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Bickmore Risk Services

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Friday, April 10, 2009

Mr. Joseph Chan
Finance Director
Association of Bay Area Governments
101 Eighth Street
Oakland, CA 94607

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

Dear Mr. Chan:

As you requested, we have completed our review of ABAG's self-insured workers' compensation program (SHARP). Assuming an SIR of \$250,000 per occurrence, we estimate the ultimate cost of claims and expenses for claims incurred during the 2009-10 program year to be \$240,000. This amount includes allocated loss adjustment expenses (ALAE), unallocated loss adjustment expenses (ULAE), and a discount for anticipated investment income. ALAE is the direct cost associated with the defense of individual claims (e.g. legal fees, investigation fees, court charges). ULAE is the cost to administer all claims to final settlement, which may be years into the future (e.g. claims adjusters' salaries, taxes). The discount for investment income is calculated based on the likely payout pattern of SHARP's claims, assuming a 4% return on investments per year. For budgeting purposes, the expected cost of 2009-10 claims translates to a rate of \$1.43 per \$100 payroll.

In addition, we estimate the program's liability for outstanding claims to be \$347,000 as of June 30, 2009, again including ALAE and ULAE, and discounted for anticipated investment income. Given estimated program assets of \$3,304,000 as of June 30, 2009, the program is funded above the 95% confidence level (see Graph on Page 9.)

The \$347,000 estimate is the minimum liability to be booked by SHARP at June 30, 2009 in accordance with Governmental Accounting Standards Board (GASB) Statement #10. GASB #10 requires SHARP to accrue a liability on its financial statements for the ultimate cost of claims and expenses associated with all reported and unreported claims, including ALAE and ULAE. GASB #10 does not prohibit the discounting of losses to recognize investment income.

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Our conclusions regarding SHARP's liability for unpaid loss and loss adjustment expenses (LAE) at June 30, 2009 are summarized in the table below.

SHARP
Self-Insured Workers' Compensation Program
Estimated Liability for Unpaid Loss and LAE
at June 30, 2009

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$358,000					
ULAE	33,000					
Investment Income Offset	(44,000)					
Discounted Loss and LAE	\$347,000	\$424,000	\$460,000	\$502,000	\$555,000	\$624,000
Available Funding	3,304,000					
Surplus or (Deficit)	\$2,957,000	\$2,880,000	\$2,844,000	\$2,802,000	\$2,749,000	\$2,680,000

GASB #10 does not address an actual funding requirement for the program, but only speaks to the liability to be recorded on the SHARP's financial statements. Because actuarial estimates of claims costs are subject to some uncertainty, we recommend that an amount in addition to the discounted expected loss costs be set aside as a margin for contingencies. Generally, the amount should be sufficient to bring funding to the 75% to 85% confidence level. We consider funding to the 70% confidence level to be marginally acceptable, and to the 90% confidence level to be conservative.

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The table below shows funding recommendations for SHARP for the 2009-2010 fiscal year assuming a \$250,000 self-insured retention. We recommend that SHARP contribute between \$526,000 and \$619,000 during 2009-10.

**SHARP
Self-Insured Workers' Compensation Program
Funding Guidelines for 2009-10
Self-Insured Retention (SIR) of \$250,000**

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$240,000					
ULAE	27,000					
Investment Income Offset	(27,000)					
Discounted Loss and LAE	\$240,000	\$300,000	\$335,000	\$376,000	\$428,000	\$499,000
Non-claims Related Expenses	85,000	85,000	85,000	85,000	85,000	85,000
Excess Insurance	106,000	106,000	106,000	106,000	106,000	106,000
Indicated Funding	\$431,000	\$491,000	\$526,000	\$567,000	\$619,000	\$690,000
Rate per \$100 of 2009-10 Payroll	\$2.57	\$2.93	\$3.14	\$3.38	\$3.69	\$4.11

The funding recommendations shown in the table above do not include any recognition of the existing funding margin at June 30, 2009. They are for losses, loss adjustment expenses, excess insurance premiums, and other expenses associated with the program.

The loss projections in this report have been adjusted to reflect the increasing loss trends contained in the most recent WCIRB rate filing to become effective July 1, 2009, as well as an anticipated 5.8% increase stemming from the WCAB rulings on the Guzman/Almaraz and Oglivie cases, both of which are expected to increase PD costs.

The ultimate impact on loss costs of legislated benefit adjustments are generally difficult to forecast in advance because the changes typically take place over a period of several years following enactment. Furthermore, actuarially derived benefit level evaluations often underestimate actual future cost levels. The shortfalls result from a variety of circumstances, including: increases in utilization levels, unanticipated changes in administrative procedures, and cost shifting among benefit categories. Thus, actual cost increases could differ, perhaps substantially, from the WCIRB's estimates.

The report that follows outlines the scope of our study, its background, and our conclusions, recommendations and assumptions. Judgments regarding the appropriateness of our conclusions and recommendations should be made only after studying the report in its entirety, including the graphs, attachments, exhibits and

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appendices. Our report has been developed for the SHARP's internal use. It is not intended for general circulation.

We appreciate the opportunity to be of service to SHARP in preparing this report. Please feel free to call Mike Harrington at (916) 244-1162 or John Alltop at (916) 244-1160 with any questions you may have concerning this report.

Sincerely,

Bickmore Risk Services

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Mike Harrington
Director, Property and Casualty Actuarial Services, BRS
Fellow, Casualty Actuarial Society
Member, American Academy of Actuaries

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John Alltop
Executive Vice President, Consulting Practice, BRS
Fellow, Casualty Actuarial Society
Member, American Academy of Actuaries

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I. BACKGROUND

SHARP began its self-insured workers' compensation program on January 1, 1986. Its current self-insured retention is \$250,000. SHARP members jointly purchase excess coverage for workers compensation claims exceeding the SIR up to \$5 million provided by the Local Agency Workers' Compensation Excess Joint Powers Authority (LAWCX) and up to \$200 million provided by CSAC-EIA. The excess coverage for employer's liability claims are provided by LAWCX up to \$5 million. Claims administration services are provided by Bragg & Associates. Additional background on the program is given in Appendix K.

As of June 30, 2009, SHARP expects to have available assets of \$3,304,000 for the program. Additional background on program funding is given in Appendix L.

Current SHARP membership includes the following:

- Association of Bay Area Governments
- City of Saratoga
- Town of Loss Altos Hills
- Town of Ross

The purpose of this review is to provide a guide to SHARP to determine reasonable funding levels for its self-insurance program according to the funding policy SHARP has adopted and to comply with Governmental Accounting Standards Board Statements #10 and #30. The specific objectives of the study are to estimate SHARP's liability for outstanding claims as of June 30, 2009, project ultimate loss costs for 2009-10, and provide funding guidelines to meet these liabilities and future costs.

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II. CONCLUSIONS AND RECOMMENDATIONS

A. LIABILITY FOR OUTSTANDING CLAIMS AS OF JUNE 30, 2009

Graph 1 on the following page summarizes our assessment of SHARP's funding position as of June 30, 2009. The dark-colored bars indicate our estimates of the program's liability for outstanding claims before recognition of the investment income that can be earned on the assets held before the claim payments come due. The horizontal line across the graph indicates SHARP's available assets at June 30th.

Our best estimate of the full value of the SHARP's liability for outstanding claims within its self-insured retention (SIR) is \$391,000 as of June 30, 2009. This amount includes losses, allocated loss adjustment expenses (ALAE) and unallocated loss adjustment expenses (ULAE). ALAE is the direct cost associated with the defense of individual claims (e.g. legal fees, investigation fees, court charges). ULAE is the cost to administer claims to final settlement, which may be years in the future (e.g. claims adjusters' salaries, taxes).

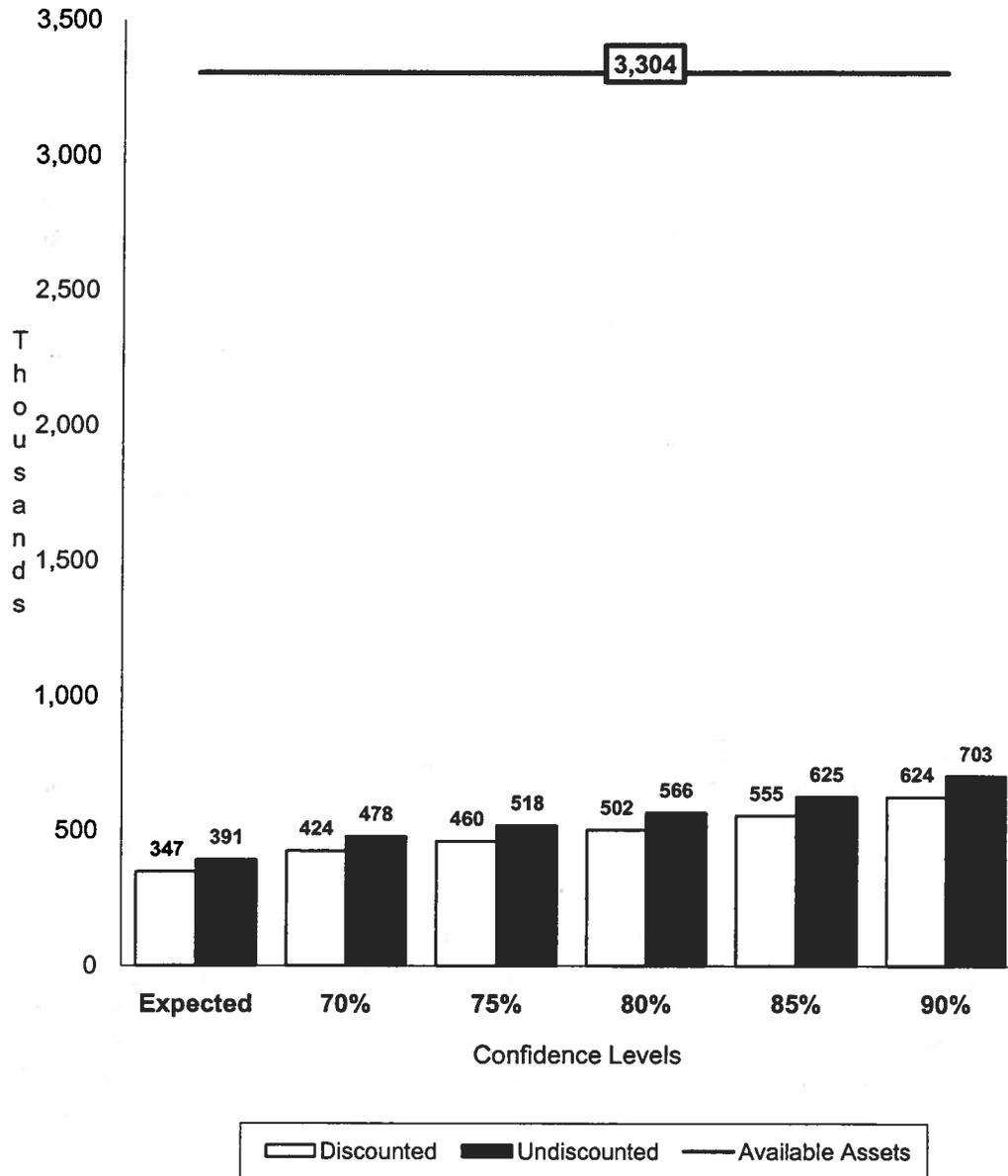
There is some measure of uncertainty associated with our best estimate because of the random nature of much of the process that determines ultimate claims costs. For this reason, we generally recommend that a program such as this include some funding margin for the possibility that actual loss costs will be greater than the best estimate. We generally measure the amount of this margin by thinking in terms of the probability distribution of actual possible results around our best estimate. As the margin grows, the probability that the corresponding funding amount will be sufficient to meet actual claim liabilities increases. We typically refer to this probability as the "confidence level" of funding. Graph 1 shows the liabilities for outstanding claims at several confidence levels that are typically of interest to risk managers in formulating funding policies for self-insurance programs.

SHARP can earn investment income on the assets it holds until claims payments come due. Assuming a long-term average annual return on investments of 4%, we estimate the impact of investment income earnings to be about 11.3% if the program is funded within the range indicated in the graph, resulting in a discounted liability for outstanding claims of \$347,000 as of June 30, 2009.

Investment income earnings will be less than this when the program does not maintain sufficient funding, and more when there is excess funding. Thus, thinking in terms of liabilities discounted for investment income can actually mask funding deficiencies and redundancies that might otherwise be obvious. However, the discounted liabilities do represent legitimate funding targets. The light-colored bars on Graph 1 show our estimates of SHARP's discounted liability for outstanding claims.

Graph 1

ABAG SHARP
Available Assets vs Outstanding Liability (\$000's)
at June 30, 2009



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The table below displays a breakdown of the program's outstanding loss and LAE liabilities into case reserves and incurred but not reported (IBNR) reserves at June 30, 2009, before recognition of investment income.

SHARP
Self-Insured Workers' Compensation Program
Estimated Liability for Unpaid Loss and LAE at June 30, 2009

Year	Case Reserves	IBNR Reserves	Total Outstanding
1990-91	\$0	\$0	\$0
1991-92	0	0	0
1992-93	0	0	0
1993-94	0	0	0
1994-95	0	0	0
1995-96	0	0	0
1996-97	0	0	0
1997-98	0	0	0
1998-99	0	0	0
1999-00	21,284	3,461	24,745
2000-01	0	0	0
2001-02	0	0	0
2002-03	0	0	0
2003-04	0	0	0
2004-05	18,006	7,089	25,095
2005-06	1,198	20,367	21,565
2006-07	455	33,401	33,856
2007-08	59,818	33,373	93,191
2008-09	31,487	127,733	159,220
Loss and ALAE	\$132,248	\$225,424	\$357,672
ULAE		32,647	32,647
Total	\$132,248	\$258,071	\$390,319

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B. PROGRAM FUNDING: GOALS AND OBJECTIVES

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

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

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

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

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

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

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

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

It is estimated that program assets will be \$3,304,000 at June 30, 2009, resulting in the program being funded above the 95% confidence level.

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The table below shows funding recommendations for SHARP for the 2009-2010 fiscal year assuming a \$250,000 self-insured retention. We recommend that SHARP contribute between \$526,000 and \$619,000 during 2009-10 assuming a \$250,000 self-insured retention.

SHARP
Self-Insured Workers' Compensation Program
Funding Guidelines for 2009-10
Self-Insured Retention (SIR) of \$250,000

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$240,000					
ULAE	27,000					
Investment Income Offset	(27,000)					
Discounted Loss and LAE	\$240,000	\$300,000	\$335,000	\$376,000	\$428,000	\$499,000
Non-claims Related Expenses	85,000	85,000	85,000	85,000	85,000	85,000
Excess Insurance	106,000	106,000	106,000	106,000	106,000	106,000
Indicated Funding	\$431,000	\$491,000	\$526,000	\$567,000	\$619,000	\$690,000
Rate per \$100 of 2009-10 Payroll	\$2.57	\$2.93	\$3.14	\$3.38	\$3.69	\$4.11

The funding recommendations shown in the table above do not include any recognition of the existing funding margin at June 30, 2009. They are for losses, loss adjustment expenses, excess insurance premiums, and other expenses associated with the program.

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We provide the following allocation of deposit premiums, which include ultimate loss and ALAE, non-claims related expenses and excess insurance costs at the 75%, 80% and 85% confidence levels on a discounted basis. This is shown in further detail on Appendix O.

2009-2010 Deposit Premiums to Members

	75% Confidence Level	80% Confidence Level	85% Confidence Level
ABAG	\$76,133	\$81,039	\$87,262
Saratoga	187,282	202,916	222,743
Town of LAH	89,953	96,194	104,108
Town of Ross	172,632	186,852	204,886
Total	\$526,000	\$567,000	\$619,000

The following table displays a comparison of the deposit premium allocations at the 75% confidence level from the prior report to the current report.

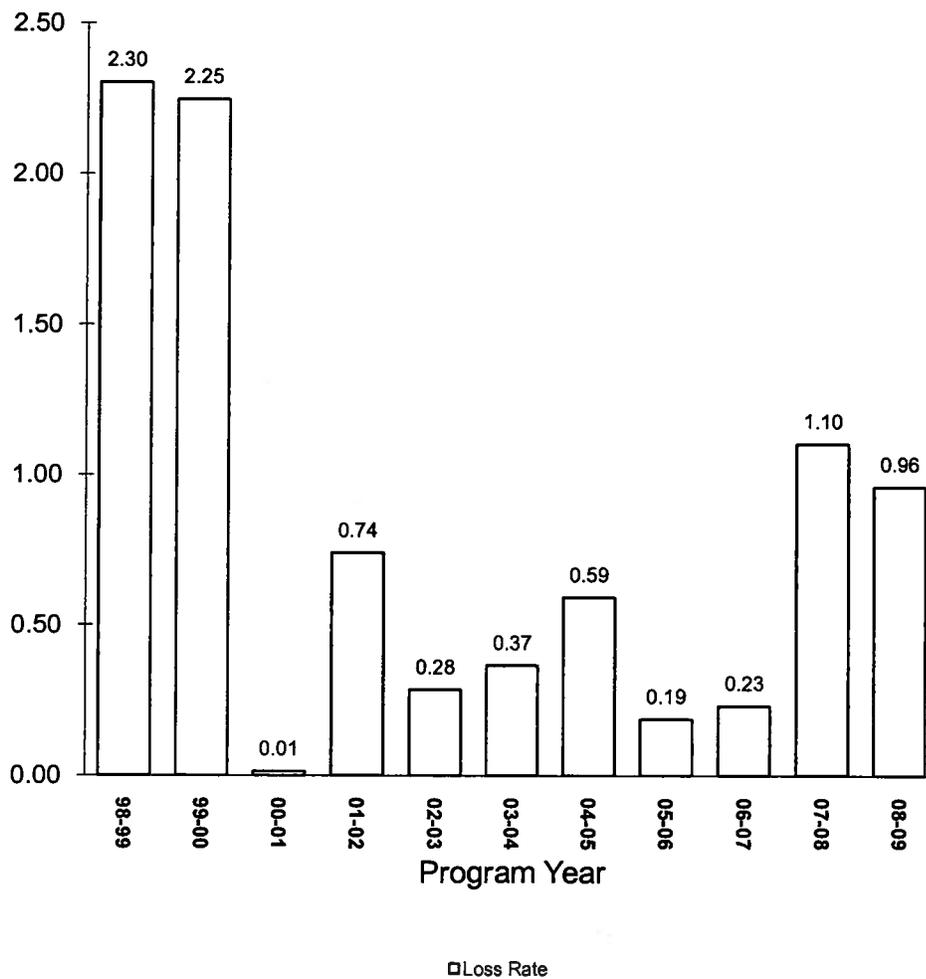
	Prior Report 2008-09	Current Report 2009-10	Change	Percent Change
ABAG	\$80,220	\$76,133	(\$4,087)	-5.1%
Saratoga	168,757	187,282	18,525	11.0%
Town of LAH	87,723	89,953	2,230	2.5%
Town of Ross	155,299	172,632	17,333	11.2%
Total	\$492,000	\$526,000	\$34,000	6.9%

C. HISTORICAL TRENDS IN THE SELF-INSURANCE PROGRAM

SHARP's loss rate (limited to \$100,000) has been very good since the late 1990s averaging \$0.34 per \$100 of payroll in the period between 2000-01 and 2006-07. However, it appears that the 2007-08 fiscal year is much worse than recent average. Our current selection of \$0.96 for the 2008-09 year is based on the assumption that uptrend will continue.

Graph 2

ABAG SHARP - Workers' Compensation
Dollars of Loss per
\$100 of Payroll

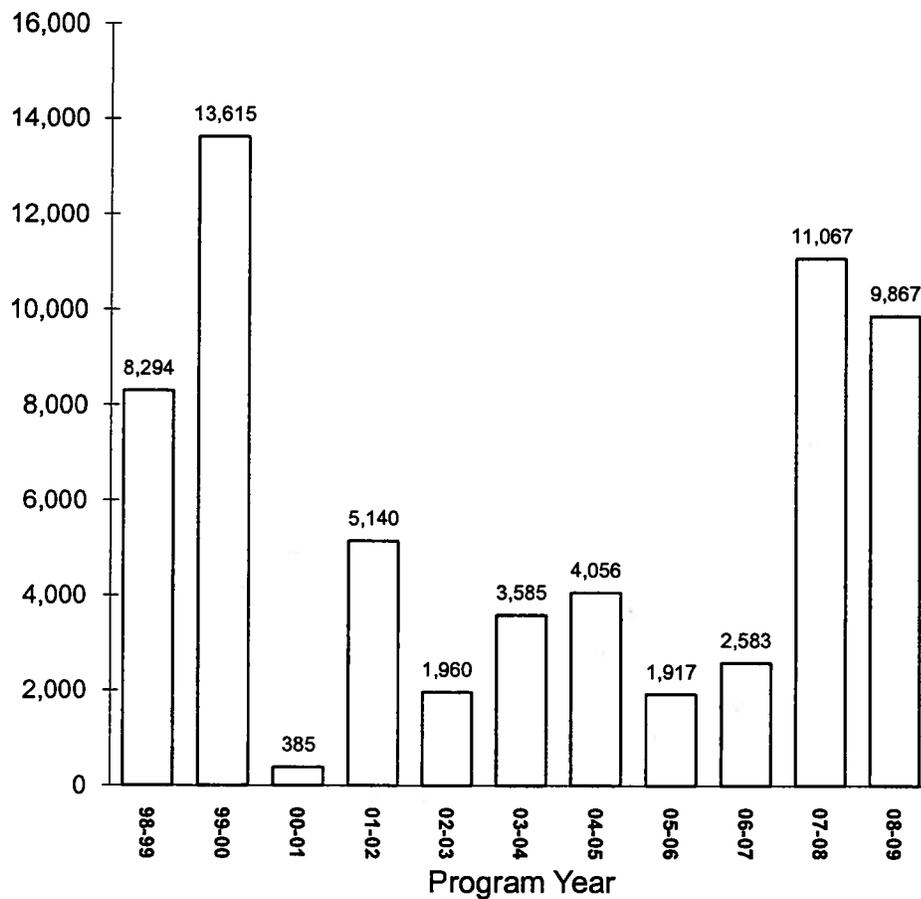


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Similar to loss rate, SHARP's average claims can be broken into a period of high severity prior to 2000-01 year, then a relatively low severity period between 2000-01 to 2006-07 fiscal years and higher average severity for the 2007-08 year. Our selection of \$9,867 for the 2008-09 year is based on the assumption that recent uptrend will continue.

Graph 3

**ABAG SHARP - Workers' Compensation
Dollars of Loss per Claim**



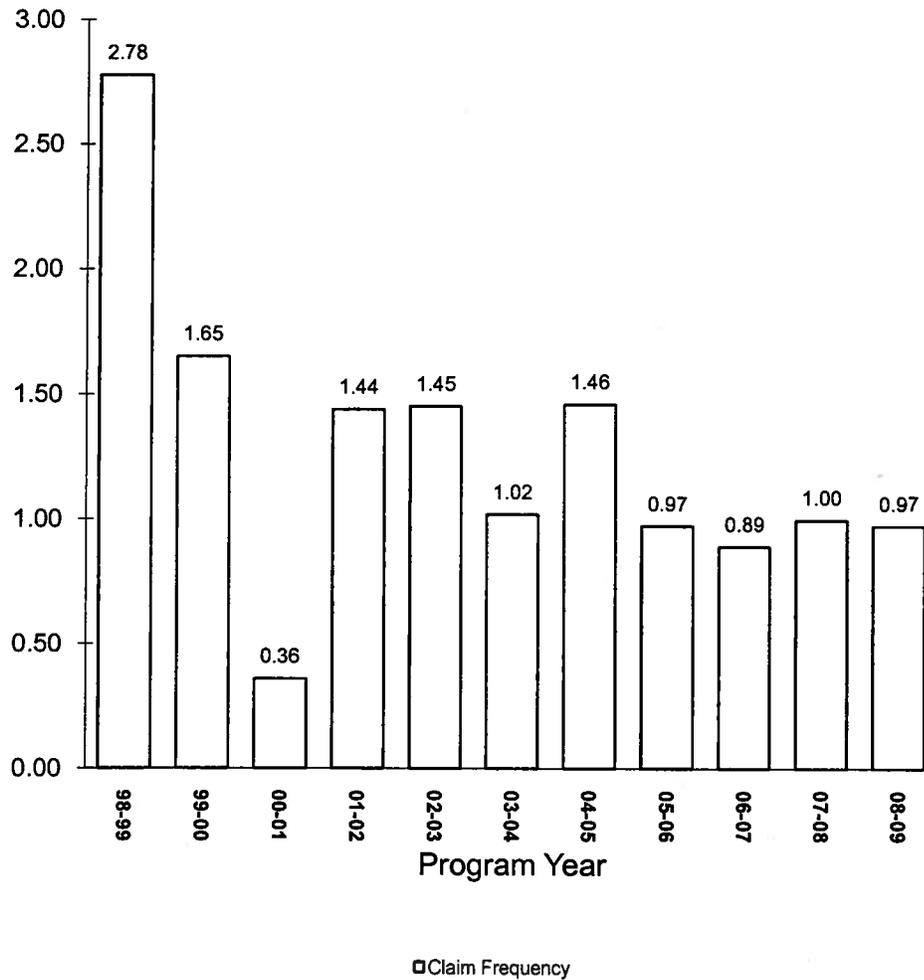
□ Claim Severity

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SHARP's claims per \$1 million of payroll have been following a generally decreasing trend since the 1998-99 program year. The projection of 0.97 claims per \$1 million of payroll for the 2008-09 year is based on this decreasing trend.

Graph 4

**ABAG SHARP - Workers' Compensation
Number of Claims per
\$1 Million of Payroll**



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D. COMPARISON WITH OUR PREVIOUS RESULTS

The most recent report for SHARP was dated April 10, 2008. In the table below we display actual versus expected development of incurred losses and ALAE by accident year since our prior report.

Actual Versus Expected Incurred Loss and ALAE Development

Accident Year	Expected Incurred Development	Actual Incurred Development	Actual Minus Expected
1989-90	\$0	\$0	\$0
1990-91	0	0	0
1991-92	0	0	0
1992-93	0	0	0
1993-94	0	0	0
1994-95	0	0	0
1995-96	0	0	0
1996-97	0	0	0
1997-98	2,000	(43,403)	(45,403)
1998-99	0	0	0
1999-00	2,000	0	(2,000)
2000-01	0	0	0
2001-02	0	0	0
2002-03	0	0	0
2003-04	0	0	0
2004-05	10,000	(18,888)	(28,888)
2005-06	24,000	306	(23,694)
2006-07	31,000	441	(30,559)
2007-08	51,000	94,085	43,085
Total	\$120,000	\$32,541	(\$87,459)

As shown, actual incurred development was less than anticipated for all except for the 2007-08 program year. Based on the assumptions in the prior report, it was expected that incurred losses would increase by \$120,000 between the two evaluation dates. However, actual development was \$33,000; or \$87,000 less than expected.

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In the table below we display the change in our estimates of the program's ultimate losses and ALAE by accident year.

Change in Ultimate Loss and ALAE

Accident Year	Prior Report	Current Report	Change In Ultimate
1989-1990	\$313,982	\$313,982	\$0
1990-1991	20,622	20,622	0
1991-1992	20,256	20,256	0
1992-1993	141,507	141,507	0
1993-1994	29,418	29,418	0
1994-1995	125,740	125,740	0
1995-1996	174,159	174,159	0
1996-1997	22,093	22,093	0
1997-1998	316,000	266,770	(49,230)
1998-1999	157,580	157,580	0
1999-2000	183,000	181,000	(2,000)
2000-2001	1,156	1,156	0
2001-2002	71,958	71,958	0
2002-2003	31,362	31,362	0
2003-2004	43,015	43,015	0
2004-2005	115,000	76,000	(39,000)
2005-2006	70,000	34,000	(36,000)
2006-2007	98,000	45,000	(53,000)
2007-2008	183,000	184,000	1,000
Total	\$2,117,848	\$1,939,618	(\$178,230)

As shown, we have decreased our estimate of ultimate loss projections for all years except for the 2007-08 program year as a result of the favorable development discussed earlier.

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At the time of the prior report, we estimated the liability for outstanding claims as of June 30, 2008 to be \$404,000 at the discounted expected level. Our current estimate as of June 30, 2009 is \$347,000, a decrease in our assessment of SHARP's outstanding liabilities, as shown below:

Outstanding Claim Liabilities

	Prior Report at June 30, 2008	Current Report at June 30, 2009	Change
(A) Case Reserves:	\$136,000	\$133,000	(\$3,000)
(B) IBNR Reserves:	269,000	225,000	(44,000)
(C) Claims Administration Reserves:	41,000	33,000	(8,000)
(D) Total Reserves:	\$446,000	\$391,000	(\$55,000)
(E) Offset for Investment Income:	(42,000)	(44,000)	(2,000)
(F) Total Outstanding Claim Liabilities:	\$404,000	\$347,000	(\$57,000)

As shown, our estimate of outstanding claims liabilities at the discounted expected level has decreased between June 30, 2008 and June 30, 2009, as reflected in our prior and current reports respectively.

The decrease in claim reserves (case and IBNR) is driven primarily by favorable loss experience since our prior report. Reserves for future claims administration expenses have decreased due to decrease in budgeted claims administration expenses, resulting in a \$55,000 decrease in total claim reserves. The offset for investment income is expected to be about the same. The net change due to the above factors is an overall decrease of \$57,000 in our estimate of outstanding claim liabilities for loss and LAE.

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At the time of the prior report, available assets were estimated to be \$2,914,000 as of June 30, 2008, which matched the then-estimated discounted liability for outstanding claims above the 90% confidence level. Available assets are currently estimated to be \$3,304,000 as of June 30, 2009, which matches the currently estimated liability for outstanding claims above the 90% confidence level. It can be summarized as follows:

Funding Margin

	Prior Report at June 30, 2008	Current Report at June 30, 2009	Change
(A) Outstanding Liability at the Discounted Expected Level:	\$404,000	\$347,000	(\$57,000)
(B) Estimated Assets At June 30:	2,914,000	3,304,000	390,000
(C) Surplus/(Deficit):	\$2,510,000	\$2,957,000	\$447,000

As you can see, our estimate of the program's funding margin at the discounted expected confidence level has increased by \$447,000 between June 30, 2008 (as previously estimated) and June 30, 2009 (as currently estimated) at the discounted expected level. This is driven by an increase in estimated fund assets between the two points, coupled with a decrease in the estimated outstanding liability.

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At the time of the prior report, our funding estimate for the 2008-09 year was \$234,000 at the discounted expected level. That amount included allocated loss adjustment expenses (ALAE), unallocated loss adjustment expenses (ULAE), and a discount for anticipated investment income. Our current estimate for the 2009-10 year is \$240,000 at the discounted expected level, an increase in the program's expected loss costs, as shown in the table below:

Comparison of Funding for Loss and LAE

	Prior Report 2008-09 SIR = \$250,000	Current Report 2009-10 SIR = \$250,000	Change
(A) Ultimate Loss and ALAE:	\$222,000	\$240,000	\$18,000
(B) Ultimate Claims Administration (ULAE):	35,000	27,000	(8,000)
(C) Total Claim Costs:	\$257,000	\$267,000	\$10,000
(D) Offset for Investment Income:	(23,000)	(27,000)	(4,000)
(E) Total Recommended Funding:	\$234,000	\$240,000	\$6,000
(F) Funding per \$100 of Payroll:	\$1.52	\$1.43	(\$0.09)

As you can see, our funding recommendations at the discounted expected level have increased between 2008-09 and 2009-10, as shown in our prior and current reports respectively.

Our estimates of ultimate loss and ALAE have increased by \$18,000, driven by a 9% increase in payrolls as well as an anticipated 5.8% increase stemming from the WCAB rulings on the Guzman/Almaraz and Oglivie cases. In addition, claims administration costs are expected to be lower due to decrease in budgeted claims administration expenses, resulting in an overall increase in total claim costs of \$10,000. Investment income is expected to be higher. The net change due to the above factors is an overall increase of \$6,000 in our annual funding estimate for loss and LAE. As shown, the resulting funding rate per \$100 of payroll has dropped from \$1.52 to \$1.43, an 6% decrease.

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E. DATA ISSUES

We received detailed loss data evaluated as of December 31, 2008 for the analysis. Overall, the data utilized in preparing this report appears to be accurate as of the date of the current evaluation.

III. ASSUMPTIONS AND LIMITATIONS

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

- Our analysis is based on loss experience, exposure data, and other general and specific information provided to us by SHARP. We have accepted all of this information without audit. We have also made use of loss statistics that have been developed from the information gathered and compiled from other California public entities with self-insured workers' compensation programs.
- We have assumed that the future development of incurred and paid losses can be reasonably predicted on the basis of development of such losses in the recent past. We have also assumed that the historical development patterns for other California public entities with self-insured workers' compensation programs in the aggregate form a reasonable basis of comparison to the patterns from SHARP's data.
- We have made use of cost relationships for claims of various sizes derived from the most recent actuarial reviews of other California public entities with self-insured workers' compensation programs.
- We have assumed that there is a continuing relationship between past and future loss costs.
- It is not possible to predict future claim costs precisely. Most of the cost of workers' compensation claims arise from a small number of incidents involving serious injury. A relatively small number of such claims could generate enough loss dollars to significantly reduce, or even deplete, the self-insurance fund.
- We cannot predict and have not attempted to predict the impact of future law changes and court rulings on claims costs. This is one major reason why we believe our funding recommendations are reasonable now, but should not be extrapolated into the future.

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- The changes in cost levels associated with benefit increases and administrative changes typically take place over a period of several years following their enactment, and these changes are very difficult to forecast in advance. We have based our benefit level factors on those produced by the Workers' Compensation Insurance Rating Bureau of California. See Appendix E for a display of the benefit level cost indices by fiscal year.
- A two-step trending procedure was used in this study. For the years prior to 2007-2008 we assume that the loss rate trend associated with workers' compensation claim costs increases at 0.5% per year after the impact of benefit changes. For these years we set severity trend at 2.5% and frequency trend at -2.0% per year. For the years 2007-2008 and subsequent, we have assumed that the loss rate trend associated with workers' compensation claim costs increases at 3.0% per year after the impact of benefit changes. We have assumed that claim severity increases at 4.0% per year, and that claim frequency decreases at -1.0% per year.
- We have assumed that payroll and other inflation-sensitive exposure measures increase 2.5% annually due to inflation.
- At SHARP's instruction, we have assumed that assets held for investment will generate an annual return of 4%.
- The claims costs we have estimated include indemnity and medical payments, and all loss adjustment expenses. We have included estimates for excess insurance contributions and other expenses associated with the program based upon information provided by SHARP.
- Our funding recommendations do not include provision for catastrophic events not in SHARP's history, such as earthquakes, flooding, mass civil disorder, or mass occupational disease.
- Our estimates assume that all excess insurance is valid and collectible. Further, our funding recommendations do not include a provision for losses greater than the SHARP's excess coverage.
- SHARP's assets available for the program are expected to be \$3,304,000 as of June 30, 2009 for use in this report. This is shown in further detail in Appendix L.

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IV. GLOSSARY OF ACTUARIAL TERMS

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

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

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

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

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

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

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

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

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

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

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

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Loss Rate - Ultimate losses per \$100 payroll.

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

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

Paid Losses - Losses actually paid on all reported claims.

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

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

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

Severity - Average claim cost.

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

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

ABAG SHARED RISK POOL - Workers' Compensation

Funding Guidelines for Outstanding Liabilities at
June 30, 2009

(A) Estimated Ultimate Losses Incurred through 6/30/09: (From Appendix G)	\$2,136,000
(B) Estimated Paid Losses through 6/30/09: (From Appendix G)	1,778,000
(C) Estimated Liability for Claims Outstanding at 6/30/09: (From Appendix G)	<u>\$358,000</u>
(D) Estimated Liability for Outstanding Claims Administration Fees at 6/30/09: (From Appendix F)	33,000
(E) Total Outstanding Liability for Claims at 6/30/09: ((C) + (D))	<u>\$391,000</u>
(F) Reserve Discount Factor (Appendix I, Page 1, (H))	0.887
(G) Discounted Outstanding Liability for Claims at 6/30/09: ((E) x (F))	<u>\$347,000</u>

Confidence Level of Adequacy:	<u>Marginally Acceptable</u>	<u>75%</u>	<u>Recommended</u>	<u>85%</u>	<u>Conservative</u>
	70%		80%		90%
(H) Confidence Level Factor: (From Appendix J)	1.223	1.326	1.447	1.598	1.799
(I) Margin for Adverse Experience: ((G) x [(H) - 1])	77,000	113,000	155,000	208,000	277,000
(J) Total Required Available Funding at 6/30/09: ((G) + (I))	<u>\$424,000</u>	<u>\$460,000</u>	<u>\$502,000</u>	<u>\$555,000</u>	<u>\$624,000</u>
(K) Estimated Actual Funding at 6/30/09: (From Appendix L)	\$3,304,000	\$3,304,000	\$3,304,000	\$3,304,000	\$3,304,000
(L) Indicated Funding Redundancy/ (Deficiency): ((K)-(J))	<u>\$2,880,000</u>	<u>\$2,844,000</u>	<u>\$2,802,000</u>	<u>\$2,749,000</u>	<u>\$2,680,000</u>

ABAG SHARED RISK POOL - Workers' Compensation
Funding Options for Program Year 2009-2010 (SIR = \$250,000)
Five-Year Funding Plan

	Dollar Amount	Payroll Rate			
(A) Estimated Ultimate Losses Incurred in Accident Year 2009-2010: (From Appendix G)	\$240,000	\$1.431			
(B) Estimated Claims Administration Fees Incurred in Accident Year 2009-2010: (From Exhibit 5, Page 1, item (L))	27,000	0.161			
(C) Total Claims Costs Incurred in Accident Year 2009-2010: ((A) + (B))	<u>\$267,000</u>	<u>\$1.592</u>			
(D) Loss Discount Factor: (Appendix I, Page 2, (F))	0.897				
(E) Discounted Total Claims Costs Incurred in Accident Year 2009-2010: ((C) x (D))	<u>\$240,000</u>	<u>\$1.431</u>			
	Marginally Acceptable		Recommended		Conservative
	70%	75%	80%	85%	90%
(F) Confidence Level Factor: (From Appendix J)	1.251	1.396	1.567	1.783	2.080
(G) Margin for Adverse Experience: ((E) x [(F) - 1])	60,000	95,000	136,000	188,000	259,000
(H) Recommended Funding in 2009-2010 for Claims Costs and Other Expenses ((E) + (G))	<u>\$300,000</u>	<u>\$335,000</u>	<u>\$376,000</u>	<u>\$428,000</u>	<u>\$499,000</u>
(I) Budgeted Non Claims Related Expenses (Provided by ABAG)	85,000	85,000	85,000	85,000	85,000
(J) Budgeted Excess Insurance (Provided by ABAG)	106,000	106,000	106,000	106,000	106,000
(K) Recommended Funding Including Recognition of the June 30, 2009 Redundancy/(Deficiency): ((H) + (I) + (J))	<u>\$491,000</u>	<u>\$526,000</u>	<u>\$567,000</u>	<u>\$619,000</u>	<u>\$690,000</u>
(L) Rate per \$100 of payroll: ((K) / \$167,723)	\$2.927	\$3.136	\$3.381	\$3.691	\$4.114

ABAG SHARED RISK POOL - Workers' Compensation

IBNR as of 6/30/09 at Expected Claims Level

Accident Year	Estimated Ultimate (A)	Reported as of 12/31/08 (B)	Estimated IBNR as of 12/31/2008 (C)	Estimated Percent of IBNR Reported Between 1/1/09 and 6/30/2009 (D)	Estimated IBNR Reported (E)	Estimated IBNR as of 6/30/2009 (F)
1989-1990	\$313,982	\$313,982	\$0	100.0%	\$0	\$0
1990-1991	20,622	20,622	0	100.0%	0	0
1991-1992	20,256	20,256	0	100.0%	0	0
1992-1993	141,507	141,507	0	100.0%	0	0
1993-1994	29,418	29,418	0	100.0%	0	0
1994-1995	125,740	125,740	0	100.0%	0	0
1995-1996	174,159	174,159	0	33.3%	0	0
1996-1997	22,093	22,093	0	19.9%	0	0
1997-1998	266,770	266,770	0	22.1%	0	0
1998-1999	157,580	157,580	0	21.2%	0	0
1999-2000	181,000	176,539	4,461	20.4%	1,000	3,461
2000-2001	1,156	1,156	0	0.0%	0	0
2001-2002	71,958	71,958	0	17.2%	0	0
2002-2003	31,362	31,362	0	16.6%	0	0
2003-2004	43,015	43,015	0	17.1%	0	0
2004-2005	76,000	67,911	8,089	16.8%	1,000	7,089
2005-2006	34,000	9,633	24,367	16.6%	4,000	20,367
2006-2007	45,000	4,599	40,401	17.2%	7,000	33,401
2007-2008	184,000	142,627	41,373	19.1%	8,000	33,373
2008-2009	196,000	25,267	73,000	24.9%	43,000	127,733
Totals	\$2,135,618	\$1,846,194	\$191,691		\$64,000	\$225,424

Notes:

- (A) From Exhibit 4, Page 1.
- (B) Provided by ABAG. These losses exclude amounts incurred above the Pool's SIR for each year.
- (C) (A) - (B).
- (D) Percentage of incurred but not reported (IBNR) expected to be reported between 1/1/09 and 6/30/09. The percentage is based on the development pattern selected in Appendix A.
- (E) (C) x (D).
- (F) (A) - (B) - (E).

This exhibit shows the calculation of the amount of incurred but not reported losses we expect as of 6/30/09. This amount is dependent on both the strength of the case reserves and the average frequency and severity of the losses incurred.

ABAG SHARED RISK POOL - Workers' Compensation

Ultimate Program Losses Adjusted For Expected Impact of WCAB Rulings

Accident Year	Pre-Ruling Selected Ultimate (A)	Paid Losses as of 12/31/08 (B)	Outstanding Losses as of 12/31/2008 (C)	Percentage Impact From WCAB Rulings (D)	Post-Ruling Adjusted Ultimate (E)
1989-1990	313,982	313,982		0.0%	\$313,982
1990-1991	20,622	20,622		0.0%	20,622
1991-1992	20,256	20,256		0.0%	20,256
1992-1993	141,507	141,507		0.0%	141,507
1993-1994	29,418	29,418		0.0%	29,418
1994-1995	125,740	125,740		0.0%	125,740
1995-1996	174,159	174,159		0.0%	174,159
1996-1997	22,093	22,093		0.0%	22,093
1997-1998	266,770	266,770		0.0%	266,770
1998-1999	157,580	157,580		0.0%	157,580
1999-2000	181,000	151,151	29,849	0.0%	181,000
2000-2001	1,156	1,156		0.0%	1,156
2001-2002	71,958	71,958		0.0%	71,958
2002-2003	31,362	31,362		0.0%	31,362
2003-2004	43,015	43,015		0.0%	43,015
2004-2005	76,000	47,612	28,388	0.0%	76,000
2005-2006	34,000	9,633	24,367	0.0%	34,000
2006-2007	45,000	4,599	40,401	0.0%	45,000
2007-2008	184,000	63,598	120,402	0.0%	184,000
Totals	\$1,939,618	\$1,696,211	\$243,407		\$1,939,618
2008-2009	\$196,000	\$2,772	\$193,228	0.0%	\$196,000
2009-2010	227,000	0	227,000	5.8%	240,000

Notes:

- (A) From Exhibit 4, Page 2.
- (B) Provided by ABAG.
- (C) (A) - (B).
- (D) Based on WCIRB Estimated Impact of WCAB Rulings (Guzman/Alvarez and Ogilvie) on Reserves.
- (E) (B) + (C) * [1 + (D)].

ABAG SHARED RISK POOL - Workers' Compensation

Estimated Ultimate Program Losses

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 Estimate of Ultimate Losses (F)
1989-1990	\$313,982	313,982			335,200	313,982
1990-1991	20,622	20,622	20,622	20,622	24,120	20,622
1991-1992	20,256	20,256	20,256	20,256	23,820	20,256
1992-1993	141,507	141,507	141,507	141,507	167,486	141,507
1993-1994	29,418	29,418	29,418	29,418	35,028	29,418
1994-1995	125,866	125,991	125,891	126,041	150,744	125,740
1995-1996	174,681	175,378	174,786	175,621	208,912	174,159
1996-1997	22,203	22,402	22,227	22,468	26,819	22,093
1997-1998	269,171	272,906	268,605	271,255	203,808	266,770
1998-1999	159,786	163,253	160,293	164,362	193,743	157,580
1999-2000	180,776	159,615	181,580	162,768	219,206	181,000
2000-2001	1,183	1,221	1,183	1,221	1,293	1,156
2001-2002	74,405	77,787	74,623	78,015	80,766	71,958
2002-2003	32,993	34,906	33,091	34,961	35,280	31,362
2003-2004	46,542	49,682	53,868	62,151	91,872	43,015
2004-2005	76,672	57,658	82,683	70,158	124,848	76,000
2005-2006	11,627	12,455	30,426	37,235	81,612	34,000
2006-2007	6,232	6,912	40,436	50,421	87,696	45,000
2007-2008	247,030	163,701	208,999	159,468	117,690	184,000
Totals						\$1,939,618
						Projected Losses for the Year 2008-2009 (G) \$196,000
						Projected Losses for the Year 2009-2010 (H) \$227,000

Notes:

- (A) From Appendix A, Page 1, Column (G).
- (B) From Appendix B, Page 1, Column (G).
- (C) From Appendix C, Page 1, Column (G).
- (D) From Appendix C, Page 2, Column (G).
- (E) From Appendix D, Page 1, Column (C).
- (F) Selected averages of (A), (B), (C), (D), and (E).
- (G) From Exhibit 5, Page 1, Line (K).
- (H) From Exhibit 5, Page 1, Line (K).

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.

ABAG SHARED RISK POOL - Workers' Compensation

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

Accident Year	Reported Loss Development Method (A)	Paid Loss Development Method (B)	Exposure Method Based on Reported Losses (C)	Exposure Method Based on Paid Losses (D)	Frequency-Severity Method (E)	Selected Ultimate Limited Losses (F)	
1989-1990	\$288,482	\$288,482			\$288,480	\$288,482	
1990-1991	20,622	20,622	20,622	20,622	20,628	20,622	
1991-1992	20,256	20,256	20,256	20,256	20,250	20,256	
1992-1993	141,507	141,507	141,507	141,507	141,504	141,507	
1993-1994	29,418	29,418	29,418	29,418	29,421	29,418	
1994-1995	125,740	125,740	125,740	125,740	125,730	125,740	
1995-1996	173,204	173,550	173,204	173,550	173,206	173,204	
1996-1997	22,093	22,181	22,093	22,181	22,087	22,093	
1997-1998	166,873	168,041	166,873	168,041	166,872	166,873	
1998-1999	157,738	159,156	157,738	159,156	157,586	157,580	
1999-2000	177,245	153,418	177,247	153,806	176,995	177,000	
2000-2001	1,165	1,183	1,165	1,181	1,155	1,156	
2001-2002	72,893	74,333	72,894	74,261	71,960	71,958	
2002-2003	32,083	32,867	32,051	32,803	31,360	31,362	
2003-2004	44,865	45,983	48,204	51,241	81,396	43,015	
2004-2005	72,936	52,421	75,809	58,143	110,268	73,000	
2005-2006	10,866	11,136	21,723	24,077	71,844	23,000	
2006-2007	5,707	6,112	27,893	34,377	77,016	31,000	
2007-2008	221,214	143,668	191,318	139,995	102,870	166,000	
Totals						\$1,763,266	
						Projected Losses for the Year 2008-2009 (G)	\$148,000
						Projected Losses for the Year 2009-2010 (H)	\$170,000

Notes:

- (A) From Appendix A, Page 1, Column (D).
- (B) From Appendix B, Page 1, Column (D).
- (C) Based on results in Appendix C, Page 1.
- (D) Based on results in Appendix C, Page 2.
- (E) Based on results in Appendix D, Page 1.
- (F) Selected averages of (A), (B), (C), (D), and (E).
- (G) From Exhibit 5, Page 1, Line (K) / Line (G) .
- (H) From Exhibit 5, Page 1, Line (K) / Line (G) .

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

ABAG SHARED RISK POOL - Workers' Compensation

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

Accident Year	Ultimate Limited Losses (A)	Trend Factor (B)	Trended Limited Losses (C)	Trended Payroll (\$00) (D)	Trended Limited Loss Rate (E)
1990-1991	\$20,622	1.484	\$30,603	\$74,518	\$0.411
1991-1992	20,256	1.436	29,088	84,327	0.345
1992-1993	141,507	1.640	232,071	87,339	2.657
1993-1994	29,418	1.777	52,276	91,571	0.571
1994-1995	125,740	1.690	212,501	89,358	2.378
1995-1996	173,204	1.570	271,930	93,203	2.918
1996-1997	22,093	1.398	30,886	86,894	0.355
1997-1998	166,873	1.193	199,079	84,762	2.349
1998-1999	157,580	1.047	164,986	87,566	1.884
1999-2000	177,000	0.927	164,079	98,380	1.668
2000-2001	1,156	0.879	1,016	101,785	0.010
2001-2002	71,958	0.881	63,395	115,694	0.548
2002-2003	31,362	0.906	28,414	127,838	0.222
2003-2004	43,015	1.000	43,015	133,212	0.323
2004-2005	73,000	1.129	82,417	136,110	0.606
2005-2006	23,000	1.178	27,094	132,746	0.204
2006-2007	31,000	1.120	34,720	141,595	0.245
2007-2008	166,000	1.069	177,454	154,284	1.150
Totals	\$1,474,784		\$1,845,024	\$1,921,182	\$0.960

(F) Selected Limited Rate: \$0.960
Prior: \$1.050

Program Year:	2008-2009	2009-2010
(G) Factor to SIR:	1.324	1.338
(H) Trend Factor:	1.000	1.056
(I) Program Rate:	\$1.271	\$1.356
(J) Estimated Payroll (\$00):	\$154,135	\$167,723
(K) Projected Program Losses:	196,000	227,000
(L) Projected ULAE:	25,000	27,000
(M) Projected Loss and ULAE:	\$221,000	\$254,000

Notes appear on the next page.

ABAG SHARED RISK POOL - Workers' Compensation

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

Notes:

- (A) From Exhibit 4, Page 3, Column (F).
For purposes of projecting future losses, losses are capped at \$100,000 per occurrence.
- (B) From Appendix E, Column (B).
- (C) (A) x (B).
- (D) From Appendix N, Column (C).
- (E) (C) / (D).
- (F) Selected based on (E).
- (G) Based on a Weibull distribution, a mathematical model of claim sizes.
- (H) From Appendix E.
- (I) (F) x (G) x (H).
- (J) From Appendix N, Column (C).
- (K) (I) x (J).
- (L) Based on an estimated claim closing pattern and ABAG's historical claims administration expenses.
- (M) (K) + (L).

This exhibit shows the calculation of future loss costs based on the past loss rates per \$100 of payroll. 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.

ABAG SHARED RISK POOL - Workers' Compensation

Reported Loss Development

Accident Year (A)	Limited Reported Losses as of 12/31/08 (B)	Reported Loss Development Factor (C)	Ultimate Limited Losses (D)	Program Reported Losses of 12/31/08 (E)	Reported Loss Development Factor (F)	Ultimate Program Losses (G)
1989-1990	\$288,482	1.000	\$288,482	\$313,982	1.000	\$313,982
1990-1991	20,622	1.000	20,622	20,622	1.000	20,622
1991-1992	20,256	1.000	20,256	20,256	1.000	20,256
1992-1993	141,507	1.000	141,507	141,507	1.000	141,507
1993-1994	29,418	1.000	29,418	29,418	1.000	29,418
1994-1995	125,740	1.000	125,740	125,740	1.001	125,866
1995-1996	173,204	1.000	173,204	174,159	1.003	174,681
1996-1997	22,093	1.000	22,093	22,093	1.005	22,203
1997-1998	166,873	1.000	166,873	266,770	1.009	269,171
1998-1999	157,580	1.001	157,738	157,580	1.014	159,786
1999-2000	176,539	1.004	177,245	176,539	1.024	180,776
2000-2001	1,156	1.008	1,165	1,156	1.023	1,183
2001-2002	71,958	1.013	72,893	71,958	1.034	74,405
2002-2003	31,362	1.023	32,083	31,362	1.052	32,993
2003-2004	43,015	1.043	44,865	43,015	1.082	46,542
2004-2005	67,911	1.074	72,936	67,911	1.129	76,672
2005-2006	9,633	1.128	10,866	9,633	1.207	11,627
2006-2007	4,599	1.241	5,707	4,599	1.355	6,232
2007-2008	142,627	1.551	221,214	142,627	1.732	247,030
Totals	\$1,694,575		\$1,784,907	\$1,820,927		\$1,954,952

Notes:

- (A) Years are 7/1 to 6/30.
- (B) Provided by ABAG. These losses exclude amounts over \$100,000 per occurrence.
- (C) From Appendix A, Page 2.
- (D) (B) x (C). These estimated losses exclude amounts over \$100,000 per occurrence.
- (E) Losses capped at the Pool's SIR. Amounts are provided by ABAG.
- (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.

ABAG SHARED RISK POOL - Workers' Compensation
Reported Loss Development

Accident Year	<u>Limited Losses Reported as of:</u>										
	6 Months	18 Months	30 Months	42 Months	54 Months	66 Months	78 Months	90 Months	102 Months	114 Months	126 Months
1987-1988											
1988-1989											
1989-1990											
1990-1991											20,622
1991-1992										20,256	20,256
1992-1993									141,507	141,507	141,507
1993-1994								29,418	29,418	29,418	29,418
1994-1995							125,740	125,740	125,740	125,740	125,740
1995-1996						112,215	173,204	173,204	173,204	173,204	173,204
1996-1997					22,093	22,093	22,093	22,093	22,093	22,093	22,093
1997-1998				151,570	176,261	176,261	213,461	213,461	213,758	213,758	210,276
1998-1999			93,745	184,228	170,247	167,614	178,754	157,580	157,580	157,580	157,580
1999-2000		36,996	136,671	166,960	225,795	151,511	136,825	176,624	176,539	176,539	
2000-2001	7,008	7,526	1,156	1,156	1,156	1,156	1,156	1,156	1,156		
2001-2002	4,000	34,571	54,988	85,865	96,528	71,958	71,958	71,958			
2002-2003	60,703	37,505	58,423	40,447	31,362	31,362	31,362				
2003-2004	9,288	62,237	61,946	43,015	43,015	43,015					
2004-2005	40,746	66,443	77,832	86,799	67,911						
2005-2006	652	8,131	9,327	9,633							
2006-2007	1,275	4,158	4,599								
2007-2008	48,542	142,627									
2008-2009	25,267										

	<u>Reported Loss Development Factors:</u>										
	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
1990-1991											1.000
1991-1992											1.000
1992-1993										1.000	1.000
1993-1994								1.000	1.000	1.000	1.000
1994-1995							1.000	1.000	1.000	1.000	1.000
1995-1996						1.544	1.000	1.000	1.000	1.000	1.000
1996-1997					1.000	1.000	1.000	1.000	1.000	1.000	1.000
1997-1998				1.163	1.000	1.211	1.000	1.001	1.000	0.984	0.794
1998-1999			1.965	0.924	0.985	1.066	0.882	1.000	1.000	1.000	
1999-2000		3.694	1.222	1.352	0.671	0.903	1.291	1.000	1.000		
2000-2001	1.074	0.154	1.000	1.000	1.000	1.000	1.000	1.000			
2001-2002	8.643	1.591	1.562	1.124	0.745	1.000	1.000				
2002-2003	0.618	1.558	0.692	0.775	1.000	1.000					
2003-2004	6.701	0.995	0.694	1.000	1.000						
2004-2005	1.631	1.171	1.115	0.782							
2005-2006	12.471	1.147	1.033								
2006-2007	3.261	1.106									
2007-2008	2.938										

	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
Average Dollar-weighted Averages	4.667	1.427	1.160	1.015	0.925	1.091	1.022	1.000	1.000	0.998	0.974
3-yr	3.070	1.165	0.935	0.836	0.856	1.000	1.190	1.000	1.000	0.991	0.893
4-yr	2.427	1.090	0.867	0.932	0.857	0.943	1.048	1.000	1.000	0.994	0.918
Comparative Factors	2.810	1.294	1.087	1.030	1.017	1.014	1.011	1.009	1.008	1.008	1.006
Prior	3.500	1.350	1.200	1.080	1.040	1.030	1.010	1.005	1.004	1.003	1.003
Selected	3.200	1.250	1.100	1.050	1.030	1.020	1.010	1.005	1.004	1.003	1.001
Cumulated	4.963	1.551	1.241	1.128	1.074	1.043	1.023	1.013	1.008	1.004	1.001

ABAG SHARED RISK POOL - Workers' Compensation
Reported Loss Development

Accident Year	Limited Losses Reported as of:								
	138 Months	150 Months	162 Months	174 Months	186 Months	198 Months	210 Months	222 Months	234 Months
1987-1988									
1988-1989									
1989-1990	254,688	303,020	308,020	295,658	286,071	288,482	288,482	288,482	288,482
1990-1991	20,622	20,622	20,622	20,622	20,622	20,622	20,622	20,622	
1991-1992	20,256	20,256	20,256	20,256	20,256	20,256	20,256		
1992-1993	141,507	141,507	141,507	141,507	141,507	141,507			
1993-1994	29,418	29,418	29,418	29,418	29,418				
1994-1995	125,740	125,740	125,740	125,740					
1995-1996	173,204	173,204	173,204						
1996-1997	22,093	22,093							
1997-1998	166,873								
1998-1999									
1999-2000									
2000-2001									
2001-2002									
2002-2003									
2003-2004									
2004-2005									
2005-2006									
2006-2007									
2007-2008									
2008-2009									
	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-Ult. Months
1990-1991	1.000	1.000	1.000	1.000	1.000	1.000	1.000		
1991-1992	1.000	1.000	1.000	1.000	1.000	1.000			
1992-1993	1.000	1.000	1.000	1.000	1.000				
1993-1994	1.000	1.000	1.000	1.000					
1994-1995	1.000	1.000	1.000						
1995-1996	1.000	1.000							
1996-1997	1.000								
1997-1998									
1998-1999									
1999-2000									
2000-2001									
2001-2002									
2002-2003									
2003-2004									
2004-2005									
2005-2006									
2006-2007									
2007-2008									
	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-Ult. Months
Average Dollar-weighted Averages	1.024	1.002	0.993	0.994	1.002	1.000	1.000	1.000	
3-yr	1.000	1.000	1.000	1.000	1.000	1.000			
4-yr	1.000	1.000	1.000	1.000	1.005				
Comparative Factors	1.006	1.004	1.004	1.003	1.003	1.003	1.002	1.002	1.009
Prior	1.002	1.002	1.001	1.001	1.000	1.000	1.000		
Selected	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		

ABAG SHARED RISK POOL - Workers' Compensation
Reported between \$100,000 and \$500,000 Loss Development

Accident Year	<u>Losses Reported as of:</u>										
	6 Months	18 Months	30 Months	42 Months	54 Months	66 Months	78 Months	90 Months	102 Months	114 Months	126 Months
1990-1991											
1991-1992											
1992-1993											
1993-1994											
1994-1995											
1995-1996							955	955	955	955	955
1996-1997											
1997-1998				31,231	121,231	295,312	295,312	279,463	149,508	99,896	99,896
1998-1999											
1999-2000											
2000-2001											
2001-2002											
2002-2003											
2003-2004											
2004-2005											
2005-2006											
2006-2007											
2007-2008											
2008-2009											

Accident Year	<u>Reported Loss Development Factors:</u>										
	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
1990-1991											
1991-1992											
1992-1993											
1993-1994											
1994-1995											
1995-1996							1.000	1.000	1.000	1.000	1.000
1996-1997											
1997-1998				3.882	2.436	1.000	0.946	0.535	0.668	1.000	1.000
1998-1999											
1999-2000											
2000-2001											
2001-2002											
2002-2003											
2003-2004											
2004-2005											
2005-2006											
2006-2007											
2007-2008											

	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
Average Dollar-weighted Averages				3.882	2.436	1.000	0.973	0.768	0.834	1.000	1.000
3-yr											
4-yr											
Comparative Factors	3.895	2.295	1.626	1.342	1.210	1.118	1.090	1.074	1.062	1.053	1.040
Prior	3.895	2.295	1.626	1.342	1.210	1.118	1.090	1.074	1.045	1.035	1.025
Selected	3.895	2.295	1.626	1.342	1.210	1.118	1.090	1.074	1.045	1.035	1.025
Cumulated	35.990	9.240	4.026	2.476	1.845	1.525	1.364	1.251	1.165	1.115	1.077

ABAG SHARED RISK POOL - Workers' Compensation
Reported between \$100,000 and \$500,000 Loss Development

Accident Year	Losses Reported as of:								
	138 Months	150 Months	162 Months	174 Months	186 Months	198 Months	210 Months	222 Months	234 Months
1990-1991									
1991-1992									
1992-1993									
1993-1994									
1994-1995									
1995-1996	955	955	955						
1996-1997									
1997-1998	99,896								
1998-1999									
1999-2000									
2000-2001									
2001-2002									
2002-2003									
2003-2004									
2004-2005									
2005-2006									
2006-2007									
2007-2008									
2008-2009									
	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-Ult. Months
1990-1991									
1991-1992									
1992-1993									
1993-1994									
1994-1995									
1995-1996	1.000	1.000							
1996-1997									
1997-1998									
1998-1999									
1999-2000									
2000-2001									
2001-2002									
2002-2003									
2003-2004									
2004-2005									
2005-2006									
2006-2007									
2007-2008									
	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-Ult. Months
Average Dollar-weighted Averages	4.752	1.000	1.000	1.095	0.914	1.000	1.000	1.000	
3-yr									
4-yr									
Comparative Factors	1.027	1.025	1.026	1.023	1.018	1.014	1.009	1.007	1.017
Prior	1.020	1.015	1.010	1.005	1.000	1.000	1.000	1.000	
Selected	1.020	1.015	1.010	1.005	1.000	1.000	1.000	1.000	
Cumulated	1.051	1.030	1.015	1.005	1.000	1.000	1.000	1.000	

ABAG SHARED RISK POOL - Workers' Compensation

Paid Loss Development

Accident Year (A)	Limited Paid Losses as of 12/31/08 (B)	Paid Loss Development Factor (C)	Ultimate Limited Losses (D)	Program Paid Losses of 12/31/08 (E)	Paid Loss Development Factor (F)	Ultimate Program Losses (G)
1989-1990	\$288,482	1.000	\$288,482	\$313,982	1.000	\$313,982
1990-1991	20,622	1.000	20,622	20,622	1.000	20,622
1991-1992	20,256	1.000	20,256	20,256	1.000	20,256
1992-1993	141,507	1.000	141,507	141,507	1.000	141,507
1993-1994	29,418	1.000	29,418	29,418	1.000	29,418
1994-1995	125,740	1.000	125,740	125,740	1.002	125,991
1995-1996	173,204	1.002	173,550	174,159	1.007	175,378
1996-1997	22,093	1.004	22,181	22,093	1.014	22,402
1997-1998	166,873	1.007	168,041	266,770	1.023	272,906
1998-1999	157,580	1.010	159,156	157,580	1.036	163,253
1999-2000	151,151	1.015	153,418	151,151	1.056	159,615
2000-2001	1,156	1.023	1,183	1,156	1.056	1,221
2001-2002	71,958	1.033	74,333	71,958	1.081	77,787
2002-2003	31,362	1.048	32,867	31,362	1.113	34,906
2003-2004	43,015	1.069	45,983	43,015	1.155	49,682
2004-2005	47,612	1.101	52,421	47,612	1.211	57,658
2005-2006	9,633	1.156	11,136	9,633	1.293	12,455
2006-2007	4,599	1.329	6,112	4,599	1.503	6,912
2007-2008	63,598	2.259	143,668	63,598	2.574	163,701
Totals	\$1,569,859		\$1,670,074	\$1,696,211		\$1,849,652

Notes:

- (A) Years are 7/1 to 6/30.
- (B) Provided by ABAG. These losses exclude amounts over \$100,000 per occurrence.
- (C) From Appendix B, Page 2.
- (D) (B) x (C). These estimated losses exclude amounts over \$100,000 per occurrence.
- (E) Losses capped at the Pool's SIR. Amounts are provided by ABAG.
- (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.

ABAG SHARED RISK POOL - Workers' Compensation
Paid Loss Development

Accident Year	<u>Limited Losses Paid as of:</u>										
	6 Months	18 Months	30 Months	42 Months	54 Months	66 Months	78 Months	90 Months	102 Months	114 Months	126 Months
1990-1991											20,622
1991-1992										20,256	20,256
1992-1993									141,507	141,507	141,507
1993-1994								29,418	29,418	29,418	29,418
1994-1995							125,740	125,740	125,740	125,740	125,740
1995-1996						112,215	173,204	173,204	173,204	173,204	173,204
1996-1997					22,093	22,093	22,093	22,093	22,093	22,093	22,093
1997-1998				148,284	151,806	155,641	158,091	161,966	163,147	166,697	166,873
1998-1999			96,625	100,972	132,955	143,401	147,580	157,580	157,580	157,580	157,580
1999-2000		26,971	107,159	123,676	130,316	131,825	131,874	148,265	150,264	151,151	
2000-2001	7,023	7,526	1,156	1,156	1,156	1,156	1,156	1,156	1,156		
2001-2002	189	15,371	27,283	51,351	53,232	71,958	71,958	71,958			
2002-2003	3,746	19,404	27,715	30,275	31,362	31,362	31,362				
2003-2004	2,447	33,483	42,946	43,015	43,015						
2004-2005	14,656	32,711	45,871	46,987	47,612						
2005-2006	652	8,131	9,327	9,633							
2006-2007	1,275	4,158	4,599								
2007-2008	2,392	63,598									
2008-2009	2,772										

	<u>Paid Loss Development Factors:</u>										
	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
1990-1991											1.000
1991-1992										1.000	1.000
1992-1993									1.000	1.000	1.000
1993-1994								1.000	1.000	1.000	1.000
1994-1995							1.000	1.000	1.000	1.000	1.000
1995-1996						1.544	1.000	1.000	1.000	1.000	1.000
1996-1997					1.000	1.000	1.000	1.000	1.000	1.000	1.000
1997-1998				1.024	1.025	1.016	1.025	1.007	1.022	1.001	1.000
1998-1999			1.045	1.317	1.079	1.029	1.068	1.000	1.000	1.000	
1999-2000		3.973	1.154	1.054	1.012	1.000	1.124	1.013	1.006		
2000-2001	1.072	0.154	1.000	1.000	1.000	1.000	1.000	1.000			
2001-2002	81.492	1.775	1.882	1.037	1.352	1.000	1.000				
2002-2003	5.180	1.428	1.092	1.036	1.000	1.000					
2003-2004	13.683	1.283	1.002	1.000	1.000						
2004-2005	2.232	1.402	1.024	1.013							
2005-2006	12.471	1.147	1.033								
2006-2007	3.261	1.106									
2007-2008	26.588										

	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
Average	18.247	1.534	1.154	1.060	1.059	1.074	1.027	1.003	1.004	1.000	1.000
Dollar-weighted Averages											
3-yr	17.571	1.329	1.015	1.014	1.147	1.000	1.080	1.007	1.009	1.001	1.000
4-yr	5.723	1.309	1.032	1.021	1.145	1.000	1.075	1.007	1.009	1.000	1.000
Comparative Factors	3.738	1.763	1.298	1.146	1.079	1.050	1.033	1.023	1.017	1.013	1.009
Prior	6.000	1.900	1.200	1.050	1.030	1.020	1.015	1.010	1.008	1.005	1.003
Selected	6.000	1.700	1.150	1.050	1.030	1.020	1.015	1.010	1.008	1.005	1.003
Cumulated	13.554	2.259	1.329	1.156	1.101	1.069	1.048	1.033	1.023	1.015	1.010

ABAG SHARED RISK POOL - Workers' Compensation
Paid Loss Development

Limited Losses Paid as of:

Accident Year	138 Months	150 Months	162 Months	174 Months	186 Months	198 Months	210 Months	222 Months	234 Months
1990-1991	20,622	20,622	20,622	20,622	20,622	20,622	20,622	20,622	
1991-1992	20,256	20,256	20,256	20,256	20,256	20,256	20,256		
1992-1993	141,507	141,507	141,507	141,507	141,507	141,507			
1993-1994	29,418	29,418	29,418	29,418	29,418				
1994-1995	125,740	125,740	125,740	125,740					
1995-1996	173,204	173,204	173,204						
1996-1997	22,093	22,093							
1997-1998	166,873								
1998-1999									
1999-2000									
2000-2001									
2001-2002									
2002-2003									
2003-2004									
2004-2005									
2005-2006									
2006-2007									
2007-2008									
2008-2009									

	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-Ult. Months
1990-1991	1.000	1.000	1.000	1.000	1.000	1.000	1.000		
1991-1992	1.000	1.000	1.000	1.000	1.000	1.000			
1992-1993	1.000	1.000	1.000	1.000	1.000				
1993-1994	1.000	1.000	1.000	1.000					
1994-1995	1.000	1.000	1.000						
1995-1996	1.000	1.000							
1996-1997	1.000								
1997-1998									
1998-1999									
1999-2000									
2000-2001									
2001-2002									
2002-2003									
2003-2004									
2004-2005									
2005-2006									
2006-2007									
2007-2008									

	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-Ult. Months
Average	1.000	1.002	1.004	0.998	1.002	1.000	1.000	1.000	
Dollar-weighted Averages									
3-yr	1.000	1.000	1.000	1.000	1.000	1.000			
4-yr	1.000	1.000	1.000	1.000	1.005				
Comparative Factors									
Prior	1.009	1.008	1.006	1.006	1.005	1.004	1.004	1.004	1.019
Selected	1.003	1.002	1.002	1.000	1.000	1.000	1.000		
Cumulated	1.003	1.002	1.002	1.000	1.000	1.000	1.000		
	1.007	1.004	1.002	1.000	1.000	1.000	1.000		

ABAG SHARED RISK POOL - Workers' Compensation
Paid between \$100,000 and \$500,000 Loss Development

Accident Year	<u>Losses Paid as of:</u>										
	6 Months	18 Months	30 Months	42 Months	54 Months	66 Months	78 Months	90 Months	102 Months	114 Months	126 Months
1990-1991											
1991-1992											
1992-1993											
1993-1994											
1994-1995											
1995-1996							955	955	955	955	955
1996-1997											
1997-1998				67,024	77,686	90,166	95,651	100,799	102,337	99,896	99,896
1998-1999											
1999-2000											
2000-2001											
2001-2002											
2002-2003											
2003-2004											
2004-2005											
2005-2006											
2006-2007											
2007-2008											
2008-2009											

	<u>Paid Loss Development Factors:</u>										
	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
1990-1991											
1991-1992											
1992-1993											
1993-1994											
1994-1995											
1995-1996							1.000	1.000	1.000	1.000	1.000
1996-1997											
1997-1998				1.159	1.161	1.061	1.054	1.015	0.976	1.000	1.000
1998-1999											
1999-2000											
2000-2001											
2001-2002											
2002-2003											
2003-2004											
2004-2005											
2005-2006											
2006-2007											
2007-2008											

	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
Average Dollar-weighted Averages				1.159	1.161	1.061	1.027	1.008	0.988	1.000	1.000
3-yr											
4-yr											
Comparative Factors	4.503	3.111	2.662	2.047	1.623	1.380	1.272	1.208	1.135	1.090	1.075
Prior	4.503	3.111	2.662	2.047	1.623	1.380	1.272	1.208	1.135	1.090	1.060
Selected	4.503	3.111	2.662	2.047	1.623	1.380	1.272	1.208	1.135	1.090	1.060
Cumulated	379.851	84.355	27.115	10.186	4.976	3.066	2.222	1.747	1.446	1.274	1.169

ABAG SHARED RISK POOL - Workers' Compensation
Paid between \$100,000 and \$500,000 Loss Development

Accident Year	<u>Losses Paid as of:</u>									
	138 Months	150 Months	162 Months	174 Months	186 Months	198 Months	210 Months	222 Months	234 Months	234 Months
1990-1991										
1991-1992										
1992-1993										
1993-1994										
1994-1995										
1995-1996	955	955	955							
1996-1997										
1997-1998	99,896									
1998-1999										
1999-2000										
2000-2001										
2001-2002										
2002-2003										
2003-2004										
2004-2005										
2005-2006										
2006-2007										
2007-2008										
2008-2009										
	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-Ult. Months	
1990-1991										
1991-1992										
1992-1993										
1993-1994										
1994-1995										
1995-1996	1.000	1.000								
1996-1997										
1997-1998										
1998-1999										
1999-2000										
2000-2001										
2001-2002										
2002-2003										
2003-2004										
2004-2005										
2005-2006										
2006-2007										
2007-2008										
	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-Ult. Months	
Average Dollar-weighted Averages	1.000	1.000	1.000	1.095	0.914	1.000	1.000	1.000		
3-yr										
4-yr										
Comparative Factors	1.062	1.050	1.040	1.032	1.028	1.025	1.025	1.025	1.401	
Prior	1.040	1.030	1.020	1.010	1.000	1.000	1.000	1.000		
Selected	1.040	1.030	1.020	1.010	1.000	1.000	1.000	1.000		
Cumulated	1.103	1.061	1.030	1.010	1.000	1.000	1.000	1.000		

ABAG SHARED RISK POOL - Workers' Compensation

Exposure and Development Method
Based on Reported Losses

Accident Year	Trended Payroll (\$00) (A)	Reported Losses as of 12/31/08 (B)	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)
1990-1991	\$74,518	\$20,622	1.000	0.000	\$0.324	\$0	\$20,622
1991-1992	84,327	20,256	1.000	0.000	0.282	0	20,256
1992-1993	87,339	141,507	1.000	0.000	1.917	0	141,507
1993-1994	91,571	29,418	1.000	0.000	0.382	0	29,418
1994-1995	89,358	125,740	1.001	0.001	1.687	151	125,891
1995-1996	93,203	174,159	1.003	0.003	2.241	627	174,786
1996-1997	86,894	22,093	1.005	0.005	0.308	134	22,227
1997-1998	84,762	266,770	1.009	0.009	2.405	1,835	268,605
1998-1999	87,566	157,580	1.014	0.014	2.213	2,713	160,293
1999-2000	98,380	176,539	1.024	0.023	2.228	5,041	181,580
2000-2001	101,785	1,156	1.023	0.022	0.012	27	1,183
2001-2002	115,694	71,958	1.034	0.033	0.698	2,665	74,623
2002-2003	127,838	31,362	1.052	0.049	0.276	1,729	33,091
2003-2004	133,212	43,015	1.082	0.076	1.072	10,853	53,868
2004-2005	136,110	67,911	1.129	0.114	0.952	14,772	82,683
2005-2006	132,746	9,633	1.207	0.171	0.916	20,793	30,426
2006-2007	141,595	4,599	1.355	0.262	0.966	35,837	40,436
2007-2008	154,284	142,627	1.732	0.423	1.017	66,372	208,999
Totals	\$1,921,182	\$1,506,945				\$163,549	\$1,670,494

Notes:

- (A) From Appendix N, Column (C).
- (B) Provided by ABAG. These losses exclude amounts incurred above the Pool'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 payroll 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.

ABAG SHARED RISK POOL - Workers' Compensation

Exposure and Development Method
Based on Paid Losses

Accident Year	Trended Payroll (\$00) (A)	Paid Losses as of 12/31/08 (B)	Loss Development Factor (C)	Percentage of Losses Yet to Be Paid (D)	Program Rate (E)	Incurred but not Paid (F)	Ultimate Program Losses (G)
1990-1991	\$74,518	\$20,622	1.000	0.000	\$0.324	\$0	\$20,622
1991-1992	84,327	20,256	1.000	0.000	0.282	0	20,256
1992-1993	87,339	141,507	1.000	0.000	1.917	0	141,507
1993-1994	91,571	29,418	1.000	0.000	0.382	0	29,418
1994-1995	89,358	125,740	1.002	0.002	1.687	301	126,041
1995-1996	93,203	174,159	1.007	0.007	2.241	1,462	175,621
1996-1997	86,894	22,093	1.014	0.014	0.308	375	22,468
1997-1998	84,762	266,770	1.023	0.022	2.405	4,485	271,255
1998-1999	87,566	157,580	1.036	0.035	2.213	6,782	164,362
1999-2000	98,380	151,151	1.056	0.053	2.228	11,617	162,768
2000-2001	101,785	1,156	1.056	0.053	0.012	65	1,221
2001-2002	115,694	71,958	1.081	0.075	0.698	6,057	78,015
2002-2003	127,838	31,362	1.113	0.102	0.276	3,599	34,961
2003-2004	133,212	43,015	1.155	0.134	1.072	19,136	62,151
2004-2005	136,110	47,612	1.211	0.174	0.952	22,546	70,158
2005-2006	132,746	9,633	1.293	0.227	0.916	27,602	37,235
2006-2007	141,595	4,599	1.503	0.335	0.966	45,822	50,421
2007-2008	154,284	63,598	2.574	0.611	1.017	95,870	159,468
Totals	\$1,921,182	\$1,382,229				\$245,719	\$1,627,948

Notes:

- (A) From Appendix N, Column (C).
- (B) Provided by ABAG. These losses exclude amounts paid above the Pool'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 payroll 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.

ABAG SHARED RISK POOL - Workers' Compensation

Exposure and Development Method

Accident Year	Trended Payroll (\$00) (A)	Ultimate Limited Losses (B)	Trend Factor (C)	Trended Limited Losses (D)	Trended Limited Loss Rate (E)	Limited Loss Rate (F)	Factor to SIR (G)	Program Loss Rate (H)
1990-1991	\$74,518	\$20,622	1.484	\$30,603	\$0.411	\$0.277	1.169	\$0.324
1991-1992	84,327	20,256	1.436	29,088	0.345	0.240	1.176	0.282
1992-1993	87,339	141,507	1.640	232,071	2.657	1.620	1.184	1.917
1993-1994	91,571	29,418	1.777	52,276	0.571	0.321	1.191	0.382
1994-1995	89,358	125,740	1.690	212,501	2.378	1.407	1.199	1.687
1995-1996	93,203	173,204	1.570	271,930	2.918	1.858	1.206	2.241
1996-1997	86,894	22,093	1.398	30,886	0.355	0.254	1.214	0.308
1997-1998	84,762	166,873	1.193	199,079	2.349	1.969	1.221	2.405
1998-1999	87,566	157,580	1.047	164,986	1.884	1.800	1.230	2.213
1999-2000	98,380	177,000	0.927	164,079	1.668	1.799	1.239	2.228
2000-2001	101,785	1,156	0.879	1,016	0.010	0.011	1.119	0.012
2001-2002	115,694	71,958	0.881	63,395	0.548	0.622	1.122	0.698
2002-2003	127,838	31,362	0.906	28,414	0.222	0.245	1.125	0.276
2003-2004	133,212	43,015	1.000	43,015	0.323	0.950	1.129	1.072
2004-2005	136,110	73,000	1.129	82,417	0.606	0.841	1.132	0.952
2005-2006	132,746	11,000	1.178	12,958	0.098	0.806	1.136	0.916
2006-2007	141,595	6,000	1.120	6,720	0.047	0.848	1.139	0.966
2007-2008	154,284	182,000	1.069	194,558	1.261	0.889	1.144	1.017
Total/Avg	\$1,921,182	\$1,453,784		\$1,819,992	\$0.947			

Selected Limited Rate: \$0.950
Prior: \$1.000

Notes:

- (A) From Appendix N, Column (C).
- (B) Selected average of results from Appendices A and B.
- (C) From Appendix E, Column (B).
- (D) (B) x (C).
- (E) (D) / (A).
- (F) Selected Limited Rate / (C). For 2002-2003 and prior (B) / (A).
- (G) Based on a Weibull distribution, a mathematical model of claim sizes.
- (H) (F) x (G).

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

ABAG SHARED RISK POOL - Workers' Compensation

Frequency and Severity Method

Accident Year	Ultimate Program Severity (A)	Adjusted Ultimate Claims (B)	Ultimate Program Losses (C)
1989-1990	\$10,475	32	\$335,200
1990-1991	1,340	18	24,120
1991-1992	794	30	23,820
1992-1993	7,613	22	167,486
1993-1994	1,668	21	35,028
1994-1995	4,568	33	150,744
1995-1996	9,496	22	208,912
1996-1997	2,063	13	26,819
1997-1998	8,492	24	203,808
1998-1999	10,197	19	193,743
1999-2000	16,862	13	219,206
2000-2001	431	3	1,293
2001-2002	5,769	14	80,766
2002-2003	2,205	16	35,280
2003-2004	7,656	12	91,872
2004-2005	6,936	18	124,848
2005-2006	6,801	12	81,612
2006-2007	7,308	12	87,696
2007-2008	7,846	15	117,690
Total		349	\$2,209,943

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.

ABAG SHARED RISK POOL - Workers' Compensation

Frequency and Severity Method

Accident Year	Ultimate Limited Losses (A)	Adjusted Ultimate Claims (B)	Ultimate Limited Severity (C)	Trend Factor (D)	Trended Limited Severity (E)	Limited Severity (F)	Factor to SIR (G)	Program Severity (H)
1989-1990	\$288,482	32	\$9,015	2.581	\$23,268	\$9,015	1.162	\$10,475
1990-1991	20,622	18	1,146	2.089	2,394	1,146	1.169	1,340
1991-1992	20,256	30	675	1.982	1,338	675	1.176	794
1992-1993	141,507	22	6,432	2.220	14,279	6,432	1.184	7,613
1993-1994	29,418	21	1,401	2.359	3,305	1,401	1.191	1,668
1994-1995	125,740	33	3,810	2.199	8,378	3,810	1.199	4,568
1995-1996	173,204	22	7,873	2.004	15,777	7,873	1.206	9,496
1996-1997	22,093	13	1,699	1.751	2,975	1,699	1.214	2,063
1997-1998	166,873	24	6,953	1.465	10,186	6,953	1.221	8,492
1998-1999	157,580	19	8,294	1.260	10,450	8,294	1.230	10,197
1999-2000	177,000	13	13,615	1.094	14,895	13,615	1.239	16,862
2000-2001	1,156	3	385	1.017	392	385	1.119	431
2001-2002	71,958	14	5,140	1.000	5,140	5,140	1.122	5,769
2002-2003	31,362	16	1,960	1.008	1,976	1,960	1.125	2,205
2003-2004	43,015	12	3,585	1.091	3,911	6,783	1.129	7,656
2004-2005	73,000	18	4,056	1.208	4,900	6,126	1.132	6,936
2005-2006	23,000	12	1,917	1.236	2,369	5,987	1.136	6,801
2006-2007	31,000	12	2,583	1.153	2,978	6,418	1.139	7,308
2007-2008	166,000	15	11,067	1.079	11,941	6,858	1.144	7,846

Average Limited Severity: \$7,413

Selected Limited Severity: \$7,400
Prior: \$7,000

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, Column (J).
- (E) (C) x (D).
- (F) Selected Limited Severity / (D).
- (G) Based on a Weibull distribution, a mathematical model of claim sizes.
- (H) (F) x (G).

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

ABAG SHARED RISK POOL - Workers' Compensation

Frequency and Severity Method
Projection of Ultimate Claims

Accident Year	Reported Claim Development (A)	Closed Claim Development (B)	Selected Ultimate Claims (C)	Trended Payroll (\$000,000) (D)	Claim Frequency (E)	Trend Factor (F)	Trended Claim Frequency (G)
1989-1990	32	32	32	0		0.689	
1990-1991	18	18	18	7	2.416	0.703	1.698
1991-1992	30	30	30	8	3.558	0.718	2.555
1992-1993	22	22	22	9	2.519	0.732	1.844
1993-1994	21	21	21	9	2.293	0.746	1.711
1994-1995	33	33	33	9	3.693	0.762	2.814
1995-1996	22	22	22	9	2.360	0.777	1.834
1996-1997	13	13	13	9	1.496	0.793	1.186
1997-1998	24	24	24	8	2.831	0.809	2.290
1998-1999	19	19	19	9	2.170	0.826	1.792
1999-2000	13	12	13	10	1.321	0.842	1.112
2000-2001	3	3	3	10	0.295	0.860	0.254
2001-2002	14	14	14	12	1.210	0.877	1.061
2002-2003	16	16	16	13	1.252	0.895	1.121
2003-2004	12	13	12	13	0.901	0.913	0.823
2004-2005	18	18	18	14	1.322	0.932	1.232
2005-2006	12	13	12	13	0.904	0.951	0.860
2006-2007	12	15	12	14	0.847	0.970	0.822
2007-2008	15	16	15	15	0.972	0.990	0.962
Total	349	354	349	192.118			1.350

(H) Selected 2008-2009 Frequency: 0.970
Prior: 1.050

Program Year:	2008-2009	2009-2010
(I) Trend Factor:	1.000	0.990
(J) Selected Frequency:	0.970	0.960
(K) Estimated Payroll (\$000,000):	\$15	\$17
(L) Ultimate Claims:	15	16

Notes:

- (A) From Appendix D, Page 4, (C).
- (B) From Appendix D, Page 5, (C).
- (C) Selected from (A) and (B).
- (D) From Appendix N, Column (C) divided by 10,000.
- (E) (C) / (D).
- (F) From Appendix E.
- (G) (E) x (F).
- (H) The selected frequency of .970 is based on (G).
- (I) From Appendix E.
- (J) (H) x (I).
- (K) From Appendix N, Column (C) divided by 10,000.
- (L) (J) x (K).

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

ABAG SHARED RISK POOL - Workers' Compensation

Frequency and Severity Method
Reported Claim Count Development

Accident Year	Claims Reported as of 12/31/2008 (A)	Reported Claim Development Factor (B)	Ultimate Claims (C)	Trended Claim Frequency (D)
1989-1990	32	1.000	32	
1990-1991	18	1.000	18	1.698
1991-1992	30	1.000	30	2.554
1992-1993	22	1.000	22	1.844
1993-1994	21	1.000	21	1.711
1994-1995	33	1.000	33	2.814
1995-1996	22	1.000	22	1.834
1996-1997	13	1.000	13	1.186
1997-1998	24	1.000	24	2.291
1998-1999	19	1.000	19	1.792
1999-2000	13	1.000	13	1.113
2000-2001	3	1.000	3	0.253
2001-2002	14	1.000	14	1.061
2002-2003	16	1.000	16	1.120
2003-2004	12	1.000	12	0.822
2004-2005	18	1.000	18	1.233
2005-2006	12	1.000	12	0.860
2006-2007	12	1.000	12	0.822
2007-2008	15	1.010	15	0.963
Total	349		349	1.350

Notes:

- (A) Provided by ABAG.
- (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 ABAG. 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.

ABAG SHARED RISK POOL - Workers' Compensation

Frequency and Severity Method
Closed Claim Count Development

Accident Year	Claims Closed as of 12/31/2008 (A)	Closed Claim Development Factor (B)	Ultimate Claims (C)	Trended Claim Frequency (D)
1989-1990	32	1.000	32	
1990-1991	18	1.000	18	1.698
1991-1992	30	1.000	30	2.554
1992-1993	22	1.000	22	1.844
1993-1994	21	1.000	21	1.711
1994-1995	33	1.001	33	2.814
1995-1996	22	1.002	22	1.834
1996-1997	13	1.003	13	1.186
1997-1998	24	1.004	24	2.291
1998-1999	19	1.006	19	1.792
1999-2000	12	1.009	12	1.027
2000-2001	3	1.013	3	0.253
2001-2002	14	1.018	14	1.061
2002-2003	16	1.028	16	1.120
2003-2004	12	1.043	13	0.891
2004-2005	17	1.064	18	1.233
2005-2006	12	1.107	13	0.931
2006-2007	12	1.240	15	1.028
2007-2008	10	1.550	16	1.027
Total	342		354	1.376

Notes:

- (A) Provided by ABAG.
 (B) From Appendix D, Page 7.
 (C) (A) x (B).
 (D) (C) / [Appendix D, Page 3, (D)] x [Appendix D, Page 3, (F)].

This exhibit shows the calculation of estimated ultimate claims for each year based on closed claims as provided by ABAG. 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.

ABAG SHARED RISK POOL - Workers' Compensation
Reported Claim Count Development

Accident Year	Number of 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
1990-1991											18	18	18	18
1991-1992										30	30	30	30	30
1992-1993									22	22	22	22	22	22
1993-1994								21	21	21	21	21	21	21
1994-1995								33	33	33	33	33	33	33
1995-1996						22	22	22	22	22	22	22	22	22
1996-1997					13	13	13	13	13	13	13	13	13	13
1997-1998				24	24	24	24	24	24	24	24	24	24	24
1998-1999			19	19	19	19	19	19	19	19	19	19	19	19
1999-2000		13	13	13	13	13	13	13	13	13	13	13	13	13
2000-2001	2	3	3	3	3	3	3	3	3	3	3	3	3	3
2001-2002	3	14	14	14	14	14	14	14	14	14	14	14	14	14
2002-2003	9	16	16	16	16	16	16	16	16	16	16	16	16	16
2003-2004	4	12	12	12	12	12	12	12	12	12	12	12	12	12
2004-2005	8	18	18	18	18	18	18	18	18	18	18	18	18	18
2005-2006	4	12	12	12	12	12	12	12	12	12	12	12	12	12
2006-2007	4	12	12	12	12	12	12	12	12	12	12	12	12	12
2007-2008	3	15	15	15	15	15	15	15	15	15	15	15	15	15
2008-2009	4	4	4	4	4	4	4	4	4	4	4	4	4	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
1990-1991											1.000	1.000	1.000	1.000
1991-1992										1.000	1.000	1.000	1.000	1.000
1992-1993									1.000	1.000	1.000	1.000	1.000	1.000
1993-1994								1.000	1.000	1.000	1.000	1.000	1.000	1.000
1994-1995							1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1995-1996						1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1996-1997					1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1997-1998				1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1998-1999			1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1999-2000		1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2000-2001	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	1.000
2001-2002	4.667	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2002-2003	1.778	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2003-2004	3.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2004-2005	2.250	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2005-2006	3.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2006-2007	3.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2007-2008	5.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

	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
Average	3.024	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Claim-weighted Averages														
3-yr	3.545	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
4-yr	3.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Comparative Factors	2.494	1.052	1.005	1.004	1.002	1.002	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Prior	2.600	1.010	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Selected	2.900	1.010	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Cumulated	2.929	1.010	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

ABAG SHARED RISK POOL - Workers' Compensation
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
1990-1991														
1991-1992											30	18	18	18
1992-1993										22	22	22	22	22
1993-1994								20	21	21	21	21	21	21
1994-1995							32	32	33	33	33	33	33	33
1995-1996						20	22	22	22	22	22	22	22	22
1996-1997					12	13	13	13	13	13	13	13	13	13
1997-1998				20	22	22	22	22	22	23	23	24		
1998-1999			13	15	17	18	18	19	19	19	19			
1999-2000		5	9	10	10	12	12	12	12	12				
2000-2001		1	2	3	3	3	3	3	3					
2001-2002	1	12	12	13	13	14	14	14						
2002-2003	3	14	14	15	16	16	16							
2003-2004	1	10	12	12	12	12								
2004-2005	3	15	16	16	17									
2005-2006	4	12	12	12										
2006-2007	4	12	12											
2007-2008	1	10												
2008-2009	1													

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
1990-1991														
1991-1992										1.000	1.000	1.000	1.000	1.000
1992-1993									1.000	1.000	1.000	1.000	1.000	1.000
1993-1994								1.050	1.000	1.000	1.000	1.000	1.000	1.000
1994-1995							1.000	1.031	1.000	1.000	1.000	1.000	1.000	1.000
1995-1996						1.100	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1996-1997					1.083	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1997-1998				1.100	1.000	1.000	1.000	1.000	1.045	1.000	1.043			
1998-1999			1.154	1.133	1.059	1.000	1.056	1.000	1.000	1.000				
1999-2000		1.800	1.111	1.000	1.200	1.000	1.000	1.000	1.000					
2000-2001		2.000	1.500	1.000	1.000	1.000	1.000	1.000						
2001-2002	12.000	1.000	1.083	1.000	1.077	1.000	1.000							
2002-2003	4.667	1.000	1.071	1.067	1.000	1.000								
2003-2004	10.000	1.200	1.000	1.000	1.000									
2004-2005	5.000	1.067	1.000	1.063										
2005-2006	3.000	1.000	1.000											
2006-2007	3.000	1.000												
2007-2008	10.000													
Average	6.810	1.258	1.115	1.045	1.052	1.013	1.007	1.010	1.006	1.000	1.005	1.000	1.005	1.000
Claim-weighted Averages														
3-yr	3.778	1.026	1.000	1.047	1.024	1.000	1.000	1.000	1.019	1.000	1.017	1.000	1.000	1.000
4-yr	4.083	1.061	1.019	1.036	1.023	1.000	1.021	1.000	1.015	1.000	1.011	1.000	1.000	1.000
Comparative Factors														
Prior	2.892	1.280	1.062	1.035	1.022	1.017	1.013	1.009	1.006	1.005	1.003	1.003	1.001	1.001
Selected	5.000	1.250	1.120	1.040	1.020	1.015	1.010	1.005	1.004	1.003	1.002	1.001	1.001	1.001
Cumulated	7.750	1.550	1.240	1.107	1.064	1.043	1.028	1.018	1.013	1.009	1.006	1.004	1.003	1.002

ABAG SHARED RISK POOL - Workers' Compensation

Loss Trend Factors

Accident Year	Benefit Level Factor (A)	Factor to 2008-2009 Loss Rate Level (B)	Factor to 2009-2010 Loss Rate Level (C)	Factor to 2010-2011 Loss Rate Level (D)	Factor to 2011-2012 Loss Rate Level (E)	Factor to 2008-2009 Frequency Level (F)	Factor to 2009-2010 Frequency Level (G)	Factor to 2010-2011 Frequency Level (H)	Factor to 2011-2012 Frequency Level (I)	Factor to 2008-2009 Severity Level (J)
1987-1988	2.040	2.325	2.456	2.551	2.627	0.662	0.655	0.648	0.642	3.474
1988-1989	1.855	2.104	2.222	2.308	2.378	0.675	0.668	0.662	0.655	3.082
1989-1990	1.593	1.798	1.899	1.972	2.031	0.689	0.682	0.675	0.668	2.581
1990-1991	1.321	1.484	1.567	1.628	1.677	0.703	0.696	0.689	0.682	2.089
1991-1992	1.284	1.436	1.516	1.575	1.622	0.718	0.710	0.703	0.696	1.982
1992-1993	1.474	1.640	1.732	1.799	1.853	0.732	0.724	0.717	0.710	2.220
1993-1994	1.605	1.777	1.877	1.949	2.008	0.746	0.739	0.731	0.724	2.359
1994-1995	1.534	1.690	1.785	1.854	1.909	0.762	0.754	0.746	0.739	2.199
1995-1996	1.432	1.570	1.658	1.722	1.773	0.777	0.769	0.762	0.754	2.004
1996-1997	1.282	1.398	1.477	1.534	1.580	0.793	0.785	0.777	0.769	1.751
1997-1998	1.100	1.193	1.260	1.309	1.348	0.809	0.801	0.793	0.785	1.465
1998-1999	0.969	1.047	1.105	1.148	1.183	0.826	0.817	0.809	0.801	1.260
1999-2000	0.863	0.927	0.979	1.017	1.047	0.842	0.834	0.825	0.817	1.094
2000-2001	0.823	0.879	0.929	0.964	0.993	0.860	0.851	0.842	0.834	1.017
2001-2002	0.829	0.881	0.931	0.967	0.996	0.877	0.868	0.860	0.851	1.000
2002-2003	0.856	0.906	0.956	0.993	1.023	0.895	0.886	0.877	0.868	1.008
2003-2004	0.950	1.000	1.056	1.097	1.129	0.913	0.904	0.895	0.886	1.091
2004-2005	1.078	1.129	1.192	1.238	1.275	0.932	0.922	0.913	0.904	1.208
2005-2006	1.131	1.178	1.244	1.292	1.331	0.951	0.941	0.931	0.922	1.236
2006-2007	1.082	1.120	1.183	1.229	1.266	0.970	0.960	0.951	0.941	1.153
2007-2008	1.038	1.069	1.129	1.173	1.208	0.990	0.980	0.970	0.960	1.079
2008-2009	1.000	1.000	1.056	1.097	1.130	1.000	0.990	0.980	0.970	1.000
2009-2010	0.975	--	1.000	1.039	1.070	--	1.000	0.990	0.980	--
2010-2011	0.967	--	--	1.000	1.030	--	--	1.000	0.990	--
2011-2012	0.967	--	--	--	1.000	--	--	--	1.000	--

Notes:

- (A) Based on WCIRB.
 (B) - (E) (A) adjusted for a 3.0% annual loss rate trend. Trend is 0.5% for years 2006-2007 and prior.
 (F) - (I) (A) adjusted for a -1.0% annual frequency trend. Trend is -2.0% for years 2006-2007 and prior.
 (J) (A) adjusted for a 4.0% annual severity trend. Trend is 2.5% for years 2006-2007 and prior.

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

ABAG SHARED RISK POOL - Workers' Compensation

Outstanding Liability for
Unallocated Loss Adjustment Expenses
as of 6/30/09

Fiscal Year (A)	Number of Claims Open During Fiscal Year (B)	Average ULAE Charge per Open Claim (C)	Inflation Trend Factor (D)	Trended ULAE Charge per Open Claim (E)	ULAE Paid During Year (F)
2009-2010	14	\$733	1.050	\$770	\$10,780
2010-2011	7	733	1.103	808	5,656
2011-2012	4	733	1.158	849	3,396
2012-2013	3	733	1.216	891	2,673
2013-2014	3	733	1.277	936	2,808
2014-2015	2	733	1.341	983	1,966
2015-2016	2	733	1.408	1,032	2,064
2016-2017	2	733	1.478	1,083	2,166
2017-2018	1	733	1.552	1,138	1,138
2018-2019	0	733	1.630	1,195	0
2019-2020	0	733	1.712	1,255	0
2020-2021	0	733	1.798	1,318	0
2021-2022	0	733	1.888	1,384	0
2022-2023	0	733	1.982	1,453	0
2023-2024	0	733	2.081	1,525	0
2024-2025	0	733	2.185	1,602	0
2025-2026	0	733	2.294	1,682	0
2026-2027	0	733	2.409	1,766	0

(G) Total ULAE Outstanding as of 6/30/09: \$32,647

Notes:

- (A) We assume fiscal years will be 7/1 to 6/30.
- (B) Based on an estimated claim closing pattern.
- (C) Based on claims administration payment information provided by ABAG.
- (D) We assume ULAE costs will increase at 5.0% per year.
- (E) (C) x (D).
- (F) (B) x (E).
- (G) Total of Column (F).

This exhibit shows the calculation of the outstanding ULAE based on the expected pattern of claims closings and assumptions about future claims administration costs per open claim.

ABAG SHARED RISK POOL - Workers' Compensation

Payment and Reserve Forecast

<u>Accident Year</u>	<u>As of</u> <u>12/31/2008</u>	<u>Calendar Period</u>	
		<u>1/1/2009</u> <u>to</u> <u>6/30/2009</u>	<u>7/1/2009</u> <u>to</u> <u>6/30/2010</u>
Prior			
Ultimate Loss	\$354,860	\$354,860	\$354,860
Paid in Calendar Period	-		
Paid to Date	354,860	354,860	354,860
Outstanding Liability			
1992-1993			
Ultimate Loss	\$141,507	\$141,507	\$141,507
Paid in Calendar Period	-		
Paid to Date	141,507	141,507	141,507
Outstanding Liability			
1993-1994			
Ultimate Loss	\$29,418	\$29,418	\$29,418
Paid in Calendar Period	-		
Paid to Date	29,418	29,418	29,418
Outstanding Liability			
1994-1995			
Ultimate Loss	\$125,740	\$125,740	\$125,740
Paid in Calendar Period	-		
Paid to Date	125,740	125,740	125,740
Outstanding Liability			
1995-1996			
Ultimate Loss	\$174,159	\$174,159	\$174,159
Paid in Calendar Period	-		
Paid to Date	174,159	174,159	174,159
Outstanding Liability			
1996-1997			
Ultimate Loss	\$22,093	\$22,093	\$22,093
Paid in Calendar Period	-		
Paid to Date	22,093	22,093	22,093
Outstanding Liability			
1997-1998			
Ultimate Loss	\$266,770	\$266,770	\$266,770
Paid in Calendar Period	-		
Paid to Date	266,770	266,770	266,770
Outstanding Liability			

ABAG SHARED RISK POOL - Workers' Compensation

Payment and Reserve Forecast

<u>Accident Year</u>	<u>As of</u> <u>12/31/2008</u>	<u>Calendar Period</u>	
		<u>1/1/2009</u> <u>to</u> <u>6/30/2009</u>	<u>7/1/2009</u> <u>to</u> <u>6/30/2010</u>
1998-1999			
Ultimate Loss	\$157,580	\$157,580	\$157,580
Paid in Calendar Period	-		
Paid to Date	157,580	157,580	157,580
Outstanding Liability			
1999-2000			
Ultimate Loss	\$181,000	\$181,000	\$181,000
Paid in Calendar Period	-	5,104	8,883
Paid to Date	151,151	156,255	165,138
Outstanding Liability	29,849	24,745	15,862
2000-2001			
Ultimate Loss	\$1,156	\$1,156	\$1,156
Paid in Calendar Period	-		
Paid to Date	1,156	1,156	1,156
Outstanding Liability			
2001-2002			
Ultimate Loss	\$71,958	\$71,958	\$71,958
Paid in Calendar Period	-		
Paid to Date	71,958	71,958	71,958
Outstanding Liability			
2002-2003			
Ultimate Loss	\$31,362	\$31,362	\$31,362
Paid in Calendar Period	-		
Paid to Date	31,362	31,362	31,362
Outstanding Liability			
2003-2004			
Ultimate Loss	\$43,015	\$43,015	\$43,015
Paid in Calendar Period	-		
Paid to Date	43,015	43,015	43,015
Outstanding Liability			
2004-2005			
Ultimate Loss	\$76,000	\$76,000	\$76,000
Paid in Calendar Period	-	3,293	5,847
Paid to Date	47,612	50,905	56,752
Outstanding Liability	28,388	25,095	19,248

ABAG SHARED RISK POOL - Workers' Compensation

Payment and Reserve Forecast

<u>Accident Year</u>	<u>As of</u> <u>12/31/2008</u>	<u>Calendar Period</u>	
		<u>1/1/2009</u> <u>to</u> <u>6/30/2009</u>	<u>7/1/2009</u> <u>to</u> <u>6/30/2010</u>
2005-2006			
Ultimate Loss	\$34,000	\$34,000	\$34,000
Paid in Calendar Period	-	2,802	5,025
Paid to Date	9,633	12,435	17,460
Outstanding Liability	24,367	21,565	16,540
2006-2007			
Ultimate Loss	\$45,000	\$45,000	\$45,000
Paid in Calendar Period	-	6,545	9,649
Paid to Date	4,599	11,144	20,793
Outstanding Liability	40,401	33,856	24,207
2007-2008			
Ultimate Loss	\$184,000	\$184,000	\$184,000
Paid in Calendar Period	-	27,211	37,929
Paid to Date	63,598	90,809	128,738
Outstanding Liability	120,402	93,191	55,262
2008-2009			
Ultimate Loss	\$98,000	\$196,000	\$196,000
Paid in Calendar Period	-	34,008	62,414
Paid to Date	2,772	36,780	99,194
Outstanding Liability	95,228	159,220	96,806
2009-2010			
Ultimate Loss	-	-	\$240,000
Paid in Calendar Period	-	-	53,280
Paid to Date	-	-	53,280
Outstanding Liability	-	-	186,720
Totals			
Ultimate Loss	\$2,037,618	\$2,135,618	\$2,375,618
Paid in Calendar Period	-	78,963	183,027
Paid to Date	1,698,983	1,777,946	1,960,973
Outstanding Liability	338,635	357,672	414,645
Total Outstanding ULAE	28,000	32,647	40,684
Outstanding Liability plus ULAE	366,635	390,319	455,329

Notes appear on the next page.

ABAG SHARED RISK POOL - Workers' Compensation

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 2006-2007, \$6,545 is expected to be paid between 1/1/09 and 6/30/09, \$11,144 will have been paid by 6/30/09, and the reserve for remaining payments on these claims should be \$33,856.
- Ultimate Losses for each accident year are from Exhibit 4, Page 2.
- 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, \$9,649 = \$33,856 x 28.5%.
- Paid to Date is Paid in Calendar Period plus Paid to Date from previous calendar period. For example, \$20,793 = \$9,649 + \$11,144.
- Outstanding Liability is Ultimate Loss minus Paid to Date. For example, \$33,856 = \$45,000 - \$11,144.

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.

ABAG SHARED RISK POOL - Workers' Compensation

Short- and Long-Term Liabilities

<u>Liabilities as of 12/31/08:</u>		<u>Expected</u>	<u>Discounted</u>
<u>Current (Short Term)</u>	Loss and ALAE:	\$44,955	\$44,082
	ULAE:	8,063	7,906
	Short-Term Loss and LAE:	<u>\$53,018</u>	<u>\$51,988</u>
<u>Non-current (Long Term)</u>	Loss and ALAE:	\$293,680	\$255,859
	ULAE:	19,937	16,950
	Long-Term Loss and LAE:	<u>\$313,617</u>	<u>\$272,809</u>
<u>Total Liability</u>	Loss and ALAE:	\$338,635	\$299,941
	ULAE:	28,000	24,856
	Total Loss and LAE:	<u>\$366,635</u>	<u>\$324,797</u>
<u>Liabilities as of 6/30/09:</u>			
<u>Current (Short Term)</u>	Loss and ALAE:	\$129,747	\$127,227
	ULAE:	10,780	10,571
	Short-Term Loss and LAE:	<u>\$140,527</u>	<u>\$137,798</u>
<u>Non-current (Long Term)</u>	Loss and ALAE:	\$227,925	\$189,906
	ULAE:	21,867	18,545
	Long-Term Loss and LAE:	<u>\$249,792</u>	<u>\$208,451</u>
<u>Total Liability</u>	Loss and ALAE:	\$357,672	\$317,133
	ULAE:	32,647	29,116
	Total Loss and LAE:	<u>\$390,319</u>	<u>\$346,249</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 12/31/08:</u>						
<u>Current (Short Term)</u>	Loss and ALAE:	\$53,912	\$58,453	\$63,787	\$70,443	\$79,304
	ULAE:	9,669	10,483	11,440	12,634	14,223
	Short-Term Loss and LAE:	<u>\$63,581</u>	<u>\$68,936</u>	<u>\$75,227</u>	<u>\$83,077</u>	<u>\$93,527</u>
<u>Non-current (Long Term)</u>	Loss and ALAE:	\$312,916	\$339,269	\$370,228	\$408,863	\$460,290
	ULAE:	20,730	22,476	24,526	27,086	30,493
	Long-Term Loss and LAE:	<u>\$333,646</u>	<u>\$361,745</u>	<u>\$394,754</u>	<u>\$435,949</u>	<u>\$490,783</u>
<u>Total Liability</u>	Loss and ALAE:	\$366,828	\$397,722	\$434,015	\$479,306	\$539,594
	ULAE:	30,399	32,959	35,966	39,720	44,716
	Total Loss and LAE:	<u>\$397,227</u>	<u>\$430,681</u>	<u>\$469,981</u>	<u>\$519,026</u>	<u>\$584,310</u>
<u>Liabilities as of 6/30/09:</u>						
<u>Current (Short Term)</u>	Loss and ALAE:	\$155,599	\$168,703	\$184,097	\$203,309	\$228,881
	ULAE:	12,928	14,017	15,296	16,892	19,017
	Short-Term Loss and LAE:	<u>\$168,527</u>	<u>\$182,720</u>	<u>\$199,393</u>	<u>\$220,201</u>	<u>\$247,898</u>
<u>Non-current (Long Term)</u>	Loss and ALAE:	\$232,255	\$251,815	\$274,794	\$303,470	\$341,641
	ULAE:	22,681	24,591	26,835	29,635	33,363
	Long-Term Loss and LAE:	<u>\$254,936</u>	<u>\$276,406</u>	<u>\$301,629</u>	<u>\$333,105</u>	<u>\$375,004</u>
<u>Total Liability</u>	Loss and ALAE:	\$387,854	\$420,518	\$458,891	\$506,779	\$570,522
	ULAE:	35,609	38,608	42,131	46,527	52,380
	Total Loss and LAE:	<u>\$423,463</u>	<u>\$459,126</u>	<u>\$501,022</u>	<u>\$553,306</u>	<u>\$622,902</u>

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

ABAG SHARED RISK POOL - Workers' Compensation

Discount Factors to be Applied to Overall Reserves

Accident Year	Full Value of Reserve at 12/31/08 (A)	Discount Factor (B)	Discounted Reserve at 12/31/08 (C)	Full Value of Reserve at 6/30/09 (D)	Discount Factor (E)	Discounted Reserve at 6/30/09 (F)
2005-2006	\$24,367	0.872	\$21,239	\$21,565	0.874	\$18,842
2006-2007	40,401	0.875	35,354	33,856	0.870	29,439
2007-2008	120,402	0.885	106,571	93,191	0.881	82,066
2008-2009	95,228	0.885	84,250	159,220	0.890	141,647
Totals	\$338,635		\$299,941	\$357,672		\$317,133

(G) Discount Factor at 12/31/08 for Overall Reserve: 0.886
(H) Discount Factor at 6/30/09 for Overall Reserve: 0.887

Notes:

- (A) From Appendix G.
- (B) From Appendix I, Page 2, Column (E).
- (C) (A) x (B).
- (D) From Appendix G.
- (E) From Appendix I, Page 2, Column (E).
- (F) (D) x (E).
- (G) Total of (C) / Total of (A).
- (H) Total of (F) / Total of (D).

This exhibit shows the expected impact of anticipated investment income on the liability for outstanding claims at the date of evaluation and the end of the current fiscal year. For example, if the discount factor in item (G) is 0.886, the discounted liability for outstanding claims is 88.6% of the full value.

ABAG SHARED RISK POOL - Workers' Compensation

Calculation of Discount Factors

Payment Year (A)	Payment Pattern (B)	Discounted* Reserves (C)	Undiscounted Reserves (D)	Discount Factor (E)
22	0.0%	0.000	0.000	1.000
21	0.0%	0.000	0.000	1.000
20	0.0%	0.000	0.000	1.000
19	0.0%	0.000	0.000	1.000
18	0.0%	0.000	0.000	1.000
17	0.0%	0.000	0.000	1.000
16	0.0%	0.000	0.000	1.000
15	0.6%	0.006	0.006	0.981
14	0.7%	0.012	0.013	0.963
13	1.1%	0.022	0.023	0.951
12	1.3%	0.034	0.037	0.938
11	1.8%	0.051	0.055	0.928
10	2.5%	0.074	0.080	0.920
9	3.3%	0.104	0.113	0.913
8	3.9%	0.138	0.153	0.904
7	4.3%	0.175	0.195	0.894
6	4.9%	0.216	0.244	0.884
5	5.5%	0.261	0.299	0.874
4	7.9%	0.329	0.378	0.870
3	16.9%	0.482	0.547	0.881
2	25.8%	0.716	0.805	0.890
1	19.5%	0.880	1.000	0.880

(F) Discount Factor for Future Funding: 0.897

* Assumed Investment Rate: 4.0%

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) 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, $71.6\% = [48.2\% / 1.040] + [25.8\% / (1.020)]$.
- (D) Summation of future (B) values. This is the percent of ultimate loss unpaid at the beginning of the year.
- (E) (C) / (D).
- (F) (E) 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 0.90, on a discounted basis, \$0.90 must be budgeted for every \$1 that will actually be paid on claims that will be incurred in the next fiscal year.

ABAG SHARED RISK POOL - Workers' Compensation

Confidence Level Table

Probability	Projected Losses	Outstanding Losses
95%	2.576	2.131
90	2.080	1.799
85	1.783	1.598
80	1.567	1.447
75	1.396	1.326
70	1.251	1.223
65	1.122	1.132
60	1.005	1.049
55	0.898	0.973
50	0.797	0.900
45	0.704	0.832
40	0.618	0.765
35	0.538	0.698
30	0.462	0.632
25	0.390	0.564

To read table: For the above retention, there is a 90% chance that final loss settlements will be less than 2.080 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.

ABAG SHARED RISK POOL - Workers' Compensation

Program History

Policy Year Start Date	Policy Year End Date	Policy Year	Self-Insured Retention	
			Per Occurrence	Aggregate
7/1/1989	6/30/1990	1989-1990	\$250,000	(none)
7/1/1990	6/30/1991	1990-1991	250,000	(none)
7/1/1991	6/30/1992	1991-1992	250,000	(none)
7/1/1992	6/30/1993	1992-1993	250,000	(none)
7/1/1993	6/30/1994	1993-1994	250,000	(none)
7/1/1994	6/30/1995	1994-1995	250,000	(none)
7/1/1995	6/30/1996	1995-1996	250,000	(none)
7/1/1996	6/30/1997	1996-1997	250,000	(none)
7/1/1997	6/30/1998	1997-1998	250,000	(none)
7/1/1998	6/30/1999	1998-1999	250,000	(none)
7/1/1999	6/30/2000	1999-2000	250,000	(none)
7/1/2000	6/30/2001	2000-2001	150,000	(none)
7/1/2001	6/30/2002	2001-2002	150,000	(none)
7/1/2002	6/30/2003	2002-2003	150,000	(none)
7/1/2003	6/30/2004	2003-2004	150,000	(none)
7/1/2004	6/30/2005	2004-2005	150,000	(none)
7/1/2005	6/30/2006	2005-2006	150,000	(none)
7/1/2006	6/30/2007	2006-2007	150,000	(none)
7/1/2007	6/30/2008	2007-2008	150,000	(none)
7/1/2008	6/30/2009	2008-2009	250,000	(none)
7/1/2009	6/30/2010	2009-2010	250,000	(none)

Third Party Claims Administrator	Begin Date	End Date
Bragg and Associates		Current

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

ABAG SHARED RISK POOL - Workers' Compensation

Estimated Fund Balance as of 6/30/09

(A) <u>Estimated Fund Balance as of 12/31/08:</u>	\$3,209,000
(B) <u>Total Income to Fund from 1/1/09 - 6/30/09:</u>	
Contributions:	\$255,000
Interest:	31,000
Other:	1,000
Total Income:	<u>\$287,000</u>
(C) <u>Total Payments from Fund from 1/1/09 - 6/30/09:</u>	
Loss and ALAE:	\$89,000
Additional Allocated Loss Adjustment Expense:	0
In-House Unallocated Loss Adjustment Expense:	0
Fees to Outside Administrator (TPA):	12,000
Excess Insurance:	0
Other:	91,000
Total Payments:	<u>\$192,000</u>
(D) <u>Estimated Fund Balance as of 6/30/09:</u>	\$3,304,000

Notes:

- (A) Provided by ABAG.
- (B) Provided by ABAG.
- (C) Provided by ABAG.
- (D) (A) + (B) - (C).

ABAG SHARED RISK POOL - Workers' Compensation

Reported Loss Data as of 12/31/08

Accident Year (A)	Unlimited Incurred (B)	Additions to Losses (C)	Subtractions from Losses (D)	Adjusted Incurred (E)	Incurred Over SIR (F)	Incurred Over \$100,000 (G)	Incurred Capped at \$100,000 (H)	Incurred \$100,000 to SIR Layer (I)	Incurred Capped at SIR (J)	Incurred Capped at SIR & Aggregate (K)
1989-1990	\$316,393	\$0	\$2,411	\$313,982	\$0	\$0	\$313,982	\$0	\$313,982	\$313,982
1990-1991	20,622	0	0	20,622	0	0	20,622	0	20,622	20,622
1991-1992	21,583	0	1,327	20,256	0	0	20,256	0	20,256	20,256
1992-1993	144,657	0	3,150	141,507	0	0	141,507	0	141,507	141,507
1993-1994	29,418	0	0	29,418	0	0	29,418	0	29,418	29,418
1994-1995	125,740	0	0	125,740	0	0	125,740	0	125,740	125,740
1995-1996	174,159	0	0	174,159	0	955	173,204	955	174,159	174,159
1996-1997	22,093	0	0	22,093	0	0	22,093	0	22,093	22,093
1997-1998	266,770	0	0	266,770	0	99,896	166,873	99,896	266,770	266,770
1998-1999	157,580	0	0	157,580	0	0	157,580	0	157,580	157,580
1999-2000	176,539	0	0	176,539	0	0	176,539	0	176,539	176,539
2000-2001	1,156	0	0	1,156	0	0	1,156	0	1,156	1,156
2001-2002	79,958	0	8,000	71,958	0	0	71,958	0	71,958	71,958
2002-2003	33,195	0	1,833	31,362	0	0	31,362	0	31,362	31,362
2003-2004	43,015	0	0	43,015	0	0	43,015	0	43,015	43,015
2004-2005	67,911	0	0	67,911	0	0	67,911	0	67,911	67,911
2005-2006	9,633	0	0	9,633	0	0	9,633	0	9,633	9,633
2006-2007	4,599	0	0	4,599	0	0	4,599	0	4,599	4,599
2007-2008	142,627	0	0	142,627	0	0	142,627	0	142,627	142,627
2008-2009	25,267	0	0	25,267	0	0	25,267	0	25,267	25,267
Total	\$1,862,916	\$0	\$16,721	\$1,846,196	\$0	\$100,851	\$1,745,344	\$100,851	\$1,846,196	\$1,846,196

Notes:

- (A) Years are 7/1 to 6/30.
- (B) Provided by ABAG.
- (C) N/A
- (D) Recoveries
- (E) (B) + (C) - (D).
- (F) Sum of incurred losses in excess of SIR.
- (G) Sum of incurred losses in excess of \$100,000.
- (H) (E) - (G).
- (I) (G) - (F).
- (J) (E) - (F).
- (K) Minimum of (J) and the aggregate stop loss. See Appendix K.

ABAG SHARED RISK POOL - Workers' Compensation

Paid Loss Data as of 12/31/08

Accident Year (A)	Unlimited Paid (B)	Additions to Losses (C)	Subtractions from Losses (D)	Adjusted Paid (E)	Paid Over SIR (F)	Paid Over \$100,000 (G)	Paid Capped at \$100,000 (H)	Paid \$100,000 to SIR Layer (I)	Paid Capped at SIR (J)	Paid Capped at SIR & Aggregate (K)
1990-1991	\$316,393	\$0	\$2,411	\$313,982	\$0	\$0	\$313,982	\$0	\$313,982	\$313,982
1990-1991	20,622	0	0	20,622	0	0	20,622	0	20,622	20,622
1991-1992	21,583	0	1,327	20,256	0	0	20,256	0	20,256	20,256
1992-1993	144,657	0	3,150	141,507	0	0	141,507	0	141,507	141,507
1993-1994	29,418	0	0	29,418	0	0	29,418	0	29,418	29,418
1994-1995	125,740	0	0	125,740	0	0	125,740	0	125,740	125,740
1995-1996	174,159	0	0	174,159	0	955	173,204	955	174,159	174,159
1996-1997	22,093	0	0	22,093	0	0	22,093	0	22,093	22,093
1997-1998	266,770	0	0	266,770	0	99,896	166,873	99,896	266,770	266,770
1998-1999	157,580	0	0	157,580	0	0	157,580	0	157,580	157,580
1999-2000	151,151	0	0	151,151	0	0	151,151	0	151,151	151,151
2000-2001	1,156	0	0	1,156	0	0	1,156	0	1,156	1,156
2001-2002	79,958	0	8,000	71,958	0	0	71,958	0	71,958	71,958
2002-2003	33,195	0	1,833	31,362	0	0	31,362	0	31,362	31,362
2003-2004	43,015	0	0	43,015	0	0	43,015	0	43,015	43,015
2004-2005	47,612	0	0	47,612	0	0	47,612	0	47,612	47,612
2005-2006	9,633	0	0	9,633	0	0	9,633	0	9,633	9,633
2006-2007	4,599	0	0	4,599	0	0	4,599	0	4,599	4,599
2007-2008	63,598	0	0	63,598	0	0	63,598	0	63,598	63,598
2008-2009	2,772	0	0	2,772	0	0	2,772	0	2,772	2,772
Total	\$1,715,705	\$0	\$16,721	\$1,698,985	\$0	\$100,851	\$1,598,133	\$100,851	\$1,698,985	\$1,698,985

Notes:

- (A) Years are 7/1 to 6/30.
- (B) Provided by ABAG.
- (C) N/A
- (D) Recoveries
- (E) (B) + (C) - (D).
- (F) Sum of paid losses in excess of SIR.
- (G) Sum of paid losses in excess of \$100,000.
- (H) (E) - (G).
- (I) (G) - (F).
- (J) (E) - (F).
- (K) Minimum of (J) and the aggregate stop loss. See Appendix K.

ABAG SHARED RISK POOL - Workers' Compensation

Claim Count Data as of 12/31/08

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)
1990-1991	32	0	0	32	32	0	0	32	0	0
1990-1991	18	0	0	18	18	0	0	18	0	0
1991-1992	30	0	0	30	30	0	0	30	0	0
1992-1993	22	0	0	22	22	0	0	22	0	0
1993-1994	21	0	0	21	21	0	0	21	0	0
1994-1995	33	0	0	33	33	0	0	33	0	0
1995-1996	22	0	0	22	22	0	0	22	0	0
1996-1997	13	0	0	13	13	0	0	13	0	0
1997-1998	24	0	0	24	24	0	0	24	0	0
1998-1999	19	0	0	19	19	0	0	19	0	0
1999-2000	13	0	0	13	12	0	0	12	1	1
2000-2001	3	0	0	3	3	0	0	3	0	0
2001-2002	14	0	0	14	14	0	0	14	0	0
2002-2003	16	0	0	16	16	0	0	16	0	0
2003-2004	12	0	0	12	12	0	0	12	0	0
2004-2005	18	0	0	18	17	0	0	17	1	1
2005-2006	12	0	0	12	12	0	0	12	0	0
2006-2007	12	0	0	12	12	0	0	12	0	0
2007-2008	15	0	0	15	10	0	0	10	5	5
2008-2009	4	0	0	4	1	0	0	1	3	3
Total	353	0	0	353	343	0	0	343	10	10

Notes:

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

ABAG SHARED RISK POOL - Workers' Compensation

Exposure Measures

Accident Year	Total Payroll (\$00) (B)	Inflation Trend Factor (B)	Trended Payroll (\$00) (C)
1987-1988			
1988-1989			
1989-1990			
1990-1991	47,799	1.559	74,518
1991-1992	55,442	1.521	84,327
1992-1993	58,853	1.484	87,339
1993-1994	63,240	1.448	91,571
1994-1995	63,240	1.413	89,358
1995-1996	67,587	1.379	93,203
1996-1997	64,606	1.345	86,894
1997-1998	64,606	1.312	84,762
1998-1999	68,411	1.280	87,566
1999-2000	78,767	1.249	98,380
2000-2001	83,499	1.219	101,785
2001-2002	97,303	1.189	115,694
2002-2003	110,205	1.160	127,838
2003-2004	117,679	1.132	133,212
2004-2005	123,288	1.104	136,110
2005-2006	123,256	1.077	132,746
2006-2007	134,724	1.051	141,595
2007-2008	150,521	1.025	154,284
2008-2009	154,135	1.000	154,135
2009-2010	167,723	1.000	167,723

Notes:

- (A) Provided by ABAG.
- (B) Based on WCIRB.
- (C) (A) x (B).

ABAG SHARED RISK POOL - Workers' Compensation

Allocation of 2009-10 Costs to Members
75% Confidence Level Funding - Discounted - \$250,000 SIR

All Members

	Code		ABAG	Saratoga	Town of LAH	Town of Ross	Total
(1) Estimated 2009-10 Payroll	8742		1,050,000	0	0	0	1,050,000
By Classification	8810		5,820,000	3,418,477	942,670	192,636	10,373,783
	9410		0	1,065,747	709,236	283,402	2,058,385
	9420		0	1,145,342	234,498	136,530	1,516,370
	7720		0	0	0	688,667	688,667
	7706		0	0	0	1,085,108	1,085,108
			6,870,000	5,629,566	1,886,404	2,386,343	16,772,313
		2009-10 Discounted Loss Rate					
(2) Expected 2009-10 Loss & ALAE - Discounted	8742	0.70	7,371	0	0	0	7,371
at 75% Confidence Level	8810	0.58	33,901	19,913	5,491	1,122	60,427
	9410	2.40	0	25,593	17,032	6,806	49,430
	9420	6.96	0	79,713	16,320	9,502	105,535
	7720	5.56	0	0	0	38,270	38,270
	7706	5.34	0	0	0	57,970	57,970
(3) Total Expected Loss & ALAE			41,272	125,218	38,843	113,670	319,003
(4) Experience Modification			92.5%	97.1%	125.0%	97.3%	100.0%
(5) Risk Premium Deposit - Loss & ALAE			38,176	121,637	48,554	110,636	319,003
(6) Administration			20,891	20,891	20,891	20,891	83,565
(7) Claims Administration			4,100	4,100	4,100	4,100	16,400
(8) Self-Insurance Assessment			300	300	300	300	1,200
(9) Excess Insurance Costs			12,665	40,354	16,108	36,705	105,832
(10) Funding Redundancy/(Deficiency)			0	0	0	0	0
(11) Total Premium Deposit			76,133	187,282	89,953	172,632	526,000

- (1) Provided by ABAG.
- (2) = (1) / 100 X 2009/10 loss rate at 75% confidence level for each code from Appendix P, Page 1.
- (3) Sum (2) over all codes.
- (4) Developed in Appendix P, Page 2.
- (5) = (3) x (4).
- (6), (7) 2009/10 budgeted totals provided by ABAG.
- (8) Provided by ABAG.
- (9) Total provided by ABAG, allocated based on (5).
- (10) From Exhibit II, row (J).
- (11) = (5) + (6) + (7) + (8) + (9) - (10).

ABAG SHARED RISK POOL - Workers' Compensation
Allocation of 2009-10 Costs to Members
80% Confidence Level Funding - Discounted - \$250,000 SIR

All Members

	Code		ABAG	Saratoga	Town of LAH	Town of Ross	Total
(1) Estimated 2009-10 Payroll	8742		1,050,000	0	0	0	1,050,000
By Classification	8810		5,820,000	3,418,477	942,670	192,636	10,373,783
	9410		0	1,065,747	709,236	283,402	2,058,385
	9420		0	1,145,342	234,498	136,530	1,516,370
	7720		0	0	0	688,667	688,667
	7706		0	0	0	1,085,108	1,085,108
			6,870,000	5,629,566	1,886,404	2,386,343	16,772,313
		2009-10 Discounted Loss Rate					
(2) Expected 2009-10 Loss & ALAE - Discounted	8742	0.79	8,318	0	0	0	8,318
at 80% Confidence Level	8810	0.66	38,259	22,472	6,197	1,266	68,194
	9410	2.71	0	28,882	19,221	7,680	55,783
	9420	7.85	0	89,958	18,418	10,723	119,099
	7720	6.27	0	0	0	43,189	43,189
	7706	6.03	0	0	0	65,420	65,420
(3) Total Expected Loss & ALAE			46,577	141,312	43,835	128,279	360,003
(4) Experience Modification			92.5%	97.1%	125.0%	97.3%	100.0%
(5) Risk Premium Deposit - Loss & ALAE			43,083	137,270	54,794	124,856	360,003
(6) Administration			20,891	20,891	20,891	20,891	83,565
(7) Claims Administration			4,100	4,100	4,100	4,100	16,400
(8) Self-Insurance Assessment			300	300	300	300	1,200
(9) Excess Insurance Costs			12,665	40,354	16,108	36,705	105,832
(10) Funding Redundancy/(Deficiency)			0	0	0	0	0
(11) Total Premium Deposit			81,039	202,916	96,194	186,852	567,000

- (1) Provided by ABAG.
- (2) = (1) / 100 X 2009/10 loss rate at 80% confidence level for each code from Appendix P, Page 1.
- (3) Sum (2) over all codes.
- (4) Developed in Appendix P, Page 2.
- (5) = (3) x (4).
- (6), (7) 2009/10 budgeted totals provided by ABAG.
- (8) Provided by ABAG.
- (9) Total provided by ABAG, allocated based on (5).
- (10) From Exhibit II, row (J).
- (11) = (5) + (6) + (7) + (8) + (9) - (10).

ABAG SHARED RISK POOL - Workers' Compensation
Allocation of 2009-10 Costs to Members
85% Confidence Level Funding - Discounted - \$250,000 SIR

All Members

	Code		ABAG	Saratoga	Town of LAH	Town of Ross	Total
(1) Estimated 2009-10 Payroll	8742		1,050,000	0	0	0	1,050,000
By Classification	8810		5,820,000	3,418,477	942,670	192,636	10,373,783
	9410		0	1,065,747	709,236	283,402	2,058,385
	9420		0	1,145,342	234,498	136,530	1,516,370
	7720		0	0	0	688,667	688,667
	7706		0	0	0	1,085,108	1,085,108
			6,870,000	5,629,566	1,886,404	2,386,343	16,772,313
		2009-10 Discounted Loss Rate					
(2) Expected 2009-10 Loss & ALAE - Discounted	8742	0.91	9,520	0	0	0	9,520
at 85% Confidence Level	8810	0.75	43,785	25,718	7,092	1,449	78,044
	9410	3.10	0	33,054	21,997	8,790	63,840
	9420	8.99	0	102,952	21,078	12,272	136,302
	7720	7.18	0	0	0	49,427	49,427
	7706	6.90	0	0	0	74,870	74,870
(3) Total Expected Loss & ALAE			53,305	161,723	50,167	146,808	412,003
(4) Experience Modification			92.5%	97.1%	125.0%	97.3%	100.0%
(5) Risk Premium Deposit - Loss & ALAE			49,306	157,098	62,709	142,891	412,003
(6) Administration			20,891	20,891	20,891	20,891	83,565
(7) Claims Administration			4,100	4,100	4,100	4,100	16,400
(8) Self-Insurance Assessment			300	300	300	300	1,200
(9) Excess Insurance Costs			12,665	40,354	16,108	36,705	105,832
(10) Funding Redundancy/(Deficiency)			0	0	0	0	0
(11) Total Premium Deposit			87,262	222,743	104,108	204,886	619,000

- (1) Provided by ABAG.
- (2) = (1) / 100 X 2009/10 loss rate at 85% confidence level for each code from Appendix P, Page 1.
- (3) Sum (2) over all codes.
- (4) Developed in Appendix P, Page 2.
- (5) = (3) x (4).
- (6), (7) 2009/10 budgeted totals provided by ABAG.
- (8) Provided by ABAG.
- (9) Total provided by ABAG, allocated based on (5).
- (10) From Exhibit II, row (J).
- (11) = (5) + (6) + (7) + (8) + (9) - (10).

ABAG SHARED RISK POOL - Workers' Compensation

Allocation of 2009-10 Expected Loss Rate to Classification - Discounted Basis - \$250,000 SIR
All Members

Classification Code (1)	Estimated 2009-10 Payroll (2)	WCIRB Pure Premium (3)	WCIRB Relativity (4)	Expected Level Undiscounted Pure Premium (5)	Expected Level Discounted Pure Premium (6)	70% Confidence Level Discounted Pure Premium (7)	75% Confidence Level Discounted Pure Premium (8)	80% Confidence Level Discounted Pure Premium (9)	85% Confidence Level Discounted Pure Premium (10)
8742	1,050,000	0.332	0.37	0.50	0.45	0.62	0.70	0.79	0.91
8810	10,373,783	0.276	0.31	0.42	0.37	0.52	0.58	0.66	0.75
9410	2,058,385	1.136	1.26	1.71	1.54	2.14	2.40	2.71	3.10
9420	1,516,370	3.292	3.66	4.96	4.45	6.20	6.96	7.85	8.99
7720	688,667	2.628	2.92	3.96	3.55	4.95	5.56	6.27	7.18
7706	1,085,108	2.527	2.81	3.81	3.42	4.76	5.34	6.03	6.90
Total/Average	16,772,313	0.900		1.36	1.22	1.69	1.90	2.15	2.46

- (2) Provided by ABAG.
- (3) From WCIRB, effective 1/1/2009 minus 10% for ULAE.
- (4) (3) / (3) Average
- (5) = (4) x selected 2009/10 loss rate of \$1.356 from Exhibit 5, Page 1.
- (6) = (5) x discount factor of 0.897 from Appendix I, Page 2.
- (7) = (6) x 1.251, 70% confidence factor from Appendix J.
- (8) = (6) x 1.396, 75% confidence factor from Appendix J.
- (9) = (6) x 1.567, 80% confidence factor from Appendix J.
- (10) = (6) x 1.783, 85% confidence factor from Appendix J.

ABAG SHARED RISK POOL - Workers' Compensation

Calculation of Experience Modifications - \$250,000 SIR
All Members

Members	Limited Incurred Losses (1)	Expected Losses (2)	Percent of Limited Incurred Losses (3)	Percent of Expected Losses (4)	Indicated Differential (5)	Weights (6)	Indicated Experience Modification (7)	Adjusted Experience Modification (8)
ABAG	2,085	81,843	1.0%	14.6%	0.069	14.1%	86.9%	92.5%
Saratoga	59,135	223,184	28.6%	39.9%	0.717	30.9%	91.3%	97.1%
Town of LAH	103,173	82,254	49.9%	14.7%	3.394	14.1%	133.8%	125.0%
Town of Ross	42,516	172,585	20.5%	30.8%	0.667	25.7%	91.4%	97.3%
Total/Average	206,909	559,865	100.0%	100.0%				

- (1) Provided by ABAG, 2003/04 through 2007/08, limited to \$25,000 per claim, evaluated as of 12/31/2008.
(2) Developed in Appendix P, Page 2.
(3) = (1) / (1) Total
(4) = (2) / (2) Total
(5) = (3) / (4)
(6) = (2) / [(2) + 500,000] with a minimum of 5.0%
(7) (6) x (5) + [1.0 - (6)]
(8) Limited to minimum of 75% and maximum of 125% then adjusted for off-balance.

ABAG SHARED RISK POOL - Workers' Compensation

Calculation of Expected Losses by Member - \$250,000 SIR
All Members

Members	Classification Codes						Total
	8,742	8,810	9,410	9,420	7,720	7,706	
(1) Five Year Payrolls							
ABAG	4,415,389	24,384,035	0	0	0	0	28,799,424
Saratoga	0	13,350,518	3,463,231	4,467,490	0	0	21,281,239
Town of LAH	0	3,529,748	3,069,837	1,144,030	0	0	7,743,615
Town of Ross	0	281,388	1,605,452	361,145	2,753,713	2,742,747	7,744,445
(2) WCIRB Loss Rates for Experience Rating							
	0.332	0.276	1.136	3.292	2.628	2.527	
(3) Expected Losses							
ABAG	14,661	67,182	0	0	0	0	81,843
Saratoga	0	36,783	39,337	147,065	0	0	223,184
Town of LAH	0	9,725	34,868	37,660	0	0	82,254
Town of Ross	0	775	18,235	11,888	72,380	69,305	172,585

- (1) Provided by ABAG, 2003/04 through 2007/08.
(2) From WCIRB, effective 1/1/2009 minus 10% for ULAE.
(3) [(1) / 100] x (2)

ABAG SHARED RISK POOL

Duration for Outstanding Loss and LAE Liabilities at June 30, 2009
and Projected Loss and LAE for 2009-2010

Accident Year	Outstanding as of 6/30/2009	2008-2010		2010-2011		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		2025-2026		2026-2027		2027-2028		2028-2029		2029-2030		2030-2031																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																		
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1999-2000	27,004	9,894	6,214	4,139	3,061	2,330	1,566	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																											
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2004-2005	27,386	8,381	5,293	4,399	3,889	3,489	3,089	2,689	2,289	1,889	1,489	1,089	707	1,051	1,381	1,711	2,041	2,371	2,701	3,031	3,361	3,691	4,021	4,351	4,681	5,011	5,341	5,671	6,001	6,331	6,661	6,991	7,321	7,651	7,981	8,311	8,641	8,971	9,301	9,631	9,961	10,291	10,621	10,951	11,281	11,611	11,941	12,271	12,601	12,931	13,261	13,591	13,921	14,251	14,581	14,911	15,241	15,571	15,901	16,231	16,561	16,891	17,221	17,551	17,881	18,211	18,541	18,871	19,201	19,531	19,861	20,191	20,521	20,851	21,181	21,511	21,841	22,171	22,501	22,831	23,161	23,491	23,821	24,151	24,481	24,811	25,141	25,471	25,801	26,131	26,461	26,791	27,121	27,451	27,781	28,111	28,441	28,771	29,101	29,431	29,761	30,091	30,421	30,751	31,081	31,411	31,741	32,071	32,401	32,731	33,061	33,391	33,721	34,051	34,381	34,711	35,041	35,371	35,701	36,031	36,361	36,691	37,021	37,351	37,681	38,011	38,341	38,671	39,001	39,331	39,661	39,991	40,321	40,651	40,981	41,311	41,641	41,971	42,301	42,631	42,961	43,291	43,621	43,951	44,281	44,611	44,941	45,271	45,601	45,931	46,261	46,591	46,921	47,251	47,581	47,911	48,241	48,571	48,901	49,231	49,561	49,891	50,221	50,551	50,881	51,211	51,541	51,871	52,201	52,531	52,861	53,191	53,521	53,851	54,181	54,511	54,841	55,171	55,501	55,831	56,161	56,491	56,821	57,151	57,481	57,811	58,141	58,471	58,801	59,131	59,461	59,791	60,121	60,451	60,781	61,111	61,441	61,771	62,101	62,431	62,761	63,091	63,421	63,751	64,081	64,411	64,741	65,071	65,401	65,731	66,061	66,391	66,721	67,051	67,381	67,711	68,041	68,371	68,701	69,031	69,361	69,691	70,021	70,351	70,681	71,011	71,341	71,671	72,001	72,331	72,661	72,991	73,321	73,651	73,981	74,311	74,641	74,971	75,301	75,631	75,961	76,291	76,621	76,951	77,281	77,611	77,941	78,271	78,601	78,931	79,261	79,591	79,921	80,251	80,581	80,911	81,241	81,571	81,901	82,231	82,561	82,891	83,221	83,551	83,881	84,211	84,541	84,871	85,201	85,531	85,861	86,191	86,521	86,851	87,181	87,511	87,841	88,171	88,501	88,831	89,161	89,491	89,821	90,151	90,481	90,811	91,141	91,471	91,801	92,131	92,461	92,791	93,121	93,451	93,781	94,111	94,441	94,771	95,101	95,431	95,761	96,091	96,421	96,751	97,081	97,411	97,741	98,071	98,401	98,731	99,061	99,391	99,721	100,051	100,381	100,711	101,041	101,371	101,701	102,031	102,361	102,691	103,021	103,351	103,681	104,011	104,341	104,671	105,001	105,331	105,661	105,991	106,321	106,651	106,981	107,311	107,641	107,971	108,301	108,631	108,961	109,291	109,621	109,951	110,281	110,611	110,941	111,271	111,601	111,931	112,261	112,591	112,921	113,251	113,581	113,911	114,241	114,571	114,901	115,231	115,561	115,891	116,221	116,551	116,881	117,211	117,541	117,871	118,201	118,531	118,861	119,191	119,521	119,851	120,181	120,511	120,841	121,171	121,501	121,831	122,161	122,491	122,821	123,151	123,481	123,811	124,141	124,471	124,801	125,131	125,461	125,791	126,121	126,451	126,781	127,111	127,441	127,771	128,101	128,431	128,761	129,091	129,421	129,751	130,081	130,411	130,741	131,071	131,401	131,731	132,061	132,391	132,721	133,051	133,381	133,711	134,041	134,371	134,701	135,031	135,361	135,691	136,021	136,351	136,681	137,011	137,341	137,671	138,001	138,331	138,661	138,991	139,321	139,651	139,981	140,311	140,641	140,971	141,301	141,631	141,961	142,291	142,621	142,951	143,281	143,611	143,941	144,271	144,601	144,931	145,261	145,591	145,921	146,251	146,581	146,911	147,241	147,571	147,901	148,231	148,561	148,891	149,221	149,551	149,881	150,211	150,541	150,871	151,201	151,531	151,861	152,191	152,521	152,851	153,181	153,511	153,841	154,171	154,501	154,831	155,161	155,491	155,821	156,151	156,481	156,811	157,141	157,471	157,801	158,131	158,461	158,791	159,121	159,451	159,781	160,111	160,441	160,771	161,101	161,431	161,761	162,091	162,421	162,751	163,081	163,411	163,741	164,071	164,401	164,731	165,061	165,391	165,721	166,051	166,381	166,711	167,041	167,371	167,701	168,031	168,361	168,691	169,021	169,351	169,681	170,011	170,341	170,671	171,001	171,331	171,661	171,991	172,321	172,651	172,981	173,311	173,641	173,971	174,301	174,631	174,961	175,291	175,621	175,951	176,281	176,611	176,941	177,271	177,601	177,931	178,261	178,591	178,921	179,251	179,581	179,911	180,241	180,571	180,901	181,231	181,561	181,891	182,221	182,551	182,881	183,211	183,541	183,871	184,201	184,531	184,861	185,191	185,521	185,851