's Registered Agent is National Registered Agents, Inc., a Utah corporation. The street address of the Registered Agent of the corporation is 1108 E. South Union Ave, Midvale, Utah 84047.

If, at any time the corporation's registered agent has resigned, the agent's authority has been revoked, or the agent cannot be found or served with the exercise of reasonable diligence, then the Commissioner of the Utah Department of Insurance will be appointed as the agent of the corporation for service of process.

ARTICLE VI - DIRECTORS

The corporation may have not less than three (3) or more than nine (9) members of the board of directors, with the exact number to be determined in accordance with the corporation's Bylaws. The number of directors constituting the initial board of directors of this corporation shall be six (6). The names and addresses of the members of the initial board of directors, who are to serve as directors until their successors are elected and qualified, are as follows:

Amy Conley	CIRA 2330 East Bidwell, Suite 150 Folsom, CA 95630
Beth Lyons	PERMA 72-811 Highway 111, #1014 Palm Desert, CA 92260
Jeremy Wittie	Coachella Valley MVCD 43-420 Trader Place Indio, CA 92201
Jason Castleberry	City of Union City 34009 Alvarado-Niles Rd. Union City, CA 94587
Robert Thompson	WestCAT 601 Walter Ave Pinole, CA 94564
Brent A. Andrews	Holland & Hart LLP 222 South Main Street, Suite 2200 Salt Lake City, UT 84101

ARTICLE VII - LIMITATION OF DIRECTORS' LIABILITY

7.1 Limitation of Directors' Liability. To the fullest extent permitted by the Act, as the same now exists or may hereafter be amended, no director of this corporation shall be personally liable to this corporation, its shareholder(s), or any other person or entity for monetary damages for any action taken, or any failure to take any action, as a director, except liability for: (i) the amount of a financial benefit received by a director to which he is not entitled; (ii) an intentional infliction of harm on the corporation, the shareholders, or such third parties; or (iii) an intentional violation of criminal misdemeanor or felony, the punishment for which would include imprisonment in a state penitentiary or a county jail for more than 12 months.

7.2 Amendment or Repeal of Limitation. Any amendment or repeal of this Article VII or the adoption of any other provision of the Articles of Incorporation which has the effect of increasing director liability shall operate prospectively only and shall not affect any action taken, or failure to act, by a director of this corporation prior to such amendment, repeal, or other provision becoming effective.

ARTICLE VIII – DISTRIBUTION ON DISSOLUTION

Upon the dissolution of the corporation, the board of directors shall, after paying or making provision for the payment of all liabilities of the corporation, dispose of the assets of the corporation to the member(s), in an amount equal to their ownership percentage, or if said organization(s) cease to exist or to qualify as an entity which may exclude its income from gross income under Section 115 of the Internal Revenue Code, to a state or local government, political subdivision thereof, or entity which may exclude its income from gross income under Section 115 of the Code, exclusively for the purposes of the corporation, as the board of directors shall determine.

Any asset not so disposed of shall be disposed of by the District Court of Utah, in the county in which the registered office of the corporation is then located, for the benefit of one or more state or local government agencies, or political subdivisions thereof, which qualify under Section 115 of the Internal Revenue Code, as said Court shall determine to best accomplish the exempt purposes of the corporation.

ARTICLE IX - INDEMNIFICATION

The corporation shall, to the fullest extent allowed by law, defend, indemnify, and hold harmless its directors, officers, employees and agents.

ARTICLE X - INCORPORATORS

The name and address of the incorporators of this corporation are as follows:

Brent A. Andrews
Holland & Hart LLP
222 South Main Street, Suite 2200
Salt Lake City, UT 84101

Rob Kramer
Employment Risk Management Authority
1750 Creekside Oaks Drive, Suite 200
Sacramento, CA 95833

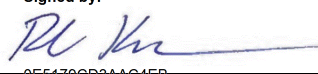
Amy Conley
California Intergovernmental Risk Authority
2330 East Bidwell, Suite 150
Folsom, CA 95630

[SIGNATURE PAGE FOLLOWS]

DATED this 30th day of March, 2026.

Signed by:

FB210C25199242C...
Brent A. Andrews, Incorporator

Signed by:

0E5179CD3AAC4EB...
Rob Kramer, Incorporator

Signed by:

82794D4322AC4D2...
Amy Conley, Incorporator

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ADMINISTRATIVE MATTERS

SUBJECT: ERMA Executive Committee Vacancy
Presented by Rob Kramer, Executive Director

RECOMMENDATION: *Staff recommends the Executive Committee appoint Beth Lyons (PERMA) as the replacement for Linda Cox (MPA) to take effect following the meeting and that the Committee decide on who will take on the role of Vice-President of the organization through June 2026.*

BACKGROUND AND STATUS:

At the March ERMA Board of Directors meeting, Ms. Linda Cox (MPA) announced she would be retiring at the end of June. With respect to both normal succession planning and the need to potentially replace Ms. Cox prior to the end of June, in order to make the formation of the Captive for ERMA more seamless. Ms. Cox recommended looking for her replacement on the Executive Committee sooner rather than later.

As such, Staff sent both an email, as well as, a reminder to the ERMA Board soliciting interest in replacing Ms. Cox on the ERMA Executive Committee.

Ms. Beth Lyons (PERMA) responded with her willingness to serve. Staff has received no other interest to date.

REFERENCE MATERIALS ATTACHED:

None.

ADMINISTRATIVE MATTERS

SUBJECT: Review and Consideration of the Conflict-of-Interest Code for the Employment Risk Management Authority
Presented by Rob Kramer, Executive Director

RECOMMENDATION: *Staff recommends the Executive Committee approve the Conflict-of-Interest Code, as presented.*

BACKGROUND AND STATUS:

ERMA's Conflict-of-Interest Code (COIC) is reviewed every even-numbered year. The Fair Political Practice Commission (FPPC) has a new requirement this year where Investment Consultants must be listed on the COIC. Staff has updated the COIC to include Investment Consultant. This is the only change being recommended.

REFERENCE MATERIALS ATTACHED:

- ERMA Conflict-of-Interest Code in redline/strikeout

CONFLICT OF INTEREST CODE FOR THE EMPLOYMENT RISK MANAGEMENT AUTHORITY

The Political Reform Act, Government Code Sections 81000 et seq., requires state and local government agencies to adopt and promulgate Conflict of Interest Codes. The Fair Political Practices Commission has adopted a regulation, 2 Cal. Code of Regs., Section 18730, which contains the terms of a standard Conflict of Interest Code, which can be incorporated by reference and which may be amended by the Fair Political Practices Commission to conform to amendments to the Political Reform Act after public notice and hearings. Therefore, the terms of 2 Cal. Code of Regs., Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission, along with the attached Appendix in which officials and employees are designated and disclosure categories are set forth, are hereby incorporated by reference and constitute the Conflict of Interest Code of the **Employment Risk Management Authority** (Authority).

Individuals holding designated positions shall file their statements of economic interests with the Fair Political Practices Commission, which will make the statements available for public inspection and reproduction. (Gov. Code Sec. 81008.)

CONFLICT OF INTEREST CODE FOR THE
EMPLOYMENT RISK MANAGEMENT AUTHORITY

APPENDIX A

DESIGNATED EMPLOYEES	DISCLOSURE CATEGORIES
Executive Committee	All
Administrator	All
Board Secretary	All
Litigation Manager	All
General Counsel	All
Insurance Broker	All
<u>Investment Consultant</u>	<u>All</u>
Consultants & New Positions	*

*Consultants/new positions shall be included in the list of designated positions and shall disclose pursuant to the broadest disclosure category in the code subject to the following limitation:

The Administrator, or the President in the absence of the Administrator, may determine in writing that a particular consultant or new position, although a "designated position," is hired to perform a range of duties that is limited in scope and thus is not required to comply fully with the disclosure requirements described in this section. Such determination shall include a description of the consultant's or new position's duties and, based upon that description, a statement of the extent of disclosure requirements. The Administrator determination is a public record and shall be retained for public inspection in the same manner and location as this conflict-of-interest code (Gov. Code Sec. 81008).

The following positions are not covered by the code because the positions manage public investments. Individuals holding such positions must file under Government Code Section 87200 and are listed for informational purposes only. Section 87200 requires disclosure of all investments and business positions in business entities, all income, including gifts, loans and travel payments, and real property.

Members of the Board
Alternate Members of the Board

DISCLOSURE CATEGORIES

1. Investments and business positions in business entities, and sources of income, of the type to contract with ERMA to supply materials, commodities, supplies, books, machinery, vehicles or equipment utilized by the agency.
2. Investments and business positions in business entities, and sources of income, which are contractors, or subcontractors, engaged in the performance of work or services of the type utilized by ERMA, including but not limited to, insurance companies, carriers, holding companies, underwriters, agents or accounting firms.
3. Investments and business positions in business entities, and sources of income, which have filed claims, or have claims pending against ERMA.
4. Investments and business positions in business entities, and sources of income, from banks or savings and loans.
5. Investments and business positions in, and income from, entities in which ERMA is empowered to invest its funds.

This is the last page of the conflict of interest code for the **Employment Risk Management Authority**.

FINANCIAL MATTERS

SUBJECT: Review of Annual Actuarial Study
Presented by Bickmore Actuarial

RECOMMENDATION: *Staff recommends the Executive Committee accept and file the actuarial study, as presented.*

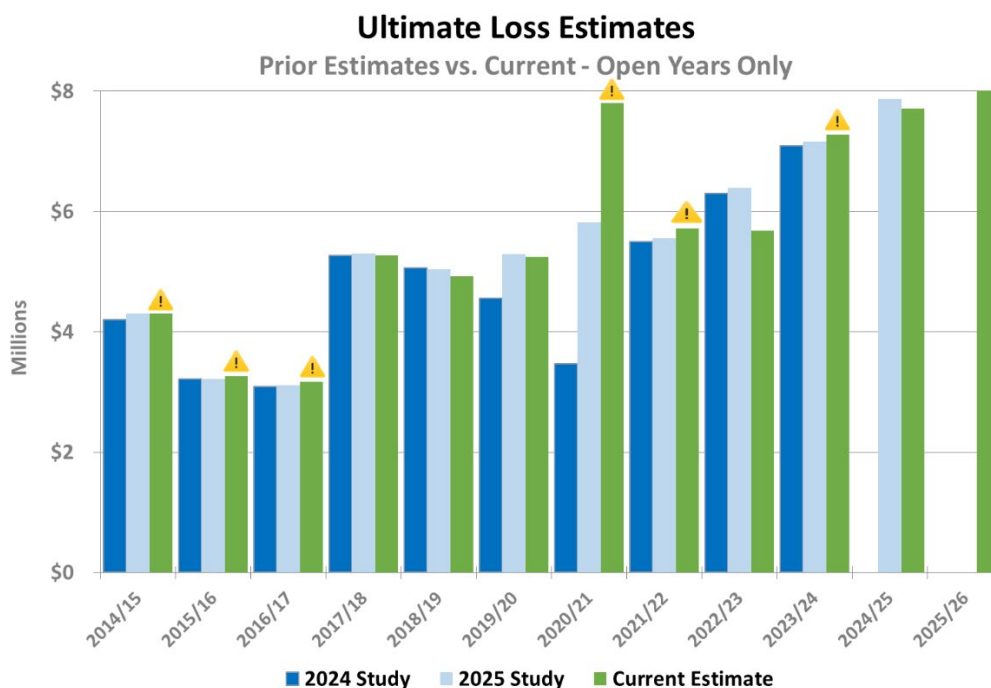
BACKGROUND AND STATUS:

Annually, the ERMA actuary (Bickmore Actuarial) provides a report at this meeting. Mr. Derek Burkhalter from Bickmore Actuarial will be in attendance to review the study with the Committee.

The actuarial analysis consists of two main components. Part one is a review of the estimates of the ultimate liabilities of the prior program years as of June 30, 2026. Part two is the loss forecasting analysis that determines the appropriate contribution rates for the 2026/27 program year.

Ultimate Loss Estimates

ERMA's ultimate loss estimates for all open program years increased by \$1.3 million. The following chart shows the change in ultimate loss estimates by program year.



2026/27 Funding Rates

The 2026/27 program year funding rates are set at the 80% confidence level (CL) and discounted using a 2.0% discount factor interest rate assumption, the same parameters featured in the 2025/26 study.

The pooling rate required to collect at the 80% CL for the upcoming 2026/27 program year at the \$50,000 self-insured retention is \$.578, an increase of 1.6% over the prior study.

REFERENCE MATERIALS ATTACHED:

- Actuarial Study dated March 27, 2026



Actuarial Review of the Self-Insured Employment Practices Liability Program

*Outstanding Liabilities as of June 30, 2026
Forecast for Program Year 2026-27*

Presented to
Employment Risk Management Authority

March 27, 2026 - 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, 2026 for its self-insured employment practices liability program utilizing data valued as of December 31, 2025. 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, 2026. 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 2026-27 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 Mike Harrington at (916) 244-1162 or Derek Burkhalter at (916) 244-1167 with any questions you may have concerning this report.

Mike Harrington and Derek Burkhalter are members of the American Academy of Actuaries and Casualty Actuarial Society. They meet the *Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States* of the American Academy of Actuaries to render the actuarial opinion contained herein.

Mike Harrington, FCAS, MAAA
President and Managing Partner

Derek Burkhalter, ACAS, MAAA
Asst. Vice President and Partner

York Lee
Actuarial Consultant

TABLE OF CONTENTS

SCOPE AND SIGNATURE	1
EXECUTIVE SUMMARY	3
BACKGROUND	6
OBSERVATIONS AND ANALYSIS	7
Comparison of Actual versus Expected Activity	7
Comparison of Liabilities: Prior vs. Current Reports	10
Comparison of Funding Projections: Prior vs. Current Reports	11
Loss Rate Trend	12
Average Claim Size (Severity) Trend	13
Claim Frequency Trend	14
Loss and LAE Liabilities by Category	15
Losses by Component	16
METHODOLOGY	17
CONSIDERATIONS AND KEY ASSUMPTIONS	19
CONDITIONS AND LIMITATIONS	23
DISTRIBUTION AND USE	24
GLOSSARY OF ACTUARIAL TERMS	25
EXHIBITS AND APPENDICES	27

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, 2026, Net of Reinsurance and Member Deductibles

Dollars (\$000s)	Expected ¹	← Confidence Level →				
		70%	75%	80%	85%	90%
Loss & ALAE	\$24,925	\$28,490	\$29,636	\$30,932	\$32,627	\$34,870
Claims Admin. (ULAE)	<u>1,246</u>	<u>1,424</u>	<u>1,482</u>	<u>1,547</u>	<u>1,631</u>	<u>1,744</u>
Total Loss & LAE	\$26,171	\$29,914	\$31,118	\$32,479	\$34,258	\$36,614
NPV Adjustment ²	<u>(1,187)</u>	<u>(1,357)</u>	<u>(1,412)</u>	<u>(1,474)</u>	<u>(1,554)</u>	<u>(1,661)</u>
Discounted Loss & LAE	\$24,984	\$28,557	\$29,706	\$31,005	\$32,704	\$34,953
Short Term ³	\$5,976	\$6,831	\$7,105	\$7,416	\$7,823	\$8,360
Long Term ³	19,008	21,726	22,601	23,589	24,881	26,593

¹ Expected values represent the "best actuarial" or "central" estimate.

² Net present value is based on an annual discount rate of 2.0% and assumes that invested assets are equal to the recommended discounted reserve level.

³ 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.

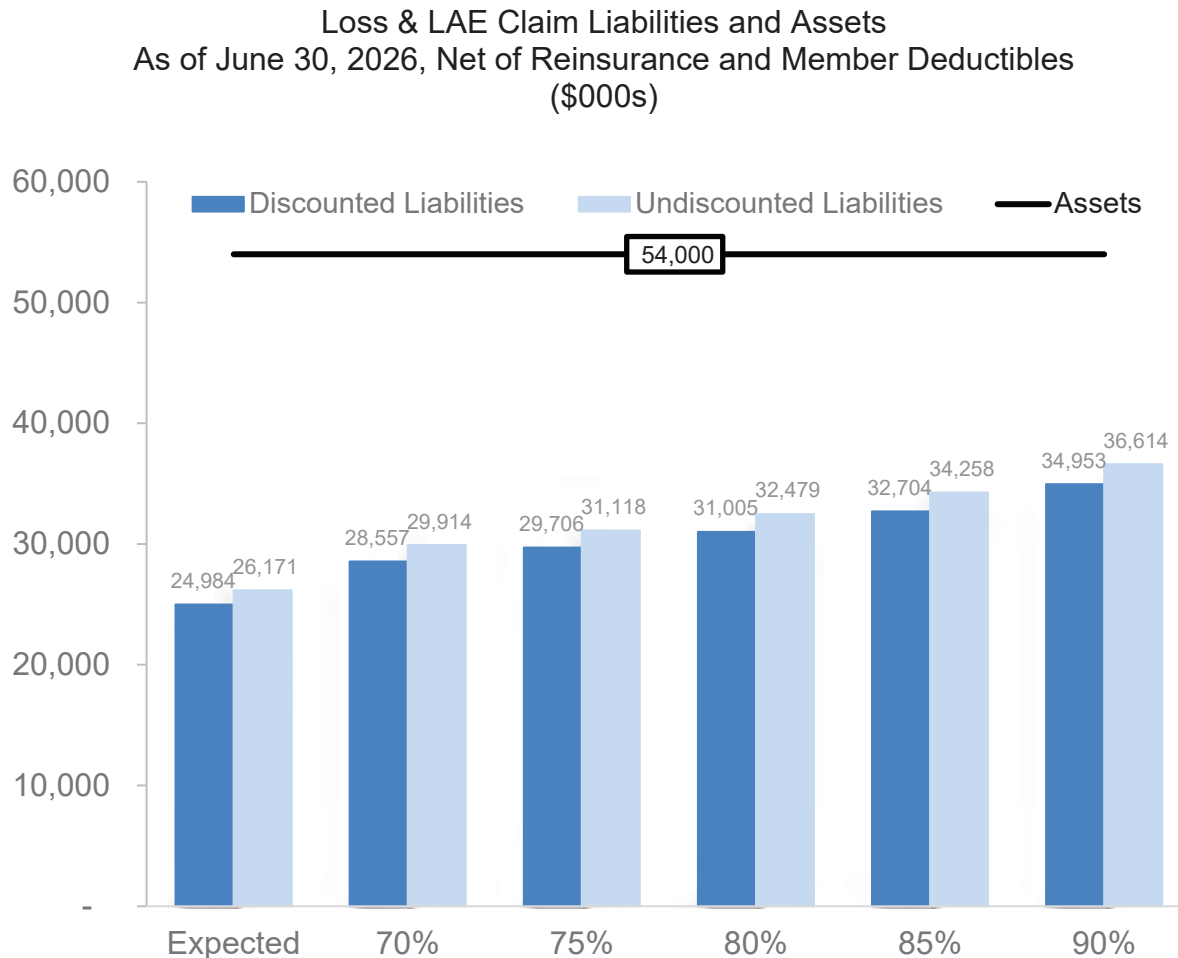
Per California Association of Joint Powers Authorities (CAJPA) accreditation requirements, we also display our outstanding liability estimates at "Forever Pool" confidence levels in the following table.

Dollars (\$000s)	← Confidence Level →			
	95%	98%	99%	99.5%
Loss & ALAE	\$38,659	\$45,358	\$49,685	\$59,065
Claims Admin. (ULAE)	<u>1,933</u>	<u>2,268</u>	<u>2,484</u>	<u>2,953</u>
Total Loss & LAE	\$40,592	\$47,626	\$52,169	\$62,018
NPV Adjustment ²	<u>(1,841)</u>	<u>(2,160)</u>	<u>(2,367)</u>	<u>(2,813)</u>
Discounted Loss & LAE	\$38,751	\$45,466	\$49,802	\$59,205

¹ Expected values represent the "best actuarial" or "central" estimate.

² Net present value is based on an annual discount rate of 2.0% and assumes that invested assets are equal to the recommended discounted reserve level.

The following graph displays the comparison of the program's net claim liabilities and assets as of June 30, 2026 as shown on the prior page.



We generally recommend that risk pools maintain funding at no less than the 90% 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 and financial circumstances. All of these items need to be considered when determining a surplus target, which may significantly exceed the 90% confidence level. A detailed assessment of an appropriate surplus target is beyond the scope of this study. Discounted recommendation assumes that all earnings on the assets invested (which are equal to the recommended discounted reserve level) will accrue to the program. The discount for future earnings should only be reflected, however, when the total indicated funds are available for investment and are expected to earn the indicated yield rate until all claims are closed.

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 2026-27, SIR of \$1,000,000

Dollars (\$000s) ²	← Confidence Level →					
	Expected ¹	70%	75%	80%	85%	90%
Loss & ALAE	\$9,493	\$11,857	\$12,616	\$13,509	\$14,629	\$16,110
<u>Claims Admin. (ULAE)³</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Loss & LAE	\$9,493	\$11,857	\$12,616	\$13,509	\$14,629	\$16,110
<u>NPV Adjustment⁴</u>	<u>(661)</u>	<u>(826)</u>	<u>(878)</u>	<u>(941)</u>	<u>(1,019)</u>	<u>(1,122)</u>
Discounted Loss & LAE	\$8,832	\$11,031	\$11,738	\$12,568	\$13,610	\$14,988
<u>Total Funding Rate⁵</u>						
Before JPA Credit	\$0.406	\$0.507	\$0.540	\$0.578	\$0.626	\$0.689
After JPA Credit	0.373	0.466	0.496	0.531	0.575	0.633

¹ Expected values represent the “best actuarial” or “central” estimate.

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

³ Not included.

⁴ Net present value is based on an annual discount rate of 2.0% and assumes that invested funding is equal to the recommended funding level and is invested at the beginning of the fiscal year.

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

The following table presents our estimates of ultimate costs for the upcoming program year at alternate SIRs of \$1,500,000 and \$2,000,000.

Projected Ultimate Rates
Fiscal Year 2026-27

SIR	← Confidence Level →					
	Expected	70%	75%	80%	85%	90%
<u>\$1,500,000</u>						
Before JPA Credit	\$0.457	\$0.571	\$0.607	\$0.650	\$0.704	\$0.776
After JPA Credit	0.420	0.525	0.558	0.598	0.647	0.713
<u>\$2,000,000</u>						
Before JPA Credit	\$0.483	\$0.603	\$0.642	\$0.687	\$0.744	\$0.820
After JPA Credit	0.444	0.555	0.590	0.632	0.684	0.753

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.

Coverage Period	Layer Between Retention and \$1,000,000	Coverage Excess of \$1,000,000
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
7/1/18-6/30/22	No Quota Share: 100% ERMA	Optional Commercial Coverage \$2,000,000 Excess of \$1,000,000
7/1/22-Current	No Quota Share: 100% ERMA	Optional Commercial Coverage \$3,000,000 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 March 26, 2025 and relied on data evaluated as of December 31, 2024. The current analysis relies on data evaluated as of December 31, 2025.

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 & ALAE¹
 Prior vs. Current Reports
 (\$000s)

Fiscal Year	Expected Emergence	Actual Emergence	Actual Minus Expected Emergence
2014-15	\$0	\$0	\$0
2015-16	0	50	50
2016-17	16	59	43
2017-18	52	(13)	(66)
2018-19	44	(129)	(174)
2019-20	79	(40)	(119)
2020-21	190	2,096	1,907
2021-22	496	669	173
2022-23	2,307	1,370	(936)
2023-24	1,987	2,114	127
2024-25	763	260	(503)
Total	\$5,934	\$6,437	\$502

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

Actual Versus Expected Paid Loss & ALAE¹
 Prior vs. Current Reports
 (\$000s)

Fiscal Year	Expected Payments	Actual Payments	Actual Minus Expected Payments
2014-15	\$100	\$0	(\$100)
2015-16	0	42	42
2016-17	204	200	(5)
2017-18	57	(6)	(62)
2018-19	242	(73)	(315)
2019-20	342	115	(227)
2020-21	807	2,800	1,993
2021-22	972	1,699	727
2022-23	1,590	1,635	45
2023-24	1,026	1,194	168
2024-25	94	369	274
Total	\$5,435	\$7,975	\$2,540

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

Change in Projected Ultimate Loss & ALAE¹
 Prior vs. Current Reports
 (\$000s)

Fiscal Year	Prior Ultimate	Current Ultimate	Change in Ultimate
2014-15	\$4,306	\$4,307	\$1
2015-16	3,217	3,268	51
2016-17	3,115	3,175	60
2017-18	5,301	5,270	(31)
2018-19	5,046	4,924	(122)
2019-20	5,290	5,247	(43)
2020-21	5,825	7,801	1,976
2021-22	5,558	5,721	163
2022-23	6,390	5,686	(704)
2023-24	7,161	7,274	113
2024-25	7,870	7,716	(154)
Total	\$59,080	\$60,389	\$1,309

¹ 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, 2025 to our current report's estimated liability for outstanding claims as of June 30, 2026.

Change in Claims Liabilities At Expected (without Risk Margin), Net of Reinsurance and Member Deductibles				
Dollars (\$000s)	Prior Report at 6/30/2025	Current Report at 6/30/2026	Dollar Change	Percent Change
Case Reserves ¹	\$6,573	\$5,348	(\$1,225)	-18.6%
IBNR ²	16,522	19,577	3,055	18.5%
Claims Administration	1,155	1,246	92	7.9%
Total (Undiscounted)	\$24,250	\$26,171	\$1,922	7.9%
NPV Adjustment ³	(1,068)	(1,187)	(119)	11.2%
Total (Discounted)	\$23,182	\$24,984	\$1,802	7.8%

¹ Established by the claims administrator.

² IBNR: Incurred But Not Reported for development beyond the case reserves.

³ Net present value is based on an annual discount rate of 2.0%.

The table below reconciles our prior report's estimated liability for outstanding claims as of June 30, 2025 to our current report's estimated liability for outstanding claims as of June 30, 2026.

Reconciliation of Claims Liabilities At Expected (without Risk Margin), Net of Reinsurance and Member Deductibles	
	Dollars (\$000s)
(A) Prior 6/30/2025 Discounted Loss & LAE Liabilities	\$23,182
(B) Change in Ultimate Loss & ALAE (AY 2024-25 and Prior)	1,309
(C) Current AY 2025-26 Estimated Ultimate Loss & ALAE	8,537
(D) Estimated Paid Loss & ALAE in 2025-26	(8,016)
(E) Change in ULAE	92
(F) Change in Net Present Value	(119)
(G) Current 6/30/2026 Discounted Loss & LAE Liabilities	\$24,984

Comparison of Funding Projections: Prior vs. Current Reports

The following table compares our funding estimate for the 2025-26 year from our prior report to our funding estimate of the 2026-27 year from our current report.

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

Dollars (\$000s) ²	Prior Report ¹ 2025-26	Current Report ¹ 2026-27	Dollar Change	Percent Change
Ultimate Loss and ALAE	\$8,522	\$9,493	\$971	11.4%
<u>Claims Administration (ULAE)³</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>n/a</u>
Total Loss & LAE (Undiscounted)	\$8,522	\$9,493	\$971	11.4%
<u>NPV Adjustment⁴</u>	<u>(579)</u>	<u>(661)</u>	<u>(82)</u>	<u>14.2%</u>
Total Loss & LAE (Discounted)	\$7,943	\$8,832	\$889	11.2%
Rate Before JPA Credit ⁵	\$0.398	\$0.406	\$0.008	2.0%
Rate After JPA Credit ⁵	\$0.364	\$0.373	\$0.009	2.5%

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

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

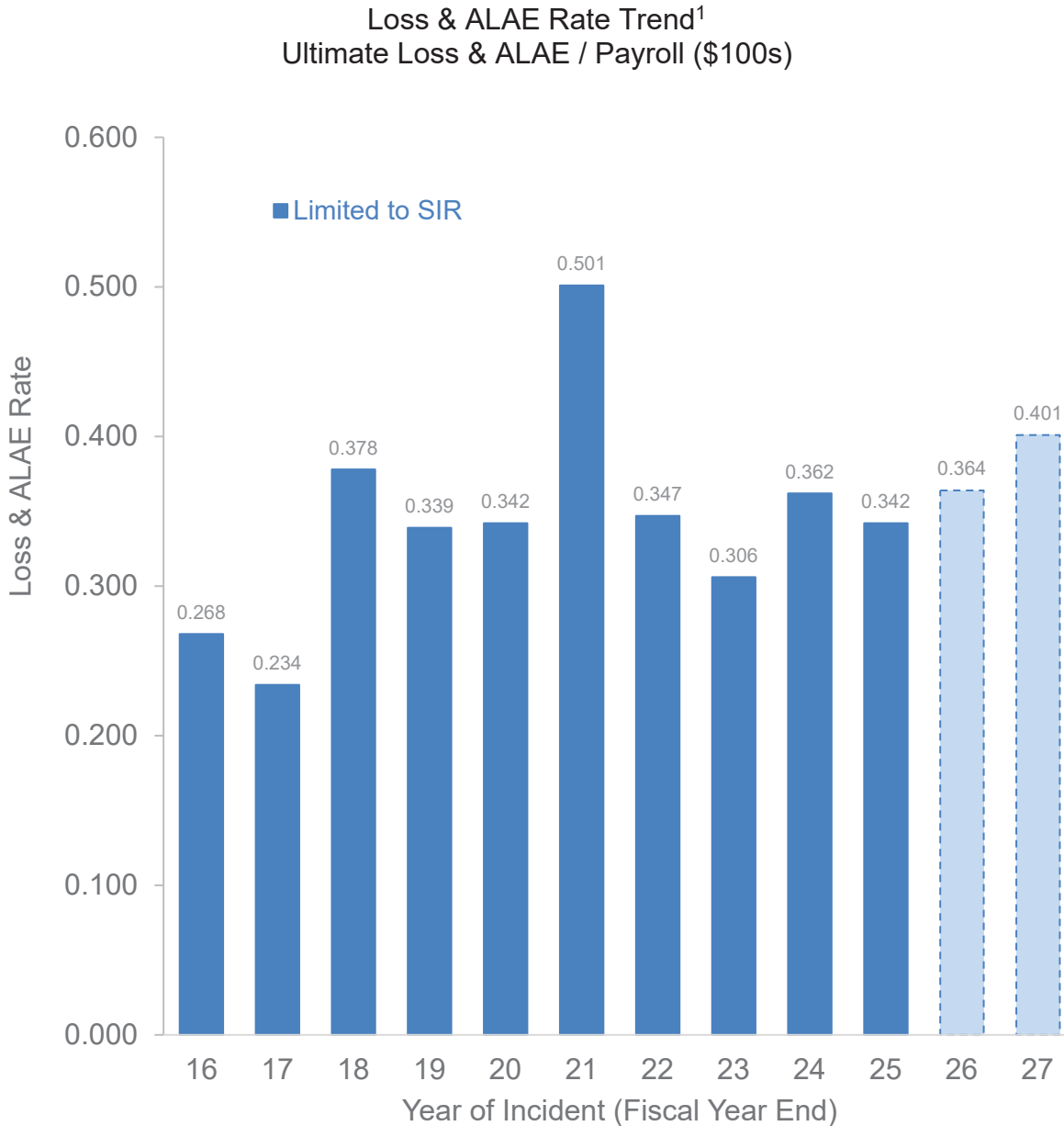
³ Not included.

⁴ Net present value is based on an annual discount rate of 2.0%.

⁵ 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

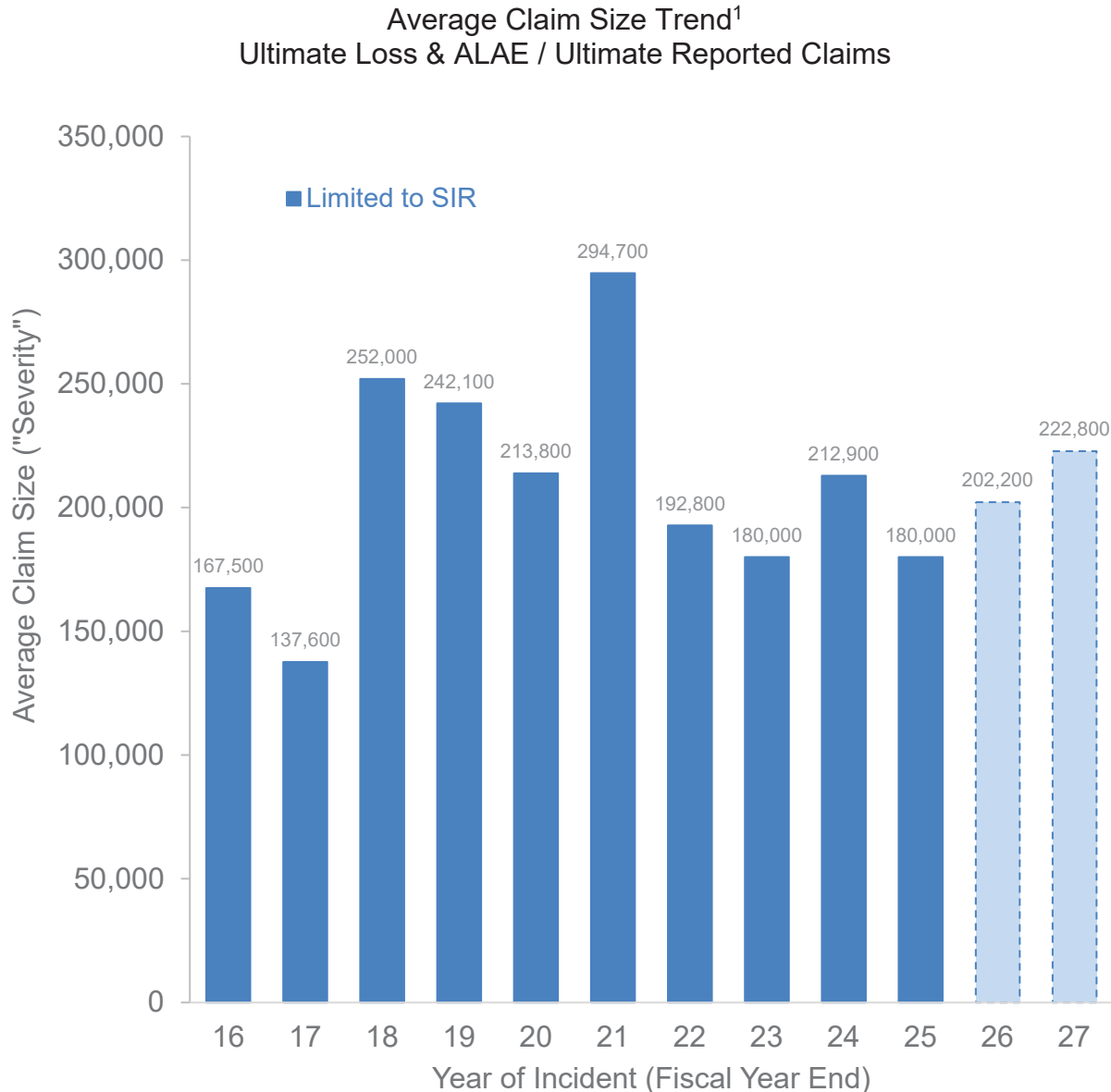
We have evaluated the trend in ERMA's projected ultimate loss & ALAE rate. This rate equals projected ultimate loss and ALAE (limited to the SIR) divided by payroll in \$100s, as displayed in the following graph.



¹ 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

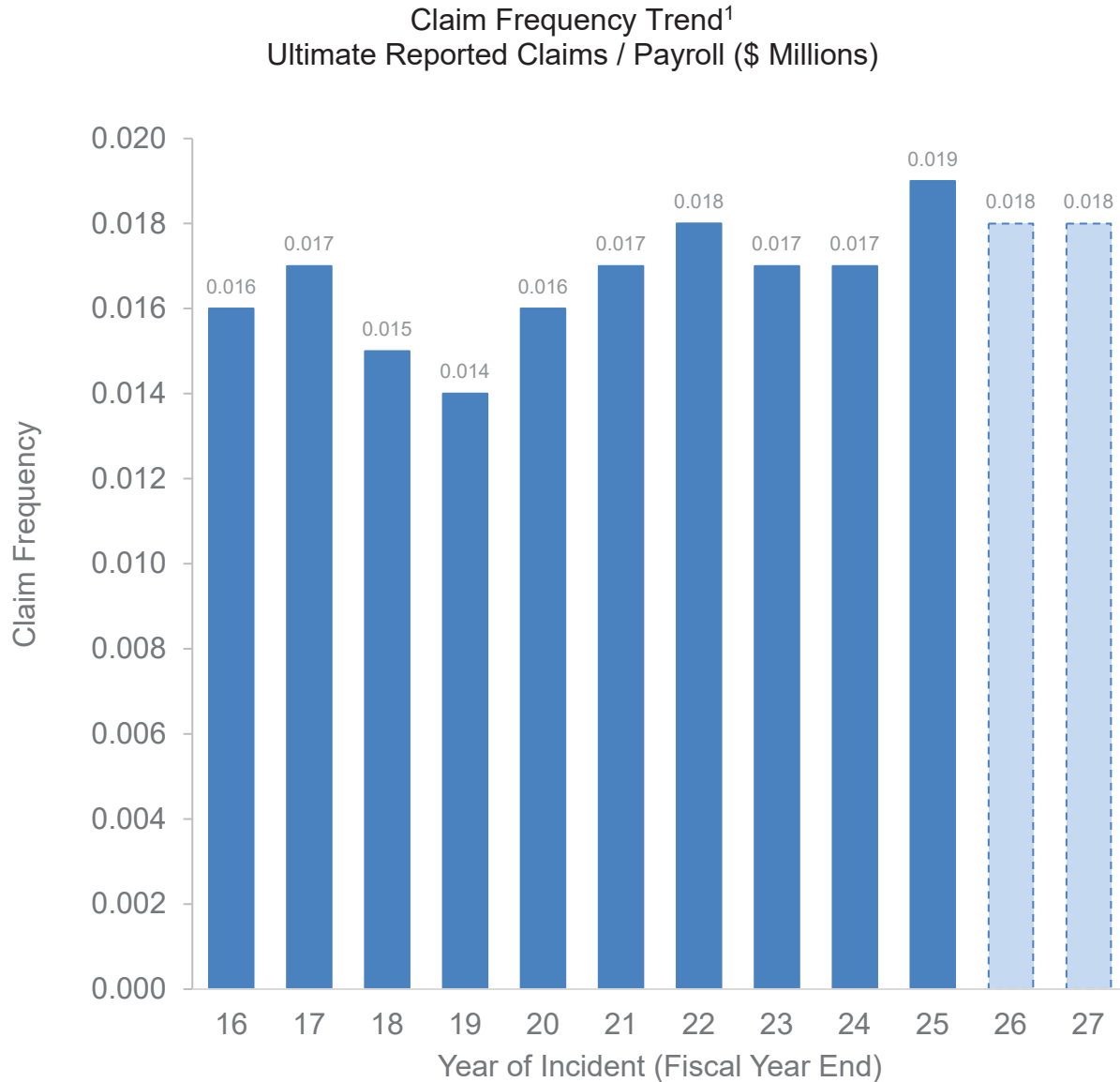
We have evaluated the trend in ERMA's projected ultimate claim size (or "severity"). The ultimate claim size equals projected ultimate loss & ALAE (limited to the SIR) divided by the projected ultimate number of reported claims, as displayed in the following graph.



¹ 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.



¹ 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 Year¹
As of June 30, 2026, Net of Reinsurance and Member Deductibles
(\$000s)

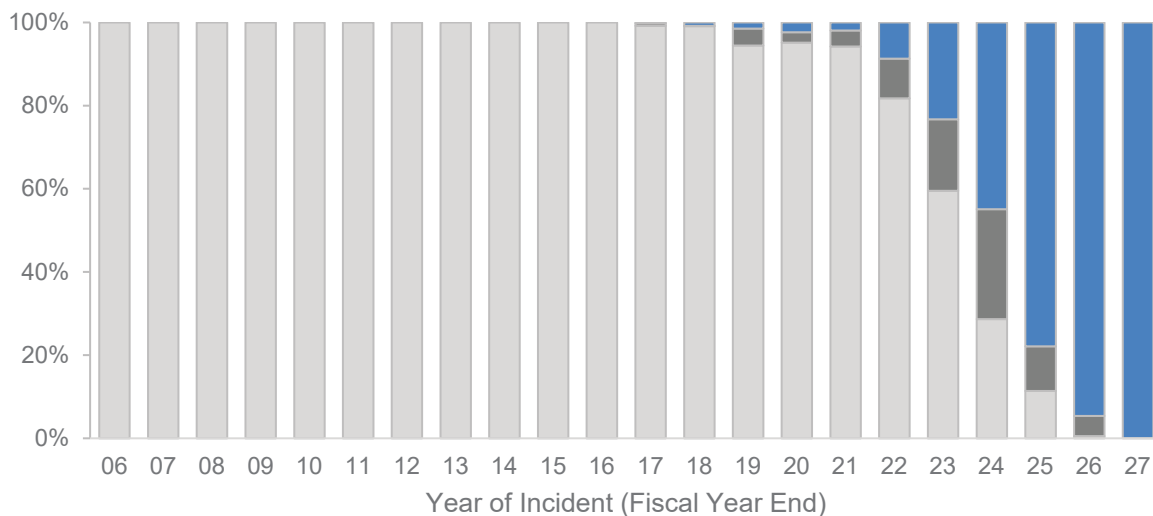
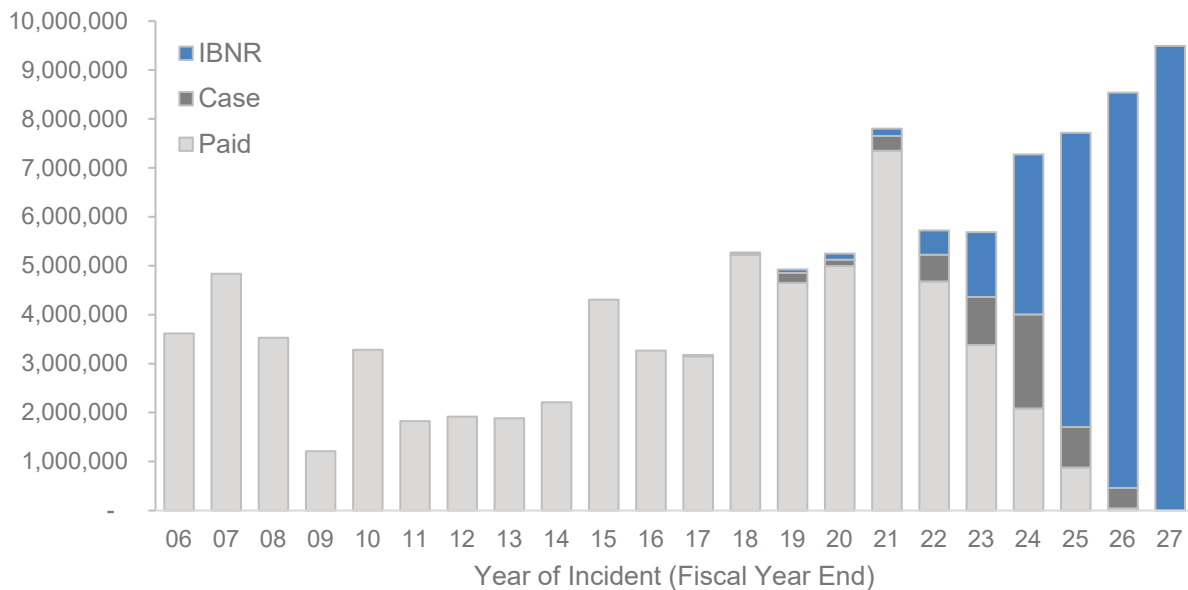
Fiscal Year	Case Reserves	Incurred but Not Reported (IBNR)	Total Liabilities
Prior	\$0	\$0	\$0
2005-06	0	0	0
2006-07	0	0	0
2007-08	0	0	0
2008-09	0	0	0
2009-10	0	0	0
2010-11	0	0	0
2011-12	0	0	0
2012-13	0	0	0
2013-14	0	0	0
2014-15	0	0	0
2015-16	0	0	0
2016-17	20	6	26
2017-18	4	43	47
2018-19	201	73	274
2019-20	133	123	255
2020-21	300	151	451
2021-22	546	497	1,043
2022-23	980	1,324	2,303
2023-24	1,923	3,268	5,191
2024-25	828	6,012	6,840
2025-26	414	8,080	8,494
Total Loss & ALAE	\$5,348	\$19,577	\$24,925
ULAE	n/a	1,246	1,246
Total Loss & LAE	\$5,348	\$20,823	\$26,171

¹ 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, 2026¹



¹ Projected 2026-27 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 2026-27.
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, 2026.

Valuation Date: The data underlying this study are valued as of December 31, 2024.

Review Date and Information 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 2.0% 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. This recommendation assumes that all earnings on the assets invested (which are equal to the recommended discounted reserve level) will accrue to the program. The discount for future earnings should only be reflected, however, when the total indicated funds are available for investment and are expected to earn the indicated yield rate until all claims are closed.

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, 2025. 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, 2026**

	Includes Quota Share Losses		Excludes Quota Share Losses	
	Undiscounted	NPV @2.00%	Undiscounted	NPV @2.00%
Expected Liabilities				
(1) Case Reserves	5,348,000		5,348,000	
(2) Actuarial Reserve	19,577,000		19,577,000	
(3) Claims Handling Expense	1,246,000		1,246,000	
(4) Subtotal	26,171,000	24,984,000	26,171,000	24,984,000
(5) Confidence Levels				
Expected	26,171,000	24,984,000	26,171,000	24,984,000
60%	27,873,000	26,608,000	27,873,000	26,608,000
70%	29,914,000	28,557,000	29,914,000	28,557,000
75%	31,118,000	29,706,000	31,118,000	29,706,000
80%	32,479,000	31,005,000	32,479,000	31,005,000
85%	34,258,000	32,704,000	34,258,000	32,704,000
90%	36,614,000	34,953,000	36,614,000	34,953,000

Funding Rates for Fiscal Year 2026-2027

	Layer: \$50,000 to \$250,000		Layer: \$50,000 to \$350,000		Layer: \$50,000 to \$500,000	
	Undiscounted	NPV @2.00%	Undiscounted	NPV @2.00%	Undiscounted	NPV @2.00%
Expected Rates						
(6) Ultimate Loss & ALAE	0.112	0.104	0.188	0.175	0.247	0.230
(7) Expected JPA Participation Credit	0.009	0.009	0.015	0.015	0.020	0.020
(8) ULAE	-	-	-	-	-	-
(9) Subtotal	0.121	0.113	0.203	0.190	0.267	0.250
(10) Confidence Levels						
Expected	0.121	0.113	0.203	0.190	0.267	0.250
60%	0.135	0.126	0.226	0.212	0.298	0.279
70%	0.151	0.141	0.254	0.237	0.333	0.312
75%	0.161	0.150	0.270	0.253	0.355	0.332
80%	0.172	0.161	0.289	0.270	0.380	0.356
85%	0.186	0.174	0.313	0.293	0.411	0.385
90%	0.205	0.192	0.344	0.322	0.453	0.424

	Layer: \$50,000 to \$750,000		Layer: \$50,000 to \$1,000,000		Layer: \$50,000 to \$1,250,000	
	Undiscounted	NPV @2.00%	Undiscounted	NPV @2.00%	Undiscounted	NPV @2.00%
Expected Rates						
(6) Ultimate Loss & ALAE	0.303	0.282	0.401	0.373	0.431	0.401
(7) Expected JPA Participation Credit	0.025	0.025	0.033	0.033	0.035	0.035
(8) ULAE	-	-	-	-	-	-
(9) Subtotal	0.328	0.307	0.434	0.406	0.466	0.436
(10) Confidence Levels						
Expected	0.328	0.307	0.434	0.406	0.466	0.436
60%	0.366	0.342	0.484	0.453	0.520	0.486
70%	0.410	0.383	0.542	0.507	0.582	0.545
75%	0.436	0.408	0.577	0.540	0.619	0.579
80%	0.467	0.437	0.618	0.578	0.663	0.620
85%	0.505	0.473	0.669	0.626	0.718	0.672
90%	0.557	0.521	0.736	0.689	0.791	0.740

	Layer: \$50,000 to \$1,500,000		Layer: \$50,000 to \$1,750,000		Layer: \$50,000 to \$2,000,000	
	Undiscounted	NPV @2.00%	Undiscounted	NPV @2.00%	Undiscounted	NPV @2.00%
Expected Rates						
(6) Ultimate Loss & ALAE	0.451	0.420	0.466	0.434	0.477	0.444
(7) Expected JPA Participation Credit	0.037	0.037	0.038	0.038	0.039	0.039
(8) ULAE	-	-	-	-	-	-
(9) Subtotal	0.488	0.457	0.504	0.472	0.516	0.483
(10) Confidence Levels						
Expected	0.488	0.457	0.504	0.472	0.516	0.483
60%	0.544	0.510	0.562	0.526	0.575	0.539
70%	0.610	0.571	0.629	0.590	0.644	0.603
75%	0.649	0.607	0.670	0.627	0.686	0.642
80%	0.694	0.650	0.717	0.672	0.734	0.687
85%	0.752	0.704	0.777	0.727	0.795	0.744
90%	0.828	0.776	0.855	0.801	0.876	0.820

ERMA - Employment Practices Liability

Funding Guidelines for Outstanding Liabilities at
December 31, 2025

(A) Estimated Ultimate Losses Incurred through 12/31/25: (From Appendix F)	\$105,697,997
(B) Estimated Paid Losses through 12/31/25: (From Appendix F)	82,238,171
(C) Estimated Liability for Claims Outstanding at 12/31/25: (From Appendix F)	<u>\$23,459,826</u>
(D) Estimated Liability for Outstanding Claims Administration Fees at 12/31/25: (Based on 5.0% of (C))	1,172,991
(E) Total Outstanding Liability for Claims at 12/31/25: ((C) + (D))	<u>\$24,632,817</u>
(F) Reserve Discount Factor (Based on a Discount Rate of 2.00%.): (Appendix H, Page 1, (G))	0.953
(G) Discounted Outstanding Liability for Claims at 12/31/25: ((E) x (F))*	<u>\$23,481,558</u>

	Marginally Acceptable		Recommended		Conservative
Confidence Level of Adequacy:	70%	75%	80%	85%	90%
(H) Confidence Level Factor: (From Appendix I)	1.143	1.189	1.241	1.309	1.399
(I) Margin for Adverse Experience: ((G) x [(H) - 1])	3,358,000	4,438,000	5,659,000	7,256,000	9,369,000
(J) Total Required Assets at 12/31/25: ((G) + (I))	<u>\$26,840,000</u>	<u>\$27,920,000</u>	<u>\$29,141,000</u>	<u>\$30,738,000</u>	<u>\$32,851,000</u>

* May differ from (E) x (F) due to rounding.

ERMA - Employment Practices Liability

Funding Guidelines for Outstanding Liabilities at
June 30, 2026

(A) Estimated Ultimate Losses Incurred through 6/30/26: (From Appendix F)	\$109,965,997
(B) Estimated Paid Losses through 6/30/26: (From Appendix F)	85,040,788
(C) Estimated Liability for Claims Outstanding at 6/30/26: (From Appendix F)	<u>\$24,925,209</u>
(D) Estimated Liability for Outstanding Claims Administration Fees at 6/30/26: (Based on 5.0% of (C))	1,246,260
(E) Total Outstanding Liability for Claims at 6/30/26: ((C) + (D))	<u>\$26,171,469</u>
(F) Reserve Discount Factor (Based on a Discount Rate of 2.00%): (Appendix H, Page 1, (H))	0.955
(G) Discounted Outstanding Liability for Claims at 6/30/26: ((E) x (F))*	<u>\$24,984,237</u>

	Marginally Acceptable		Recommended			Conservative
Confidence Level of Adequacy:	70%	75%	80%	85%		90%
(H) Confidence Level Factor: (From Appendix I)	1.143	1.189	1.241	1.309		1.399
(I) Margin for Adverse Experience: ((G) x [(H) - 1])	3,573,000	4,722,000	6,021,000	7,720,000		9,969,000
(J) Total Required Assets at 6/30/26: ((G) + (I))	<u>\$28,557,000</u>	<u>\$29,706,000</u>	<u>\$31,005,000</u>	<u>\$32,704,000</u>		<u>\$34,953,000</u>
(K) Estimated Total Assets at 6/30/26: (Provided by the Authority)	54,000,000	54,000,000	54,000,000	54,000,000		54,000,000
(L) Indicated Funding Redundancy/ (Deficiency): ((K) - (J))	<u>\$25,443,000</u>	<u>\$24,294,000</u>	<u>\$22,995,000</u>	<u>\$21,296,000</u>		<u>\$19,047,000</u>

* May differ from (E) x (F) due to rounding.

ERMA - Employment Practices Liability

Funding Options for Program Year 2025-2026 (SIR = \$1,000,000)

	Dollar Amount	Payroll Rate			
(A) Estimated Ultimate Losses Incurred in Accident Year 2025-2026: (From Appendix F)	\$8,537,000	\$0.364			
(B) Estimated Claims Administration Fees Incurred in Accident Year 2025-2026: (From Exhibit 5, Page 1, (L))	0	0.000			
(C) Total Claims Costs Incurred in Accident Year 2025-2026: ((A) + (B))	\$8,537,000	\$0.364			
(D) Loss Discount Factor (Based on a Discount Rate of 2.00%): (Appendix H, Page 2, (G))	0.930				
(E) Discounted Total Claims Costs Incurred in Accident Year 2025-2026: ((C) x (D))	\$7,943,000	\$0.339			
	Marginally Acceptable	Recommended		Conservative	
	70%	75%	80%	85%	90%
(F) Confidence Level Factor: (From Appendix I)	1.249	1.329	1.423	1.541	1.697
(G) Margin for Adverse Experience: ((E) x [(F) - 1])	1,978,000	2,613,000	3,360,000	4,297,000	5,536,000
(H) Recommended Funding in 2025-2026 for Claims Costs and Other Expenses: ((E) + (G))	\$9,921,000	\$10,556,000	\$11,303,000	\$12,240,000	\$13,479,000
(I) Rate per \$100 of Payroll: ((H) / \$23,439,175)	\$0.423	\$0.450	\$0.482	\$0.522	\$0.575

Rates are per hundred dollars of 2025-2026 payroll of \$2,343,917,500.

ERMA - Employment Practices Liability

Funding Options for Program Year 2026-2027 (SIR = \$1,000,000)

	Dollar Amount	Payroll Rate			
(A) Estimated Ultimate Losses Incurred in Accident Year 2026-2027: (From Appendix F)	\$9,493,000	\$0.401			
(B) Estimated Claims Administration Fees Incurred in Accident Year 2026-2027: (From Exhibit 5, Page 1, (L))	0	0.000			
(C) Total Claims Costs Incurred in Accident Year 2026-2027: ((A) + (B))	\$9,493,000	\$0.401			
(D) Loss Discount Factor (Based on a Discount Rate of 2.00%): (Appendix H, Page 2, (G))	0.930				
(E) Discounted Total Claims Costs Incurred in Accident Year 2026-2027: ((C) x (D))	\$8,832,000	\$0.373			
	Marginally Acceptable	Recommended		Conservative	
	70%	75%	80%	85%	90%
(F) Confidence Level Factor: (From Appendix I)	1.249	1.329	1.423	1.541	1.697
(G) Margin for Adverse Experience: ((E) x [(F) - 1])	2,199,000	2,906,000	3,736,000	4,778,000	6,156,000
(H) Recommended Funding in 2026-2027 for Claims Costs and Other Expenses: ((E) + (G))	\$11,031,000	\$11,738,000	\$12,568,000	\$13,610,000	\$14,988,000
(I) Rate per \$100 of Payroll: ((H) / \$23,673,566)	\$0.466	\$0.496	\$0.531	\$0.575	\$0.633

Rates are per hundred dollars of 2026-2027 payroll of \$2,367,356,600.

ERMA - Employment Practices Liability

IBNR as of 6/30/26 at Expected Claims Level

Accident Year	Estimated Ultimate (A)	Reported as of 12/31/25 (B)	Estimated IBNR as of 12/31/25 (C)	Estimated Percent of IBNR Reported Between 1/1/26 and 6/30/26 (D)	Estimated IBNR Reported (E)	Estimated IBNR as of 6/30/26 (F)
Prior	\$16,730,548	\$16,730,548	\$0	100.0%	\$0	\$0
2005-2006	3,616,204	3,616,204	0	100.0%	0	0
2006-2007	4,835,971	4,835,971	0	100.0%	0	0
2007-2008	3,528,296	3,528,296	0	100.0%	0	0
2008-2009	1,211,783	1,211,783	0	100.0%	0	0
2009-2010	3,281,809	3,281,809	0	100.0%	0	0
2010-2011	1,825,609	1,825,609	0	100.0%	0	0
2011-2012	1,916,982	1,916,982	0	100.0%	0	0
2012-2013	1,882,270	1,882,270	0	100.0%	0	0
2013-2014	2,210,525	2,210,525	0	100.0%	0	0
2014-2015	4,307,000	4,306,344	656	100.0%	656	0
2015-2016	3,268,000	3,267,101	899	100.0%	899	0
2016-2017	3,175,000	3,158,713	16,287	59.9%	10,000	6,287
2017-2018	5,270,000	5,209,136	60,864	29.8%	18,000	42,864
2018-2019	4,924,000	4,827,396	96,604	24.6%	24,000	72,604
2019-2020	5,247,000	5,089,466	157,534	22.3%	35,000	122,534
2020-2021	7,801,000	7,604,629	196,371	23.1%	45,000	151,371
2021-2022	5,721,000	4,985,623	735,377	32.3%	238,000	497,377
2022-2023	5,686,000	3,991,268	1,694,732	21.9%	371,000	1,323,732
2023-2024	7,274,000	2,864,018	4,409,982	25.9%	1,142,000	3,267,982
2024-2025	7,716,000	725,000	6,991,000	14.0%	979,000	6,012,000
2025-2026	8,537,000	85,000	4,184,000	4.4%	372,000	8,080,000
Totals	\$109,965,997	\$87,153,691	\$18,544,306		\$3,235,555	\$19,576,751

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 1/1/26 and 6/30/26. 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 6/30/26. 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	\$16,730,548	\$16,730,548			\$16,730,560	\$16,730,548
2005-2006	3,616,204	3,616,204	3,616,204	3,616,204	3,616,200	3,616,204
2006-2007	4,835,971	4,835,971	4,835,971	4,835,971	4,835,976	4,835,971
2007-2008	3,528,296	3,528,296	3,528,296	3,528,296	3,528,308	3,528,296
2008-2009	1,211,783	1,211,783	1,211,783	1,211,783	1,211,784	1,211,783
2009-2010	3,281,809	3,281,809	3,281,809	3,281,809	3,281,817	3,281,809
2010-2011	1,825,609	1,825,609	1,825,609	1,825,609	1,825,608	1,825,609
2011-2012	1,916,982	1,916,982	1,916,982	1,916,982	1,916,982	1,916,982
2012-2013	1,882,270	1,882,270	1,882,270	1,882,270	1,882,272	1,882,270
2013-2014	2,210,525	2,210,525	2,210,525	2,210,525	2,210,520	2,210,525
2014-2015	4,306,344	4,206,344	4,306,344	4,206,344	4,307,001	4,307,000
2015-2016	3,267,101	3,259,331	3,267,101	3,259,331	3,268,000	3,268,000
2016-2017	3,174,507	3,126,161	3,174,568	3,126,463	3,174,989	3,175,000
2017-2018	5,261,227	5,278,437	5,261,698	5,279,274	5,261,991	5,270,000
2018-2019	4,923,944	4,689,885	4,925,950	4,696,189	4,924,000	4,924,000
2019-2020	5,267,597	5,225,907	5,268,531	5,228,883	5,268,000	5,247,000
2020-2021	8,106,535	8,668,066	7,933,446	8,072,931	5,109,345	7,801,000
2021-2022	6,057,532	7,315,773	6,005,888	6,665,271	5,879,790	5,721,000
2022-2023	5,819,269	7,775,267	6,098,594	7,108,532	6,492,320	5,686,000
2023-2024	8,248,372	8,666,887	7,748,853	7,653,099	7,352,940	7,274,000
2024-2025	7,715,450	33,464,471	8,566,214	8,928,281	9,130,422	7,716,000
2025-2026	12,211,695	0	9,278,665	9,258,474	9,675,000	8,537,000
Totals						\$109,965,997
			Projected Losses for the Year 2025-2026 (G)			\$8,537,000
			Projected Losses for the Year 2026-2027 (H)			9,493,000
			Projected Losses for the Year 2027-2028 (I)			10,138,000
			Projected Losses for the Year 2028-2029 (J)			10,795,000

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).
- (I) From Exhibit 5, Page 1, Line (K) / Line (G).
- (J) 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 ALAE

Accident Year	Ultimate SIR Losses (A)	Trend Factor (B)	Trended SIR Losses (C)	Trended Payroll (\$00) (D)	Trended SIR Loss Rate (E)
2005-2006	3,616,204	2.980	10,776,288	15,734,811	0.685
2006-2007	4,835,971	2.822	13,647,110	17,622,595	0.774
2007-2008	3,528,296	2.672	9,427,607	19,257,058	0.490
2008-2009	1,211,783	2.530	3,065,811	18,880,679	0.162
2009-2010	3,281,809	2.396	7,863,214	16,606,289	0.474
2010-2011	1,825,609	2.268	4,140,481	15,358,638	0.270
2011-2012	1,916,982	2.148	4,117,677	14,870,255	0.277
2012-2013	1,882,270	2.034	3,828,537	14,258,737	0.269
2013-2014	2,210,525	1.926	4,257,471	14,583,121	0.292
2014-2015	4,307,000	1.824	7,855,968	15,087,033	0.521
2015-2016	3,268,000	1.727	5,643,836	15,581,170	0.362
2016-2017	3,175,000	1.636	5,194,300	16,957,526	0.306
2017-2018	5,270,000	1.549	8,163,230	17,010,267	0.480
2018-2019	4,924,000	1.466	7,218,584	17,290,195	0.417
2019-2020	5,247,000	1.388	7,282,836	17,792,672	0.409
2020-2021	7,801,000	1.314	10,250,514	17,619,617	0.582
2021-2022	5,721,000	1.245	7,122,645	18,183,627	0.392
2022-2023	5,686,000	1.178	6,698,108	20,033,525	0.334
2023-2024	7,274,000	1.116	8,117,784	21,131,653	0.384
2024-2025	7,716,000	1.056	8,148,096	23,141,073	0.352
2025-2026	8,537,000	1.000	8,537,000	23,439,175	0.364
Totals	\$93,235,449		\$151,357,098	370,439,716	\$0.409
19/20-23/24	31,729,000		39,471,887	94,761,094	0.417
20/21-24/25	34,198,000		40,337,147	100,109,495	0.403
(F) Selected SIR Rate:					\$0.380
Prior:					\$0.365
Program Year:	2025-2026	2026-2027	2027-2028	2028-2029	
(G) Factor to SIR:	1.000	1.000	1.000	1.000	
(H) Trend Factor:	1.000	1.056	1.115	1.177	
(I) Program Rate:	\$0.364	\$0.401	\$0.424	\$0.447	
(J) Trended Payroll (\$00):	23,439,175	23,673,566	23,910,302	24,149,405	
(K) Projected Program Losses:	8,537,000	9,493,000	10,138,000	10,795,000	
(L) Projected ULAE:	0	0	0	0	
(M) Projected Loss and ULAE:	\$8,537,000	\$9,493,000	\$10,138,000	\$10,795,000	

Notes appear on the next page.

ERMA - Employment Practices Liability

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

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) $(A) \times (B)$.
- (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. 2025-2026 is $(K) / (A)$.
- (H) From Appendix E.
- (I) $(F) \times (G) \times (H)$. 2025-2026 is $(K) / (J)$.
- (J) Appendix L, Column (C).
- (K) $(I) \times (J)$. 2025-2026 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 12/31/25 (B)	Reported Loss Development Factor (C)	Ultimate SIR Losses (D)	Program Reported Losses as of 12/31/25 (E)	Reported Loss Development Factor (F)	Ultimate Program Losses (G)
Prior	\$16,730,548	1.000	\$16,730,548	\$16,730,548	1.000	\$16,730,548
2005-2006	3,616,204	1.000	3,616,204	3,616,204	1.000	3,616,204
2006-2007	4,835,971	1.000	4,835,971	4,835,971	1.000	4,835,971
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	1,882,270	1.000	1,882,270	1,882,270	1.000	1,882,270
2013-2014	2,210,525	1.000	2,210,525	2,210,525	1.000	2,210,525
2014-2015	4,306,344	1.000	4,306,344	4,306,344	1.000	4,306,344
2015-2016	3,267,101	1.000	3,267,101	3,267,101	1.000	3,267,101
2016-2017	3,158,713	1.005	3,174,507	3,158,713	1.005	3,174,507
2017-2018	5,209,136	1.010	5,261,227	5,209,136	1.010	5,261,227
2018-2019	4,827,396	1.020	4,923,944	4,827,396	1.020	4,923,944
2019-2020	5,089,466	1.035	5,267,597	5,089,466	1.035	5,267,597
2020-2021	7,604,629	1.066	8,106,535	7,604,629	1.066	8,106,535
2021-2022	4,985,623	1.215	6,057,532	4,985,623	1.215	6,057,532
2022-2023	3,991,268	1.458	5,819,269	3,991,268	1.458	5,819,269
2023-2024	2,864,018	2.880	8,248,372	2,864,018	2.880	8,248,372
2024-2025	725,000	10.642	7,715,450	725,000	10.642	7,715,450
2025-2026	85,000	143.667	12,211,695	85,000	143.667	12,211,695
Totals	\$87,153,691		\$115,399,569	\$87,153,691		\$115,399,569

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
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	1,882,270
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	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	4,233,563	4,206,344	4,306,344
2015-2016		729,306	1,810,500	3,280,526	3,062,405	3,212,405	3,217,101	3,217,101	3,217,101	3,217,101	3,267,101
2016-2017		289,949	1,410,040	2,598,638	2,700,606	3,027,979	2,924,815	3,039,815	3,099,815	3,158,713	
2017-2018		435,405	3,386,073	3,833,856	4,128,295	4,382,683	5,121,640	5,222,349	5,209,136		
2018-2019	45,000	704,379	2,302,969	3,320,821	4,263,785	4,890,311	4,956,801	4,827,396			
2019-2020	30,000	1,056,327	1,645,192	4,141,858	4,171,658	5,129,006	5,089,466				
2020-2021	140,000	402,990	731,355	2,221,231	5,508,321	7,604,629					
2021-2022	60,000	239,745	2,410,905	4,316,575	4,985,623						
2022-2023	20,000	721,825	2,620,785	3,991,268							
2023-2024	70,000	750,000	2,864,018								
2024-2025	465,000	725,000									
2025-2026	85,000										

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
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	1.000
2012-2013		4.414	1.622	0.948	1.066	0.965	0.983	1.003	1.000	1.002	1.000
2013-2014		60.692	1.191	1.028	0.954	0.997	1.001	1.000	1.000	1.000	1.000
2014-2015		1.688	1.909	1.068	1.015	1.150	0.999	1.036	0.994	1.024	1.000
2015-2016		2.482	1.812	0.934	1.049	1.001	1.000	1.000	1.000	1.016	
2016-2017		4.863	1.843	1.039	1.121	0.966	1.039	1.020	1.019		
2017-2018		7.777	1.132	1.077	1.062	1.169	1.020	0.997			
2018-2019	15.653	3.270	1.442	1.284	1.147	1.014	0.974				
2019-2020	35.211	1.557	2.518	1.007	1.229	0.992					
2020-2021	2.879	1.815	3.037	2.480	1.381						
2021-2022	3.996	10.056	1.790	1.155							
2022-2023	36.091	3.631	1.523								
2023-2024	10.714	3.819									
2024-2025	1.559										
Average	12.404	7.175	1.620	1.155	1.085	1.030	1.012	1.001	1.002	1.002	1.000
Dollar-Wtd. Avgs.											
Total	5.263	2.948	1.468	1.147	1.095	1.028	1.013	1.003	1.001	1.003	1.000
3-yr	3.958	4.613	1.827	1.373	1.264	1.053	1.007	1.004	1.003	1.016	1.000
4-yr	3.962	4.080	1.980	1.352	1.218	1.038	1.005	1.012	1.002	1.013	1.000
Comparative Factors	3.196	1.380	1.061	1.012	1.004	1.004	1.004	1.004	1.004	1.004	1.003
Prior	13.500	3.500	1.975	1.125	1.100	1.030	1.015	1.010	1.005	1.000	1.000
Selected	13.500	3.695	1.975	1.200	1.140	1.030	1.015	1.010	1.005	1.005	1.000
Cumulated	143.667	10.642	2.880	1.458	1.215	1.066	1.035	1.020	1.010	1.005	1.000

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

Accident Year	138 Months	150 Months	162 Months	174 Months	186 Months	198 Months	210 Months	222 Months	234 Months	246 Months	258 Months
2004-2005	6,416,832	6,416,832	6,416,832	6,416,832	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	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	5,810,921	5,810,921	5,810,921	4,835,971		
2007-2008	3,528,296	3,528,296	3,528,296	3,528,296	3,528,296	3,528,296	3,528,296	3,528,296			
2008-2009	1,211,783	1,211,783	1,211,783	1,211,783	1,211,783	1,211,783	1,211,783				
2009-2010	3,281,809	3,281,809	3,281,809	3,281,809	3,281,809	3,281,809					
2010-2011	1,825,609	1,825,609	1,825,609	1,825,609	1,825,609						
2011-2012	1,916,982	1,916,982	1,916,982	1,916,982							
2012-2013	1,882,270	1,882,270	1,882,270								
2013-2014	2,210,525	2,210,525									
2014-2015	4,306,344										
2015-2016											
2016-2017											
2017-2018											
2018-2019											
2019-2020											
2020-2021											
2021-2022											
2022-2023											
2023-2024											
2024-2025											
2025-2026											

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
2004-2005	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2005-2006	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000		
2006-2007	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.832			
2007-2008	1.000	1.000	1.000	1.000	1.000	1.000	1.000				
2008-2009	1.000	1.000	1.000	1.000	1.000	1.000					
2009-2010	1.000	1.000	1.000	1.000	1.000						
2010-2011	1.000	1.000	1.000	1.000							
2011-2012	1.000	1.000	1.000								
2012-2013	1.000	1.000									
2013-2014	1.000										
2014-2015											
2015-2016											
2016-2017											
2017-2018											
2018-2019											
2019-2020											
2020-2021											
2021-2022											
2022-2023											
2023-2024											
2024-2025											
Average	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.944	1.000	1.000	
Dollar-Wtd. Avgs											
Total	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.938			
3-yr	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.938			
4-yr	1.000	1.000	1.000	1.000	1.000	1.000	1.000				
Comparative											
Factors	1.003	1.003	1.002	1.002	1.002	1.002	1.002	1.001	1.001	1.001	1.005
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 12/31/25 (B)	Paid Loss Development Factor (C)	Ultimate SIR Losses (D)	Program Paid Losses as of 12/31/25 (E)	Paid Loss Development Factor (F)	Ultimate Program Losses (G)
Prior	\$16,730,548	1.000	\$16,730,548	\$16,730,548	1.000	\$16,730,548
2005-2006	3,616,204	1.000	3,616,204	3,616,204	1.000	3,616,204
2006-2007	4,835,971	1.000	4,835,971	4,835,971	1.000	4,835,971
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	1,882,270	1.000	1,882,270	1,882,270	1.000	1,882,270
2013-2014	2,210,525	1.000	2,210,525	2,210,525	1.000	2,210,525
2014-2015	4,206,344	1.000	4,206,344	4,206,344	1.000	4,206,344
2015-2016	3,259,331	1.000	3,259,331	3,259,331	1.000	3,259,331
2016-2017	3,110,608	1.005	3,126,161	3,110,608	1.005	3,126,161
2017-2018	5,200,431	1.015	5,278,437	5,200,431	1.015	5,278,437
2018-2019	4,553,286	1.030	4,689,885	4,553,286	1.030	4,689,885
2019-2020	4,902,352	1.066	5,225,907	4,902,352	1.066	5,225,907
2020-2021	7,134,211	1.215	8,668,066	7,134,211	1.215	8,668,066
2021-2022	4,255,831	1.719	7,315,773	4,255,831	1.719	7,315,773
2022-2023	2,927,435	2.656	7,775,267	2,927,435	2.656	7,775,267
2023-2024	1,279,623	6.773	8,666,887	1,279,623	6.773	8,666,887
2024-2025	368,722	90.758	33,464,471	368,722	90.758	33,464,471
2025-2026	0	4,537.900	0	0	4,537.900	0
Totals	\$82,238,171		\$132,716,527	\$82,238,171		\$132,716,527

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
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	1,882,270
2013-2014			233,903	1,250,117	1,943,037	2,207,951	2,208,703	2,210,525	2,210,525	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	4,142,572	4,206,344	4,206,344
2015-2016		37,637	817,393	2,743,234	3,037,405	3,090,585	3,217,101	3,217,101	3,217,101	3,217,101	3,259,331
2016-2017		12,475	507,081	1,730,492	1,972,985	2,160,608	2,741,839	2,872,048	2,910,999	3,110,608	
2017-2018		10,405	1,216,325	3,270,703	3,557,679	4,060,187	5,048,615	5,205,978	5,200,431		
2018-2019		222,641	974,052	1,690,975	2,202,076	4,175,867	4,626,267	4,553,286			
2019-2020		237,639	1,216,451	2,203,488	2,986,868	4,787,418	4,902,352				
2020-2021		167,897	509,233	1,465,388	4,334,072	7,134,211					
2021-2022		85,995	1,038,616	2,556,977	4,255,831						
2022-2023		82,790	1,292,415	2,927,435							
2023-2024		85,440	1,279,623								
2024-2025		368,722									
2025-2026											

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
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	1.000
2012-2013		890.354	3.175	1.332	1.036	1.011	1.013	1.003	1.000	1.002	1.000
2013-2014			5.345	1.554	1.136	1.000	1.001	1.000	1.000	1.000	1.000
2014-2015		8.426	3.026	1.550	1.132	1.197	1.000	1.023	1.015	1.000	1.000
2015-2016		21.718	3.356	1.107	1.018	1.041	1.000	1.000	1.000	1.013	
2016-2017		40.648	3.413	1.140	1.095	1.269	1.047	1.014	1.069		
2017-2018		116.898	2.689	1.088	1.141	1.243	1.031	0.999			
2018-2019		4.375	1.736	1.302	1.896	1.108	0.984				
2019-2020		5.119	1.811	1.356	1.603	1.024					
2020-2021		3.033	2.878	2.958	1.646						
2021-2022		12.078	2.462	1.664							
2022-2023		15.611	2.265								
2023-2024		14.977									
2024-2025											
Average	2.608	65.243	2.642	1.480	1.205	1.108	1.018	1.008	1.008	1.000	1.000
Dollar-Wtd. Avgs.											
Total	2.608	4.982	2.178	1.375	1.228	1.093	1.017	1.012	1.007	1.000	1.000
3-yr		14.203	2.447	1.859	1.690	1.119	1.017	1.003	1.026	1.004	1.000
4-yr		9.760	2.256	1.740	1.541	1.141	1.014	1.008	1.021	1.004	1.000
Comparative											
Factors	5.334	2.348	1.520	1.220	1.089	1.040	1.031	1.019	1.017	1.016	1.015
Prior	50.000	13.000	2.700	1.450	1.350	1.150	1.035	1.015	1.010	1.000	1.000
Selected	50.000	13.400	2.550	1.545	1.415	1.140	1.035	1.015	1.010	1.005	1.000
Cumulated	4,537.900	90.758	6.773	2.656	1.719	1.215	1.066	1.030	1.015	1.005	1.000

ERMA - Employment Practices Liability
Paid Loss Development

Accident Year	<u>SIR Losses Paid as of:</u>										
	138 Months	150 Months	162 Months	174 Months	186 Months	198 Months	210 Months	222 Months	234 Months	246 Months	258 Months
2004-2005	6,416,832	6,416,832	6,416,832	6,416,832	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	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	5,810,921	5,810,921	5,810,921	4,835,971		
2007-2008	3,528,296	3,528,296	3,528,296	3,528,296	3,528,296	3,528,296	3,528,296	3,528,296			
2008-2009	1,211,783	1,211,783	1,211,783	1,211,783	1,211,783	1,211,783	1,211,783				
2009-2010	3,281,809	3,281,809	3,281,809	3,281,809	3,281,809	3,281,809					
2010-2011	1,825,609	1,825,609	1,825,609	1,825,609	1,825,609						
2011-2012	1,916,982	1,916,982	1,916,982	1,916,982							
2012-2013	1,882,270	1,882,270	1,882,270								
2013-2014	2,210,525	2,210,525									
2014-2015	4,206,344										
2015-2016											
2016-2017											
2017-2018											
2018-2019											
2019-2020											
2020-2021											
2021-2022											
2022-2023											
2023-2024											
2024-2025											
2025-2026											

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
2004-2005	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2005-2006	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000		
2006-2007	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.832			
2007-2008	1.000	1.000	1.000	1.000	1.000	1.000	1.000				
2008-2009	1.000	1.000	1.000	1.000	1.000	1.000					
2009-2010	1.000	1.000	1.000	1.000	1.000						
2010-2011	1.000	1.000	1.000	1.000							
2011-2012	1.000	1.000	1.000								
2012-2013	1.000	1.000									
2013-2014	1.000										
2014-2015											
2015-2016											
2016-2017											
2017-2018											
2018-2019											
2019-2020											
2020-2021											
2021-2022											
2022-2023											
2023-2024											
2024-2025											
Average	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.944	1.000	1.000	
Dollar-Wtd. Avgs											
Total	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.938			
3-yr	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.938			
4-yr	1.000	1.000	1.000	1.000	1.000	1.000	1.000				
Comparative											
Factors	1.013	1.012	1.010	1.008	1.006	1.006	1.004	1.004	1.002	1.002	1.005
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 12/31/25 (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)
2005-2006	15,734,811	3,616,204	1.000	0.000	0.230	0	3,616,204
2006-2007	17,622,595	4,835,971	1.000	0.000	0.274	0	4,835,971
2007-2008	19,257,058	3,528,296	1.000	0.000	0.183	0	3,528,296
2008-2009	18,880,679	1,211,783	1.000	0.000	0.064	0	1,211,783
2009-2010	16,606,289	3,281,809	1.000	0.000	0.198	0	3,281,809
2010-2011	15,358,638	1,825,609	1.000	0.000	0.119	0	1,825,609
2011-2012	14,870,255	1,916,982	1.000	0.000	0.129	0	1,916,982
2012-2013	14,258,737	1,882,270	1.000	0.000	0.132	0	1,882,270
2013-2014	14,583,121	2,210,525	1.000	0.000	0.152	0	2,210,525
2014-2015	15,087,033	4,306,344	1.000	0.000	0.285	0	4,306,344
2015-2016	15,581,170	3,267,101	1.000	0.000	0.210	0	3,267,101
2016-2017	16,957,526	3,158,713	1.005	0.005	0.187	15,855	3,174,568
2017-2018	17,010,267	5,209,136	1.010	0.010	0.309	52,562	5,261,698
2018-2019	17,290,195	4,827,396	1.020	0.020	0.285	98,554	4,925,950
2019-2020	17,792,672	5,089,466	1.035	0.034	0.296	179,065	5,268,531
2020-2021	17,619,617	7,604,629	1.066	0.062	0.301	328,817	7,933,446
2021-2022	18,183,627	4,985,623	1.215	0.177	0.317	1,020,265	6,005,888
2022-2023	20,033,525	3,991,268	1.458	0.314	0.335	2,107,326	6,098,594
2023-2024	21,131,653	2,864,018	2.880	0.653	0.354	4,884,835	7,748,853
2024-2025	23,141,073	725,000	10.642	0.906	0.374	7,841,214	8,566,214
2025-2026	23,439,175	85,000	143.667	0.993	0.395	9,193,665	9,278,665
Totals	370,439,716	\$70,423,143				\$25,722,159	\$96,145,302

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 12/31/25 (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)
2005-2006	15,734,811	3,616,204	1.000	0.000	0.230	0	3,616,204
2006-2007	17,622,595	4,835,971	1.000	0.000	0.274	0	4,835,971
2007-2008	19,257,058	3,528,296	1.000	0.000	0.183	0	3,528,296
2008-2009	18,880,679	1,211,783	1.000	0.000	0.064	0	1,211,783
2009-2010	16,606,289	3,281,809	1.000	0.000	0.198	0	3,281,809
2010-2011	15,358,638	1,825,609	1.000	0.000	0.119	0	1,825,609
2011-2012	14,870,255	1,916,982	1.000	0.000	0.129	0	1,916,982
2012-2013	14,258,737	1,882,270	1.000	0.000	0.132	0	1,882,270
2013-2014	14,583,121	2,210,525	1.000	0.000	0.152	0	2,210,525
2014-2015	15,087,033	4,206,344	1.000	0.000	0.285	0	4,206,344
2015-2016	15,581,170	3,259,331	1.000	0.000	0.210	0	3,259,331
2016-2017	16,957,526	3,110,608	1.005	0.005	0.187	15,855	3,126,463
2017-2018	17,010,267	5,200,431	1.015	0.015	0.309	78,843	5,279,274
2018-2019	17,290,195	4,553,286	1.030	0.029	0.285	142,903	4,696,189
2019-2020	17,792,672	4,902,352	1.066	0.062	0.296	326,531	5,228,883
2020-2021	17,619,617	7,134,211	1.215	0.177	0.301	938,720	8,072,931
2021-2022	18,183,627	4,255,831	1.719	0.418	0.317	2,409,440	6,665,271
2022-2023	20,033,525	2,927,435	2.656	0.623	0.335	4,181,097	7,108,532
2023-2024	21,131,653	1,279,623	6.773	0.852	0.354	6,373,476	7,653,099
2024-2025	23,141,073	368,722	90.758	0.989	0.374	8,559,559	8,928,281
2025-2026	23,439,175		4,537.900	1.000	0.395	9,258,474	9,258,474
Totals	370,439,716	\$65,507,623				\$32,284,898	\$97,792,521

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)
2005-2006	15,734,811	3,616,204	2.980	10,776,288	0.685	0.230	1.000	0.230
2006-2007	17,622,595	4,835,971	2.822	13,647,110	0.774	0.274	1.000	0.274
2007-2008	19,257,058	3,528,296	2.672	9,427,607	0.490	0.183	1.000	0.183
2008-2009	18,880,679	1,211,783	2.530	3,065,811	0.162	0.064	1.000	0.064
2009-2010	16,606,289	3,281,809	2.396	7,863,214	0.474	0.198	1.000	0.198
2010-2011	15,358,638	1,825,609	2.268	4,140,481	0.270	0.119	1.000	0.119
2011-2012	14,870,255	1,916,982	2.148	4,117,677	0.277	0.129	1.000	0.129
2012-2013	14,258,737	1,882,270	2.034	3,828,537	0.269	0.132	1.000	0.132
2013-2014	14,583,121	2,210,525	1.926	4,257,471	0.292	0.152	1.000	0.152
2014-2015	15,087,033	4,307,000	1.824	7,855,968	0.521	0.285	1.000	0.285
2015-2016	15,581,170	3,268,000	1.727	5,643,836	0.362	0.210	1.000	0.210
2016-2017	16,957,526	3,175,000	1.636	5,194,300	0.306	0.187	1.000	0.187
2017-2018	17,010,267	5,262,000	1.549	8,150,838	0.479	0.309	1.000	0.309
2018-2019	17,290,195	4,924,000	1.466	7,218,584	0.417	0.285	1.000	0.285
2019-2020	17,792,672	5,268,000	1.388	7,311,984	0.411	0.296	1.000	0.296
2020-2021	17,619,617	8,107,000	1.314	10,652,598	0.605	0.301	1.000	0.301
2021-2022	18,183,627	6,058,000	1.245	7,542,210	0.415	0.317	1.000	0.317
2022-2023	20,033,525	5,820,000	1.178	6,855,960	0.342	0.335	1.000	0.335
2023-2024	21,131,653	8,249,000	1.116	9,205,884	0.436	0.354	1.000	0.354
2024-2025	23,141,073	9,003,000	1.056	9,507,168	0.411	0.374	1.000	0.374
2025-2026	23,439,175	9,159,000	1.000	9,159,000	0.391	0.395	1.000	0.395
Total/Avg	370,439,716	\$96,909,449		\$155,422,527	\$0.420			
19/20-23/24	94,761,094	33,502,000		41,568,636	0.439			
22/23-24/25	64,306,251	23,072,000		25,569,012	0.398			
Selected SIR Rate:					\$0.395			
Prior:					\$0.360			

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 2019-2020 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	\$190,120	88	\$16,730,560
2005-2006	200,900	18	3,616,200
2006-2007	201,499	24	4,835,976
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	134,448	14	1,882,272
2013-2014	184,210	12	2,210,520
2014-2015	253,353	17	4,307,001
2015-2016	172,000	19	3,268,000
2016-2017	138,043	23	3,174,989
2017-2018	250,571	21	5,261,991
2018-2019	246,200	20	4,924,000
2019-2020	210,720	25	5,268,000
2020-2021	189,235	27	5,109,345
2021-2022	195,993	30	5,879,790
2022-2023	202,885	32	6,492,320
2023-2024	210,084	35	7,352,940
2024-2025	217,391	42	9,130,422
2025-2026	225,000	43	9,675,000
Total		572	\$110,883,825

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	\$16,730,548	88	\$190,120			\$190,120	1.000	\$190,120
2005-2006	3,616,204	18	200,900	1.993	400,394	200,900	1.000	200,900
2006-2007	4,835,971	24	201,499	1.925	387,886	201,499	1.000	201,499
2007-2008	3,528,296	28	126,011	1.860	234,380	126,011	1.000	126,011
2008-2009	1,211,783	12	100,982	1.797	181,465	100,982	1.000	100,982
2009-2010	3,281,809	21	156,277	1.736	271,297	156,277	1.000	156,277
2010-2011	1,825,609	12	152,134	1.678	255,281	152,134	1.000	152,134
2011-2012	1,916,982	9	212,998	1.621	345,270	212,998	1.000	212,998
2012-2013	1,882,270	14	134,448	1.566	210,546	134,448	1.000	134,448
2013-2014	2,210,525	12	184,210	1.513	278,710	184,210	1.000	184,210
2014-2015	4,307,000	17	253,353	1.461	370,149	253,353	1.000	253,353
2015-2016	3,268,000	19	172,000	1.412	242,864	172,000	1.000	172,000
2016-2017	3,175,000	23	138,043	1.364	188,291	138,043	1.000	138,043
2017-2018	5,262,000	21	250,571	1.318	330,253	250,571	1.000	250,571
2018-2019	4,924,000	20	246,200	1.273	313,413	246,200	1.000	246,200
2019-2020	5,268,000	25	210,720	1.230	259,186	210,720	1.000	210,720
2020-2021	8,107,000	27	300,259	1.189	357,008	189,235	1.000	189,235
2021-2022	6,058,000	30	201,933	1.148	231,819	195,993	1.000	195,993
2022-2023	5,820,000	32	181,875	1.109	201,699	202,885	1.000	202,885
2023-2024	8,229,000	35	235,114	1.071	251,807	210,084	1.000	210,084
2024-2025	8,748,000	42	208,286	1.035	215,576	217,391	1.000	217,391
2025-2026	7,693,000	43	178,907	1.000	178,907	225,000	1.000	225,000

Average SIR Severity: \$259,373
Average 19/20-23/24 SIR Severity: 260,304
Average 21/22-24/25 SIR Severity: 225,225

Selected SIR Severity: \$225,000
Prior: \$205,000

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	88	88	88				
2005-2006	18	18	18	1,573.5	0.011	1.485	0.016
2006-2007	24	24	24	1,762.3	0.014	1.456	0.020
2007-2008	28	28	28	1,925.7	0.015	1.428	0.021
2008-2009	12	12	12	1,888.1	0.006	1.400	0.008
2009-2010	21	21	21	1,660.6	0.013	1.372	0.018
2010-2011	12	12	12	1,535.9	0.008	1.345	0.011
2011-2012	9	9	9	1,487.0	0.006	1.319	0.008
2012-2013	14	14	14	1,425.9	0.010	1.293	0.013
2013-2014	12	12	12	1,458.3	0.008	1.268	0.010
2014-2015	17	16	17	1,508.7	0.011	1.243	0.014
2015-2016	19	18	19	1,558.1	0.012	1.219	0.015
2016-2017	23	21	23	1,695.8	0.014	1.195	0.017
2017-2018	21	20	21	1,701.0	0.012	1.172	0.014
2018-2019	20	16	20	1,729.0	0.012	1.149	0.014
2019-2020	25	20	25	1,779.3	0.014	1.126	0.016
2020-2021	27	21	27	1,762.0	0.015	1.105	0.017
2021-2022	30	14	30	1,818.4	0.016	1.083	0.017
2022-2023	32	15	32	2,003.4	0.016	1.061	0.017
2023-2024	35	0	35	2,113.2	0.017	1.041	0.018
2024-2025	50	0	42	2,314.1	0.018	1.020	0.018
2025-2026	35	0	43	2,343.9	0.018	1.000	0.018
Total	572	399	572	37,044.0			0.016
19/20-23/24	149	70	149	9,476.1			0.017
(H) Selected Frequency:							0.018
Prior:							0.019
Program Year:				2025-2026	2026-2027	2027-2028	2028-2029
(I) Trend Factor:				1.000	1.020	1.040	1.061
(J) Selected Frequency:				0.018	0.018	0.019	0.019
(K) Est. Payroll (\$000,000):				2,343.9	2,367.4	2,391.0	2,414.9
(L) Ultimate Claims:				43	43	45	46

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 0.018 is based on (G).
 (I) Appendix E, Page 1, Column (F).
 (J) (H) x (I). 2025-2026 is (L) / (K).
 (K) Appendix L, Column (C) / 10,000.
 (L) (J) x (K). 2025-2026 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 12/31/2025 (A)	Reported Claim Development Factor (B)	Ultimate Claims (C)	Trended Claim Frequency (D)
Prior	88	1.000	88	
2005-2006	18	1.000	18	0.017
2006-2007	24	1.000	24	0.020
2007-2008	28	1.000	28	0.021
2008-2009	12	1.000	12	0.009
2009-2010	21	1.000	21	0.017
2010-2011	12	1.000	12	0.011
2011-2012	9	1.000	9	0.008
2012-2013	14	1.000	14	0.013
2013-2014	12	1.000	12	0.010
2014-2015	17	1.000	17	0.014
2015-2016	19	1.000	19	0.015
2016-2017	23	1.000	23	0.016
2017-2018	21	1.000	21	0.014
2018-2019	20	1.000	20	0.013
2019-2020	25	1.000	25	0.016
2020-2021	27	1.008	27	0.017
2021-2022	29	1.030	30	0.018
2022-2023	30	1.061	32	0.017
2023-2024	29	1.201	35	0.017
2024-2025	24	2.078	50	0.022
2025-2026	4	8.694	35	0.015
Total	506		572	0.016

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 12/31/2025 (A)	Closed Claim Development Factor (B)	Ultimate Claims (C)	Trended Claim Frequency (D)
Prior	88	1.000	88	
2005-2006	18	1.000	18	0.017
2006-2007	24	1.000	24	0.020
2007-2008	28	1.000	28	0.021
2008-2009	12	1.000	12	0.009
2009-2010	21	1.000	21	0.017
2010-2011	12	1.000	12	0.011
2011-2012	9	1.000	9	0.008
2012-2013	14	1.000	14	0.013
2013-2014	12	1.000	12	0.010
2014-2015	16	1.000	16	0.013
2015-2016	18	1.000	18	0.014
2016-2017	21	1.000	21	0.015
2017-2018	20	1.010	20	0.014
2018-2019	16	1.026	16	0.011
2019-2020	19	1.069	20	0.013
2020-2021	18	1.161	21	0.013
2021-2022	11	1.284	14	0.008
2022-2023	9	1.667	15	0.008
2023-2024	0	3.167	0	
2024-2025	0	11.718	0	
2025-2026	0	234.360	0	
Total	386		399	0.011

Notes:

- (A) Provided by the Authority.
- (B) From Appendix D, Page 8.
- (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
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	
2014-2015		4	12	15	15	15	16	17	17	17	17	17		
2015-2016		10	16	17	18	18	18	18	18	18	19			
2016-2017		5	18	25	23	23	23	23	23	23				
2017-2018		6	19	18	19	20	21	21	21					
2018-2019	2	12	19	22	21	20	20	20						
2019-2020	3	13	20	21	23	25	25							
2020-2021	5	15	17	25	25	27								
2021-2022	6	16	26	29	29									
2022-2023	2	23	31	30										
2023-2024	7	20	29											
2024-2025	4	24												
2025-2026	4													

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
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	
2013-2014		3.667	1.091	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			
2015-2016		1.600	1.063	1.059	1.000	1.000	1.000	1.000	1.000	1.056				
2016-2017		3.600	1.389	0.920	1.000	1.000	1.000	1.000	1.000					
2017-2018		3.167	0.947	1.056	1.053	1.050	1.000	1.000						
2018-2019	6.000	1.583	1.158	0.955	0.952	1.000	1.000							
2019-2020	4.333	1.538	1.050	1.095	1.087	1.000								
2020-2021	3.000	1.133	1.471	1.000	1.080									
2021-2022	2.667	1.625	1.115	1.000										
2022-2023	11.500	1.348	0.968											
2023-2024	2.857	1.450												
2024-2025	6.000													
Average Claim-Wtd. Avgs.														
Total	4.333	1.823	1.102	1.012	1.013	1.014	1.007	1.004	1.000	1.005	1.000	1.000	1.000	1.000
3-yr	5.154	1.458	1.135	1.027	1.043	1.015	1.000	1.000	1.000	1.021	1.000	1.000	1.000	1.000
4-yr	4.368	1.392	1.117	1.010	1.045	1.011	1.000	1.000	1.000	1.016	1.000	1.000	1.000	1.000
Comparative Factors														
Prior	2.658	1.157	1.023	1.015	1.013	1.010	1.010	1.010	1.010	1.007	1.003	1.003	1.003	1.003
Prior	4.000	1.900	1.140	1.040	1.010	1.005	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Selected	4.184	1.730	1.132	1.030	1.022	1.008	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Cumulated	8.694	2.078	1.201	1.061	1.030	1.008	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

ERMA - Employment Practices Liability
Reported Claim Count Development

Accident Year	<u>Claims Reported as of:</u>							
	174 Months	186 Months	198 Months	210 Months	222 Months	234 Months	246 Months	258 Months
2004-2005	21	21	21	21	21	21	21	21
2005-2006	18	18	18	18	18	18	18	
2006-2007	24	24	24	24	24	24		
2007-2008	28	28	28	28	28			
2008-2009	12	12	12	12				
2009-2010	21	21	21					
2010-2011	12	12						
2011-2012	9							
2012-2013								
2013-2014								
2014-2015								
2015-2016								
2016-2017								
2017-2018								
2018-2019								
2019-2020								
2020-2021								
2021-2022								
2022-2023								
2023-2024								
2024-2025								
2025-2026								

Reported Claim Count Development Factors:

	174-186 Months	186-198 Months	198-210 Months	210-222 Months	222-234 Months	234-246 Months	246-258 Months	258-Ult. Months
2004-2005	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2005-2006	1.000	1.000	1.000	1.000	1.000	1.000		
2006-2007	1.000	1.000	1.000	1.000	1.000			
2007-2008	1.000	1.000	1.000	1.000				
2008-2009	1.000	1.000	1.000					
2009-2010	1.000	1.000						
2010-2011	1.000							
2011-2012								
2012-2013								
2013-2014								
2014-2015								
2015-2016								
2016-2017								
2017-2018								
2018-2019								
2019-2020								
2020-2021								
2021-2022								
2022-2023								
2023-2024								
2024-2025								
Average	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Claim-Wtd. Avgs								
Total	1.000	1.000	1.000	1.000	1.000			
3-yr	1.000	1.000	1.000	1.000	1.000			
4-yr	1.000	1.000	1.000	1.000				
Comparative								
Factors	1.003	1.002	1.002	1.002	1.002	1.002	1.001	1.005
Prior	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
Cumulated	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
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	21
2010-2011		1	4	6	9	10	11	12	12	12	12	12	12	12
2011-2012		1	1	4	8	9	9	9	9	9	9	9	9	9
2012-2013			4	7	11	12	12	13	14	14	14	14	14	14
2013-2014			3	6	9	11	12	12	12	12	12	12	12	
2014-2015		1	3	7	12	13	15	16	16	17	16	16		
2015-2016			5	10	17	17	18	18	18	18	18			
2016-2017			3	14	18	20	21	21	21	21				
2017-2018		1	4	12	16	17	19	20	20					
2018-2019		1	6	11	15	15	16	16						
2019-2020		4	10	14	17	17	19							
2020-2021		4	8	12	12	18								
2021-2022		1	5	9	11									
2022-2023			3	9										
2023-2024														
2024-2025														
2025-2026														

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
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	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	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	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	1.000	1.000	1.000	1.000
2012-2013			1.750	1.571	1.091	1.000	1.083	1.077	1.000	1.000	1.000	1.000	1.000	
2013-2014			2.000	1.500	1.222	1.091	1.000	1.000	1.000	1.000	1.000	1.000		
2014-2015		3.000	2.333	1.714	1.083	1.154	1.067	1.000	1.063	0.941	1.000			
2015-2016			2.000	1.700	1.000	1.059	1.000	1.000	1.000	1.000				
2016-2017			4.667	1.286	1.111	1.050	1.000	1.000	1.000					
2017-2018		4.000	3.000	1.333	1.063	1.118	1.053	1.000						
2018-2019		6.000	1.833	1.364	1.000	1.067	1.000							
2019-2020		2.500	1.400	1.214	1.000	1.118								
2020-2021		2.000	1.500	1.000	1.500									
2021-2022		5.000	1.800	1.222										
2022-2023			3.000											
2023-2024														
2024-2025														
Average Claim-Wtd. Avgs.														
Total		3.843	2.256	1.404	1.115	1.095	1.020	1.012	1.012	0.995	1.000	1.000	1.000	1.000
3-yr			3.071	1.894	1.340	1.104	1.097	1.016	1.012	0.995	1.000	1.000	1.000	1.000
4-yr				1.875	1.143	1.136	1.102	1.018	1.000	0.979	1.000	1.000	1.000	1.000
Comparative				1.692	1.196	1.117	1.087	1.014	1.000	1.015	0.984	1.000	1.000	1.000
Factors		3.892	1.612	1.125	1.042	1.033	1.022	1.015	1.013	1.010	1.009	1.007	1.005	1.005
Prior		20.000	3.700	1.900	1.350	1.100	1.085	1.055	1.025	1.010	1.000	1.000	1.000	1.000
Selected		20.000	3.700	1.900	1.298	1.106	1.086	1.042	1.016	1.010	1.000	1.000	1.000	1.000
Cumulated		234.360	11.718	3.167	1.667	1.284	1.161	1.069	1.026	1.010	1.000	1.000	1.000	1.000

ERMA - Employment Practices Liability
Closed Claim Development

Accident Year	<u>Claims Closed as of:</u>							
	174 Months	186 Months	198 Months	210 Months	222 Months	234 Months	246 Months	258 Months
2004-2005	21	21	21	21	21	21	21	21
2005-2006	18	18	18	18	18	18	18	
2006-2007	24	24	24	24	24	24		
2007-2008	28	28	28	28	28			
2008-2009	12	12	12	12				
2009-2010	21	21	21					
2010-2011	12	12						
2011-2012	9							
2012-2013								
2013-2014								
2014-2015								
2015-2016								
2016-2017								
2017-2018								
2018-2019								
2019-2020								
2020-2021								
2021-2022								
2022-2023								
2023-2024								
2024-2025								
2025-2026								

Closed Claim Count Development Factors:

	174-186 Months	186-198 Months	198-210 Months	210-222 Months	222-234 Months	234-246 Months	246-258 Months	258-Ult. Months
2004-2005	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2005-2006	1.000	1.000	1.000	1.000	1.000	1.000		
2006-2007	1.000	1.000	1.000	1.000	1.000			
2007-2008	1.000	1.000	1.000	1.000				
2008-2009	1.000	1.000	1.000					
2009-2010	1.000	1.000						
2010-2011	1.000							
2011-2012								
2012-2013								
2013-2014								
2014-2015								
2015-2016								
2016-2017								
2017-2018								
2018-2019								
2019-2020								
2020-2021								
2021-2022								
2022-2023								
2023-2024								
2024-2025								
Average	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Claim-Wtd. Avgs								
Total	1.000	1.000	1.000	1.000	1.000			
3-yr	1.000	1.000	1.000	1.000	1.000			
4-yr	1.000	1.000	1.000	1.000				
Comparative								
Factors	1.004	1.003	1.002	1.002	1.002	1.002	1.001	1.005
Prior	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
Cumulated	1.000	1.000	1.000	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 2025-2026 Loss Rate Level (B)	Factor to 2026-2027 Loss Rate Level (C)	Factor to 2027-2028 Loss Rate Level (D)	Factor to 2028-2029 Loss Rate Level (E)	Factor to 2025-2026 Frequency Level (F)	Factor to 2026-2027 Frequency Level (G)	Factor to 2027-2028 Frequency Level (H)	Factor to 2028-2029 Frequency Level (I)	Factor to 2025-2026 Severity Level (J)
2005-2006	1.000	2.980	3.145	3.321	3.507	1.485	1.515	1.545	1.576	1.993
2006-2007	1.000	2.822	2.978	3.145	3.321	1.456	1.486	1.515	1.545	1.925
2007-2008	1.000	2.672	2.821	2.978	3.145	1.428	1.457	1.485	1.515	1.860
2008-2009	1.000	2.530	2.671	2.820	2.978	1.400	1.428	1.456	1.485	1.797
2009-2010	1.000	2.396	2.529	2.670	2.820	1.372	1.400	1.427	1.456	1.736
2010-2011	1.000	2.268	2.395	2.528	2.670	1.345	1.372	1.399	1.427	1.678
2011-2012	1.000	2.148	2.267	2.394	2.528	1.319	1.345	1.372	1.399	1.621
2012-2013	1.000	2.034	2.147	2.267	2.394	1.293	1.319	1.345	1.372	1.566
2013-2014	1.000	1.926	2.033	2.147	2.267	1.268	1.293	1.319	1.345	1.513
2014-2015	1.000	1.824	1.926	2.033	2.147	1.243	1.268	1.293	1.319	1.461
2015-2016	1.000	1.727	1.823	1.925	2.033	1.219	1.243	1.268	1.293	1.412
2016-2017	1.000	1.636	1.726	1.823	1.925	1.195	1.219	1.243	1.268	1.364
2017-2018	1.000	1.549	1.635	1.726	1.823	1.172	1.195	1.219	1.243	1.318
2018-2019	1.000	1.466	1.548	1.634	1.726	1.149	1.172	1.195	1.219	1.273
2019-2020	1.000	1.388	1.465	1.547	1.634	1.126	1.149	1.172	1.195	1.230
2020-2021	1.000	1.314	1.387	1.465	1.547	1.105	1.127	1.149	1.172	1.189
2021-2022	1.000	1.245	1.314	1.387	1.465	1.083	1.105	1.126	1.149	1.148
2022-2023	1.000	1.178	1.244	1.313	1.387	1.061	1.083	1.104	1.126	1.109
2023-2024	1.000	1.116	1.178	1.243	1.313	1.041	1.062	1.082	1.104	1.071
2024-2025	1.000	1.056	1.115	1.177	1.243	1.020	1.040	1.061	1.082	1.035
2025-2026	1.000	1.000	1.056	1.115	1.177	1.000	1.020	1.040	1.061	1.000
2026-2027	1.000	--	1.000	1.056	1.115	--	1.000	1.020	1.040	--
2027-2028	1.000	--	--	1.000	1.056	--	--	1.000	1.020	--
2028-2029	1.000	--	--	--	1.000	--	--	--	1.000	--

Notes:

- (A) No benefit level adjustment applied.
 (B) - (E) (A) adjusted for a 5.6% annual loss rate trend.
 (F) - (I) (A) adjusted for a 2.0% annual frequency trend.
 (J) (A) adjusted for a 3.5% annual severity trend.

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

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)
2005-2006	3,616,204	18	1.000	200,900	15,734,811	0.011
2006-2007	4,835,971	24	1.000	201,499	17,622,595	0.014
2007-2008	3,528,296	28	1.000	126,011	19,257,058	0.015
2008-2009	1,211,783	12	1.000	100,982	18,880,679	0.006
2009-2010	3,281,809	21	1.000	156,277	16,606,289	0.013
2010-2011	1,825,609	12	1.000	152,134	15,358,638	0.008
2011-2012	1,916,982	9	1.000	212,998	14,870,255	0.006
2012-2013	1,882,270	14	1.000	134,448	14,258,737	0.010
2013-2014	2,210,525	12	1.000	184,210	14,583,121	0.008
2014-2015	4,307,000	17	1.000	253,353	15,087,033	0.011
2015-2016	3,268,000	19	1.000	172,000	15,581,170	0.012
2016-2017	3,175,000	23	1.000	138,043	16,957,526	0.014
2017-2018	5,262,000	21	1.000	250,571	17,010,267	0.012
2018-2019	4,924,000	20	1.000	246,200	17,290,195	0.012
2019-2020	5,268,000	25	1.000	210,720	17,792,672	0.014
2020-2021	8,107,000	27	1.000	300,259	17,619,617	0.015
2021-2022	6,058,000	30	1.000	201,933	18,183,627	0.016
2022-2023	5,820,000	32	1.000	181,875	20,033,525	0.016
2023-2024	8,249,000	35	1.000	235,686	21,131,653	0.017
2024-2025	9,003,000	42	1.000	214,357	23,141,073	0.018

Severity Trend FactorsFrequency Trend Factors

Latest 10 x 2024-2025	1.012	1.044
Mvg 5-Yr Wtd Latest 10 x 2024-2025	1.029	1.063
Latest 5 x 2024-2025	0.973	1.038
Mvg 5-Yr Wtd Latest 5 x 2024-2025	1.019	1.053
Prior	1.040	1.030
Default	1.030	0.975
Selected Residual Trend	1.035	1.020

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</u> <u>12/31/2025</u>	<u>Calendar Period</u>			
		<u>1/1/2026</u> <u>to</u> <u>6/30/2026</u>	<u>7/1/2026</u> <u>to</u> <u>6/30/2027</u>	<u>7/1/2027</u> <u>to</u> <u>6/30/2028</u>	<u>7/1/2028</u> <u>to</u> <u>6/30/2029</u>
Prior					
Ultimate Loss	\$29,922,802	\$29,922,802	\$29,922,802	\$29,922,802	\$29,922,802
Paid in Calendar Period	-				
Paid to Date	29,922,802	29,922,802	29,922,802	29,922,802	29,922,802
Outstanding Liability					
2009-2010					
Ultimate Loss	\$3,281,809	\$3,281,809	\$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	3,281,809	3,281,809
Outstanding Liability					
2010-2011					
Ultimate Loss	\$1,825,609	\$1,825,609	\$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	1,825,609	1,825,609
Outstanding Liability					
2011-2012					
Ultimate Loss	\$1,916,982	\$1,916,982	\$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	1,916,982	1,916,982
Outstanding Liability					
2012-2013					
Ultimate Loss	\$1,882,270	\$1,882,270	\$1,882,270	\$1,882,270	\$1,882,270
Paid in Calendar Period	-				
Paid to Date	1,882,270	1,882,270	1,882,270	1,882,270	1,882,270
Outstanding Liability					
2013-2014					
Ultimate Loss	\$2,210,525	\$2,210,525	\$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	2,210,525	2,210,525
Outstanding Liability					
2014-2015					
Ultimate Loss	\$4,307,000	\$4,307,000	\$4,307,000	\$4,307,000	\$4,307,000
Paid in Calendar Period	-	100,656			
Paid to Date	4,206,344	4,307,000	4,307,000	4,307,000	4,307,000
Outstanding Liability	100,656				
2015-2016					
Ultimate Loss	\$3,268,000	\$3,268,000	\$3,268,000	\$3,268,000	\$3,268,000
Paid in Calendar Period	-	8,669			
Paid to Date	3,259,331	3,268,000	3,268,000	3,268,000	3,268,000
Outstanding Liability	8,669				

ERMA - Employment Practices Liability

Payment and Reserve Forecast

<u>Accident Year</u>	<u>Calendar Period</u>				
	<u>As of</u> <u>12/31/2025</u>	<u>1/1/2026</u> <u>to</u> <u>6/30/2026</u>	<u>7/1/2026</u> <u>to</u> <u>6/30/2027</u>	<u>7/1/2027</u> <u>to</u> <u>6/30/2028</u>	<u>7/1/2028</u> <u>to</u> <u>6/30/2029</u>
2016-2017					
Ultimate Loss	\$3,175,000	\$3,175,000	\$3,175,000	\$3,175,000	\$3,175,000
Paid in Calendar Period	-	38,571	25,821		
Paid to Date	3,110,608	3,149,179	3,175,000	3,175,000	3,175,000
Outstanding Liability	64,392	25,821			
2017-2018					
Ultimate Loss	\$5,270,000	\$5,270,000	\$5,270,000	\$5,270,000	\$5,270,000
Paid in Calendar Period	-	22,958	37,196	9,415	
Paid to Date	5,200,431	5,223,389	5,260,585	5,270,000	5,270,000
Outstanding Liability	69,569	46,611	9,415		
2018-2019					
Ultimate Loss	\$4,924,000	\$4,924,000	\$4,924,000	\$4,924,000	\$4,924,000
Paid in Calendar Period	-	96,756	147,937	100,565	25,456
Paid to Date	4,553,286	4,650,042	4,797,979	4,898,544	4,924,000
Outstanding Liability	370,714	273,958	126,021	25,456	
2019-2020					
Ultimate Loss	\$5,247,000	\$5,247,000	\$5,247,000	\$5,247,000	\$5,247,000
Paid in Calendar Period	-	89,608	135,171	64,729	44,002
Paid to Date	4,902,352	4,991,960	5,127,131	5,191,860	5,235,862
Outstanding Liability	344,648	255,040	119,869	55,140	11,138
2020-2021					
Ultimate Loss	\$7,801,000	\$7,801,000	\$7,801,000	\$7,801,000	\$7,801,000
Paid in Calendar Period	-	215,373	278,524	91,633	43,880
Paid to Date	7,134,211	7,349,584	7,628,108	7,719,741	7,763,621
Outstanding Liability	666,789	451,416	172,892	81,259	37,379
2021-2022					
Ultimate Loss	\$5,721,000	\$5,721,000	\$5,721,000	\$5,721,000	\$5,721,000
Paid in Calendar Period	-	421,969	623,834	258,749	85,127
Paid to Date	4,255,831	4,677,800	5,301,634	5,560,383	5,645,510
Outstanding Liability	1,465,169	1,043,200	419,366	160,617	75,490
2022-2023					
Ultimate Loss	\$5,686,000	\$5,686,000	\$5,686,000	\$5,686,000	\$5,686,000
Paid in Calendar Period	-	455,163	985,856	787,893	326,796
Paid to Date	2,927,435	3,382,598	4,368,454	5,156,347	5,483,143
Outstanding Liability	2,758,565	2,303,402	1,317,546	529,653	202,857
2023-2024					
Ultimate Loss	\$7,274,000	\$7,274,000	\$7,274,000	\$7,274,000	\$7,274,000
Paid in Calendar Period	-	803,247	1,526,192	1,568,593	1,253,614
Paid to Date	1,279,623	2,082,870	3,609,062	5,177,655	6,431,269
Outstanding Liability	5,994,377	5,191,130	3,664,938	2,096,345	842,731

ERMA - Employment Practices Liability

Payment and Reserve Forecast

<u>Accident Year</u>	<u>As of</u> <u>12/31/2025</u>	<u>Calendar Period</u>			
		<u>1/1/2026</u> <u>to</u> <u>6/30/2026</u>	<u>7/1/2026</u> <u>to</u> <u>6/30/2027</u>	<u>7/1/2027</u> <u>to</u> <u>6/30/2028</u>	<u>7/1/2028</u> <u>to</u> <u>6/30/2029</u>
2024-2025					
Ultimate Loss	\$7,716,000	\$7,716,000	\$7,716,000	\$7,716,000	\$7,716,000
Paid in Calendar Period	-	506,962	1,354,383	1,612,864	1,657,674
Paid to Date	368,722	875,684	2,230,067	3,842,931	5,500,605
Outstanding Liability	7,347,278	6,840,316	5,485,933	3,873,069	2,215,395
2025-2026					
Ultimate Loss	\$4,269,000	\$8,537,000	\$8,537,000	\$8,537,000	\$8,537,000
Paid in Calendar Period	-	42,685	628,579	1,557,416	1,854,646
Paid to Date	-	42,685	671,264	2,228,680	4,083,326
Outstanding Liability	4,269,000	8,494,315	7,865,736	6,308,320	4,453,674
2026-2027					
Ultimate Loss	-	-	\$9,493,000	\$9,493,000	\$9,493,000
Paid in Calendar Period	-	-	56,958	698,267	1,730,079
Paid to Date	-	-	56,958	755,225	2,485,304
Outstanding Liability	-	-	9,436,042	8,737,775	7,007,696
2027-2028					
Ultimate Loss	-	-	-	\$10,138,000	\$10,138,000
Paid in Calendar Period	-	-	-	60,828	745,711
Paid to Date	-	-	-	60,828	806,539
Outstanding Liability	-	-	-	10,077,172	9,331,461
2028-2029					
Ultimate Loss	-	-	-	-	\$10,795,000
Paid in Calendar Period	-	-	-	-	64,770
Paid to Date	-	-	-	-	64,770
Outstanding Liability	-	-	-	-	10,730,230
Totals					
Ultimate Loss	\$105,697,997	\$109,965,997	\$119,458,997	\$129,596,997	\$140,391,997
Paid in Calendar Period	-	2,802,617	5,800,451	6,810,952	7,831,755
Paid to Date	82,238,171	85,040,788	90,841,239	97,652,191	105,483,946
Outstanding Liability	23,459,826	24,925,209	28,617,758	31,944,806	34,908,051
Total Outstanding ULAE	1,172,991	1,246,260	1,430,888	1,597,240	1,745,403
Outstanding Liability plus ULAE	24,632,817	26,171,469	30,048,646	33,542,046	36,653,454

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 2023-2024, \$803,247 is expected to be paid between 1/1/26 and 6/30/26, \$2,082,870 will have been paid by 6/30/26, and the reserve for remaining payments on these claims should be \$5,191,130.
- 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, $\$1,526,192 = \$5,191,130 \times 29.4\%$.
- Paid to Date is Paid in Calendar Period plus Paid to Date from previous calendar period. For example, $\$3,609,062 = \$1,526,192 + \$2,082,870$.
- Outstanding Liability is Ultimate Loss minus Paid to Date. For example, $\$5,191,130 = \$7,274,000 - \$2,082,870$.

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 12/31/25:</u>		<u>Expected</u>	<u>Discounted</u>
<u>Current (Short Term)</u>	Loss and ALAE:	\$5,496,215	\$5,442,064
	ULAE:	274,811	272,103
	Short-Term Loss and LAE:	<u>\$5,771,026</u>	<u>\$5,714,167</u>
<u>Non-Current (Long Term)</u>	Loss and ALAE:	\$17,963,611	\$16,921,325
	ULAE:	898,180	846,066
	Long-Term Loss and LAE:	<u>\$18,861,791</u>	<u>\$17,767,391</u>
<u>Total Liability</u>	Loss and ALAE:	\$23,459,826	\$22,363,389
	ULAE:	1,172,991	1,118,169
	Total Loss and LAE:	<u>\$24,632,817</u>	<u>\$23,481,558</u>
<u>Liabilities as of 6/30/26:</u>			
<u>Current (Short Term)</u>	Loss and ALAE:	\$5,743,493	\$5,686,905
	ULAE:	291,976	289,099
	Short-Term Loss and LAE:	<u>\$6,035,469</u>	<u>\$5,976,004</u>
<u>Non-Current (Long Term)</u>	Loss and ALAE:	\$19,181,716	\$18,107,607
	ULAE:	954,284	900,626
	Long-Term Loss and LAE:	<u>\$20,136,000</u>	<u>\$19,008,233</u>
<u>Total Liability</u>	Loss and ALAE:	\$24,925,209	\$23,794,512
	ULAE:	1,246,260	1,189,725
	Total Loss and LAE:	<u>\$26,171,469</u>	<u>\$24,984,237</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 12/31/25:</u>						
<u>Current (Short Term)</u>	Loss and ALAE:	\$6,220,279	\$6,470,614	\$6,753,601	\$7,123,662	\$7,613,448
	ULAE:	311,014	323,530	337,680	356,183	380,672
	Short-Term Loss and LAE:	<u>\$6,531,293</u>	<u>\$6,794,144</u>	<u>\$7,091,281</u>	<u>\$7,479,845</u>	<u>\$7,994,120</u>
<u>Non-Current (Long Term)</u>	Loss and ALAE:	\$19,341,075	\$20,119,456	\$20,999,365	\$22,150,014	\$23,672,933
	ULAE:	967,053	1,005,972	1,049,967	1,107,500	1,183,647
	Long-Term Loss and LAE:	<u>\$20,308,128</u>	<u>\$21,125,428</u>	<u>\$22,049,332</u>	<u>\$23,257,514</u>	<u>\$24,856,580</u>
<u>Total Liability</u>	Loss and ALAE:	\$25,561,354	\$26,590,070	\$27,752,966	\$29,273,676	\$31,286,381
	ULAE:	1,278,067	1,329,502	1,387,647	1,463,683	1,564,319
	Total Loss and LAE:	<u>\$26,839,421</u>	<u>\$27,919,572</u>	<u>\$29,140,613</u>	<u>\$30,737,359</u>	<u>\$32,850,700</u>
<u>Liabilities as of 6/30/26:</u>						
<u>Current (Short Term)</u>	Loss and ALAE:	\$6,500,132	\$6,761,730	\$7,057,449	\$7,444,159	\$7,955,980
	ULAE:	330,440	343,739	358,772	378,431	404,450
	Short-Term Loss and LAE:	<u>\$6,830,572</u>	<u>\$7,105,469</u>	<u>\$7,416,221</u>	<u>\$7,822,590</u>	<u>\$8,360,430</u>
<u>Non-Current (Long Term)</u>	Loss and ALAE:	\$20,696,995	\$21,529,945	\$22,471,540	\$23,702,857	\$25,332,542
	ULAE:	1,029,416	1,070,844	1,117,677	1,178,919	1,259,976
	Long-Term Loss and LAE:	<u>\$21,726,411</u>	<u>\$22,600,789</u>	<u>\$23,589,217</u>	<u>\$24,881,776</u>	<u>\$26,592,518</u>
<u>Total Liability</u>	Loss and ALAE:	\$27,197,127	\$28,291,675	\$29,528,989	\$31,147,016	\$33,288,522
	ULAE:	1,359,856	1,414,583	1,476,449	1,557,350	1,664,426
	Total Loss and LAE:	<u>\$28,556,983</u>	<u>\$29,706,258</u>	<u>\$31,005,438</u>	<u>\$32,704,366</u>	<u>\$34,952,948</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 12/31/25 (A)	Discount Factor (B)	Discounted Reserve at 12/31/25 (C)	Full Value of Reserve at 6/30/26 (D)	Discount Factor (E)	Discounted Reserve at 6/30/26 (F)
Prior	\$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	1.000	0	0	1.000	0
2013-2014	0	1.000	0	0	1.000	0
2014-2015	100,656	1.000	100,656	0	1.000	0
2015-2016	8,669	0.995	8,626	0	1.000	0
2016-2017	64,392	0.988	63,632	25,821	0.990	25,567
2017-2018	69,569	0.983	68,375	46,611	0.986	45,969
2018-2019	370,714	0.978	362,474	273,958	0.979	268,329
2019-2020	344,648	0.977	336,643	255,040	0.976	248,943
2020-2021	666,789	0.977	651,715	451,416	0.977	441,236
2021-2022	1,465,169	0.975	1,427,957	1,043,200	0.977	1,019,557
2022-2023	2,758,565	0.968	2,669,828	2,303,402	0.972	2,238,603
2023-2024	5,994,377	0.959	5,747,632	5,191,130	0.964	5,003,190
2024-2025	7,347,278	0.947	6,954,671	6,840,316	0.954	6,524,831
2025-2026	4,269,000	0.930	3,971,180	8,494,315	0.939	7,978,287
Totals	\$23,459,826		\$22,363,389	\$24,925,209		\$23,794,512

(G) Discount Factor at 12/31/25 for Overall Reserve: 0.953
 (H) Discount Factor at 6/30/26 for Overall Reserve: 0.955

Notes:

- (A) From Appendix F, Outstanding Liability at 12/31/25.
- (B) Based on Appendix H, Page 2, Column (F).
- (C) (A) × (B).
- (D) From Appendix F, Outstanding Liability at 6/30/26.
- (E) Based on Appendix H, Page 2, Column (F).
- (F) (D) × (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 0.953, the discounted liability for outstanding claims is 95.3% 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%	2.00%	0.000	0.000	1.000
21	0.0%	2.00%	0.000	0.000	1.000
20	0.0%	2.00%	0.000	0.000	1.000
19	0.0%	2.00%	0.000	0.000	1.000
18	0.0%	2.00%	0.000	0.000	1.000
17	0.0%	2.00%	0.000	0.000	1.000
16	0.0%	2.00%	0.000	0.000	1.000
15	0.0%	2.00%	0.000	0.000	1.000
14	0.0%	2.00%	0.000	0.000	1.000
13	0.0%	2.00%	0.000	0.000	1.000
12	0.0%	2.00%	0.000	0.000	1.000
11	0.2%	2.00%	0.002	0.002	0.990
10	0.8%	2.00%	0.010	0.010	0.986
9	1.2%	2.00%	0.021	0.022	0.979
8	2.4%	2.00%	0.045	0.046	0.976
7	7.4%	2.00%	0.117	0.120	0.977
6	17.8%	2.00%	0.291	0.298	0.977
5	22.3%	2.00%	0.506	0.521	0.972
4	21.7%	2.00%	0.711	0.738	0.964
3	18.3%	2.00%	0.878	0.921	0.954
2	7.4%	2.00%	0.934	0.994	0.939
1	0.6%	2.00%	0.921	1.000	0.921

(G) Discount Factor for Future Funding:	2025-2026	0.930
	2026-2027	0.930
	2027-2028	0.930
	2028-2029	0.930

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, $93.4\% = [87.8\% / 1.020] + [7.4\% / (1.010)]$.
- (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 0.93, on a discounted basis, \$0.93 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%	1.952	1.551
90%	1.697	1.399
85%	1.541	1.309
80%	1.423	1.241
75%	1.329	1.189
70%	1.249	1.143
65%	1.179	1.103
60%	1.115	1.065
55%	1.056	1.032
50%	1.000	1.000
45%	0.947	0.970
40%	0.896	0.939
35%	0.844	0.910
30%	0.793	0.880
25%	0.739	0.848

To read table: For the above retention, there is a 90% chance that final loss settlements will be less than 1.697 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	0.924	0.965
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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	6/30/2005	Prior	\$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)
7/1/2023	6/30/2024	2023-2024	1,000,000	(none)
7/1/2024	6/30/2025	2024-2025	1,000,000	(none)
7/1/2025	6/30/2026	2025-2026	1,000,000	(none)
7/1/2026	6/30/2027	2026-2027	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 12/31/25

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	\$16,730,548	\$0	\$0	\$16,730,548	\$0	\$0	\$16,730,548	\$0	\$16,730,548	\$16,730,548
2005-2006	3,616,204	0	0	3,616,204	0	0	3,616,204	0	3,616,204	3,616,204
2006-2007	4,835,971	0	0	4,835,971	0	0	4,835,971	0	4,835,971	4,835,971
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	1,882,270	0	0	1,882,270	0	0	1,882,270	0	1,882,270	1,882,270
2013-2014	2,210,525	0	0	2,210,525	0	0	2,210,525	0	2,210,525	2,210,525
2014-2015	4,306,344	0	0	4,306,344	0	0	4,306,344	0	4,306,344	4,306,344
2015-2016	3,267,101	0	0	3,267,101	0	0	3,267,101	0	3,267,101	3,267,101
2016-2017	3,158,713	0	0	3,158,713	0	0	3,158,713	0	3,158,713	3,158,713
2017-2018	5,209,136	0	0	5,209,136	0	0	5,209,136	0	5,209,136	5,209,136
2018-2019	4,827,396	0	0	4,827,396	0	0	4,827,396	0	4,827,396	4,827,396
2019-2020	5,089,466	0	0	5,089,466	0	0	5,089,466	0	5,089,466	5,089,466
2020-2021	7,604,629	0	0	7,604,629	0	0	7,604,629	0	7,604,629	7,604,629
2021-2022	4,985,623	0	0	4,985,623	0	0	4,985,623	0	4,985,623	4,985,623
2022-2023	3,991,268	0	0	3,991,268	0	0	3,991,268	0	3,991,268	3,991,268
2023-2024	2,864,018	0	0	2,864,018	0	0	2,864,018	0	2,864,018	2,864,018
2024-2025	725,000	0	0	725,000	0	0	725,000	0	725,000	725,000
2025-2026	85,000	0	0	85,000	0	0	85,000	0	85,000	85,000
Total	\$87,153,691	\$0	\$0	\$87,153,691	\$0	\$0	\$87,153,691	\$0	\$87,153,691	\$87,153,691

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 12/31/25

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	\$16,730,548	\$0	\$0	\$16,730,548	\$0	\$0	\$16,730,548	\$0	\$16,730,548	\$16,730,548
2005-2006	3,616,204	0	0	3,616,204	0	0	3,616,204	0	3,616,204	3,616,204
2006-2007	4,835,971	0	0	4,835,971	0	0	4,835,971	0	4,835,971	4,835,971
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	1,882,270	0	0	1,882,270	0	0	1,882,270	0	1,882,270	1,882,270
2013-2014	2,210,525	0	0	2,210,525	0	0	2,210,525	0	2,210,525	2,210,525
2014-2015	4,206,344	0	0	4,206,344	0	0	4,206,344	0	4,206,344	4,206,344
2015-2016	3,259,331	0	0	3,259,331	0	0	3,259,331	0	3,259,331	3,259,331
2016-2017	3,110,608	0	0	3,110,608	0	0	3,110,608	0	3,110,608	3,110,608
2017-2018	5,200,431	0	0	5,200,431	0	0	5,200,431	0	5,200,431	5,200,431
2018-2019	4,553,286	0	0	4,553,286	0	0	4,553,286	0	4,553,286	4,553,286
2019-2020	4,902,352	0	0	4,902,352	0	0	4,902,352	0	4,902,352	4,902,352
2020-2021	7,134,211	0	0	7,134,211	0	0	7,134,211	0	7,134,211	7,134,211
2021-2022	4,255,831	0	0	4,255,831	0	0	4,255,831	0	4,255,831	4,255,831
2022-2023	2,927,435	0	0	2,927,435	0	0	2,927,435	0	2,927,435	2,927,435
2023-2024	1,279,623	0	0	1,279,623	0	0	1,279,623	0	1,279,623	1,279,623
2024-2025	368,722	0	0	368,722	0	0	368,722	0	368,722	368,722
2025-2026	0	0	0	0	0	0	0	0	0	0
Total	\$82,238,168	\$0	\$0	\$82,238,168	\$0	\$0	\$82,238,168	\$0	\$82,238,168	\$82,238,168

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 12/31/25

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 \$1,000,000 to SIR Layer (I)	Reserves Capped at SIR (J)	Reserves Capped at SIR & Aggregate (K)
Prior	\$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	100,000	0	0	100,000	0	0	100,000	0	100,000	100,000
2015-2016	7,771	0	0	7,771	0	0	7,771	0	7,771	7,771
2016-2017	48,106	0	0	48,106	0	0	48,106	0	48,106	48,106
2017-2018	8,705	0	0	8,705	0	0	8,705	0	8,705	8,705
2018-2019	274,111	0	0	274,111	0	0	274,111	0	274,111	274,111
2019-2020	187,114	0	0	187,114	0	0	187,114	0	187,114	187,114
2020-2021	470,419	0	0	470,419	0	0	470,419	0	470,419	470,419
2021-2022	729,793	0	0	729,793	0	0	729,793	0	729,793	729,793
2022-2023	1,063,833	0	0	1,063,833	0	0	1,063,833	0	1,063,833	1,063,833
2023-2024	1,584,395	0	0	1,584,395	0	0	1,584,395	0	1,584,395	1,584,395
2024-2025	356,278	0	0	356,278	0	0	356,278	0	356,278	356,278
2025-2026	85,000	0	0	85,000	0	0	85,000	0	85,000	85,000
Total	\$4,915,523	\$0	\$0	\$4,915,523	\$0	\$0	\$4,915,523	\$0	\$4,915,523	\$4,915,523

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 12/31/25

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	88	0	0	88	88	0	0	88	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	19	0	0	19	18	0	0	18	1	1
2016-2017	23	0	0	23	21	0	0	21	2	2
2017-2018	21	0	0	21	20	0	0	20	1	1
2018-2019	20	0	0	20	16	0	0	16	4	4
2019-2020	25	0	0	25	19	0	0	19	6	6
2020-2021	27	0	0	27	18	0	0	18	9	9
2021-2022	29	0	0	29	11	0	0	11	18	18
2022-2023	30	0	0	30	9	0	0	9	21	21
2023-2024	29	0	0	29	0	0	0	0	29	29
2024-2025	24	0	0	24	0	0	0	0	24	24
2025-2026	4	0	0	4	0	0	0	0	4	4
Total	506	0	0	506	386	0	0	386	120	120

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)
2005-2006	9,606,112	1.638	15,734,811
2006-2007	11,027,907	1.598	17,622,595
2007-2008	12,352,186	1.559	19,257,058
2008-2009	12,413,333	1.521	18,880,679
2009-2010	11,190,222	1.484	16,606,289
2010-2011	10,606,794	1.448	15,358,638
2011-2012	10,523,889	1.413	14,870,255
2012-2013	10,339,911	1.379	14,258,737
2013-2014	10,842,469	1.345	14,583,121
2014-2015	11,499,263	1.312	15,087,033
2015-2016	12,172,789	1.280	15,581,170
2016-2017	13,576,882	1.249	16,957,526
2017-2018	13,954,280	1.219	17,010,267
2018-2019	14,541,796	1.189	17,290,195
2019-2020	15,338,510	1.160	17,792,672
2020-2021	15,565,033	1.132	17,619,617
2021-2022	16,470,677	1.104	18,183,627
2022-2023	18,601,230	1.077	20,033,525
2023-2024	20,106,235	1.051	21,131,653
2024-2025	22,576,657	1.025	23,141,073
2025-2026	23,439,175	1.000	23,439,175
2026-2027	23,673,566	1.000	23,673,566
2027-2028	23,910,302	1.000	23,910,302
2028-2029	24,149,405	1.000	24,149,405

Notes:

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

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	88	88	-	16,730,548	16,730,548	82	82	16,235,560	16,235,560	
2005-2006	18	18	-	3,616,204	3,616,204	14	14	3,441,928	3,441,928	
2006-2007	24	24	-	4,835,971	4,835,971	22	22	4,523,952	4,523,952	
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	-	1,882,270	1,882,270	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	17	17	1	4,206,344	4,306,344	15	15	4,612,377	4,712,377	
2015-2016	19	19	1	3,259,331	3,267,101	21	21	3,658,402	3,666,172	
2016-2017	23	23	2	3,110,608	3,158,713	25	25	3,917,593	3,965,699	
2017-2018	21	21	1	5,200,431	5,209,136	23	23	5,824,542	5,833,247	
2018-2019	19	20	4	4,553,286	4,827,396	20	20	5,917,536	6,192,526	
2019-2020	25	25	6	4,902,352	5,089,466	25	26	5,373,645	5,542,567	
2020-2021	27	27	9	7,134,211	7,604,629	28	28	7,442,657	7,921,355	
2021-2022	28	29	18	4,255,831	4,985,623	32	34	4,496,029	5,219,438	
2022-2023	28	30	21	2,927,435	3,991,268	23	26	2,999,051	4,046,679	
2023-2024	21	29	29	1,279,623	2,864,018	20	26	1,238,088	2,894,268	
2024-2025	11	24	24	368,722	725,000	8	17	389,729	767,500	
2025-2026	-	4	4	-	85,000	-	1	-	25,000	
Total	477	506	120	82,238,168	87,153,691	464	486	85,712,799	90,629,977	

Year	First Dollar (to \$1M)				
	Claim Count =====>			Loss Dollars =====>	
	Total	Incurred	Open	Paid	Incurred
Prior	300	190	-	21,752,043	21,752,043
2005-2006	47	29	-	4,437,956	4,437,956
2006-2007	64	37	-	5,853,853	5,853,853
2007-2008	68	48	-	4,885,373	4,885,373
2008-2009	55	30	-	1,840,744	1,840,744
2009-2010	83	49	-	5,010,772	5,010,772
2010-2011	51	27	-	2,540,326	2,540,326
2011-2012	55	31	-	2,727,638	2,727,638
2012-2013	60	29	-	2,798,891	2,798,891
2013-2014	54	32	-	2,994,606	2,994,606
2014-2015	52	40	1	5,720,586	5,820,586
2015-2016	61	47	2	5,005,365	5,043,336
2016-2017	87	78	2	5,784,994	5,833,099
2017-2018	92	78	1	7,548,093	7,556,798
2018-2019	106	81	5	7,630,172	7,918,266
2019-2020	90	78	7	7,340,291	7,540,276
2020-2021	120	111	18	9,779,073	10,417,738
2021-2022	173	155	32	7,520,462	8,453,306
2022-2023	168	152	55	5,570,467	7,287,644
2023-2024	197	170	133	3,518,767	7,391,234
2024-2025	202	191	188	2,626,593	5,880,369
2025-2026	54	48	48	177,060	1,125,000
Total	2,239	1,731	492	123,064,124	135,109,854

ERMA

Loss Experience Through 12/31/25

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	8,412,817	9,294,501	4,702,736	5,320,890	159	118	24
CalTIP	540,398	856,456	262,336	352,984	21	15	5
CHARMA	2,191,403	2,257,103	1,374,104	1,394,259	49	29	11
CIRA	23,986,680	26,091,129	13,967,456	14,175,705	493	374	95
CSJVRMA	24,214,747	26,476,673	18,780,863	19,856,904	412	318	116
ERMAC	1,297,097	1,676,744	-	-	49	44	-
MBASIA	2,949,362	3,199,477	-	-	53	45	-
MPA	23,759,965	25,323,891	17,050,486	17,630,853	411	281	81
PERMA	26,667,418	30,059,271	20,305,802	22,260,843	376	303	109
PLAN	411,416	449,674	250,415	254,563	5	5	2
SCORE	2,564,421	2,642,870	1,998,968	2,039,077	41	31	15
VCJPA	4,246,195	4,701,593	2,713,250	2,909,568	90	81	35
City of Vacaville	560,209	560,209	402,111	402,111	11	5	3
Oakland Housing Authority	1,140,848	1,369,805	429,640	555,934	58	36	10
Contra Costa County Housing Authorit	121,148	150,458	-	-	11	11	-
Total	123,064,124	135,109,854	82,238,168	87,153,691	2,239	1,696	506

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%	6%	6%	7%	7%	5%
CalTIP	0%	1%	0%	0%	1%	1%	1%
CHARMA	2%	2%	2%	2%	2%	2%	2%
CIRA	19%	19%	17%	16%	22%	22%	19%
CSJVRMA	20%	20%	23%	23%	18%	19%	23%
ERMAC	1%	1%	0%	0%	2%	3%	0%
MBASIA	2%	2%	0%	0%	2%	3%	0%
MPA	19%	19%	21%	20%	18%	17%	16%
PERMA	22%	22%	25%	26%	17%	18%	22%
PLAN	0%	0%	0%	0%	0%	0%	0%
SCORE	2%	2%	2%	2%	2%	2%	3%
VCJPA	3%	3%	3%	3%	4%	5%	7%
City of Vacaville	0%	0%	0%	0%	0%	0%	1%
Oakland Housing Authority	1%	1%	1%	1%	3%	2%	2%
Contra Costa County Housing Authorit	0%	0%	0%	0%	0%	1%	0%
Total	100%	100%	100%	100%	100%	100%	100%

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

Retention	Selected Current	Selected Prior	FYE 2017	2018	2019	2020	2021	2022	2023	2024	2025	All Years
25,000	1.120	1.120	1.124	1.086	1.081	1.115	1.106	1.179	1.233	1.464	2.499	1.126
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	0.910	0.910	0.901	0.931	0.939	0.913	0.913	0.876	0.841	0.758	0.542	0.911
100,000	0.835	0.835	0.808	0.870	0.882	0.836	0.840	0.783	0.741	0.650	0.357	0.840
150,000	0.720	0.720	0.656	0.762	0.778	0.693	0.734	0.638	0.611	0.519	0.101	0.723
250,000	0.530	0.525	0.442	0.568	0.604	0.479	0.589	0.429	0.440	0.363	-	0.545
350,000	0.385	0.375	0.287	0.422	0.466	0.386	0.491	0.294	0.304	0.257	-	0.410
500,000	0.245	0.230	0.159	0.272	0.312	0.263	0.365	0.165	0.188	0.154	-	0.261
750,000	0.095	0.090	0.037	0.117	0.132	0.099	0.165	0.048	0.065	0.069	-	0.097

ERMA - New Member 1st Year Claims Made Rate
Coverage for 2025-2026 Occurrences Reported in 2026-2027
\$1,000,000 ERMA Limit, \$50,000 Member Deductible

Occurrence Year (A)	Selected Severity (B)	Selected Frequency (C)	Estimated % of ERMA-Layer 2025-2026 Claims to be Reported in 2026-2027 (D)	Expected Loss Rate (E)	75% CL (F)	80% CL (G)	85% CL (H)
2025-2026	\$225,000	0.018	40%	\$0.162	\$0.215	\$0.231	\$0.250

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: Excess Coverage and Marketing Update for the 2026/27 Program Year
Presented by Alliant

RECOMMENDATION: *None.*

BACKGROUND AND STATUS:

At the March 10, 2026, Board of Directors meeting, Ms. Shadi Jalali of Alliant provided a preliminary overview regarding renewal expectations based upon market fluctuations and ERMA claim development in recent years. Mr. Seth Cole and Ms. Jalali will provide an overview of the market and the potential renewal with RSUI and Ascot, ERMA's likely excess insurance carriers, for the 2026/27 program year.

Mr. Cole will be present to review any information received to date regarding the proposed renewal terms and answer any questions from the Committee.

REFERENCE MATERIALS ATTACHED:

None.

FINANCIAL MATTERS

SUBJECT: Review of Preliminary Administrative and Operating Budget for the 2026/27 Program Year
Presented by Sarah Thurston, Finance Manager, and Rob Kramer, Executive Director

RECOMMENDATION: *Staff recommends the Executive Committee review the Preliminary Administrative and Operating Budget for the 2026/27 program year and provide direction to Staff, as necessary.*

BACKGROUND AND STATUS:

The preliminary budget reflects the estimated funding for losses, excess insurance costs, loss prevention and training, and administrative expenses for the 2026/27 program year. The following table presents the 2026/27 information as compared to the expiring year.

	2026/27	2025/26	% Change
ERMA Retention	\$1 Million	\$1 Million	
Confidence Level	80%	80%	
Discount Rate	2.0%	2.0%	
Funding for Losses	\$12,632,506	\$11,211,203	12.7%
Excess Insurance	1,079,559	737,314	46.4%
Loss Prevention & Training	253,500	291,100	-12.9%
Administrative Expenses	1,714,607	1,680,136	2.1%
Total Contributions	\$15,680,172	\$13,919,753	12.6%
Calendar Year Payroll	\$2,993,790,714	\$2,700,987,692	10.8%
Member Retentions & Funding Rates			
25,000	\$0.647	\$0.637	1.6%
50,000 (baseline)	0.5780	0.5690	1.6%
75,000	0.5260	0.5178	1.6%
100,000	0.4826	0.4751	1.6%
150,000	0.4162	0.4097	1.6%
250,000	0.3063	0.2987	2.5%
350,000	0.2225	0.2134	4.3%
500,000	0.1416	0.1309	8.2%
750,000	0.0549	0.0512	7.2%
Excess Insurance Rates			
RSUI (\$2M xs of \$1M)	\$0.0420	\$0.0400	5.0%
Ascot (\$1M xs of \$3M)	0.0184	0.0175	5.0%

At this April meeting, the Executive Committee reviews the changes to individual entity contributions and cost drivers in the budget. The following is a narrative overview of the various budget components.

Funding for Losses – SIR to \$1.0 Million

- The loss funding amount required to cover the ultimate cost of claims within the self-insured layer is estimated by ERMA's actuary and is based on historical loss experience, member payroll, and any other factors that may impact the overall cost of claims.
- The Board selects the confidence level (CL) and discount rate annually. For the 2026/27 program year, staff recommends the Board set the funding rates at the 80% CL and utilize a discount factor of 2.0%, the same as expiring.
- Funding for Losses is \$12.6 million and \$11.2 million for the 2026/27 and 2025/26 years, respectively, a 12.7% increase over the prior year's approved budget. This is primarily due to an increase in payroll of 10.8% and a 1.6% increase in the pooling rate at the 80% CL.

Excess Insurance

- Excess premiums currently are not available, and the ERMA broker, Alliant, is negotiating with the excess insurance carriers, RSUI and Ascot.
- Staff has conservatively increased the excess rates by 5% for the preliminary budget based on input from Alliant.

Loss Prevention and Training Expenses

- ERMA's loss prevention and training expenses are estimated to be \$253,500, a 12.9% decrease from the expiring program year.
- The Elected Officials and Regionalized Leadership Trainings line items reflect a decrease of \$45,000, or 45%. Actuals in this line item were under budget last year, and Staff anticipates training to keep pace in the coming year; therefore, the budget for these line items was reduced.

Administrative Expenses

- The 2.1% increase in administrative expenses is based on standard increases to contracts, and less anticipated decreased costs of several non-contractual expenses.
- The program admin fee increased by 6.8%, which includes the 3.1% Consumer Price Index (CPI) index inflator; the addition of the City of Clovis under CSJVRMA in the 2026/27 program year; the addition of two members, the City of Halfmoon Bay under PLAN JPA; and the addition of Pioneer FPD under CIRA in the 2025/26 program year. The staffing changes are noted on Page 4 of the budget, under the Program Admin Fee.

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.
- The 2.0% discount rate is reflected in the expiring 2025/26 budget as well.

Experience Modification Factors

- Experience modification factors (ex-mods) are applied to the contribution and adjust the contribution 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, 2025, from program years 2021/22 through 2024/25 and payroll from calendar years 2020 through 2023.
- ERMA's two-tiered ex-mod calculation is as follows:
 - ✓ JPA Ex-Mods: Ex-Mods are calculated at the JPA-level and applied in determining each JPA or Individual Member's contribution to ERMA.
 - ✓ Underlying Member Ex-Mod: The ex-mod of each underlying member is used to determine the underlying member's contribution to its JPA. The calculation employs the "pure" ex-mod rather than the credibility-factored ex-mod utilized in the primary JPA calculation and has a floor of 0.75 and a ceiling of 1.50.
 - ✓ An additional calculation limits annual ex-mod changes to .25 for underlying members.

NOTE: We are missing loss run data for several new members, so the ex-mods in the Preliminary Budget may change slightly. Staff anticipates receiving and including all missing data in the final budget.

Payroll

- Actual 4Q 2024 – 3Q 2025 payroll used in the 2026/27 budget is the exposure base used to determine member contributions.
- Payroll increased by 10.8% over the prior year.

Membership Changes

The following membership changes that occurred after the Final 2025/26 Budget was approved are reflected in the preliminary budget:

- Addition of Halfmoon Bay in PLAN JPA effective 1/1/2025
- Addition of Parlier in CSJVRMA effective 1/1/2025
- Addition of Pioneer FPD in CIRA effective 4/1/26 (pending board approval)

There is currently one new member seeking to join ERMA for the 2026/27 program year, subject to EC approval. There are four or five more entities still completing their applications for consideration in June. The potential City of Clovis change is reflected in the preliminary budget:

- Addition of Clovis in CSJVRMA effective 7/1/26

In addition to new members, nine existing members have had their self-insured retention (SIR) increased from \$25,000 to \$50,000 as actuarially determined by the member retained limit study dated 12/18/24.

REFERENCE MATERIALS ATTACHED:

- Draft ERMA operating budget for the 2026/27 program year.

2026/2027 Preliminary Operating Budget

80% Confidence Level ~ 2.0% Discount Factor

Excess Insurance \$3 million x \$1 million (aggregate limits apply)

	Prior Year - 2025/2026		2026/2027 Preliminary Budget	Increase/(Dec) Over Prior Year Budget	% Change
	Projected Actual	Approved Budget			
Claims Expense:					
Funding for Pooled Losses (SIR to \$1M)	\$6,591,219	\$11,211,203	\$12,632,688	\$1,421,485	12.7%
Excess Insurance	368,657	737,314	1,079,559	342,245	46.4%
Total Claims Costs	\$6,959,876	\$11,948,517	\$13,712,247	\$1,763,730	14.8%
Loss Prevention and Training:					
Online Training and Reporting (In2Vate)	1,532	51,100	50,000	(1,100)	-2.2%
Hotline Services (Jackson Lewis & LCW)	0	6,500	15,000	8,500	130.8%
Misc. Training Expenses	49,786	6,000	6,000	0	0.0%
Sedgwick In-House / Outside Customized Trainings	(26,975)	127,500	127,500	0	0.0%
Elected Officials Training	2,500	50,000	25,000	(25,000)	-50.0%
Regionalized Leadership Training	205,341	50,000	30,000	(20,000)	-40.0%
Total Loss Prevention and Training	\$232,184	\$291,100	\$253,500	(\$37,600)	-12.9%
Administration:					
Program Management (Sedgwick)	\$728,047	\$1,456,094	\$1,545,740	89,646	6.2%
Risk Assessments	0	10,000	10,000	0	0.0%
Legal Services	11,518	35,000	25,000	(10,000)	-28.6%
Actuarial Study	0	12,275	12,900	625	5.1%
Financial Audit	12,700	12,700	13,900	1,200	9.4%
Claims Audit (<i>biennial</i>)	7,650	7,650	7,650	0	100.0%
Board Meetings & Annual Workshop	16,338	60,000	40,000	(20,000)	-33.3%
Memberships & Conferences	3,556	7,500	7,500	0	0.0%
Accreditation	958	1,917	1,917	0	0.0%
Fidelity Bonds	1,197	3,000	3,000	0	0.0%
E & O Coverage	3,256	4,500	5,500	1,000	22.2%
Investment Management Services	18,306	36,000	36,000	0	0.0%
Captive Feasibility Study	27,500	27,500	0	(27,500)	-100.0%
Bank Fees / Other Expenses	2,458	6,000	5,500	(500)	-8.3%
Total Administration	\$833,484	\$1,680,136	\$1,714,607	\$34,471	2.1%
Total Deposit Contribution	\$8,025,544	\$13,919,753	\$15,680,354	\$1,760,601	12.6%

2025/26 member changes after 7/1/2025:

~ Addition of Halfmoon Bay in PLAN JPA as of 1/1/2026

~ Addition of Pioneer FPD in CIRA as of 4/1/2026

2026/27 New Members:

~ Addition of Clovis in CSJVRMA as of 7/1/2026



**2026/2027 Preliminary Operating Budget
Rates**
80% Confidence Level ~ 2.0% Discount Factor
Excess Insurance \$3 million x \$1 million (aggregate limits apply)

<i>Pool Funding, Excess Insurance, and Administrative Rates</i>			
Budget Item	Rates	Prior Year Rate	% Change
Funding for Losses - 2.0% Discounted 80% CL	\$0.578	\$0.569	1.6%
Excess Insurance: \$3M x \$1M ~ \$5M / \$15M Aggregate*	0.0604	0.0575	5.0%
\$2M x \$1M (\$4M/Member Aggregate - \$10M Policy Aggregate)	0.0420	0.0400	5.0%
\$1M x \$3M (\$1M/Member Aggregate - \$5M Policy Aggregate)	0.0184	0.0175	5.0%
Loss Prevention & Training	0.0085	0.0108	-21.6%
Administration	0.0573	0.0623	-8.1%

<i>Member Retained Limit Rates - 80% C.L.</i>			
SIR	Factor	Rates	SCORE ONLY*
\$25,000	1.120	\$0.647	\$0.489
50,000	1.000	0.578	0.437
75,000	0.910	0.526	0.398
100,000	0.835	0.483	0.365
150,000	0.720	0.416	0.315
250,000	0.530	0.306	0.232
350,000	0.385	0.223	0.168
500,000	0.245	0.142	0.107
750,000	0.095	0.055	0.042

*Rate credit for SCORE's CJPRMA coverage in the layer from \$750K through \$1M	0.141
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2026/2027 Preliminary Operating Budget Member Summary

80% Confidence Level ~ 2.0% Discount Factor
Excess Insurance \$3 million x \$1 million (aggregate limits apply)

Member Entities	Actual 4Q 24 - 3Q 25 Payroll	Funding For Losses *	Loss Prevention & Training	Admin. Costs	Deposit Contribution	Experience Modification Factor	Contribution Adjusted for Ex Mod	Off-Balance Factor	Deposit Contribution Adjusted for Off-Bal Factor	Excess Insurance \$3M x \$1M	Total Deposit Contribution	Prior Year Comparison		
												Deposit Contribution	% Change (Contribution)	% Change Net of Payroll
BCIPIA	\$322,871,396	\$1,447,964	\$27,339	\$184,915	\$1,660,219	0.815	\$1,353,788	1.010	\$1,366,876		\$1,366,876	\$1,335,206	2.4%	-2.6%
CalTIP	55,846,788	298,921	4,729	31,985	335,634	1.008	338,458	1.010	341,730	26,510	368,240	313,379	17.5%	7.8%
CIRA **	563,918,508	1,483,012	47,750	322,968	1,853,730	0.945	1,752,575	1.010	1,769,518	21,429	1,790,947	1,903,527	-5.9%	-14.2%
CSJVRMA	568,201,083	2,922,036	48,113	325,421	3,295,569	0.953	3,139,692	1.010	3,170,045	343,051	3,513,096	2,688,741	30.7%	2.9%
MBASIA	92,081,567	111,304	7,797	52,737	171,838	0.845	145,141	1.010	146,544	55,594	202,138	215,446	-6.2%	-11.9%
MPA	466,018,236	2,406,828	39,460	266,898	2,713,187	0.968	2,626,376	1.010	2,651,767	281,359	2,933,125	2,566,205	14.3%	7.1%
PERMA	466,345,780	2,204,155	39,488	267,086	2,510,729	1.250	3,138,411	1.010	3,168,752	186,538	3,355,290	2,933,284	14.4%	6.3%
PLAN JPA	128,496,038	604,659	10,880	73,592	689,132	0.888	611,742	1.010	617,656	77,579	695,236	680,645	2.1%	-3.3%
SCORE	33,887,490	143,659	2,869	19,408	165,936	0.969	160,767	1.010	162,322		162,322	205,532	-21.0%	-25.9%
VCJPA	79,796,742	460,203	6,757	45,701	512,661	1.079	553,413	1.010	558,763	48,177	606,941	496,782	22.2%	16.9%
Contra Costa H.A.	8,600,611	49,712	728	4,926	55,366	0.947	52,418	1.010	52,925	5,193	58,118	51,068	13.8%	0.6%
City of Hayward	160,504,097	227,290	13,591	91,924	332,805	0.816	271,662	1.010	274,288	5,618	279,906	233,791	19.7%	19.7%
Oakland H.A.	47,222,378	272,945	3,999	27,045	303,989	1.041	316,548	1.010	319,608	28,511	348,119	296,149	17.5%	8.4%
Total	\$2,993,790,714	\$12,632,688	\$253,500	\$1,714,607	\$14,600,795		\$14,460,993		\$14,600,795	\$1,079,559	\$15,680,354	\$13,919,753	12.6%	1.8%

* Includes JPA Participation Credit

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

2026/2027 Preliminary Operating Budget Program Administration Fee Worksheet

	2025/2026			
	Percentage Increase over previous year			\$1,219,530 3.10%
Baseline as of 7/1/25	Payroll	Payroll Calc %age	Sedgwick Fees Prorated	Sedgwick Fees Annualized
	\$2,720,198,862			\$1,219,530
Amendments to contract:				
CLM (Claims & Litigation Mgmt) increase				\$175,000
.5 FTE Accounting Associate				75,000
Total Amendments to contract:				250,000
New ABCP for 2025/26:				\$1,469,530
ERMAC <i>Withdrawing 7/1/24 Santa Maria</i>	(68,444,868)	-0.025162	(36,976)	(36,976)
PLAN JPA <i>Joining 7/1/25 Town of Hillsborough</i>	14,126,865	0.005193	7,632	7,632
BCJPIA <i>Joining 7/1/25 LPFD</i>	29,447,028	0.010825	15,908	15,908
Subtotals as of 1/1/26	2,695,327,887		1,456,094	1,456,094
PLAN JPA <i>Joining 1/1/26 Halfmoon Bay</i>	5,504,858	0.002042	1,475	2,974
CIRA <i>Joining 4/1/26 Pioneer FPD</i>	976,344	0.000362	130	527
Totals as of 6/30/26	\$2,701,809,089		\$2,677,228	\$1,459,595

	2026/2027			
	Percentage Increase over previous year			\$1,504,843 3.10%
Baseline as of 7/1/26	Payroll	Payroll Calc %age	Sedgwick Fees Prorated	Sedgwick Fees Annualized
	\$2,914,581,550			\$1,504,843
Amendments to contract:				
Total Amendments to contract:				0
New ABCP for 2026/27:				\$1,504,843
CSJVRMA <i>Joining 7/1/26 City of Clovis</i>	79,209,164	0.027177	40,897	40,897
Totals as of 6/30/27	\$2,993,790,714		\$1,545,740	\$1,545,740

California Urban Wage Earners and Clerical Workers CPI Increase of 3.1%

<https://www.dir.ca.gov/oprl/CPI/PresentCCPIchange.PDF>

State of California
 Department of Industrial Relations
<http://www.dir.ca.gov/OPRL>

Office of the Director- Research Unit
 P.O. Box 420603, San Francisco, California 94142

CONSUMER PRICE INDEX – CALIFORNIA

Los Angeles-Long Beach-Anaheim, San Francisco-Oakland-Hayward, San Diego-Carlsbad,
 Riverside-San Bernardino-Ontario, United States City Average, 2024-2025

All Items

1982 - 1984 = 100

All Urban Consumers, percentage (%) change from previous year

Year	Month	California ^a	Los Angeles Long Beach Anaheim ^b	San Francisco Oakland Hayward ^b	San Diego Carlsbad ^b	Riverside San Bernardino Ontario ^b	U.S. City Average ^b
2024	January		2.5%		3.8%	2.9%	3.1%
2024	February	3.3%	3.4%	2.4%			3.2%
2024	March		4.0%		3.6%	4.3%	3.5%
2024	April	3.8%	3.9%	3.8%			3.4%
2024	May		3.9%		3.2%	4.0%	3.3%
2024	June	3.3%	3.2%	3.2%			3.0%
2024	July		3.4%		3.5%	2.8%	2.9%
2024	August	2.7%	2.9%	2.7%			2.5%
2024	September		2.8%		2.5%	1.4%	2.4%
2024	October	2.5%	3.0%	2.4%			2.6%
2024	November		3.2%		2.6%	1.1%	2.7%
2024	December	3.0%	3.4%	2.4%			2.9%
2024	Annual Average	3.1%	3.3%	2.8%	3.1%	2.6%	2.9%
2025	January		3.3%		3.8%	2.9%	3.0%
2025	February	3.1%	3.1%	2.7%			2.8%
2025	March		3.0%		3.8%	2.5%	2.4%
2025	April	2.7%	3.0%	1.3%			2.3%
2025	May		3.0%		3.8%	2.6%	2.4%
2025	June	3.0%	3.2%	1.5%			2.7%
2025	July		3.2%		4.0%	3.5%	2.7%
2025	August	3.3%	3.3%	2.5%			2.9%
2025	September		3.5%		3.9%	3.6%	3.0%
2025	October	— ^c	— ^c	— ^c			— ^c
2025	November		3.6%		4.0%	4.5%	2.7%
2025	December	3.2%	3.0%	3.0%			2.7%
2025	Annual Average	3.1%	3.2%	2.2%	3.8%	3.3%	2.6%

Date of last update: 2/17/2026

^a Weighted average of the consumer price indexes for Los Angeles-Long Beach-Anaheim, San Francisco-Oakland-Hayward, San Diego-Carlsbad, and Riverside-San Bernardino-Ontario. A conversion factor has been included for comparability of 2018 data with 2017 and prior years. Computed by the Department of Industrial Relations, Office of the Director - Research Unit from indexes issued by the U.S. Department of Labor.

^b Source: U.S. Department of Labor, Bureau of Labor Statistics. Beginning with the November 2017 data, indexes for San Diego-Carlsbad will be published bi-monthly on odd months only (January, March, May, etc.). The Riverside-San Bernardino-Ontario indexes are on a December 2017 = 100 base and will be published bi-monthly on odd months only (January, March, May, etc.).

^c Data unavailable due to the federal government shutdown. See [Important Notice dated 12/16/2025](https://www.dir.ca.gov/OPRL/CPI/12-16-2025(CCPI).htm) ([https://www.dir.ca.gov/OPRL/CPI/12-16-2025\(CCPI\).htm](https://www.dir.ca.gov/OPRL/CPI/12-16-2025(CCPI).htm))

2026/2027 Preliminary Operating Budget Prior Year Comparison

Member Entities	DEPOSIT CONTRIBUTION 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	Total Deposit	%	Current Year	Prior Year	%	Ex Mod	Ex Mod	%	Average Payroll	Average Payroll	%	Average Losses	Average Losses	%
	Contribution	Contribution	Change	Payroll	Payroll	Change									
BCJPIA	\$1,366,876	\$1,335,206	2.4%	\$322,871,396	\$307,621,161	5.0%	0.815	0.849	-3.9%	\$271,400,885	\$237,905,236	14.1%	229,750	\$250,069	-8.1%
CalTIP	368,240	313,379	17.5%	55,846,788	50,911,567	9.7%	1.008	0.950	6.2%	40,234,671	37,612,028	7.0%	78,185	45,000	73.7%
CIRA	1,790,947	1,903,527	-5.9%	563,918,508	520,632,005	8.3%	0.945	1.104	-14.3%	441,647,989	414,834,409	6.5%	706,573	984,636	-28.2%
CSJVRMA	3,513,096	2,688,741	30.7%	568,201,083	444,697,178	27.8%	0.953	0.918	3.8%	378,889,040	360,715,942	5.0%	611,694	554,842	10.2%
MBASIA	202,138	215,446	-6.2%	92,081,567	87,133,044	5.7%	0.845	1.034	-18.3%	70,377,623	65,702,137	7.1%	14,515	150,862	-90.4%
MPA	2,933,125	2,566,205	14.3%	466,018,236	434,675,457	7.2%	0.968	0.919	5.4%	391,784,056	372,984,414	5.0%	660,406	577,432	14.4%
PERMA	3,355,290	2,933,284	14.4%	466,345,780	431,367,588	8.1%	1.250	1.250	0.0%	347,540,890	320,827,381	8.3%	1,463,219	1,129,868	29.5%
PLAN JPA	695,236	680,645	2.1%	128,496,038	121,915,396	5.4%	0.888	0.993	-10.6%	103,148,698	82,051,897	25.7%	88,641	152,156	-41.7%
SCORE	162,322	205,532	-21.0%	33,887,490	32,302,010	4.9%	0.969	1.096	-11.6%	27,144,822	25,401,210	6.9%	35,393	91,846	-61.5%
VCJPA	606,941	496,782	22.2%	79,796,742	75,792,510	5.3%	1.079	0.935	15.5%	68,039,470	65,283,665	4.2%	181,704	78,692	130.9%
Contra Costa H.A.	58,118	51,068	13.8%	8,600,611	7,598,406	13.2%	0.947	0.958	-1.1%	6,502,363	6,142,121	5.9%	-	2,500	-100.0%
City of Hayward	279,906	233,791	19.7%	160,504,097	143,068,137	12.2%	0.816	0.802	1.8%	111,329,625	106,433,207	4.6%	33,750	22,921	47.2%
Oakland H.A	348,119	296,149	17.5%	47,222,378	43,273,234	9.1%	1.041	0.977	6.6%	36,600,768	34,222,729	6.9%	88,750	53,750	65.1%
Total	\$15,680,354	\$13,919,753	12.6%	\$2,993,790,714	\$2,700,987,692	10.8%				\$2,294,640,898	\$2,130,116,375	7.7%	4,192,579	\$4,094,574	2.4%

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

2026/2027 Preliminary Operating Budget BCJPIA

										JPA Experience Mod Calculation (Used in determining the JPA's contribution to ERMA)				Individual Experience Mod Calculation (Used in determining each individual member's contribution to their JPA)													
1										2	3	4	5	6	7	8	Info Only:	9	10	11	Prior Year Comparison						
										JPA Experience Modification	Dep Prem Adjusted for Experience	Off-Balance	Dep Prem Adjusted for Off Balance	Individual Experience Modification	Capped Individual Experience	Capped Ind. Ex Mod Including .25 capped change over prior year	Prior Year (2025/2026) Experience Modification	Deposit Adjusted for Experience Modification	Off-Balance Factor	Contribution Adjusted for Off Balance Factor	Prior Year Deposit Contribution	Deposit \$ Increase (Decrease)					
Member	Actual 4Q 24 - 3Q 25 Payroll	SIR Selected	Funding For Losses	Loss Prevention & Training	Admin. Costs	Deposit Contribution	JPA Participation Credit	Net Deposit Contribution		Factor	Modification	Factor	Factor	Factor	Modification		Modification		Factor	Factor							
1 Albany/Albany JPA	\$16,871,554	\$50,000	\$97,518	\$1,429	\$9,663	\$108,609	(\$5,487)	\$103,122		0.815	\$84,089	1.010	\$84,902	0.000	0.750	0.750	0.750	\$77,342	0.915	\$70,730	\$68,304	\$2,426					
2 Brisbane	15,138,399	50,000	87,500	1,282	8,670	97,452	(4,923)	92,529		0.815	75,450	1.010	76,180	0.000	0.750	0.750	0.750	69,397	0.915	63,465	66,653	(3,188)					
3 CMFA	7,423,215	100,000	35,827	629	4,251	40,707	(2,056)	38,650		0.815	31,516	1.010	31,821	0.000	0.750	0.750	0.750	28,988	0.915	26,510	24,424	2,086					
4 Central Marin PA	6,892,064	100,000	33,263	584	3,947	37,794	(1,909)	35,885		0.815	29,261	1.010	29,544	0.000	0.750	0.750	0.750	26,914	0.915	24,613	23,593	1,020					
5 Corte Madera	4,939,687	100,000	23,840	418	2,829	27,088	(1,368)	25,719		0.815	20,972	1.010	21,175	0.000	0.750	0.750	0.750	19,289	0.915	17,641	17,283	357					
6 Emeryville	6,669,269	50,000	38,548	565	3,820	42,933	(2,169)	40,764		0.815	33,240	1.010	33,561	0.000	0.750	0.750	0.750	30,573	0.915	27,960	30,339	(2,380)					
7 Emeryville (MESA)	12,136,528	50,000	70,149	1,028	6,951	78,128	(3,947)	74,181		0.815	60,489	1.010	61,074	0.000	0.750	0.750	0.750	55,636	0.915	50,880	50,786	94					
8 Fairfax	4,318,770	50,000	24,962	366	2,473	27,802	(1,405)	26,397		0.815	21,525	1.010	21,733	0.000	0.750	0.750	0.750	19,798	0.915	18,106	17,271	834					
9 Larkspur	4,210,744	250,000	12,899	357	2,412	15,667	(791)	14,876		0.815	12,130	1.010	12,247	0.000	0.750	0.750	0.750	11,157	0.915	10,203	11,072	(869)					
10 Los Altos	19,955,324	100,000	96,310	1,690	11,429	109,429	(5,528)	103,901		0.815	84,724	1.010	85,543	0.000	0.750	0.750	0.750	77,926	0.915	71,265	69,883	1,382					
11 Menlo Park	37,048,736	250,000	113,495	3,137	21,219	137,851	(6,964)	130,887		0.815	106,729	1.010	107,760	0.000	0.750	0.750	0.750	98,165	0.915	89,774	89,951	(177)					
12 Mill Valley	17,459,183	50,000	100,914	1,478	9,999	112,392	(5,678)	106,714		0.815	87,017	1.010	87,859	0.000	0.750	0.750	0.750	80,035	0.915	73,194	72,587	607					
13 Novato	20,248,643	250,000	62,030	1,715	11,597	75,341	(3,806)	71,535		0.815	58,332	1.010	58,895	0.000	0.750	0.750	0.750	53,651	0.915	49,065	53,699	(4,634)					
14 Piedmont	17,459,926	50,000	100,918	1,478	10,000	112,396	(5,678)	106,718		0.815	87,021	1.010	87,862	2.163	1.500	1.500	1.500	160,078	0.915	146,394	151,619	(5,225)					
15 Pleasanton	54,680,640	75,000	287,609	4,630	31,317	323,556	(16,346)	307,210		0.815	250,508	1.010	252,930	1.782	1.500	1.250	1.000	384,013	0.915	351,188	293,886	57,302					
16 LPFD	29,634,039	250,000	90,781	2,509	16,972	110,262	(5,570)	104,692		0.815	85,369	1.010	86,194	0.000	0.750	0.750	1.000	78,519	0.915	71,807	101,538	(29,730)					
17 San Anselmo	5,231,276	50,000	30,237	443	2,996	33,676	(1,701)	31,975		0.815	26,073	1.010	26,325	0.000	0.750	0.750	0.750	23,981	0.915	21,931	20,609	1,323					
18 Tiburon	4,675,569	25,000	30,268	396	2,678	33,341	(1,684)	31,657		0.815	25,814	1.010	26,064	1.542	1.500	1.250	1.000	39,571	0.915	36,189	28,661	7,528					
19 Union City	37,877,830	75,000	199,230	3,207	21,693	224,131	(11,323)	212,808		0.815	173,529	1.010	175,207	0.000	0.750	0.750	0.750	159,606	0.915	145,963	143,047	2,915					
Total	\$322,871,396		\$1,536,299	\$27,339	\$184,915	\$1,748,553	(\$88,335)	\$1,660,219		\$1,353,788			\$1,366,876							\$1,494,637		\$1,366,876	\$1,335,206	\$31,670			
										(88,335)			JPA participation credit														
										\$1,447,964			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				

2026/2027 Preliminary Operating Budget CalTIP

										JPA Experience Mod Calculation (Used in determining the JPA's contribution to ERMA)				Individual Experience Mod Calculation (Used in determining each individual member's contribution to their JPA)												Prior Year Comparison																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																													
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2026/2027 Preliminary Operating Budget CIRA

1										JPA Experience Mod Calculation (Used in determining the JPA's contribution to ERMA)					Individual Experience Mod Calculation (Used in determining each individual member's contribution to their JPA)												Prior Year Comparison																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																
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2026/2027 Preliminary Operating Budget
CSJVRMA

1										JPA Experience Mod Calculation (Used in determining the JPA's contribution to ERMA)				Individual Experience Mod Calculation (Used in determining each individual member's contribution to their JPA)										Prior Year Comparison			
Member	Actual 4Q 24 - 3Q 25		Funding For Losses	Loss Prevention & Training	Admin. Costs	Deposit Contribution	JPA Participation Credit	Net Deposit Contribution	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	8 Capped Ind. Ex Mod Including .25 capped change over prior year	Info Only:		9 Deposit Adjusted for Experience Modification	Off-Balance Factor	11 Contribution Adjusted for Off Balance Factor	Excess Insurance \$3M x \$1M	TOTAL Deposit Contribution	Prior Year Deposit Contribution	Deposit \$ Increase (Decrease)			
	Payroll	Selected														Prior Year (2025/2026) Experience Modification	12 Contribution Adjusted for Off Balance Factor										
1 Angels Camp	\$3,623,336	\$25,000	\$23,456	\$307	\$2,075	\$25,838	(\$2,236)	\$23,602	0.953	\$22,485	1.010	\$22,703	0.000	0.750	1.000	1.250	\$23,602	1.083	\$25,556	\$2,188	\$27,743	\$26,138	\$1,605				
2 Atwater	7,836,913	50,000	45,297	664	4,488	50,449	(4,367)	46,083	0.953	43,903	1.010	44,327	0.000	0.750	0.750	1.000	34,562	1.083	37,423	4,732	42,155	57,600	(15,445)				
3 Ceres	16,022,111	25,000	103,721	1,357	9,176	114,254	(9,889)	104,364	0.953	99,428	1.010	100,389	1.013	1.013	1.013	0.947	105,731	1.083	114,484	9,673	124,157	101,629	22,529				
4 Chowchilla	6,242,613	25,000	40,412	529	3,575	44,516	(3,853)	40,663	0.953	38,740	1.010	39,114	0.000	0.750	0.750	0.750	30,497	1.083	33,022	3,769	36,791	32,333	4,458				
5 Clovis	79,209,164	50,000	457,829	6,707	45,365	509,901	(44,134)	465,767	0.953	443,736	1.010	448,026	0.000	0.750	1.000	1.000	465,767	1.083	504,326	47,823	552,149	32,333	519,815				
6 Corcoran	4,699,346	25,000	30,422	398	2,691	33,511	(2,901)	30,610	0.953	29,163	1.010	29,445	0.000	0.750	0.750	0.750	22,958	1.083	24,858	2,837	27,696	29,807	(2,112)				
7 Delano	20,447,220	50,000	118,185	1,731	11,711	131,627	(11,393)	120,234	0.953	114,547	1.010	115,654	0.503	0.750	0.750	1.000	90,175	1.083	97,641	12,345	109,986	137,253	(27,268)				
8 Dinuba	12,571,809	100,000	60,675	1,065	7,200	68,940	(5,967)	62,973	0.953	59,994	1.010	60,574	0.000	0.750	0.750	0.750	47,230	1.083	51,140	7,590	58,730	53,646	5,084				
9 Dos Palos	2,511,441	25,000	16,258	213	1,438	17,909	(1,550)	16,359	0.953	15,585	1.010	15,736	1.452	1.452	1.250	1.000	20,449	1.083	22,142	1,516	23,658	16,630	7,028				
10 Escalon	2,612,980	25,000	16,915	221	1,497	18,633	(1,613)	17,020	0.953	16,215	1.010	16,372	1.784	1.500	1.500	1.250	25,531	1.083	27,644	1,578	29,222	23,076	6,146				
11 Exeter	2,984,474	25,000	19,320	253	1,709	21,282	(1,842)	19,440	0.953	18,521	1.010	18,700	4.830	0.750	0.750	0.750	14,580	1.083	15,787	1,802	17,589	16,920	670				
12 Farmersville	4,120,737	75,000	21,674	349	2,360	24,383	(2,110)	22,273	0.953	21,219	1.010	21,424	4.830	1.500	1.250	1.000	27,841	1.083	30,146	2,488	32,634	22,131	10,502				
13 Fowler	2,995,090	25,000	19,389	254	1,715	21,358	(1,849)	19,509	0.953	18,587	1.010	18,766	0.568	0.750	0.750	0.750	14,632	1.083	15,843	1,808	17,652	16,151	1,501				
14 Gustine	2,385,928	25,000	15,446	202	1,366	17,014	(1,473)	15,541	0.953	14,806	1.010	14,949	0.000	0.750	0.750	0.750	11,656	1.083	12,621	1,441	14,062	11,621	2,441				
15 Hughson	1,507,363	25,000	9,758	128	863	10,749	(930)	9,819	0.953	9,354	1.010	9,445	0.000	0.750	1.000	1.250	9,819	1.083	10,631	910	11,542	11,592	(50)				
16 Huron	2,057,681	25,000	13,321	174	1,178	14,673	(1,270)	13,403	0.953	12,769	1.010	12,893	0.000	0.750	0.750	0.750	10,052	1.083	10,885	1,242	12,127	11,679	448				
17 Kerman	6,851,802	25,000	44,356	580	3,924	48,860	(4,229)	44,631	0.953	42,520	1.010	42,931	0.000	0.750	0.750	0.750	33,473	1.083	36,244	4,137	40,381	29,609	10,773				
18 Kingsburg	7,277,650	25,000	47,113	616	4,168	51,897	(4,492)	47,405	0.953	45,163	1.010	45,599	0.000	0.750	0.750	0.750	35,554	1.083	38,497	4,394	42,891	37,503	5,388				
19 Lathrop	21,979,747	25,000	142,288	1,861	12,588	156,737	(13,566)	143,171	0.953	136,399	1.010	137,718	0.571	0.750	0.750	0.750	107,378	1.083	116,268	13,270	129,538	108,237	21,302				
20 Lemoore	7,797,397	25,000	50,477	660	4,466	55,603	(4,813)	50,791	0.953	48,388	1.010	48,856	0.000	0.750	0.750	0.750	38,093	1.083	41,246	4,708	45,954	43,921	2,033				
21 Livingston	5,518,205	50,000	31,895	467	3,160	35,523	(3,075)	32,448	0.953	30,913	1.010	31,212	11.308	1.500	1.500	1.500	48,672	1.083	52,702	3,332	56,033	54,256	1,778				
22 Madera	20,158,897	25,000	130,501	1,707	11,545	143,753	(12,442)	131,311	0.953	125,100	1.010	126,309	0.000	0.750	0.750	0.750	98,483	1.083	106,636	12,171	118,807	114,024	4,783				
23 McFarland	5,318,183	50,000	30,739	450	3,046	34,235	(2,963)	31,272	0.953	29,793	1.010	30,081	0.000	0.750	0.750	0.750	23,454	1.083	25,396	3,211	28,607	21,620	6,987				
24 Mendota	4,374,663	25,000	28,320	370	2,505	31,196	(2,700)	28,496	0.953	27,148	1.010	27,410	0.000	0.750	0.750	0.750	21,372	1.083	23,141	2,641	25,782	20,013	5,769				
25 Merced	51,013,326	100,000	246,206	4,320	29,216	279,742	(24,213)	255,529	0.953	243,442	1.010	245,796	0.335	0.750	0.750	0.750	191,647	1.083	207,512	30,799	238,312	200,644	37,668				
26 Newman	4,319,870	25,000	27,965	366	2,474	30,805	(2,666)	28,139	0.953	26,808	1.010	27,067	0.000	0.750	0.750	0.750	21,104	1.083	22,851	2,608	25,459	22,017	3,442				
27 Oakdale	9,603,861	50,000	55,510	813	5,500	61,824	(5,351)	56,473	0.953	53,802	1.010	54,322	0.000	0.750	0.750	0.750	42,355	1.083	45,861	5,798	51,659	44,127	7,532				
28 Orange Cove	3,321,157	50,000	19,196	281	1,902	21,380	(1,851)	19,529	0.953	18,605	1.010	18,785	13.490	1.500	1.250	1.000	24,411	1.083	26,432	2,005	28,437	19,779	8,658				
29 Parlier	4,413,530	100,000	21,301	374	2,528	24,202	(2,095)	22,108	0.953	21,062	1.010	21,266	0.000	0.750	0.750	1.000	16,581	1.083	17,953	2,665	20,618	26,486	(5,868)				
30 Patterson	15,063,403	50,000	87,066	1,275	8,627	96,969	(8,393)	88,576	0.953	84,386	1.010	85,202	0.000	0.750	0.750	1.000	66,432	1.083	71,932	9,095	81,026	98,353	(17,327)				
31 Porterville	28,961,522	50,000	167,398	2,452	16,587	186,437	(16,137)	170,300	0.953	162,245	1.010	163,813	2.639	1.500	1.500	1.500	255,450	1.083	276,598	17,486	294,083	289,117	4,966				
32 Reedley	12,302,688	25,000	79,643	1,042	7,046	87,730	(7,593)	80,137	0.953	76,347	1.010	77,085	0.000	0.750	0.750	0.750	60,103	1.083	65,078	7,428	72,506	66,205	6,301				
33 Riverbank	5,706,957	50,000	32,986	483	3,268	36,738	(3,180)	33,558	0.953	31,971	1.010	32,280	0.384	0.750	0.750	0.750	25,169	1.083	27,252	3,446	30,698	26,790	3,908				
34 San Joaquin	1,088,401	25,000	7,046	92	623	7,761	(672)	7,090	0.953	6,754	1.010	6,820	0.638	0.750	0.750	0.750	5,317	1.083	5,757	657	6,415	5,930	484				
35 Sanger	11,592,450	25,000	75,045	982	6,639	82,666	(7,155)	75,511	0.953	71,939	1.010	72,635	0.000	0.750	1.000	1.250	75,511	1.083	81,762	6,999	88,761	96,719	(7,958)				
36 Selma	16,535,659	50,000	95,576	1,400	9,470	106,447	(9,213)	97,233	0.953	92,634	1.010	93,530	0.566	0.750	1.250	1.500	121,541	1.083	131,604	9,983	141,587	141,736	(149)				
37 Shafter	14,835,128	50,000	85,747	1,256	8,496	95,500	(8,266)	87,234	0.953	83,108	1.010	83,911	0.184	0.750	0.750	0.750	65,425	1.083	70,842	8,957	79,798	68,663	11,136				
38 Sonora	4,726,040	25,000	30,594	400	2,707	33,701	(2,917)	30,784	0.953	29,328	1.010	29,612	0.000	0.750	0.750	0.750	23,088	1.083	25,000	2,853	27,853	23,750	4,103				
39 Taft	7,995,321	25,000	51,759	677	4,579	57,015	(4,935)	52,080	0.953	49,616	1.010	50,096	0.000	0.750	0.750	0.750	39,060	1.083	42,293	4,827	47,121	39,255	7,865				
40 Tehachapi	8,666,624	25,000	56,104	734	4,964	61,802	(5,349)	56,452	0.953	53,782	1.010	54,302	13.469	1.500	1.500	1.250	84,679	1.083									

2026/2027 Preliminary Operating Budget
MBASIA

											JPA Experience Mod Calculation (Used in determining the JPA's contribution to ERMA)				Individual Experience Mod Calculation (Used in determining each individual member's contribution to their JPA)							Prior Year Comparison	
											2	3	4	5	6	7	8	Info Only: Prior Year (2025/2026) Experience Modification	9				
Member	Actual 4Q 24 - 3Q 25	SIR	Funding For Losses	Loss Prevention & Training	Admin. Costs	Deposit Contribution	JPA Participation Credit	Net Deposit Contribution	JPA Experience Modification Factor	Dep Prem Adjusted for Experience Modification	Dep Prem Off-Balance Factor	Dep Prem Adjusted for Off Balance	Individual Experience Modification Factor	Capped Individual Experience Modification	Capped Ind. Ex Mod Including .25 capped over prior year	Experience Modification	Deposit Adjusted for Experience Modification	Off-Balance Factor	Contribution Adjusted for Off Balance Factor	Excess Insurance \$3M x \$1M	TOTAL Deposit Contribution	Prior Year Deposit Contribution	Deposit \$ Increase (Decrease)
1 Capitola	\$7,998,501	\$500,000	\$11,327	\$677	\$4,581	\$16,585	(\$1,658)	\$14,926	0.845	\$12,607	1.010	\$12,729	0.000	0.750	0.750	0.750	\$11,195	0.894	\$10,007	\$4,829	\$14,836	\$15,148	(\$312)
2 Del Rey Oaks	1,852,867	500,000	2,624	157	1,061	3,842	(384)	3,458	0.845	2,921	1.010	2,949	0.884	0.884	1.250	1.500	4,322	0.894	3,863	1,119	\$4,982	5,428	(446)
3 Gonzales	4,681,480	500,000	6,629	396	2,681	9,707	(971)	8,736	0.845	7,379	1.010	7,450	0.000	0.750	0.750	0.750	6,552	0.894	5,857	2,826	\$8,683	8,721	(38)
4 Greenfield	11,012,172	500,000	15,594	932	6,307	22,834	(2,283)	20,550	0.845	17,358	1.010	17,525	0.000	0.750	0.750	0.750	15,413	0.894	13,777	6,649	\$20,425	20,304	121
5 Hollister	26,364,331	500,000	37,335	2,232	15,099	54,666	(5,467)	49,200	0.845	41,556	1.010	41,958	0.209	0.750	1.250	1.500	61,500	0.894	54,972	15,917	\$70,889	80,000	(9,111)
6 King City	5,326,614	500,000	7,543	451	3,051	11,045	(1,104)	9,940	0.845	8,396	1.010	8,477	0.000	0.750	0.750	0.750	7,455	0.894	6,664	3,216	\$9,880	9,908	(28)
7 Marina	14,683,805	500,000	20,794	1,243	8,410	30,447	(3,045)	27,402	0.845	23,145	1.010	23,369	0.224	0.750	0.783	1.033	21,443	0.894	19,167	8,865	\$28,032	30,963	(2,930)
8 Sand City	3,000,538	500,000	4,249	254	1,718	6,222	(622)	5,599	0.845	4,730	1.010	4,775	0.000	0.750	0.750	0.750	4,200	0.894	3,754	1,812	\$5,565	5,745	(180)
9 Scotts Valley	8,410,269	500,000	11,910	712	4,817	17,439	(1,744)	15,695	0.845	13,256	1.010	13,385	0.000	0.750	1.250	1.500	19,618	0.894	17,536	5,078	\$22,614	23,987	(1,374)
10 Soledad	8,750,990	500,000	12,392	741	5,012	18,145	(1,815)	16,331	0.845	13,793	1.010	13,927	0.000	0.750	0.750	0.750	12,248	0.894	10,948	5,283	\$16,231	15,241	991
Total	\$92,081,567		\$130,397	\$7,797	\$52,737	\$190,931	(\$19,093)	\$171,838		\$145,141		\$146,544					\$163,946		\$146,544	\$55,594	\$202,138	\$215,446	(\$13,308)
			(19,093)	JPA participation credit																			
			\$111,304	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					

2026/2027 Preliminary Operating Budget MPA

Member	1								JPA Experience Mod Calculation (Used in determining the JPA's contribution to ERMA)					Individual Experience Mod Calculation (Used in determining each individual member's contribution to their JPA)										Prior Year Comparison			
	Actual 4Q 24 - 3Q 25	SIR	Funding For Losses	Loss Prevention & Training	Admin. Costs	Deposit Contribution	JPA Participation Credit	Net Deposit Contribution	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 (2025/2026) Experience Modification	9 Deposit Adjusted for Experience Modification	10 Off-Balance Factor	11 Contribution Adjusted for Off-Balance Factor	Excess Insurance \$3M x \$1M	TOTAL Deposit Contribution	Prior Year Deposit Contribution	Deposit \$ Increase (Decrease)				
	Payroll	Selected																									
1 Antioch	\$49,295,934	\$50,000	\$284,930	\$4,174	\$28,233	\$317,337	(\$29,042)	\$288,295	0.968	\$279,071	1.010	\$281,769	1.554	1.500	1.500	1.250	\$432,443	1.018	\$440,182	\$29,762	\$469,944	\$347,868	\$122,076				
2 Brentwood	47,121,154	50,000	272,360	3,990	26,987	303,338	(27,761)	275,577	0.968	266,759	1.010	269,338	2.520	1.500	1.000	0.750	275,577	1.018	280,508	28,449	308,958	207,187	101,771				
3 Clayton	3,103,766	50,000	17,940	263	1,778	19,980	(1,829)	18,152	0.968	17,571	1.010	17,741	0.000	0.750	0.750	0.750	13,614	1.018	13,857	1,874	15,731	13,886	1,845				
4 Danville	10,818,040	50,000	62,528	916	6,196	69,640	(6,373)	63,267	0.968	61,242	1.010	61,834	0.000	0.750	0.750	0.750	47,450	1.018	48,299	6,531	54,831	51,047	3,784				
5 El Cerrito	21,903,186	50,000	126,600	1,855	12,544	140,999	(12,904)	128,095	0.968	123,997	1.010	125,196	1.112	1.112	1.112	1.000	142,504	1.018	145,055	13,224	158,279	145,573	12,706				
6 Hercules	9,124,640	50,000	52,740	773	5,226	58,739	(5,376)	53,363	0.968	51,656	1.010	52,155	0.173	0.750	0.750	0.750	40,022	1.018	40,739	5,509	46,248	40,637	5,611				
7 LaFayette	5,769,681	50,000	33,349	489	3,304	37,142	(3,399)	33,743	0.968	32,663	1.010	32,979	0.000	0.750	0.750	0.750	25,307	1.018	25,760	3,483	29,243	28,624	620				
8 Manteca	61,256,941	50,000	354,065	5,187	35,083	394,335	(36,089)	358,246	0.968	346,784	1.010	350,137	0.000	0.750	1.000	1.250	358,246	1.018	364,657	36,984	401,641	424,608	(22,967)				
9 Martinez	20,495,762	50,000	118,466	1,735	11,738	131,939	(12,075)	119,865	0.968	116,029	1.010	117,151	0.084	0.750	0.750	0.750	89,898	1.018	91,507	12,374	103,881	94,714	9,167				
10 Moraga	6,151,559	50,000	35,556	521	3,523	39,600	(3,624)	35,976	0.968	34,825	1.010	35,161	0.000	0.750	1.000	1.250	35,976	1.018	36,620	3,714	40,334	46,367	(6,034)				
11 Mountain House	5,235,209	50,000	30,260	443	2,998	33,701	(3,084)	30,617	0.968	29,637	1.010	29,924	4.527	1.500	1.250	1.000	38,271	1.018	38,956	3,161	42,117	26,877	15,240				
12 Oakley	13,922,846	50,000	80,474	1,179	7,974	89,627	(8,202)	81,424	0.968	78,819	1.010	79,581	4.527	1.500	1.000	0.750	81,424	1.018	82,882	8,406	91,287	64,554	26,734				
13 Orinda	5,334,523	50,000	30,834	452	3,055	34,340	(3,143)	31,198	0.968	30,199	1.010	30,491	0.000	0.750	0.750	0.750	23,398	1.018	23,817	3,221	27,038	24,401	2,637				
14 Pacifica	25,831,771	75,000	135,870	2,187	14,794	152,852	(13,989)	138,863	0.968	134,420	1.010	135,719	0.000	0.750	0.750	0.750	104,147	1.018	106,011	15,596	121,607	109,583	12,024				
15 Pinole	14,221,750	50,000	82,202	1,204	8,145	91,551	(8,379)	83,172	0.968	80,511	1.010	81,290	0.432	0.750	0.750	0.750	62,379	1.018	63,496	8,586	72,082	67,384	4,698				
16 Pittsburg	37,395,456	50,000	216,146	3,166	21,417	240,729	(22,031)	218,698	0.968	211,701	1.010	213,747	0.044	0.750	0.750	0.750	164,024	1.018	166,959	22,578	189,537	179,135	10,401				
17 Pleasant Hill	15,662,556	50,000	90,530	1,326	8,970	100,826	(9,227)	91,599	0.968	88,668	1.010	89,525	0.000	0.750	0.905	1.155	82,897	1.018	84,380	9,456	93,837	99,364	(5,528)				
18 San Pablo	20,584,943	50,000	118,981	1,743	11,789	132,513	(12,127)	120,386	0.968	116,534	1.010	117,661	3.656	1.500	1.500	1.250	180,579	1.018	183,811	12,428	196,239	161,390	34,848				
19 San Ramon	41,671,716	50,000	240,863	3,529	23,866	268,257	(24,550)	243,707	0.968	235,909	1.010	238,190	0.689	0.750	0.750	0.750	182,780	1.018	186,051	25,159	211,210	195,911	15,300				
20 Walnut Creek	51,116,803	50,000	295,455	4,328	29,276	329,059	(30,115)	298,944	0.968	289,379	1.010	292,177	0.032	0.750	0.750	0.750	224,208	1.018	228,221	30,862	259,082	237,094	21,988				
Total	\$466,018,236		\$2,680,148	\$39,460	\$266,898	\$2,986,506	(\$273,319)	\$2,713,187		\$2,626,376		\$2,651,767					\$2,605,146		\$2,651,767	\$281,359	\$2,933,125	\$2,566,205	\$366,921				
			(273,319)	JPA participation credit																							
			\$2,406,828	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											

2026/2027 Preliminary Operating Budget
PERMA

										JPA Experience Mod Calculation (Used in determining the JPA's contribution to ERMA)					Individual Experience Mod Calculation (Used in determining each individual member's contribution to their JPA)												Prior Year Comparison	
Member	Actual 4Q 24 - 3Q 25		SIR Selected	Funding For Losses	Loss Prevention & Training	Admin. Costs	Deposit Contribution	JPA Participation Credit	Net Deposit Contribution	1	2	3	4	5	6	7	8	Info Only: Prior Year (2025/2026) Experience Modification	9	10	11	Excess Insurance* \$1M x \$1M	TOTAL Deposit Contribution	Prior Year Deposit Contribution	Deposit \$ Increase (Decrease)			
	Payroll										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	Ex Mod Including .25 capped change over prior year	Deposit Adjusted for Experience Modification	Off-Balance Factor	Contribution Adjusted for Off Balance Factor								
1 Banning	\$29,610,102	\$50,000		\$171,146	\$2,507	\$16,958	\$190,612	(\$18,662)	\$171,950		1.250	\$214,938	1.010	\$217,016	3.511	1.500	1.500	1.500	\$257,926	1.119	\$288,514	\$11,844	\$300,358	\$320,648	-\$20,291			
2 Barstow	19,737,721	\$0,000		114,084	1,671	11,304	127,060	(12,440)	114,620		1.250	143,275	1.010	144,660	7.069	1.500	1.500	1.500	171,930	1.119	192,320	\$7,895	200,215	206,214	-\$6,000			
3 Canyon Lake	2,912,202	25,000		18,852	247	1,668	20,767	(2,033)	18,734		1.250	23,417	1.010	23,644	0.000	0.750	0.750	0.750	14,050	1.119	15,717	\$1,165	16,881	14,475	\$2,406			
4 Cathedral City	28,213,836	25,000		182,645	2,389	16,159	201,193	(19,698)	181,495		1.250	226,869	1.010	229,062	2.138	1.500	1.000	1.000	181,495	1.119	203,019	\$11,286	214,305	155,064	\$59,241			
5 Coachella	10,140,966	25,000		65,649	859	5,808	72,315	(7,080)	65,235		1.250	81,544	1.010	82,332	7.917	1.500	1.250	1.000	81,544	1.119	91,215	\$4,056	95,271	60,783	\$34,488			
6 Colton	41,638,660	500,000		58,965	3,526	23,847	86,338	(8,453)	77,885		1.250	97,356	1.010	98,297	0.000	0.750	1.000	1.250	77,885	1.119	87,121	\$16,655	103,777	99,615	\$4,162			
7 Desert Hot Springs	13,073,248	25,000		84,631	1,107	7,487	93,225	(9,127)	84,098		1.250	105,123	1.010	106,139	0.000	0.750	1.000	1.250	84,098	1.119	94,072	\$5,229	99,301	115,538	-\$16,237			
8 Eastvale	7,751,115	\$0,000		44,801	656	4,439	49,897	(4,885)	45,012		1.250	56,265	1.010	56,809	12.879	1.500	1.500	1.500	67,518	1.119	75,525	\$3,100	78,625	69,996	\$8,630			
9 Hesperia	16,902,837	50,000		97,698	1,431	9,681	108,810	(10,653)	98,157		1.250	122,697	1.010	123,883	2.160	1.500	1.000	0.750	98,157	1.119	109,798	\$6,761	116,559	78,858	\$37,702			
10 Hesperia R&PD	2,671,950	500,000		3,784	226	1,530	5,540	(542)	4,998		1.250	6,247	1.010	6,308	0.000	0.750	0.750	0.750	3,748	1.119	4,193	\$1,069	5,262	4,455	\$806			
11 Holtville	1,745,379	25,000		11,299	148	1,000	12,446	(1,219)	11,228		1.250	14,035	1.010	14,170	0.000	0.750	0.750	0.750	8,421	1.119	9,419	\$698	10,118	8,827	\$1,291			
12 ICTC	700,273	25,000		4,533	59	401	4,994	(489)	4,505		1.250	5,631	1.010	5,685	0.000	0.750	0.750	0.750	3,379	1.119	3,779	\$280	4,059	3,612	\$447			
13 Jurupa Valley	10,268,543	25,000		66,474	869	5,881	73,225	(7,169)	66,056		1.250	82,570	1.010	83,368	0.000	0.750	0.750	0.750	49,542	1.119	55,417	\$4,107	59,525	48,941	\$10,583			
14 La Mesa	36,334,244	25,000		235,213	3,077	20,809	259,099	(25,367)	233,733		1.250	292,166	1.010	294,990	1.477	1.477	1.250	1.000	292,166	1.119	326,814	\$14,534	341,348	237,993	\$103,355			
15 Moreno Valley	38,105,897	250,000		116,734	3,227	21,824	141,784	(13,881)	127,903		1.250	159,879	1.010	161,424	1.114	1.114	1.000	0.750	127,903	1.119	143,071	\$15,242	158,314	101,542	\$56,772			
16 Murrieta	65,720,324	100,000		317,186	5,565	37,639	360,390	(35,284)	325,107		1.250	406,383	1.010	410,312	1.114	1.114	1.000	0.750	325,107	1.119	363,662	\$26,288	389,950	260,412	\$129,538			
17 Norco	7,407,429	100,000		35,750	627	4,242	40,620	(3,977)	36,643		1.250	45,804	1.010	46,247	0.000	0.750	0.750	0.750	27,482	1.119	30,742	\$2,963	33,705	31,911	\$1,794			
18 Palm Sps Tram	6,338,547	25,000		41,033	537	3,630	45,200	(4,425)	40,775		1.250	50,969	1.010	51,461	4.772	1.500	1.500	1.250	61,162	1.119	68,416	\$2,535	70,951	54,430	\$16,522			
19 Perris	19,418,004	25,000		125,704	1,644	11,121	138,470	(13,557)	124,913		1.250	156,141	1.010	157,651	0.367	0.750	1.000	1.250	124,913	1.119	139,727	\$7,767	147,494	148,541	-\$1,047			
20 Rancho Mirage	9,981,566	25,000		64,617	845	5,717	71,179	(6,969)	64,210		1.250	80,262	1.010	81,038	1.193	1.193	1.193	1.000	76,599	1.119	85,683	\$3,993	89,676	71,082	\$18,594			
21 San Jacinto	7,991,922	25,000		51,737	677	4,577	56,990	(5,580)	51,411		1.250	64,264	1.010	64,885	0.000	0.750	0.750	0.750	38,558	1.119	43,131	\$3,197	46,328	42,076	\$4,252			
22 SDRTC	807,738	25,000		5,229	68	463	5,760	(564)	5,196		1.250	6,495	1.010	6,558	0.000	0.750	0.750	0.750	3,897	1.119	4,359	\$323	4,682	3,664	\$1,018			
23 Sunline	23,721,265	50,000		137,109	2,009	13,586	152,703	(14,950)	137,753		1.250	172,191	1.010	173,856	3.663	1.500	1.500	1.500	206,629	1.119	231,134	\$9,489	240,623	215,997	\$24,625			
24 Victorville	62,161,435	25,000		402,408	5,264	35,601	443,273	(43,398)	399,875		1.250	499,844	1.010	504,676	0.139	0.750	1.086	1.336	434,264	1.119	485,765	\$24,865	510,629	565,597	-\$54,968			
25 VVTA	2,990,577	25,000		19,360	253	1,713	21,326	(2,088)	19,238		1.250	24,047	1.010	24,280	0.000	0.750	0.750	0.750	14,428	1.119	16,140	\$1,196	17,336	13,013	\$4,323			
Total	\$466,345,780			\$2,476,642	\$39,488	\$267,086	\$2,783,216	(\$272,487)	\$2,510,729			\$3,138,411		\$3,168,752					\$2,832,803		\$3,168,752	\$186,538	\$3,355,290	\$2,933,284	\$422,007			
					(272,487)	JPA participation credit																						
				\$2,204,155	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									

* Excess Coverage with RUSI for \$1M at a preliminary rate of \$0.0400 per \$100 of payroll

2026/2027 Preliminary Operating Budget PLAN JPA

										JPA Experience Mod Calculation (Used in determining the JPA's contribution to ERMA)				Individual Experience Mod Calculation (Used in determining each individual member's contribution to their JPA)										Prior Year Comparison			
1										2	3	4	5	6	7	8	Info Only: 2025/2026 Prior Year Experience Modification	9	10	11							
Member	Actual 4Q 24 - 3Q 25 Payroll	SIR Selected	Funding For Losses	Loss Prevention & Training	Admin. Costs	Deposit Contribution	JPA Participation Credit	Net Deposit Contribution		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	Deposited Adjusted for Experience Modification	Off-Balance Factor	Contribution Adjusted for Off Balance Factor	Excess Insurance \$3M x \$1M	TOTAL Deposit Contribution	Prior Year Deposit Contribution	Deposit \$ Increase (Decrease)				
1 American Canyon	\$10,161,628	\$50,000	\$58,734	\$860	\$5,820	\$65,414	(\$1,526)	\$63,888		0.888	\$56,713	1.010	\$57,262	0.874	0.874	0.874	0.750	\$55,818	1.087	\$60,685	\$6,135	\$66,820	\$53,021	\$13,799			
2 Atherton	8,025,162	100,000	38,732	680	4,596	44,008	(1,027)	42,981		0.888	38,154	1.010	38,523	6.752	1.500	1.500	1.250	64,471	1.087	70,092	4,845	74,937	63,212	11,725			
3 Burlingame	31,434,373	100,000	151,712	2,662	18,003	172,377	(4,022)	168,354		0.888	149,448	1.010	150,893	0.000	0.750	0.750	0.769	126,266	1.087	137,274	18,979	156,252	156,459	(207)			
4 Halfmoon Bay	5,393,515	100,000	26,031	457	3,089	29,576	(690)	28,886		0.888	25,642	1.010	25,890	0.000	0.750	0.750	1.000	21,665	1.087	23,553	3,256	26,810	21,120	5,690			
5 Hillsborough	14,781,823	100,000	71,342	1,252	8,466	81,059	(1,891)	79,168		0.888	70,277	1.010	70,957	0.000	0.750	0.750	1.000	59,376	1.087	64,552	8,925	73,477	93,736	(20,259)			
6 Los Altos Hills	3,855,416	75,000	20,279	326	2,208	22,813	(532)	22,281		0.888	19,779	1.010	19,970	0.000	0.750	1.250	1.500	27,851	1.087	30,279	2,328	32,607	34,008	(1,401)			
7 Los Gatos	23,081,963	250,000	70,709	1,954	13,220	85,883	(2,004)	83,879		0.888	74,460	1.010	75,179	0.000	0.750	0.750	1.000	62,909	1.087	68,394	13,936	82,330	111,025	(28,696)			
8 San Carlos	15,512,655	50,000	89,663	1,314	8,884	99,861	(2,330)	97,531		0.888	86,578	1.010	87,415	0.000	0.750	0.750	0.750	73,148	1.087	79,525	9,366	88,891	81,967	6,924			
9 Suisun City	13,106,255	50,000	75,754	1,110	7,506	84,370	(1,969)	82,401		0.888	73,148	1.010	73,855	0.000	0.750	0.750	0.750	61,801	1.087	67,189	7,913	75,102	72,253	2,849			
10 Woodside	3,143,248	50,000	18,168	266	1,800	20,234	(472)	19,762		0.888	17,543	1.010	17,712	0.000	0.750	0.750	0.750	14,822	1.087	16,114	1,898	18,012	14,963	3,049			
Total	\$128,496,038		\$621,123	\$10,880	\$73,592	\$705,596	(\$16,464)	\$689,132			\$611,742		\$617,656					\$568,127		\$617,656	\$77,579	\$695,236	\$701,764	(\$6,528)			
																				</							

2026/2027 Preliminary Operating Budget SCORE

										JPA Experience Mod Calculation (Used in determining the JPA's contribution to ERMA)				Individual Experience Mod Calculation (Used in determining each individual member's contribution to their JPA)								
1										2	3	4	5	6	7	8	Info Only: Prior Year (2025/2026) Experience Modification	9	10	11	Prior Year Comparison	
Member	Actual 4Q 24 - 3Q 25 Payroll	SIR Selected	Funding For Losses	Loss Prevention & Training	Admin. Costs	Deposit Contribution	JPA Participation Credit	Net Deposit Contribution		JPA Experience Modification Factor	Dep Prem Adjusted for Experience Modification	Off-Balance 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 Off-Balance Factor	Contribution Adjusted for Off Balance Factor	Prior Year Deposit Contribution	Deposit \$ Increase (Decrease)
1 Biggs	\$670,732	\$25,000	\$3,283	\$57	\$384	\$3,724	(\$352)	\$3,372		0.969	\$3,267	1.010	\$3,299	0.000	0.750	0.750	0.750	\$2,529	1.098	\$2,776	\$3,254	-\$478
2 Colfax	933,800	25,000	4,570	79	535	5,184	(489)	4,695		0.969	4,549	1.010	4,593	0.000	0.750	0.750	0.750	3,521	1.098	3,865	4,415	(550)
3 Dunsmuir	1,187,605	50,000	5,190	101	680	5,971	(564)	5,407		0.969	5,238	1.010	5,289	0.000	0.750	0.750	0.750	4,055	1.098	4,451	5,731	(1,281)
4 Live Oak	2,318,784	25,000	11,349	196	1,328	12,873	(1,215)	11,658		0.969	11,295	1.010	11,404	0.000	0.750	0.750	0.750	8,743	1.098	9,597	12,645	(3,049)
5 Loomis	1,672,892	25,000	8,188	142	958	9,288	(877)	8,411		0.969	8,149	1.010	8,227	0.000	0.750	0.750	0.750	6,308	1.098	6,924	7,827	(904)
6 Mt. Shasta	3,427,885	25,000	16,777	290	1,963	19,031	(1,797)	17,234		0.969	16,697	1.010	16,859	0.000	0.750	0.771	1.021	13,287	1.098	14,584	25,456	(10,872)
7 Portola	1,003,145	25,000	4,910	85	575	5,569	(526)	5,043		0.969	4,886	1.010	4,934	2.315	1.500	1.000	0.750	5,043	1.098	5,536	4,994	542
8 Rio Dell	1,630,567	25,000	7,981	138	934	9,053	(855)	8,198		0.969	7,942	1.010	8,019	0.000	0.750	0.750	0.750	6,148	1.098	6,748	9,294	(2,545)
9 Shasta Lake	6,127,102	25,000	29,988	519	3,509	34,016	(3,212)	30,805		0.969	29,845	1.010	30,134	0.000	0.750	0.750	0.750	23,104	1.098	25,358	29,484	(4,126)
10 Susanville	6,031,521	25,000	29,521	511	3,454	33,486	(3,162)	30,324		0.969	29,380	1.010	29,664	0.000	0.750	0.750	0.750	22,743	1.098	24,962	29,637	(4,674)
11 Tulelake	727,925	25,000	3,563	62	417	4,041	(382)	3,660		0.969	3,546	1.010	3,580	0.000	0.750	0.750	0.750	2,745	1.098	3,013	3,728	(716)
12 Weed	2,649,896	50,000	11,580	224	1,518	13,322	(1,258)	12,064		0.969	11,688	1.010	11,801	2.549	1.500	1.000	0.750	12,064	1.098	13,242	10,921	2,320
13 Yreka	5,505,636	50,000	24,060	466	3,153	27,679	(2,613)	25,066		0.969	24,285	1.010	24,520	2.658	1.500	1.500	1.500	37,598	1.098	41,267	58,145	(16,878)
Total	\$33,887,490		\$160,959	\$2,869	\$19,408	\$183,237	(\$17,301)	\$165,936			\$160,767		\$162,322					\$147,890		\$162,322	\$205,532	-\$43,210

2026/2027 Preliminary Operating Budget VCIPA

Member	1								JPA Experience Mod Calculation (Used in determining the JPA's contribution to ERMA)				Individual Experience Mod Calculation (Used in determining each individual member's contribution to their JPA)											Prior Year Comparison																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																										
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	Actual		Funding		Loss		Admin.		Deposit		JPA		Net		Experience		Dep Prem		Off-Balance		Dep Prem		Individual		Capped		Capped Ind. Ex		Prior Year		Deposit		Contribution																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																	
	4Q 24 - 3Q 25	SIR	For	Prevention	Costs	Contribution	Participation	Contribution	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience	Modification	Factor	Off-Balance	Factor	Experience

2026/2027 Preliminary Operating Budget Contra Costa County Housing Authority

Member	Actual 4Q 24 - 3Q 25	SIR Selected	Funding For Losses	Loss Prevention & Training	Admin. Costs	Deposit Contribution	JPA Participation Credit	Net Deposit Contribution	Experience Modification Factor	Deposit Contribution Adjusted for Experience Modification	Off-Balance Factor	Deposit Contribution Adjusted for Off Balance Factor	Excess Insurance \$3M x \$1M	TOTAL Deposit Contribution	Prior Year Comparison	
	Payroll														Prior Year Deposit Contribution	Deposit \$ Increase (Decrease)
Contra Costa H.A.	\$8,600,611	\$50,000	\$49,712	\$728	\$4,926	\$55,366	N/A	\$55,366	0.947	\$52,418	1.010	\$52,925	\$5,193	\$58,118	\$51,068	\$7,050
Total	<u>\$8,600,611</u>		<u>\$49,712</u>	<u>\$728</u>	<u>\$4,926</u>	<u>\$55,366</u>	<u>\$0</u>	<u>\$55,366</u>		<u>\$52,418</u>		<u>\$52,925</u>	<u>\$5,193</u>	<u>\$58,118</u>	<u>\$51,068</u>	<u>\$7,050</u>

2026/2027 Preliminary Operating Budget City of Hayward

Member	Actual 4Q 24 - 3Q 25 Payroll	SIR Selected	Funding For Losses	Loss Prevention & Training	Admin. Costs	Deposit Contribution	JPA Participation Credit	Net Deposit Contribution	Experience Modification Factor	Deposit Contribution Adjusted for Experience Modification	Off-Balance Factor	Deposit Contribution Adjusted for Off Balance Factor	Excess Insurance* \$1M x \$1M	TOTAL Deposit Contribution	Prior Year Comparison	
															Prior Year Deposit Contribution	Deposit \$ Increase (Decrease)
Hayward	160,504,097	\$500,000	\$227,290	\$13,591	\$91,924	\$332,805	N/A	\$332,805	0.816	\$271,662	1.010	\$274,288	\$5,618	\$279,906	\$233,791	\$46,115
Total	\$160,504,097		\$227,290	\$13,591	\$91,924	\$332,805	\$0	\$332,805		\$271,662		\$274,288	\$5,618	\$279,906	\$233,791	\$46,115

* Excess Coverage with RUSI for \$1M at a rate of \$0.0035 per \$100 of payroll

2026/2027 Preliminary Operating Budget Oakland Housing Authority

Member	Actual 4Q 24 - 3Q 25 Payroll	SIR Selected	Funding For Losses	Loss Prevention & Training	Admin. Costs	Deposit Contribution	JPA Participation Credit	Net Deposit Contribution	Experience Modification Factor	Deposit Contribution Adjusted for Experience Modification	Off-Balance Factor	Deposit Contribution Adjusted for Off Balance Factor	Excess Insurance \$3M x \$1M	TOTAL Deposit Contribution	Prior Year Comparison	
															Prior Year Deposit Contribution	Deposit \$ Increase (Decrease)
Oakland H.A.	\$47,222,378	\$50,000	\$272,945	\$3,999	\$27,045	\$303,989	N/A	\$303,989	1.041	\$316,548	1.010	\$319,608	\$28,511	\$348,119	\$296,149	\$51,970
Total	<u><u>\$47,222,378</u></u>		<u><u>\$272,945</u></u>	<u><u>\$3,999</u></u>	<u><u>\$27,045</u></u>	<u><u>\$303,989</u></u>	<u><u>\$0</u></u>	<u><u>\$303,989</u></u>		<u><u>\$316,548</u></u>		<u><u>\$319,608</u></u>	<u><u>\$28,511</u></u>	<u><u>\$348,119</u></u>	<u><u>\$296,149</u></u>	<u><u>\$51,970</u></u>

**2026/2027 Preliminary Operating Budget
Experience Modification Calculation**

Calendar Year Payroll				Incurred Losses at 12/31/2025 Individual Losses from \$25k & Capped at \$500k				Experience Modification Calculation											Prior Year
Actual 2020 Payroll	Actual 2021 Payroll	Actual 2022 Payroll	Actual 2023 Payroll	Program Year 2021/2022	Program Year 2022/2023	Program Year 2023/2024	Program Year 2024/2025	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	
\$ 11,702,836	\$ 11,838,518	\$ 12,750,912	\$ 13,794,430	\$ -	\$ -	-	-	\$ 12,521,674	\$ -	-	\$ 22,879	-	0.074	-0.074	0.926		0.750		
11,098,373	12,133,826	12,580,449	13,966,743	-	-	-	-	12,444,848	-	-	22,738	-	0.074	-0.074	0.926		0.750		
5,969,261	6,162,581	6,173,588	6,253,860	-	-	-	-	6,139,822	-	-	11,218	-	0.052	-0.052	0.948		0.750		
5,687,342	5,894,737	5,970,283	6,018,499	-	-	-	-	5,892,715	-	-	10,767	-	0.051	-0.051	0.949		0.750		
3,399,285	3,653,808	4,110,151	4,232,038	-	-	-	-	3,848,820	-	-	7,032	-	0.041	-0.041	0.959		0.750		
14,716,102	14,557,309	14,978,934	16,100,227	-	-	-	-	15,088,143	-	-	27,568	-	0.081	-0.081	0.919		0.750		
Inc.	Inc.	Inc.	Inc.	Inc.	Inc.	Inc.	Inc.	Inc.	Inc.	Inc.	Inc.	Inc.	Inc.	Inc.					
3,279,254	3,241,259	3,412,363	3,643,837	-	-	-	-	3,394,178	-	-	6,202	-	0.038	-0.038	0.962		0.750		
3,425,608	3,297,611	3,564,363	3,909,127	-	-	-	-	3,549,177	-	-	6,485	-	0.039	-0.039	0.961		0.750		
14,821,833	15,320,987	16,981,286	17,170,269	-	-	-	-	16,073,594	-	-	29,368	-	0.084	-0.084	0.916		0.750		
30,667,457	30,033,508	31,790,524	33,210,582	-	-	-	-	31,425,518	-	-	57,418	-	0.117	-0.117	0.883		0.750		
16,299,869	16,400,686	18,231,393	17,135,066	-	-	-	-	17,016,754	-	-	31,092	-	0.086	-0.086	0.914		0.750		
17,744,124	17,275,663	13,680,477	22,243,382	-	-	-	-	17,735,911	-	-	32,406	-	0.088	-0.088	0.912		0.750		
14,222,007	14,361,525	15,493,330	16,406,450	-	210,000	-	29,000	15,120,828	59,750	0.395	27,628	2.163	0.081	0.094	1.094		1.500		
46,867,185	46,764,786	49,617,784	51,757,364	150,000	475,000	10,000	-	48,751,780	158,750	0.326	89,075	1.782	0.146	0.114	1.114		1.500		
25,091,432	25,290,717	25,984,385	27,745,187	-	-	-	-	26,027,930	-	-	47,556	-	0.107	-0.107	0.893		0.750		
3,069,317	2,863,971	3,589,014	4,211,741	-	-	-	-	3,433,511	-	-	6,273	-	0.039	-0.039	0.961		0.750		
3,926,313	4,066,973	3,860,641	4,115,009	-	-	45,000	-	3,992,234	11,250	0.282	7,294	1.542	0.042	0.023	1.023		1.500		
27,010,881	26,553,152	29,581,594	32,628,163	-	-	-	-	28,943,447	-	-	52,883	-	0.112	-0.112	0.888		0.750		
258,998,481	259,711,617	272,351,470	294,541,972	150,000	685,000	55,000	29,000	271,400,885	229,750	0.085	495,881	0.463	0.344	-0.185	0.815	0.815		0.849	
3,161,997	2,732,511	2,882,468	3,133,784	-	-	-	25,000	2,977,690	6,250	0.210	5,441	1.149	0.036	0.005	1.005		1.149		
3,017,735	2,821,999	3,121,566	3,349,611	-	-	-	-	3,077,728	-	-	5,623	-	0.037	-0.037	0.963		0.750		
1,817,427	1,862,717	1,716,022	1,770,465	-	-	-	-	1,791,658	-	-	3,274	-	0.028	-0.028	0.972		0.750		
2,772,977	2,614,505	3,140,732	3,582,011	-	-	173,000	-	3,027,556	43,250	1.429	5,532	7.819	0.036	0.248	1.248		1.500		
1,834,939	1,824,235	1,898,831	2,236,482	-	-	-	-	1,948,622	-	-	3,560	-	0.029	-0.029	0.971		0.750		
12,921,504	13,215,874	16,813,736	19,625,406	-	-	20,000	-	15,644,130	5,000	0.032	28,584	0.175	0.083	-0.068	0.932		0.750		
5,727,046	5,997,209	6,057,539	7,272,710	-	-	-	-	6,263,626	-	-	11,444	-	0.052	-0.052	0.948		0.750		
3,296,826	3,024,381	3,253,556	3,635,283	-	69,739	25,000	-	3,302,511	23,685	0.717	6,034	3.925	0.038	0.111	1.111		1.500		
1,098,212	1,131,127	966,011	938,998	-	-	-	-	1,033,587	-	-	1,888	-	0.021	-0.021	0.979		0.750		
917,541	953,404	1,256,182	1,543,122	-	-	-	-	1,167,562	-	-	2,133	-	0.023	-0.023	0.977		0.750		
36,566,205	36,177,962	41,106,643	47,087,872	-	69,739	218,000	25,000	40,234,671	78,185	0.194	73,513	1.064	0.132	0.008	1.008	1.008		0.950	

* Includes South County Transit

**2026/2027 Preliminary Operating Budget
Experience Modification Calculation**

Calendar Year Payroll					Incurred Losses at 12/31/2025 Individual Losses from \$25k & Capped at \$500k				Experience Modification Calculation										Prior Year
Member	Actual 2020 Payroll	Actual 2021 Payroll	Actual 2022 Payroll	Actual 2023 Payroll	Program Year 2021/2022	Program Year 2022/2023	Program Year 2023/2024	Program Year 2024/2025	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
CIRA																			
1 Amador	39,540	39,660	59,058	91,988	-	-	-	-	57,562	-	-	105	-	0.005	-0.005	0.995		0.750	
2 Arcata	9,555,644	8,945,064	9,820,522	10,697,494	426,478	1,758	75,000	45,000	9,754,681	137,059	1.405	17,823	7.690	0.065	0.436	1.436		1.500	
3 Avalon	5,445,158	4,763,892	5,472,937	6,052,512	-	-	-	-	5,433,625	-	-	9,928	-	0.049	-0.049	0.951		0.750	
4 Belvedere	2,244,081	2,359,252	2,290,765	2,389,637	-	-	-	-	2,320,934	-	-	4,241	-	0.032	-0.032	0.968		0.750	
5 Blue Lake	537,023	488,904	604,435	718,863	-	-	-	-	587,306	-	-	1,073	-	0.016	-0.016	0.984		0.750	
6 Calimesa	2,176,608	2,359,537	2,394,593	3,105,621	-	-	4,971	-	2,509,090	1,243	0.050	4,584	0.271	0.033	-0.024	0.976		0.750	
7 Calistoga	6,639,191	7,032,098	7,972,358	8,578,979	-	-	-	-	7,555,657	-	-	13,805	-	0.057	-0.057	0.943		0.750	
8 Citrus Heights	18,707,681	18,543,725	19,490,831	20,387,801	181,142	-	-	-	19,282,509	45,286	0.235	35,231	1.285	0.092	0.026	1.026		1.285	
9 Clearlake	4,675,251	4,795,097	5,019,153	5,136,198	-	-	-	-	4,906,425	-	-	8,965	-	0.046	-0.046	0.954		0.750	
10 Cloverdale	4,508,206	4,544,285	4,344,749	4,812,995	-	-	-	-	4,552,559	-	-	8,318	-	0.045	-0.045	0.955		0.750	
11 Coalinga	5,605,176	7,127,140	6,737,618	7,122,302	-	-	35,000	-	6,648,059	8,750	0.132	12,147	0.720	0.054	-0.015	0.985		0.750	
12 CONFIRE	6,203,947	6,375,823	6,158,064	6,608,770	50,000	-	-	-	6,336,651	12,500	0.197	11,578	1.080	0.053	0.004	1.004		1.080	
13 Cotati	4,017,641	4,186,582	4,371,469	4,692,986	-	-	-	-	4,317,169	-	-	7,888	-	0.043	-0.043	0.957		0.750	
14 Eureka	13,633,910	12,772,261	14,365,252	15,731,547	55,119	15,000	45,000	15,000	14,125,742	32,530	0.230	25,809	1.260	0.078	0.020	1.020		1.260	
15 Ferndale	760,266	768,202	829,502	883,918	-	-	-	-	810,472	-	-	1,481	-	0.019	-0.019	0.981		0.750	
16 Foresthill FPD	1,282,322	1,211,373	1,242,974	1,256,816	-	-	-	-	1,256,621	-	-	2,296	-	0.023	-0.023	0.977		0.750	
17 Fort Bragg	3,482,902	3,324,954	4,266,981	4,568,695	-	-	-	45,000	3,910,883	11,250	0.288	7,146	1.574	0.041	0.024	1.024		1.500	
18 Fortuna	5,217,344	4,997,383	5,517,879	5,900,436	68,125	-	-	25,000	5,408,260	23,281	0.430	9,882	2.356	0.049	0.066	1.066		1.500	
19 Grass Valley	8,649,990	8,906,430	9,424,084	10,106,747	-	-	-	-	9,271,813	-	-	16,941	-	0.064	-0.064	0.936		0.750	
20 Healdsburg	16,615,489	17,360,623	17,706,201	19,035,798	-	-	2,722	10,000	17,679,528	3,180	0.018	32,303	0.098	0.088	-0.079	0.921		0.750	
21 Highland	3,489,735	3,496,061	3,651,542	3,884,361	-	-	-	-	3,630,425	-	-	6,633	-	0.040	-0.040	0.960		0.750	
22 Lakeport	3,437,869	3,208,087	3,639,514	3,818,306	-	-	-	-	3,525,944	-	-	6,442	-	0.039	-0.039	0.961		0.750	
23 Menifee	14,915,995	19,932,044	25,419,799	29,097,765	-	27,036	160,000	10,000	22,341,401	49,259	0.220	40,820	1.207	0.099	0.020	1.020		1.207	
24 Mosquito FPD	292,372	1,056,806	393,234	367,069	-	-	-	-	527,370	-	-	964	-	0.015	-0.015	0.985		0.750	
25 Nevada City	2,729,700	2,167,929	2,588,219	3,099,328	-	-	45,000	-	2,646,294	11,250	0.425	4,835	2.327	0.034	0.045	1.045		1.500	
26 Pioneer FPD	749,082	892,622	656,738	1,091,168	-	-	-	-	847,193	-	-	1,548	-	0.019	-0.019	0.981		0.750	
27 Placencia	16,488,966	18,565,202	19,317,581	20,040,741	-	-	-	15,000	18,603,123	3,750	0.020	33,990	0.110	0.090	-0.080	0.920		0.750	
28 Placerville	6,866,007	6,413,314	7,177,274	7,650,588	-	-	25,000	-	7,026,796	6,250	0.089	12,839	0.487	0.055	-0.028	0.972		0.750	
29 Plymouth	689,651	789,775	837,969	951,596	-	-	-	25,000	817,248	6,250	0.765	1,493	4.186	0.019	0.060	1.060		1.500	
30 Point Arena	430,874	445,709	496,934	513,067	5,000	-	-	-	471,646	1,250	0.265	862	1.451	0.014	0.006	1.006		1.451	
31 PRFMA	-	-	-	-	-	-	-	-	-	-	-	-	-	0.000	0.000	1.000		0.750	
32 Rancho Cucamonga	28,856,863	27,046,389	28,810,319	29,843,601	-	-	-	127,500	28,639,293	31,875	0.111	52,327	0.609	0.112	-0.044	0.956		0.750	
33 Rancho Cucamonga FPD	20,323,453	20,958,185	21,086,506	24,420,029	-	-	-	-	21,697,043	-	-	39,643	-	0.097	-0.097	0.903		0.750	
34 Rancho Santa Margarita	2,816,136	2,789,483	3,069,024	3,317,656	-	-	-	-	2,998,075	-	-	5,478	-	0.036	-0.036	0.964		0.750	
35 Rohnert Park	22,968,906	23,529,796	25,656,130	26,975,956	-	-	160,000	5,000	24,782,697	41,250	0.166	45,281	0.911	0.104	-0.009	0.991		0.911	
36 San Juan Bautista	799,052	816,173	969,345	1,122,218	-	-	-	-	926,697	-	-	1,693	-	0.020	-0.020	0.980		0.750	
37 Sebastopol	6,161,737	6,137,256	6,121,814	5,833,316	10,000	-	10,000	-	6,063,531	5,000	0.082	11,079	0.451	0.051	-0.028	0.972		0.750	
38 Sierra Madre	7,105,732	7,275,662	7,317,729	8,179,985	-	-	-	-	7,469,777	-	-	13,648	-	0.057	-0.057	0.943		0.750	
39 Sonoma	3,264,026	3,313,245	3,463,666	3,724,161	-	145,529	-	-	3,441,275	36,382	1.057	6,288	5.786	0.039	0.185	1.185		1.500	
40 South Lake Tahoe	20,917,691	20,092,774	21,363,090	23,381,129	-	-	-	25,000	21,438,671	6,250	0.029	39,171	0.160	0.097	-0.081	0.919		0.750	
41 St Helena	7,761,649	7,463,865	7,646,183	8,894,590	-	-	-	-	7,941,572	-	-	14,510	-	0.059	-0.059	0.941		0.750	
42 Tehama	49,230	59,554	83,761	78,503	-	-	-	-	67,762	-	-	124	-	0.005	-0.005	0.995		0.750	
43 Trinidad	379,001	404,973	455,802	586,739	2,198	-	-	-	456,629	550	0.120	834	0.659	0.014	-0.005	0.995		0.750	
44 Truckee	11,054,419	10,726,963	11,712,430	14,056,871	-	-	17,205	-	11,887,671	4,301	0.036	21,720	0.198	0.072	-0.058	0.942		0.750	
45 Twentynine Palms	2,793,715	2,683,337	2,878,596	3,223,303	-	-	-	-	2,894,738	-	-	5,289	-	0.036	-0.036	0.964		0.750	
46 Ukiah	20,006,990	20,239,458	23,853,922	25,243,581	-	10,000	-	10,000	22,335,988	5,000	0.022	40,810	0.123	0.099	-0.087	0.913		0.750	
47 Upland	19,226,525	19,815,106	22,253,733	25,197,895	-	117,977	-	15,000	21,623,315	33,244	0.154	39,508	0.841	0.097	-0.015	0.985		0.841	
48 Watsonville	33,956,878	34,496,161	36,029,679	37,803,041	60,000	530,000	80,000	35,000	35,571,440	176,250	0.495	64,993	2.712	0.125	0.213	1.213		1.500	
49 Wheatland	1,825,924	1,821,323	1,878,853	1,966,987	-	-	-	-	1,873,272	-	-	3,423	-	0.029	-0.029	0.971		0.750	
50 Wheatland FA	543,964	592,896	389,991	304,946	-	-	-	-	457,949	-	-	837	-	0.014	-0.014	0.986		0.750	

**2026/2027 Preliminary Operating Budget
Experience Modification Calculation**

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Actual 2020 Payroll	Actual 2021 Payroll	Actual 2022 Payroll	Actual 2023 Payroll	Program Year 2021/2022	Program Year 2022/2023	Program Year 2023/2024	Program Year 2024/2025	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		
1,459,862	2,193,481	3,022,610	2,991,833	-	-	-	-	2,416,947	-	-	4,416	-	0.032	-0.032	0.968		0.750			
3,279,667	3,310,405	3,930,515	4,509,566	-	-	-	-	3,757,538	-	-	6,865	-	0.040	-0.040	0.960		0.750			
9,265,310	10,047,645	11,360,754	11,988,969	-	-	-	-	10,665,670	-	-	19,487	-	0.068	-0.068	0.932		0.750			
3,710,270	3,560,453	3,955,465	4,656,952	-	-	-	-	3,970,785	-	-	7,255	-	0.042	-0.042	0.958		0.750			
4,929,286	5,632,884	6,911,406	8,458,492	-	-	-	-	6,483,017	-	-	11,845	-	0.053	-0.053	0.947		0.750			
3,085,964	3,404,596	3,983,896	4,201,016	28,532	25,000	-	-	3,668,868	13,383	0.365	6,703	1.996	0.040	0.040	1.040		1.500			
891,768	892,001	991,143	1,043,400	-	-	-	-	954,578	-	-	1,744	-	0.020	-0.020	0.980		0.750			
407,521,637	417,173,895	451,464,593	490,431,830	886,594	872,300	659,897	407,500	441,647,989	706,573	0.160	806,943	0.876	0.439	-0.055	0.945	0.945		1.104		

**2026/2027 Preliminary Operating Budget
Experience Modification Calculation**

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Actual 2020 Payroll	Actual 2021 Payroll	Actual 2022 Payroll	Actual 2023 Payroll	Program Year 2021/2022	Program Year 2022/2023	Program Year 2023/2024	Program Year 2024/2025	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	
2,349,846	2,399,873	2,535,480	2,750,617	-	-	-	-	2,508,954	-	-	4,584	-	0.033	-0.033	0.967		0.750		
5,921,819	5,896,561	6,767,621	7,646,293	-	-	-	-	6,558,074	-	-	11,982	-	0.053	-0.053	0.947		0.750		
16,698,584	15,981,737	14,743,505	14,703,401	-	-	-	115,000	15,531,807	28,750	0.185	28,378	1.013	0.082	0.001	1.001		1.013		
4,740,272	4,928,932	5,173,048	5,694,998	-	-	-	-	5,134,312	-	-	9,381	-	0.047	-0.047	0.953		0.750		
4,443,287	4,848,713	5,551,018	5,676,807	-	-	-	-	5,129,956	-	-	9,373	-	0.047	-0.047	0.953		0.750		
18,751,950	15,299,430	15,605,085	18,129,806	-	27,287	10,000	25,000	16,946,568	15,572	0.092	30,963	0.503	0.086	-0.043	0.957		0.750		
10,132,327	10,695,776	11,146,273	11,318,273	-	-	-	-	10,823,162	-	-	19,775	-	0.069	-0.069	0.931		0.750		
1,704,204	1,643,049	2,135,480	2,056,322	-	-	20,000	-	1,884,764	5,000	0.265	3,444	1.452	0.029	0.013	1.013		1.452		
2,165,097	2,228,238	2,417,056	2,391,650	-	30,000	-	-	2,300,510	7,500	0.326	4,203	1.784	0.032	0.025	1.025		1.500		
2,674,088	2,824,217	3,003,064	2,960,121	-	-	-	10,000	2,865,373	2,500	0.087	5,235	0.478	0.035	-0.018	0.982		0.750		
2,561,304	3,061,431	3,127,378	3,515,355	-	68,249	5,000	35,000	3,066,367	27,062	0.883	5,603	4.830	0.037	0.140	1.140		1.500		
2,116,593	2,318,565	2,555,198	2,641,196	-	-	10,000	-	2,407,888	2,500	0.104	4,399	0.568	0.032	-0.014	0.986		0.750		
1,630,763	1,870,837	1,972,613	2,022,074	-	-	-	-	1,874,072	-	-	3,424	-	0.029	-0.029	0.971		0.750		
925,137	1,041,179	1,214,081	1,184,651	-	-	-	-	1,091,262	-	-	1,994	-	0.022	-0.022	0.978		0.750		
1,305,056	1,283,402	1,314,668	1,702,346	-	-	-	-	1,401,368	-	-	2,560	-	0.025	-0.025	0.975		0.750		
4,417,230	4,543,248	4,790,792	4,776,030	-	-	-	-	4,631,825	-	-	8,463	-	0.045	-0.045	0.955		0.750		
4,707,709	5,010,403	5,909,873	6,540,779	-	-	-	-	5,542,191	-	-	10,126	-	0.049	-0.049	0.951		0.750		
7,931,830	8,588,380	13,649,612	17,735,817	-	-	-	50,000	11,976,410	12,500	0.104	21,882	0.571	0.072	-0.031	0.969		0.750		
7,765,911	8,039,623	7,365,663	8,071,476	-	-	-	-	7,810,668	-	-	14,271	-	0.058	-0.058	0.942		0.750		
4,640,642	4,874,636	4,908,166	5,096,292	303,331	69,950	20,000	10,000	4,879,934	100,820	2.066	8,916	11.308	0.046	0.475	1.475		1.500		
17,292,668	17,280,855	18,152,130	19,077,910	-	-	-	-	17,950,891	-	-	32,798	-	0.088	-0.088	0.912		0.750		
2,464,969	2,644,130	3,102,494	3,775,910	-	-	-	-	2,996,876	-	-	5,476	-	0.036	-0.036	0.964		0.750		
2,431,809	2,962,007	2,969,631	3,314,073	-	-	-	-	2,919,380	-	-	5,334	-	0.036	-0.036	0.964		0.750		
39,205,677	38,584,922	40,832,510	42,852,761	38,789	10,000	-	50,000	40,368,967	24,697	0.061	73,759	0.335	0.133	-0.088	0.912		0.750		
2,991,561	3,169,037	3,389,358	3,746,303	-	-	-	-	3,324,065	-	-	6,073	-	0.038	-0.038	0.962		0.750		
6,541,692	7,193,367	8,059,225	7,999,240	-	-	-	-	7,448,381	-	-	13,609	-	0.057	-0.057	0.943		0.750		
2,250,697	2,480,857	2,764,735	3,051,940	-	-	260,000	-	2,637,057	65,000	2.465	4,818	13.490	0.034	0.423	1.423		1.500		
2,923,378	3,449,008	3,504,807	4,089,763	-	-	15,000	-	3,491,739	3,750	0.107	6,380	0.588	0.039	-0.016	0.984		0.750		
9,754,944	10,666,710	11,514,675	14,374,383	-	-	-	-	11,577,678	-	-	21,154	-	0.071	-0.071	0.929		0.750		
24,426,291	25,083,635	27,412,220	27,145,985	475,000	21,767	-	5,000	26,017,033	125,442	0.482	47,536	2.639	0.106	0.175	1.175		1.500		
8,956,111	9,696,142	9,570,953	11,021,757	-	-	-	-	9,811,241	-	-	17,926	-	0.065	-0.065	0.935		0.750		
3,791,774	3,924,827	4,404,490	4,948,465	-	-	11,964	-	4,267,389	2,991	0.070	7,797	0.384	0.043	-0.027	0.973		0.750		
9,043,155	9,655,795	9,427,351	10,229,818	44,731	-	-	-	9,589,030	11,183	0.117	17,520	0.638	0.065	-0.023	0.977		0.750		
640,235	739,831	927,612	1,001,207	-	-	-	-	827,221	-	-	1,511	-	0.019	-0.019	0.981		0.750		
8,105,554	9,055,747	10,175,119	12,411,923	-	36,123	-	5,000	9,937,086	10,281	0.103	18,156	0.566	0.066	-0.029	0.971		0.750		
13,940,524	9,686,378	9,689,674	11,326,458	-	-	-	15,000	11,160,759	3,750	0.034	20,392	0.184	0.070	-0.057	0.943		0.750		
3,254,908	3,579,602	3,783,447	3,916,450	-	-	-	-	3,633,602	-	-	6,639	-	0.040	-0.040	0.960		0.750		
8,000,630	5,524,736	3,777,364	4,551,574	-	-	-	-	5,463,576	-	-	9,983	-	0.049	-0.049	0.951		0.750		
5,603,822	5,872,391	6,143,505	6,987,377	605,584	-	-	-	6,151,774	151,396	2.461	11,240	13.469	0.052	0.646	1.646		1.500		
56,478,657	41,023,558	49,680,145	54,891,132	-	19,000	20,000	5,000	50,518,373	11,000	0.022	92,303	0.119	0.148	-0.131	0.869		0.750		
26,647,620	26,746,716	27,732,788	30,545,360	-	-	-	-	27,918,121	-	-	51,010	-	0.110	-0.110	0.890		0.750		
4,028,106	4,103,809	3,864,973	4,542,362	-	-	-	-	4,134,813	-	-	7,555	-	0.042	-0.042	0.958		0.750		
1,992,280	2,231,022	2,451,838	2,838,967	-	-	-	-	2,378,527	-	-	4,346	-	0.032	-0.032	0.968		0.750		
368,350,711	352,733,311	379,216,717	415,255,420	1,467,436	282,376	371,964	325,000	378,889,040	611,694	0.161	692,275	0.884	0.406	-0.047	0.953	0.953		0.918	

**2026/2027 Preliminary Operating Budget
Experience Modification Calculation**

Calendar Year Payroll				Incurred Losses at 12/31/2025 Individual Losses from \$25k & Capped at \$500k				Experience Modification Calculation											Prior Year
Actual 2020 Payroll	Actual 2021 Payroll	Actual 2022 Payroll	Actual 2023 Payroll	Program Year 2021/2022	Program Year 2022/2023	Program Year 2023/2024	Program Year 2024/2025	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	
6,194,164	6,822,107	6,785,905	7,603,227	-	-	-	-	6,851,351	-	-	12,518	-	0.055	-0.055	0.945		0.750		
1,459,024	1,424,757	1,620,388	1,686,253	-	10,000	-	-	1,547,606	2,500	0.162	2,828	0.884	0.026	-0.003	0.997		0.884		
4,053,383	4,564,941	4,843,822	4,693,379	-	-	-	-	4,538,881	-	-	8,293	-	0.044	-0.044	0.956		0.750		
6,779,110	7,759,850	7,778,529	9,353,507	-	-	-	-	7,917,749	-	-	14,467	-	0.059	-0.059	0.941		0.750		
18,147,545	17,808,033	20,132,044	22,589,522	-	-	30,000	-	19,669,286	7,500	0.038	35,938	0.209	0.093	-0.073	0.927		0.750		
3,188,426	3,482,980	4,126,847	4,529,106	-	-	-	-	3,831,840	-	-	7,001	-	0.041	-0.041	0.959		0.750		
10,353,395	10,800,588	11,082,135	11,959,313	18,059	-	-	-	11,048,858	4,515	0.041	20,188	0.224	0.069	-0.054	0.946		0.750		
2,727,512	2,983,122	2,793,200	2,740,878	-	-	-	-	2,811,178	-	-	5,136	-	0.035	-0.035	0.965		0.750		
5,145,170	4,762,536	6,047,785	6,832,917	-	-	-	-	5,697,102	-	-	10,409	-	0.050	-0.050	0.950		0.750		
5,168,379	6,078,949	7,067,937	7,539,827	-	-	-	-	6,463,773	-	-	11,810	-	0.053	-0.053	0.947		0.750		
63,216,106	66,487,863	72,278,593	79,527,929	18,059	10,000	30,000	-	70,377,623	14,515	0.021	128,588	0.113	0.175	-0.155	0.845	0.845		1.034	
42,345,945	42,716,768	43,257,130	44,296,404	15,000	70,000	145,000	260,000	43,154,062	122,500	0.284	78,848	1.554	0.137	0.076	1.076		1.500		
35,460,143	37,120,298	39,973,934	40,700,311	-	390,652	310,000	5,000	38,313,672	176,413	0.460	70,004	2.520	0.129	0.196	1.196		1.500		
2,445,121	2,446,671	2,897,231	2,768,506	-	-	-	-	2,639,382	-	-	4,822	-	0.034	-0.034	0.966		0.750		
8,414,317	8,300,584	8,820,471	9,943,913	-	-	-	-	8,869,821	-	-	16,206	-	0.062	-0.062	0.938		0.750		
21,779,663	20,037,891	20,822,849	22,671,939	30,149	48,261	-	95,000	21,328,085	43,352	0.203	38,969	1.112	0.096	0.011	1.011		1.112		
7,780,378	7,841,522	7,807,133	8,290,597	-	-	10,000	-	7,929,907	2,500	0.032	14,489	0.173	0.059	-0.049	0.951		0.750		
4,408,933	4,863,651	5,246,607	5,721,777	-	-	-	-	5,060,242	-	-	9,246	-	0.047	-0.047	0.953		0.750		
45,243,136	47,618,778	52,401,493	47,997,991	-	-	-	-	48,315,349	-	-	88,278	-	0.145	-0.145	0.855		0.750		
15,310,499	14,827,796	16,688,531	18,263,323	-	-	10,000	-	16,272,537	2,500	0.015	29,732	0.084	0.084	-0.077	0.923		0.750		
4,441,757	4,244,403	5,375,626	5,670,962	-	-	-	-	4,933,187	-	-	9,014	-	0.046	-0.046	0.954		0.750		
2,699,436	2,909,709	3,415,482	4,371,229	-	-	-	-	3,348,964	-	-	6,119	-	0.038	-0.038	0.962		0.750		
10,042,060	10,287,048	10,797,877	12,397,659	-	15,000	325,000	20,000	10,881,161	90,000	0.827	19,881	4.527	0.069	0.243	1.243		1.500		
3,760,432	3,795,506	4,012,953	4,573,601	-	-	-	-	4,035,623	-	-	7,374	-	0.042	-0.042	0.958		0.750		
19,303,972	20,489,492	21,058,673	22,470,488	-	-	-	-	20,830,656	-	-	38,060	-	0.095	-0.095	0.905		0.750		
11,143,507	11,654,031	13,600,050	13,378,295	14,315	-	-	25,000	12,443,971	9,829	0.079	22,737	0.432	0.074	-0.042	0.958		0.750		
29,434,181	29,371,054	32,071,248	34,690,960	-	-	-	10,000	31,391,861	2,500	0.008	57,357	0.044	0.117	-0.112	0.888		0.750		
13,140,989	13,627,759	14,544,955	13,390,998	-	-	-	-	13,676,175	-	-	24,988	-	0.077	-0.077	0.923		0.750		
16,868,398	17,280,331	18,414,857	20,378,578	475,000	-	12,277	-	18,235,541	121,819	0.668	33,318	3.656	0.089	0.237	1.237		1.500		
34,068,902	34,615,081	36,358,406	37,999,658	-	110,000	70,000	-	35,760,512	45,000	0.126	65,339	0.689	0.125	-0.039	0.961		0.750		
42,084,206	39,261,971	41,746,886	45,519,579	-	-	10,000	-	42,153,160	2,500	0.006	77,019	0.032	0.136	-0.131	0.869		0.750		
2,123,692	2,084,213	2,212,293	2,420,545	-	165,972	-	-	2,210,186	41,493	1.877	4,038	10.275	0.031	0.288	1.288		1.500		
372,299,667	375,394,558	401,524,685	417,917,314	534,463	799,885	892,277	415,000	391,784,056	660,406	0.169	715,836	0.923	0.413	-0.032	0.968	0.968		0.919	

**2026/2027 Preliminary Operating Budget
Experience Modification Calculation**

Calendar Year Payroll				Incurred Losses at 12/31/2025 Individual Losses from \$25k & Capped at \$500k				Experience Modification Calculation											Prior Year
Actual 2020 Payroll	Actual 2021 Payroll	Actual 2022 Payroll	Actual 2023 Payroll	Program Year 2021/2022	Program Year 2022/2023	Program Year 2023/2024	Program Year 2024/2025	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	
19,330,395	20,790,967	23,644,349	26,227,462	90,000	2,247	485,000	-	22,498,293	144,312	0.641	41,107	3.511	0.099	0.249	1.249		1.500		
15,113,929	15,789,586	16,454,945	18,626,457	681,250	160,000	11,000	-	16,496,229	213,063	1.292	30,141	7.069	0.085	0.515	1.515		1.500		
740,552	892,825	2,100,832	2,351,453	-	-	-	-	1,521,415	-	-	2,780	-	0.026	-0.026	0.974		0.750		
22,874,716	23,565,957	25,917,968	28,747,461	10,000	-	375,000	10,000	25,276,525	98,750	0.391	46,183	2.138	0.105	0.119	1.119		1.500		
6,399,918	6,870,836	6,657,724	8,068,981	-	350,000	55,000	-	6,999,365	101,250	1.447	12,789	7.917	0.055	0.382	1.382		1.500		
28,797,153	29,170,475	32,985,119	33,219,467	-	-	-	-	31,043,054	-	-	56,719	-	0.116	-0.116	0.884		0.750		
7,901,306	9,072,007	10,746,213	12,683,855	-	-	-	-	10,100,845	-	-	18,455	-	0.066	-0.066	0.934		0.750		
2,649,838	3,511,690	4,715,416	5,635,048	117,473	46,090	225,000	-	4,127,998	97,141	2.353	7,542	12.879	0.042	0.504	1.504		1.500		
12,054,461	12,057,616	13,826,471	15,263,478	115,000	-	-	95,000	13,300,507	52,500	0.395	24,302	2.160	0.076	0.088	1.088		1.500		
1,593,644	1,695,703	2,082,526	2,412,761	-	-	1,130,000	-	1,946,159	282,500	14.516	3,556	79.446	0.029	2.285	3.285		1.500		
1,402,246	1,454,155	1,628,842	1,535,661	-	-	-	-	1,505,226	-	-	2,750	-	0.026	-0.026	0.974		0.750		
705,839	775,810	625,818	639,784	-	-	-	-	686,813	-	-	1,255	-	0.017	-0.017	0.983		0.750		
2,342,660	4,483,298	7,291,031	8,362,508	-	-	-	-	5,619,874	-	-	10,268	-	0.049	-0.049	0.951		0.750		
27,441,181	28,186,015	29,177,536	30,132,484	-	300,213	10,000	-	28,734,304	77,553	0.270	52,501	1.477	0.112	0.053	1.053		1.477		
25,594,243	23,556,156	27,868,612	30,681,064	29,238	-	244,670	95,000	26,925,019	92,227	0.343	49,195	1.875	0.108	0.095	1.095		1.500		
41,335,161	44,962,080	49,396,495	56,128,581	350,363	-	35,000	5,000	47,955,579	97,591	0.204	87,620	1.114	0.145	0.016	1.016		1.114		
4,943,326	5,162,052	5,870,219	7,074,129	-	-	-	-	5,762,432	-	-	10,529	-	0.050	-0.050	0.950		0.750		
3,957,934	3,622,804	5,222,401	5,661,652	50,000	96,000	15,000	-	4,616,198	40,250	0.872	8,434	4.772	0.045	0.169	1.169		1.500		
9,144,474	10,493,641	11,430,121	14,257,784	30,398	-	-	-	11,331,505	7,599	0.067	20,704	0.367	0.070	-0.044	0.956		0.750		
7,682,358	7,701,017	8,189,727	9,230,178	-	-	71,500	-	8,200,820	17,875	0.218	14,984	1.193	0.060	0.012	1.012		1.193		
5,193,931	5,381,447	6,600,273	7,036,885	-	-	-	-	6,053,134	-	-	11,060	-	0.051	-0.051	0.949		0.750		
559,148	641,463	684,740	718,135	-	-	-	-	650,872	-	-	1,189	-	0.017	-0.017	0.983		0.750		
18,629,160	18,967,339	18,911,966	20,813,243	477,451	20,000	20,000	-	19,330,427	129,363	0.669	35,319	3.663	0.092	0.244	1.244		1.500		
39,239,427	40,186,087	45,499,056	52,819,470	43,907	1,079	-	-	44,436,010	11,246	0.025	81,190	0.139	0.139	-0.120	0.880		0.750		
1,450,770	1,761,936	1,914,747	2,079,732	-	-	-	-	1,801,796	-	-	3,292	-	0.028	-0.028	0.972		0.750		
787,777	662,460	541,722	490,010	-	-	-	-	620,493	-	-	1,134	-	0.016	-0.016	0.984		0.750		
307,865,548	321,415,422	359,984,869	400,897,722	1,995,078	975,628	2,677,170	205,000	347,540,890	1,463,219	0.421	634,998	2.304	0.389	0.508	1.508	1.250		1.250	
7,327,450	7,367,464	7,830,910	8,795,863	-	-	50,000	-	7,830,422	12,500	0.160	14,307	0.874	0.058	-0.007	0.993		0.874		
4,824,688	6,119,480	6,545,300	7,199,540	304,563	-	-	-	6,172,252	76,141	1.234	11,277	6.752	0.052	0.298	1.298		1.500		
25,871,271	26,209,716	26,883,468	27,865,839	-	-	-	-	26,707,573	-	-	48,798	-	0.108	-0.108	0.892		0.750		
4,863,095	4,203,184	4,628,741	5,162,204	-	-	-	-	4,714,306	-	-	8,614	-	0.045	-0.045	0.955		0.750		
10,399,619	11,637,406	12,234,877	12,840,647	-	-	-	-	11,778,137	-	-	21,520	-	0.072	-0.072	0.928		0.750		
3,051,289	2,786,498	3,155,702	3,342,269	-	-	-	-	3,083,939	-	-	5,635	-	0.037	-0.037	0.963		0.750		
20,432,017	20,194,889	21,397,544	21,955,823	-	-	-	-	20,995,068	-	-	38,360	-	0.096	-0.096	0.904		0.750		
9,176,275	9,537,925	10,796,554	12,920,231	-	-	-	-	10,607,746	-	-	19,382	-	0.068	-0.068	0.932		0.750		
7,504,120	8,112,632	9,258,465	11,421,479	-	-	-	-	9,074,174	-	-	16,580	-	0.063	-0.063	0.937		0.750		
2,067,249	2,201,254	2,311,034	2,160,784	-	-	-	-	2,185,080	-	-	3,992	-	0.031	-0.031	0.969		0.750		
95,517,072	98,370,447	105,042,595	113,664,679	304,563	-	50,000	-	103,148,698	88,641	0.086	188,465	0.470	0.212	-0.112	0.888	0.888		0.993	

**2026/2027 Preliminary Operating Budget
Experience Modification Calculation**

Calendar Year Payroll				Incurred Losses at 12/31/2025 Individual Losses from \$25k & Capped at \$500k				Experience Modification Calculation											Prior Year
Actual 2020 Payroll	Actual 2021 Payroll	Actual 2022 Payroll	Actual 2023 Payroll	Program Year 2021/2022	Program Year 2022/2023	Program Year 2023/2024	Program Year 2024/2025	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	
437,782	463,643	509,433	557,907	-	-	-	-	492,191	-	-	899	-	0.015	-0.015	0.985		0.750		
786,691	724,632	774,258	785,835	-	-	-	-	767,854	-	-	1,403	-	0.018	-0.018	0.982		0.750		
819,256	1,081,042	760,104	985,162	-	-	-	-	911,391	-	-	1,665	-	0.020	-0.020	0.980		0.750		
1,623,377	1,604,807	1,827,359	2,156,922	-	-	-	-	1,803,116	-	-	3,295	-	0.028	-0.028	0.972		0.750		
1,201,962	1,234,630	1,329,489	1,475,131	-	-	-	-	1,310,303	-	-	2,394	-	0.024	-0.024	0.976		0.750		
2,472,916	2,437,096	2,846,205	3,184,600	-	-	-	-	2,735,204	-	-	4,998	-	0.035	-0.035	0.965		0.750		
837,892	908,114	836,296	963,694	-	-	-	15,000	886,499	3,750	0.423	1,620	2.315	0.020	0.026	1.026		1.500		
1,190,818	1,388,041	1,545,344	1,669,440	-	-	-	-	1,448,411	-	-	2,646	-	0.025	-0.025	0.975		0.750		
4,657,055	4,778,843	5,038,920	5,279,273	-	-	-	-	4,938,523	-	-	9,023	-	0.046	-0.046	0.954		0.750		
4,430,033	4,298,660	4,298,660	4,821,728	-	-	-	-	4,750,826	-	-	8,680	-	0.046	-0.046	0.954		0.750		
415,345	449,117	529,703	595,366	-	-	-	-	497,383	-	-	909	-	0.015	-0.015	0.985		0.750		
1,870,081	1,929,343	2,261,104	2,528,288	-	-	-	40,000	2,147,204	10,000	0.466	3,923	2.549	0.031	0.047	1.047		1.500		
3,919,913	4,186,183	4,547,941	5,169,632	51,571	-	35,000	-	4,455,917	21,643	0.486	8,141	2.658	0.044	0.073	1.073		1.500		
24,663,120	25,484,151	27,627,884	30,804,135	51,571	-	35,000	55,000	27,144,822	35,393	0.130	49,597	0.714	0.109	-0.031	0.969	0.969		1.096	
1,793,829	1,896,928	2,081,579	2,130,287	-	-	-	-	1,975,656	-	-	3,610	-	0.029	-0.029	0.971		0.750		
54,945	61,280	66,279	71,054	-	-	-	-	63,389	-	-	116	-	0.005	-0.005	0.995		0.750		
1,503,986	1,478,193	1,502,412	1,549,970	-	-	-	-	1,508,640	-	-	2,756	-	0.026	-0.026	0.974		0.750		
5,091,490	5,494,131	5,989,694	6,279,387	-	-	-	-	5,713,675	-	-	10,440	-	0.050	-0.050	0.950		0.750		
208,559	201,416	202,346	208,494	-	-	-	-	205,204	-	-	375	-	0.009	-0.009	0.991		0.750		
146,746	151,628	144,852	176,614	-	-	-	-	154,960	-	-	283	-	0.008	-0.008	0.992		0.750		
1,482,462	1,475,950	1,703,245	1,712,373	-	-	-	-	1,593,507	-	-	2,912	-	0.026	-0.026	0.974		0.750		
3,439,706	3,419,534	3,598,359	3,687,165	7,050	-	-	25,000	3,536,191	8,013	0.227	6,461	1.240	0.039	0.009	1.009		1.240		
1,747,563	1,671,173	1,872,998	1,959,949	-	-	-	-	1,812,921	-	-	3,312	-	0.028	-0.028	0.972		0.750		
67,904	71,628	73,163	73,065	-	-	-	-	71,440	-	-	131	-	0.006	-0.006	0.994		0.750		
810,434	835,173	883,305	949,368	-	-	-	-	869,570	-	-	1,589	-	0.019	-0.019	0.981		0.750		
114,272	107,391	116,615	124,534	-	-	-	-	115,703	-	-	211	-	0.007	-0.007	0.993		0.750		
7,562,957	8,007,992	8,529,966	8,754,109	-	95,000	-	-	8,213,756	23,750	0.289	15,007	1.583	0.060	0.035	1.035		1.500		
1,130,510	1,056,723	1,079,355	1,420,871	-	-	-	-	1,171,865	-	-	2,141	-	0.023	-0.023	0.977		0.750		
610,603	652,243	700,237	578,841	-	-	-	-	635,481	-	-	1,161	-	0.017	-0.017	0.983		0.750		
4,122,290	4,401,326	4,483,686	4,191,387	-	475,000	-	-	4,299,672	118,750	2.762	7,856	15.116	0.043	0.611	1.611		1.500		
3,540,226	3,673,537	4,003,209	4,000,533	-	10,000	-	-	3,804,376	2,500	0.066	6,951	0.360	0.041	-0.026	0.974		0.750		
863,836	833,899	962,005	896,882	-	-	-	-	889,156	-	-	1,625	-	0.020	-0.020	0.980		0.750		
1,692,381	1,828,122	1,779,603	1,986,249	-	-	65,000	-	1,821,589	16,250	0.892	3,328	4.882	0.028	0.109	1.109		1.500		
7,153,118	7,277,469	7,587,785	7,860,946	-	-	-	-	7,469,830	-	-	13,648	-	0.057	-0.057	0.943		0.750		
1,953,423	1,867,664	1,940,203	2,189,485	-	-	-	-	1,987,694	-	-	3,632	-	0.029	-0.029	0.971		0.750		
5,092,143	5,263,526	5,324,547	6,080,396	-	-	-	-	5,440,153	-	-	9,940	-	0.049	-0.049	0.951		0.750		
2,743,447	3,093,067	3,056,348	3,048,509	-	-	-	-	2,985,343	-	-	5,455	-	0.036	-0.036	0.964		0.750		
2,682,261	2,761,101	3,019,740	3,089,599	-	-	-	-	2,888,175	-	-	5,277	-	0.035	-0.035	0.965		0.750		
2,672,232	2,505,122	2,785,387	3,109,092	-	-	-	-	2,767,958	-	-	5,057	-	0.035	-0.035	0.965		0.750		
407,395	420,405	450,090	485,825	-	-	-	-	440,929	-	-	806	-	0.014	-0.014	0.986		0.750		
1,247,589	1,296,223	1,316,123	1,463,635	-	-	-	-	1,330,893	-	-	2,432	-	0.024	-0.024	0.976		0.750		
1,070,837	1,155,454	1,301,654	1,420,043	-	-	49,768	-	1,236,997	12,442	1.006	2,260	5.505	0.023	0.105	1.105		1.500		
377,235	391,270	398,081	421,054	-	-	-	-	396,910	-	-	725	-	0.013	-0.013	0.987		0.750		
987,396	965,506	892,479	1,069,046	-	-	-	-	978,607	-	-	1,788	-	0.021	-0.021	0.979		0.750		
1,583,780	1,543,059	1,721,568	1,788,520	-	-	-	-	1,659,232	-	-	3,032	-	0.027	-0.027	0.973		0.750		
63,955,555	65,858,133	69,566,910	72,777,281	7,050	580,000	114,768	25,000	68,039,470	181,704	0.267	124,316	1.462	0.172	0.079	1.079	1.079		0.935	

**2026/2027 Preliminary Operating Budget
Experience Modification Calculation**

Calendar Year Payroll					Incurred Losses at 12/31/2025 Individual Losses from \$25k & Capped at \$500k				Experience Modification Calculation											Prior Year
Member	Actual 2020 Payroll	Actual 2021 Payroll	Actual 2022 Payroll	Actual 2023 Payroll	Program Year 2021/2022	Program Year 2022/2023	Program Year 2023/2024	Program Year 2024/2025	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	
Contra Costa H.A.	6,099,076	6,185,608	6,731,514	6,993,253	-	-	-	-	6,502,363	-	-	11,881	-	0.053	-0.053	0.947	0.947		0.958	
Hayward	103,033,584	106,943,827	114,825,426	120,515,662	-	-	25,000	110,000	111,329,625	33,750	0.030	203,412	0.166	0.220	-0.184	0.816	0.816		0.802	
Oakland H.A.	32,406,354	34,697,899	38,819,932	40,478,887	125,000	185,000	45,000	-	36,600,768	88,750	0.242	66,874	1.327	0.126	0.041	1.041	1.041		0.977	
Totals	\$ 2,140,493,114	\$ 2,166,634,694	\$ 2,340,541,832	\$ 2,530,893,953	\$ 5,539,814	\$ 4,459,929	\$ 5,174,075	\$ 1,596,500	\$ 2,294,640,898	\$ 4,192,579	0.183	\$ 4,192,579	1.000	1.000	0.000	1.000				

Recently joined members - years before they participated in ERMA

Capped Ex mod (Both Individual and JPA) Calculation that includes the credibility factor, as has been traditionally used. Low end cap is .750 and high end cap is 1.250.

Individual Capped Ex mod Calculation that does not include the credibility factor, the methodology developed by ERMA's Restructuring Committee.

Low end cap is .750 and high end cap is 1.500.

New members are given an ex mod of 1.0 for their first year.

FINANCIAL MATTERS

SUBJECT: Review and Consideration of a Request from The City of Weed (SCORE) Regarding a Decrease of its Self-Insured Retention from \$100K to \$50K
Presented by Rob Kramer, Executive Director

RECOMMENDATION: *Based on the size and loss history of the City of Weed, Staff recommends allowing the City to lower its SIR to the \$50,000 member retained limit.*

BACKGROUND AND STATUS:

The City of Weed, a member of SCORE, is requesting a reduction of its self-insured retention (SIR) from its current level of \$100,000 down to \$50,000. The payroll for the City was \$2,627,325 in 2025, and from a size perspective, this puts them in line with other members at the \$50,000 SIR level.

The City has no reported losses since 2017.

REFERENCE MATERIALS ATTACHED:

- Letter from the City of Weed requesting a reduction in their ERMA SIR



City of Weed
550 Main Street
P.O. Box 470
Weed, CA 96094
(530) 938-5020
ci.weed.ca.us

31 March 2026

Rob Kramer, JD
Director, Pool Administration
Sedgwick

RE: Request to Adjust Self-Insured Retention (SIR) from \$100,000 to \$50,000

Dear Mr. Kramer,

On behalf of the City of Weed, I respectfully submit this request for consideration to adjust the City's Self-Insured Retention (SIR) from \$100,000 to \$50,000.

This request is not being made in response to any increase in claims activity or emerging liabilities. Rather, it reflects a deliberate and proactive effort to better align the City's risk financing structure with its operational scale, financial capacity, and ongoing risk management improvements.

Since I was appointed City Manager in September 2025, the City has made a comprehensive effort to modernize operations, reduce liability exposure, and implement preventative maintenance practices across all departments. These actions are intended to reduce long-term risk while improving service delivery and infrastructure reliability.

Key initiatives implemented or underway include:

Water System Risk Reduction

Execution of a citywide water tank maintenance agreement, with scheduled rehabilitation of multiple tanks, and development of a pump maintenance program to ensure annual inspections and early detection of system failures.

Infrastructure & ADA Compliance Improvements

Removal and replacement of hazardous sidewalks and trees to reduce trip-and-fall and ADA exposure risks.

Facility Rehabilitation & Environmental Safety

Replacement of the City Hall roof and completion of a comprehensive remediation effort addressing water intrusion and mold exposure. Final environmental testing is currently underway.

Hazardous Property Mitigation

Acquisition of multiple blighted properties posed ongoing safety and nuisance risks, with a formal RFP process underway for environmental cleanup and abatement.

Public Facility Safety Improvements

Targeted repairs to the City library, including gutter system replacement to eliminate hazardous ice formation, and ongoing efforts to address interior safety concerns.

Policy & Regulatory Modernization

Adoption and update of key ordinances, including the City's water ordinance, with additional updates underway for building codes, fire department standards, zoning regulations, and the housing element.

Technology & Accessibility Enhancements

Implementation of upgraded network systems and modernization of the City's website, including progress toward ADA compliance.

Collectively, these efforts represent a significant shift toward proactive risk mitigation and organizational stability. As these initiatives reduce the City's exposure to preventable claims, it is appropriate to evaluate whether the current SIR level remains aligned with the City's size and financial capacity.

For a municipality of Weed's scale, a \$100,000 retention creates volatility in budgeting for smaller, more routine claims. Adjusting the SIR to \$50,000 would improve financial predictability while maintaining strong incentives for continued risk management discipline.

The City remains fully committed to responsible governance, loss prevention, and continued investment in infrastructure and operational improvements.

We appreciate your consideration of this request and are happy to provide any additional information the Committee may require.

Respectfully submitted,

Dr. Dustin Stambaugh
City Manager

FINANCIAL MATTERS

SUBJECT: Consideration of City of Hayward and PERMA Excess Coverage
Presented by Rob Kramer, Executive Director

RECOMMENDATION: *Staff recommends the Executive Committee direct staff to work with Alliant to allow the City of Hayward to purchase/access \$1M in excess of \$1M in coverage through RSUI, both retroactively for the 2025/26 program year (with a “no known loss” letter) and prospectively in the 2026/27 program year. Additionally, direction to work with Alliant to allow PERMA to do the same in the 2026/27 program year.*

BACKGROUND AND STATUS:

The City of Hayward previously participated in ERMAC for general liability coverage and joined ERMA through ERMAC on July 1, 2016. Since joining ERMA, ERMAC is now in runoff and is no longer providing prospective coverage. The other prior ERMAC members that were in ERMA are no longer members. The City of Hayward remains in ERMA and has transitioned into becoming an “individual” member.

After ERMAC disbanded, the City of Hayward moved to PRISM for general liability coverage. The City’s SIR in PRISM is currently \$2M per occurrence. PRISM provides coverage for EPL beginning at that \$2M SIR.

Previously, the City of Hayward participated in ERMA at its \$500,000 SIR up to the ERMA retained limit of \$1,000,000, and the City did not purchase any excess coverage through ERMA. With the City now having a \$2,000,000 SIR with PRISM, they are seeking excess coverage in the amount of \$1M in excess of \$1M to fill that gap.

The current ERMA excess tower is structured such that RSUI provides \$2M in excess of \$1M, and then Ascot provides another \$1M in excess of \$2M. The Alliant team is currently working with excess/reinsurance partners to determine the cost to obtain only \$1M in excess of \$1M through the current structure; RSUI has already agreed, in concept, to make this work.

As an additional note, there is a similar request from PERMA to access the reinsurance tower in for the 2026-27 program year, and for the same reason, as their SIR with PRISM is currently \$2M per occurrence.

REFERENCE MATERIALS ATTACHED:

None.

MEMBERSHIP MATTERS

SUBJECT: Review of Prospective Member Application, Pioneer Fire Protection District (CIRA)
Presented by Rob Kramer, Executive Director

RECOMMENDATION: *Staff recommends the Executive Committee conditionally approve the Pioneer Fire Protection District (CIRA) at a \$250,000 SIR (all CIRA members have this retention), retroactive to April 1, 2026, with the condition they provide a no known loss letter for the period between April 1 and April 10, 2026.*

BACKGROUND AND STATUS:

The Pioneer Fire Protection District (FPD), an underlying member of the California Intergovernmental Risk Authority (CIRA), provided an application and supporting documentation for participation in the Employment Risk Management Authority (ERMA) effective July 1, 2026, at a self-insured retention (SIR) of \$50,000. The application materials have been reviewed by staff and are summarized as follows:

- The FPD reports a payroll of approximately \$750,000 for the 2025/26 fiscal year; and has six (6) full-time employees and fourteen (14) part-time employees.
- The FPD has one current reportable loss that will be discussed by Staff.
- The FPD is compliant with AB 1825 and SB 1343 training requirements and has had its personnel policies reviewed within the last five years.

REFERENCE MATERIALS ATTACHED:

- Pioneer Fire Protection District – ERMA Application
- ERMA Indication for the Pioneer Fire Protection District

EMPLOYMENT RISK MANAGEMENT AUTHORITY (ERMA)

LIABILITY COVERAGE APPLICATION FOR PROSPECTIVE MEMBERS OF A PARTICIPATING JOINT POWERS AUTHORITY

If completed electronically, this application will adjust to allow space for any answers. If not completed electronically, then additional sheets may be needed.

PROGRAM YEAR: 2023/24

ENTITY NAME: Pioneer Fire Protection District	Date: 3/6/2026	
EMPLOYMENT PRACTICES INFORMATION		
A. Policies and Procedures		
1.	Does the Entity have written personnel policies and procedures?	☒ Yes ☐ No
2.	Does the Entity distribute the manual/rules to all employees?	☒ Yes ☐ No
3.	Does the Entity have employees sign an acknowledgement form indicating they have read and understood the above-referenced policies?	☒ Yes ☐ No
4.	Are the following policies or procedures included in the manual? Check all that apply:	
	☒ Hiring	☒ Termination ☒ Suspension
	☒ Medical Leave	☒ Unpaid Leave ☒ Grievance Procedures
	☒ Drug & Alcohol Testing	☒ Discipline ☒ Attendance
	☒ Family Medical Leave Act	☒ Harassment, Discrimination, & Retaliation
	☒ Written Job Description for all Positions	☒ Workplace Violence Policies
	☒ Annual Written Performance Evaluations for all Employees	
	☒ Employee Hotline/Complaint Procedure	
5.	Do the policies/rules include all protected categories under the Fair Employment and Housing Act (FEHA), Ca. Gov't. Code section 12940)?	☒ Yes ☐ No
6.	Does the Entity have legal counsel regularly review the manual/rules?	☒ Yes ☐ No
7.	Have the above-referenced policies been updated within the past five years?	☒ Yes ☐ No
	If no, when was the manual or rules last reviewed? Feb 2026	
8.	Were the above-referenced policies formally approved and adopted by council/governing board?	☒ Yes ☐ No
9.	Does the Entity have legal counsel to provide advice regarding disciplinary matters?	☒ Yes ☐ No
10.	Does the entity have an orientation program for all employees that addresses workplace conduct, EPL policies and practices, and grievance procedures?	☒ Yes ☐ No
	<i>If you answered no to any of the above, please use this space to provide more information:</i>	

B. Employee Information					
1.	Number of Full Time Employees: 6				
2.	Number of Part time Employees: 14				
3.	For each of the past five years, what has been your annual percentage turnover rate of employees?				
	2021 15 %	2022 15 %	2023 15 %	2024 15 %	2025 15 %
4.	How many involuntary employment terminations have occurred in the past three years?				
	20__ Terminations: 0	20__ Terminations: 0	20__ Terminations: 0		

		<i>Involuntary employment termination with respect to this questionnaire means notification to an employee that such employee will no longer be employed whether such notification is effective immediately or in the future. Involuntary employment termination shall also include actual or alleged constructive discharge.</i>	
	5.	Percentage of Employees with salaries less than \$100,000 % 95	Should = 100%
	6.	Percentage of Employees with salaries greater than \$100,000 % 5	

C. Employment Practices Claims Handling	
1.	Who in the Entity has been designated to handle claims? Fire Chief
2.	(a) With respect to oral or written claims, do you have a written procedure for obtaining information and conducting required follow up on the claim? ☒ Yes ☐ No (b) Do you require written claims for EEO-related complaints? ☐ Yes ☒ No
	If yes to 2(a), describe the policy and procedure for receiving, reviewing, and responding to claims: Lexipol standard policy
3.	Does the Employment Claims handler coordinate with the Workers' Compensation Administrator on all claims involving actual or potential industrial injuries? ☒ Yes ☐ No
4.	Has your entity received any claim in the previous 7 completed fiscal years, including the partial current fiscal year, (including but not limited to Tort Claim, any and all claims filed with the DFEH, EEOC, Department of Labor or Federal Department of Justice, any civil lawsuit or other written claim) alleging the following?
	(a) Allegations of discrimination or harassment under FEHA, Title VII or any other federal or state law relating to discrimination based on race, sex, religion, disability, national origin, marital status, age, sexual orientation, retaliation or any other protected legal status; ☐ Yes ☒ No
	(b) Allegations of retaliation relating to an Employee engaging in protected activity involving any EEO-related complaint, protected leave status, worker's compensation claim, or any other protected activity or status; ☐ Yes ☒ No
	(c) Actual or alleged constructive termination of an employment relationship in a manner which is alleged to have been against the law or wrongful, or in breach of an implied employment contract or breach of the covenant of good faith and fair dealing in the employment contract; ☐ Yes ☒ No
	(d) Allegations of negligent or wrongful evaluation, wrongful demotion, wrongful discipline, failure to promote, failure to grant tenure, or wrongful deprivation of career opportunity; ☐ Yes ☒ No
	(e) Allegations of misrepresentation or defamation made by an <i>Employee</i> which arise from an employment decision to hire, fire, promote, demote or discipline; ☐ Yes ☒ No
	(f) Allegations of infliction of emotional distress, mental injury, mental anguish, shock, sickness, disease or disability made by an <i>Employee</i> which arise from an employment decision to hire, fire, promote, demote or discipline; ☐ Yes ☒ No
	(g) Allegations of false imprisonment, detention, or malicious prosecution made by an <i>Employee</i> which arise from an employment decision to hire, fire, promote, demote or discipline; ☐ Yes ☒ No

	(h) Allegations of libel, slander, defamation of character, invasion of privacy made by an <i>Employee</i> which arise from an employment decision to hire, fire, promote, demote or discipline; and	☐ Yes ☒ No
	(i) Other personal injury allegations made by an <i>Employee</i> which arise from an employment decision to hire, fire, promote, demote or discipline.	☐ Yes ☒ No
If the answer is yes to any of the above, please attach a listing of the loss(es) showing a full description of each claim, including the date filed, the substance of the allegations, the disposition of the claim, and any monetary amounts paid in connection with the claim.		

D. Employment Practices Risk Management		
1.	Does the applicant have a Human Resources or Personnel Department?	☐ Yes ☒ No
	If no, please describe handling of this function: Claims are handled through Administration Dept	
2.	Do you have any established set of grievance or complaint procedures as an effective means of resolving disputes prior to litigation?	☒ Yes ☐ No
3.	Do you anticipate any "layoffs" during the next 24 months?	☐ Yes ☒ No
	If yes, please provide details.	
4.	Have you had any "layoffs" in the past 36 months?	☐ Yes ☒ No
	If yes, please provide details.	
5.	Is your entity in full compliance with the training requirements set forth in AB 1825, SB 1343 and SB 778?	☒ Yes ☐ No
	If no, please explain.	
6.	Briefly describe the procedure for maintaining AB 1825 and SB 1343 training records: Training through VectorSolutions or other online that provides a certificate	
7.	Does your entity provide SB 1343 training?	☒ Yes ☐ No
8.	Are elected or appointed officials trained on the entity's policy regarding harassment, discrimination, and retaliation?	☒ Yes ☐ No

E. DESIRED SELF-INSURED RETENTION							
☐ \$25K	☐ \$50K	☐ \$75K	☐ \$100K	☐ \$250K	☐ \$350K	☐ \$500K	
Please attach the following: - EPL individual loss information (including Date of Loss and total incurred) for the previous 7 completed fiscal years, including the partial current fiscal year; - Payroll information for the previous 7 completed calendar years; - Completed resolution authorizing participation in ERMA; - Completed intent to participate; and - Most Recent Financial Audit.							

The undersigned declares that no fact, circumstance, or situation indicating the probability of a claim or action is now known to any person proposed for this coverage; and it is agreed by all concerned that if there be knowledge of any such fact, circumstance or situation, any claim or action subsequently emanating therefrom shall be excluded from coverage under the coverage for herewith being applied. The undersigned being authorized by, and acting on behalf of, the applicant and all persons or concerns seeking coverage, has read and understands this application, and declares all statements set forth herein are true, complete, and accurate, and include all material information.

The undersigned further declares and represents that any occurrence taking place prior to the inception of the coverage for which is being applied, which may render inaccurate, untrue or incomplete any statement made herein will immediately be reported in writing to ERMA. The undersigned acknowledges and agrees that the submission and ERMA's receipt of such report, prior to the inception of the coverage for which being applied, is a condition precedent to coverage.

The undersigned acknowledges:

- (1) ERMA does not require the submittal of the aforementioned policies and procedures. ERMA does, however, rely on the information provided by the applicant in review of the application and the undersigned, therefore, declares and represents that the policies and procedures as represented above are the current policies and procedures of the entity.
- (2) ERMA's Board of Directors may recommend a risk assessment of any new member within 60 days of joining ERMA and/or a higher self-insured retention from what was requested, if an application for membership is approved.

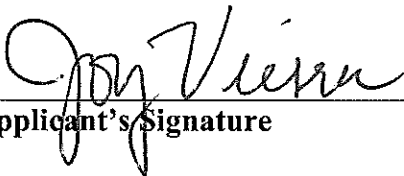
The undersigned further acknowledges and agrees this application contains requests for information and requests for data on a range of exposures, but such requests do not imply that coverage is afforded in the program for which is being applied.

Pioneer Fire Protection District

Agency or Entity Name

Joy Vierra

Applicant's Name (please print)



Applicant's Signature

3-6-2026

Date

Administrative Assistant

Applicant's Title

CONTRIBUTION INDICATION

CIRA

Name of Entity	Pioneer FPD
2023/24 Actual Calendar Year Payroll*	\$750,000
Coverage Period**	July 1, 2025 to June 30, 2026

CALCULATION

Self-Insured Retention Option	\$50,000	\$75,000	\$100,000	\$250,000
Funding Rate	0.569	0.518	0.475	0.299
Funding for Losses	\$4,268	\$3,883	\$3,563	\$2,240
Loss Prevention & Training	81	81	81	81
Administration	467	467	467	467
Deposit Contribution	\$4,816	\$4,432	\$4,112	\$2,789
JPA Participation Credit	(463)	(426)	(396)	(268)
Net Contribution	\$4,353	\$4,006	\$3,716	\$2,521
Individual Experience Mod Factor ⁽¹⁾	1.000	1.000	1.000	1.000
Individual Off-Balance Factor ⁽²⁾	1.096	1.096	1.096	1.096
Contribution Adj. for Off-Bal. Factor	\$4,771	\$4,391	\$4,074	\$2,763
Excess Insurance \$3M x \$1M ⁽³⁾	\$431	\$431	\$431	\$431
ERMA CONTRIBUTION ⁽⁴⁾	\$5,203	\$4,822	\$4,505	\$3,194

Notes:

(1) New members are assigned an experience modification factor of 1.000 their first year in ERMA.

(2) Off-Balance Factor: To ensure that ERMA collects the required total contribution from a member, which is determined by ERMA's consulting actuary, an off-balance factor is applied to the net contribution after the experience modification factor is applied to the net contribution. All underlying members within the same primary JPA receive the same off-balance factor.

(3) CIRA offers optional purchased Excess Insurance of \$3M x \$1M

(4) Contribution calculated using rates per the 2025/26 Final Budget.

* ERMA used 2023/24 payroll as reported by CIRA. The fiscal date range of the data is 10/1/2023-9/30/2024.

** The annual contribution shown will be prorated for a partial year based on the date of inception.

MEMBERSHIP MATTERS

SUBJECT: Review of Prospective Member Application, City of Clovis (CSJVRMA)
Presented by Rob Kramer, Executive Director

RECOMMENDATION: *Staff recommends the Executive Committee approve the City of Clovis (CSJVRMA) at an SIR of \$500,000, effective July 1, 2026.*

BACKGROUND AND STATUS:

The City of Clovis, an underlying member of the Central San Joaquin Valley Risk Management Authority (CSJVRMA), provided an application and supporting documentation for participation in the Employment Risk Management Authority (ERMA) effective July 1, 2026. The City is requesting a self-insured retention (SIR) of \$500,000. The application materials have been reviewed by staff and are summarized as follows:

- The City reports a payroll of approximately \$70,288,050 for the 2025/26 fiscal year, and has 626 full-time employees and 162 part-time employees.
- The City has one current reportable loss that will be discussed by staff.
- The City is compliant with AB 1825 and SB 1343 training requirements and has had their personnel policies reviewed within the last five years.

REFERENCE MATERIALS ATTACHED:

- City of Clovis - ERMA Application
- ERMA Indication for the City of Clovis

**EMPLOYMENT RISK MANAGEMENT AUTHORITY (ERMA)
LIABILITY COVERAGE APPLICATION FOR PROSPECTIVE MEMBERS
OF A PARTICIPATING JOINT POWERS AUTHORITY**

If completed electronically, this application will automatically adjust to accommodate any additional answers. If not completed electronically, then additional sheets may be needed.

2025/2026 Program Year

ENTITY NAME: <u>City of Clovis</u>		Date: <u>02/27/2026</u>	
EMPLOYMENT PRACTICES INFORMATION			
A. Policies and Procedures			
1.	Does the Entity have written personnel policies and procedures?	☒ Yes	☐ No
2.	Does the Entity distribute the manual/rules to all employees?	☒ Yes	☐ No
3.	Does the Entity have employees sign an acknowledgement form indicating they have read and understood the above-referenced policies?	☒ Yes	☐ No
4.	Are the following policies or procedures included in the manual? Check all that apply:		
	☒ Pregnancy Leave	☒ Hiring & Termination	☒ Suspension
	☒ Family Medical Leave	☒ Unpaid Leave	☒ Grievance Procedures
	☒ Drug & Alcohol-Free Workplace & Testing	☒ Discipline	☒ Attendance
	☒ Internet, Computer, Media, and Electronic Equipment/Resources Use	☒ Harassment, Discrimination, & Retaliation	
	☒ Written Job Description for all Positions	☒ Workplace Violence Policies (SB 553)	
	☒ Annual Written Performance Evaluations for all Employees		
	☐ Employee Hotline/Complaint Procedure		
5.	Do the policies/rules include all protected categories under the Fair Employment and Housing Act (FEHA), C.A. Gov't. Code section 12940)?	☒ Yes	☐ No
6.	Does the Entity have legal counsel regularly review the manual/rules?	☒ Yes	☐ No
7.	Have the above-referenced policies been updated within the past five years?	☒ Yes	☐ No
	If no, when was the manual or rules last reviewed?		
8.	Were the above-referenced policies formally approved and adopted by the council and/or governing board?	☐ Yes	☐ No
9.	Does the Entity have legal counsel to provide advice regarding disciplinary matters?	☐ Yes	☐ No
10.	Does the entity have an orientation program for all employees that addresses workplace conduct, EPL policies and practices, and grievance procedures?	☐ Yes	☐ No
If you answered 'No' to any of the above, please use this space to provide more information: 			

B. Employee Information					
1.	Number of Full-Time Employees: <u>626</u>				
2.	Number of Part-time Employees: <u>162</u>				
3.	For each of the past five years, what has been your annual percentage turnover rate of employees? _____				
	20 <u>24</u> <u>13.02</u> %	20 <u>23</u> <u>10.23</u> %	20 <u>22</u> <u>12.62</u> %	20 <u>21</u> <u>8.21</u> %	20 <u>20</u> <u>9.55</u> %
4.	How many involuntary employment terminations have occurred in the past three years?				
	20 <u>25</u> Terminations <u>13</u>	20 <u>24</u> Terminations: <u>14</u>	20 <u>23</u> Terminations: <u>8</u>		
	<i>Involuntary employment termination with respect to this questionnaire means notification to an employee that such employee will no longer be employed, whether such notification is effective immediately or in the future. Involuntary employment termination shall also include actual or alleged constructive discharge.</i>				
5.	Percentage of Employees with salaries less than \$100,000 <u>65</u> %				Should = 100%
6.	Percentage of Employees with salaries greater than \$100,000 <u>35</u> %				

C. Employment Practices Claims Handling		
1.	Who in the Entity has been designated to handle claims?	
2.	(a) With respect to oral or written claims, do you have a written procedure for obtaining information and conducting required follow-up on the claim?	☒ Yes ☐ No
	(b) Do you require written claims for EEO-related complaints?	☐ Yes ☒ No
	If yes to 2(a), describe the policy and procedure for receiving, reviewing, and responding to claims: <u>1) DISCUSS PROCS WITH EMPLOYEE THAT FILED COMPLAINT 2) OBTAIN FACTUAL WRITTEN OR ORAL INFORMATION 3) INTERVIEW ANY POSSIBLE WITNESSES 4) RECOMMEND DISPOSITION OF THE COMPLAINT</u>	
3.	Does the Employment Claims handler coordinate with the Workers' Compensation Administrator on all claims involving actual or potential industrial injuries? ☒ Yes ☐ No	
4.	Has your entity received any claim in the previous 7 completed fiscal years, including the partial current fiscal year, (including but not limited to Tort Claim, any and all claims filed with the CRD, EEOC, Department of Labor or Federal Department of Justice, any civil lawsuit or other written claim) alleging the following?	
	(a) Allegations of discrimination or harassment under FEHA, Title VII or any other federal or state law relating to discrimination based on race, sex, religion, disability, national origin, marital status, age, sexual orientation, retaliation or any other protected legal status;	☒ Yes ☐ No
	(b) Allegations of retaliation relating to an Employee engaging in protected activity involving any EEO-related complaint, protected leave status, worker's compensation claim, or any other protected activity or status;	☒ Yes ☐ No
	(c) Actual or alleged constructive termination of an employment relationship in a manner which is alleged to have been against the law or wrongful, or in breach of an implied employment contract or breach of the covenant of good faith and fair dealing in the employment contract;	☐ Yes ☒ No

	(d) Allegations of negligent or wrongful evaluation, wrongful demotion, wrongful discipline, failure to promote, failure to grant tenure, or wrongful deprivation of career opportunity;	☐ Yes ☒ No
	(e) Allegations of misrepresentation or defamation made by an <i>Employee</i> which arise from an employment decision to hire, fire, promote, demote or discipline;	☐ Yes ☒ No
	(f) Allegations of infliction of emotional distress, mental injury, mental anguish, shock, sickness, disease or disability made by an <i>Employee</i> which arise from an employment decision to hire, fire, promote, demote or discipline;	☒ Yes ☐ No
	(g) Allegations of false imprisonment, detention, or malicious prosecution made by an <i>Employee</i> which arise from an employment decision to hire, fire, promote, demote or discipline;	☐ Yes ☒ No
	(h) Allegations of libel, slander, defamation of character, invasion of privacy made by an <i>Employee</i> which arise from an employment decision to hire, fire, promote, demote or discipline; and	☐ Yes ☒ No
	(i) Other personal injury allegations made by an <i>Employee</i> which arise from an employment decision to hire, fire, promote, demote or discipline.	☐ Yes ☒ No
If the answer is 'Yes' to any of the above, please attach a listing of the loss(es) showing a full description of each claim, including the date filed, the substance of the allegations, the disposition of the claim, and any monetary amounts paid in connection with the claim.		

D. Employment Practices Risk Management		
1.	Does the applicant have a Human Resources or Personnel Department?	☒ Yes ☐ No
	If no, please describe the handling of this function:	
2.	Do you have an established set of grievance or complaint procedures as an effective means of resolving disputes prior to litigation?	☒ Yes ☐ No
3.	Do you anticipate any layoffs during the next 24 months?	☐ Yes ☒ No
	If yes, please provide details.	
4.	Have you had any layoffs in the past 36 months?	☐ Yes ☒ No
	If yes, please provide details.	
5.	Is your entity in full compliance with the training requirements set forth in AB 1825, SB 1343, SB 778 (Sexual Harassment Prevention), and SB 553 (Workplace Violence Prevention)?	☒ Yes ☐ No
	If 'No', please use this space or attach a separate sheet to explain.	
6.	Briefly describe the procedure for maintaining AB 1825 and SB 1343 training records:	

	7.	Does your entity provide SB 1343 (Sexual Harassment Prevention) training?	☒ Yes ☐ No
	8.	Are elected or appointed officials trained on the entity's policy regarding harassment, discrimination, and retaliation?	☒ Yes ☐ No

DESIRED SELF-INSURED RETENTION					
☐ \$50K	☐ \$75K	☐ \$100K	☐ \$250K	☐ \$350K	☒ \$500K

DESIRED SUPPORTING DOCUMENTS		DESIRE
Please attach the following documents with the submission of this application: 1. EPL individual loss information (including Date of Loss and total incurred) for the previous 7 completed fiscal years, including the partial current fiscal year; 2. Payroll information for the previous 7 completed calendar years; 3. Completed Resolution authorizing participation in ERMA; 4. Completed Intent to Participate; and 5. Most Recent Financial Audit		

The undersigned declares that no fact, circumstance, or situation indicating the probability of a claim or action is now known to any person proposed for this coverage; and it is agreed by all concerned that if there be knowledge of any such fact, circumstance or situation, any claim or action subsequently emanating therefrom shall be excluded from coverage under the coverage for herewith being applied. The undersigned, being authorized by and acting on behalf of the applicant and all persons or concerns seeking coverage, has read and understands this application, and declares all statements set forth herein are true, complete, and accurate, and include all material information.

The undersigned further declares and represents that any occurrence taking place prior to the inception of the coverage for which is being applied, which may render inaccurate, untrue, or incomplete any statement made herein, will immediately be reported in writing to ERMA. The undersigned acknowledges and agrees that the submission and ERMA's receipt of such report, prior to the inception of the coverage for which being applied, is a condition precedent to coverage.

The undersigned acknowledges:

- (1) ERMA does not require the submittal of the aforementioned policies and procedures. ERMA does, however, rely on the information provided by the applicant in review of the application, and the undersigned, therefore, declares and represents that the policies and procedures as represented above are the current policies and procedures of the entity.
- (2) ERMA's Board of Directors may recommend a risk assessment of any new member within 60 days of joining ERMA and/or a higher self-insured retention than what was requested, if an application for membership is approved.

The undersigned further acknowledges and agrees this application contains requests for information and requests for data on a range of exposures, but such requests do not imply that coverage is afforded in the program for which is being applied.

City of Clarks
Agency or Entity Name

Lori Shively
Applicant's Name (please print)

Deputy Director of General Services
Applicant's Title

Lori Shively
Applicant's Signature

3/5/2026
Date

Name of Entity	City of Clovis
2024/25 Actual Fiscal Year Payroll*	\$70,288,050
Coverage Period**	July 1, 2025 to June 30, 2026

CALCULATION

Self-Insured Retention Option		\$75,000	\$100,000	\$150,000	\$250,000	\$350,000
Funding Rate		0.518	0.475	0.410	0.299	0.213
Funding for Losses		\$363,944	\$333,949	\$287,956	\$209,968	\$149,977
Loss Prevention & Training	0.0108	7,591	7,591	7,591	7,591	7,591
Administration	0.0623	43,812	43,812	43,812	43,812	43,812
Deposit Contribution		\$415,347	\$385,351	\$339,358	\$261,370	\$201,380
JPA Participation Credit	7.48%	(31,083)	(28,838)	(25,396)	(19,560)	(15,070)
Net Contribution		\$384,264	\$356,513	\$313,962	\$241,810	\$186,309
Individual Experience Mod Factor ⁽¹⁾		1.000	1.000	1.000	1.000	1.000
Individual Off-Balance Factor ⁽²⁾		1.012	1.012	1.012	1.012	1.012
Contribution Adj. for Off-Bal. Factor		\$388,933	\$360,845	\$317,777	\$244,748	\$188,573
Excess Insurance \$3M x \$1M ⁽³⁾	0.0575	\$40,416	\$40,416	\$40,416	\$40,416	\$40,416
ERMA CONTRIBUTION ⁽⁴⁾		\$429,348	\$401,260	\$358,192	\$285,164	\$228,988
CSJVRMA Administration Fee ***	0.0500	\$21,467	\$20,063	\$17,910	\$14,258	\$11,449
TOTAL CONTRIBUTION		\$450,816	\$421,324	\$376,102	\$299,422	\$240,438

Notes:

(1) New members are assigned an experience modification factor of 1.000 their first year in ERMA.

(2) Off-Balance Factor: To ensure that ERMA collects the required total contribution from a member, which is determined by ERMA's consulting actuary, an off-balance factor is applied to the net contribution after the experience modification factor is applied to the net contribution. All underlying members within the same primary JPA receive the same off-balance factor.

(3) CSJVRMA requires members to purchase Excess Insurance of \$3M x \$1M

(4) Contribution calculated using rates per the 2025/26 Final Budget.

* ERMA used payroll as reported by the member. The fiscal date range is October 1, 2023, to September 30, 2024. A final indication will require actual, rather than estimated, payroll.

** The annual contribution shown will be prorated for a partial year based on the date of inception.

*** Administration fee of 5% charged by the CSJVRMA.

LITIGATION MANAGEMENT

SUBJECT: Update Regarding Investigators Forum
Presented by Stacey Sullivan, Litigation Manager

RECOMMENDATION: *Staff will provide an overview of plan for the upcoming forum; the Executive Committee to provide direction, if desired.*

BACKGROUND AND STATUS:

The Second Annual ERMA Investigators Forum is scheduled to take place on Wednesday, April 22, 2026, at 10:00 am in the City of Burlingame. Staff will provide an overview of the general topics to be presented at the forum. Invitations have been sent, and registrations are rolling in.

REFERENCE MATERIALS ATTACHED:

- Investigators Forum Flyer



2025/26

Defense & Investigators Forum



PRESENTORS & TOPICS



MICHAEL CHRISTIAN

JACKSON LEWIS P.C.

How to Maintain the Independence of the Investigation



SALLY NGUYEN



GHAZALEH MODARRESI

BURKE, WILLIAMS & SORENSEN, LLP

Turning Evidence into Findings: Writing Defensible Investigation Reports



DAVE STALLARD

STALLARD PANEBIANCO P.C.

Approaches for Investigating Complaints: Covering Inappropriate Behavior, Tone, Body Language, or Unprofessionalism



April 22, 2026



10:00 AM - 2:00 PM



FREE TO ATTEND

(Lunch will be provided)



Burlingame Community Center

850 Burlingame Avenue
Burlingame, CA 94010



TRAVEL INFO

San Francisco International Airport (SFO)



TO REGISTER
CLICK HERE

REGISTER BY APRIL 8, 2026