

Agenda Item # 3

Approval of Minutes 4/24/13



Association of Bay Area Governments

ABAG PLAN CORPORATION

Actuary Committee Meeting
April 24, 2013

101 Eighth Street
Conference Room A
Oakland, CA 94607

Summary Minutes

Members Present:

Presiding:

Mike Taylor

Vivian Gong

Kim Juran

Jurisdiction

Saratoga

Dublin

San Bruno

Staff Present:

Jim Hill - ABAG PLAN Risk Management Officer

Herbert Pike - ABAG CFO

Kim Chase - ABAG PLAN Administrative Assistant

Other Representative(s):

Mike Harrington - Bickmore Risk Services

Seth Cole - Alliant Insurance Service, Inc.

1. Meeting Called to Order:

Meeting was called to order by Mike Taylor at 1:05 p.m.

2. Public Comments: None

3. Approval of Minutes of April 27th, 2012:

Minutes were approved as presented.

Informal Approval of minutes as read by Acting Chairman.

Actuary Committee Meeting - April 24, 2013 (con't)

4. Actuarial Review of Self-Funded Liability Program:

Jim Hill provided the Committee with a staff report highlighting some of the key elements of the Actuary Report. The staff report commented on the following:

The Actuarial report showed significant adverse development of PLAN losses, specifically the years 2010-11 and 2012-13. The adjustments to ultimate losses are tied into those two years, as actual losses have exceeded expected losses. PLAN has two large claims reserved at \$5 Million each, accounting for \$10 Million of the adverse loss development. PLAN outstanding liabilities increased to \$35 million at the expected level versus \$22.9 Million last year; an increase of about 12.3 %. At the 90% confidence level, PLAN assets are expected to decrease down to \$39 million from \$42.6 million the prior year, which is a reduction of 3.1%. The adverse experience has eliminated PLAN's SIR fund balance (excess surplus).

Premium contributions are expected to increase by 11%. Premium increase is driven by a 10% increase in the average rate, and 1% increase in exposure basis. Rate change is driven primarily by losses, as excess premium and administrative expenses have been stable over time, and member premiums have continued to fluctuate significantly amongst members. Seven PLAN members benefit from a capped premium of 30%.

The zero balance in the SIR fund means that Loss Prevention expenses will have to be paid from the Risk Margin Fund rather than the SIR Fund. Jim noted that the Risk Margin fund is the difference between expected vs desired confidence level (Confidence Level Safety margin) and is currently funded at \$3.5m. The total RMF funding position indicates PLAN loss portfolio is down to a 69% confidence level in overall pool funding. Jim mentions the Actuary report is assuming an annual investment return of 4%, and the actual returns have fallen within the 1 or 2% range. Mike Harrington (Bickmore) will review the implications of changing discount rates to 2 and 3 %, and will discuss the impacts to our program funding estimates. Jim summarized by commenting that the report reveals PLAN is experiencing adverse loss development, with negative impact to our funding levels, and notes the current level of loss development is unprecedented in the history of ABAG PLAN.

Mike Harrington discussed the expected loss pattern over the last ten years and noted that the actual vs. expected loss trend with the current, most recent years actual losses exceeding expected losses. Admin Costs are budgeted at 2.85 Million (flat) and requested confirmation from Herbert Pike, ABAG CFO. Herb responded that increases in costs for benefits and pensions are expected next year which have to be factored into the budget. Mike informed the committee of a 5% increase contemplated for XS insurance. On the Loss side, we are up 20% and Mike recommends that a rate action be taken but notes that much of the increase is still just in reserves. Jim summarizes the two open high reserve claims to the Actuary Committee to help them understand the justification for the high reserves. Seth Cole referred to another high profile case/claim with large settlements within another pool's jurisdiction which demonstrates the implications and complexity of Municipal claim settlements.

Mike Harrington reviewed PLAN's performance against three asset categories (surplus): Case Reserves, IBNR, and ULAE. These asset categories are set aside for future Claims and the administration of claims. The first level of defense is the Risk Margin Fund which takes the liability and brings it up to the 90% confidence level. The excess assets are being called the SIR funds which are allocated for ITC provision and Loss Prevention Expenses. Loss Prevention Expenses previously paid from Loss Funds should be a consideration of premium funding this year.

Actuary Committee Meeting - April 24, 2013 (con't)

Mike H. provided the committee with graphic illustrations of the Asset categories and also looked at expected vs actual loss patterns over the past several years. The SIR fund graphs clearly illustrate that the SIR fund is gone and the first line of defense, the Risk Margin Fund, isn't at a 90% confidence level. The program confidence level is about 69%, and Mike indicated that PLAN would need roughly 5 million additional surplus to get us back to the 90% confidence level. Jim noted that if we prevail in one of the cases, will gravitate back to the 90% confidence level. Seth expands on that statement by mentioning that these are outstanding liabilities that may never come to fruition. Jim noted that we have to budget reserves according to claim characteristics and outcome probabilities.

Jim brings up exploring a 'Buffer Layer' or a "Risk Transfer Layer", within our retention layer by looking into options in buying excess liability insurance in excess of 2 Million, for program stabilization. Mike H. concurred that exploring risk transfer options within the program SIR are appropriate given the program funding ratios which are being negatively impacted by the adverse loss experience.

Jim and Mike H. reviewed program funding ratios, specifically Equity to SIR which should be 5 to 1. Given our high SIR, this surplus requirement is significant. PLAN should be positioned to take 2-5 occurrence limit hits and we are currently funded to one full occurrence at maximum. A review of all other funding ratios reveals that PLAN is underperforming in four of the five funding areas. Mike H. suggested that PLAN consider adjusting the Retention. Staff will continue to explore risk transfer options within PLAN \$5m SIR layer.

Jim made a recommendation that Committee accept the review in principal and provide preliminary proposals of funding levels at various confidence levels.

Staff also recommended that Committee review discount rate assumptions and make appropriate recommendations to the Executive Committee and Board of Directors. Mike H. made an additional recommendation to drop the discount rate and to focus on replenishing the SIR fund. Chairman Mike Taylor mentions he his uncomfortable with dropping to a 2 Million dollar level, due to the severity of current claims. He is however, comfortable with a lower discount rate. Mike H. re-directs committee members to his report and said that overall exposure was the same which is the Payroll base and the numbers reflect a 4% discount rate. Decreasing the discount rate will have an additional 3.5% impact on member premium contributions.

Mike H also noted the high number of members whose premium will be capped at the 30% max this year. Mike H noted that if PLAN funded premium contributions this year at the 60% confidence level vs the traditional 50% CL, it will improve the loss scenarios and only add a couple hundred thousand to the overall premium. He noted that the program will experience the impact of the loss prevention expenses which will impact the Risk Margin Fund. Mike H informed the group that if we add up all the pieces, PLAN premium contributions would go up to 28%. Jim says the members may be more inclined to sacrifice a little bit off that number.

Committee Chairman Taylor asks the committee how comfortable they feel with a 3% rate assumption and the overall impact to premium contributions given all of the other factors. The committee made a motion to lower the interest rate to 3%, increase the premium contribution funding confidence level to 60% and budget the loss control program within the premium with no more than a 20% total increase. Jim noted that this is a prudent decision and it positions the program positively while keeping funding at a comfortable level.

/M/Gong/S/Juran/C/Unanimously Approved.

Actuary Committee Meeting - April 24, 2013 (con't)

5. Excess Liability and Property Insurance Coverage:

Seth Cole of Alliant Insurance Services discussed the insurance market, and set expectations for the excess liability and property insurance renewal's. He discussed key financial metrics for the property and casualty industry. Seth then discussed Property, and the expiring program. PLAN had just over 2.1 Billion in total insured values (TIV) for all member cities and towns. TIV grew by almost 2 Hundred Million (9%) which impacts the renewal premium. The largest area of growth in values was the waste water treatment facilities with their new technologies, expansion and growth.

Seth continues by saying PLAN has a good loss history on property program overall, outside of any increases in insured values TIV. Best case scenario would be a 6% increase in rate; Worst case scenario would be a 12% rate increase. As a group, PLAN has about 190 Million dollars in values collectively in Flood Zone AV, and keeping the current 25 million dollar limits in place for Flood Zone AV, could see as much as a 30-35% overall rate increase which could impact Members with values in those areas. Seth assures the committee, that, this is the worst case scenario, and there are other options, such as higher deductibles, or lower limits. He also says that Alliant is out talking to other insurance carriers, looking at other alternatives for PLAN. He will share quote options with the Board. Seth assures the committee again, that this information is all worst case scenarios, in preparation for the worst. Seth discussed conducting a catastrophic disaster Probable Maximum Loss (PML) study in the near future.

Seth then continues on to explain the Excess Liability, and noted that with the current program PLAN has 20 Million dollars in excess of the 5 Million dollar retention, with a total of 25 Million in limits PLAN provides its member cities. Some of the member cities buy additional limits above that, up to 50 Million, San Bruno specifically. He says PLAN pays about \$ 629 thousand dollars in premium and in talking with AIG, and Lexington they are looking at about a 5% increase. Seth also says Alliant has competitively bid, and received alternative quotes getting PLAN the best rates. Seth explains the emergency of *concussion* and *sexual molestation* exclusions by carriers.

6. Other Business:

Vivian Gong made a motion to add Kim Juran to the Actuary Committee, Mike Taylor seconded the motion, and all committee members voted in favor.

7. Meeting Adjourned:

3:25 p.m.

Respectfully Submitted,

James Hill
Risk Management Officer

Agenda Item # 4a

**Actuarial Review of Self Funded
Liability Program**



Date: April 25, 2014
To: ABAG PLAN Actuary Committee
From: James Hill, PLAN Risk Management Officer
Subject: **Actuarial Review of Self-Insured Liability Program**

Recommendation

Staff recommends the Actuary Committee accept the Actuarial Review of the Self Insured Liability Program dated March 31, 2014. Committee to recommend approval and adoption of proposed program funding levels for FY 2014-15 to the Executive Committee and Board of Directors at the June Annual BOD meeting.

Overview

Michael Harrington, FCAS, Director - Bickmore Risk Services will present the Actuarial report to the committee. The report contains estimates of PLAN liability for outstanding claims as of June 30, 2014, as well as, projected ultimate loss costs for the 2014-15 program year. The analysis assumes a discount rate of 3%.

The Actuarial Report is very comprehensive and lengthy in its narration. It is divided into four major sections:

Executive Summary - Contains overview and tables which summarize the outstanding Liabilities.

Supporting Text - Detailed explanation on liabilities, losses, loss funding options, including a discussion of historical trends and data issues.

Summary Exhibits - These exhibits depict PLAN actuarial performance from a "big picture" perspective.

Supporting Appendices – These exhibits provide background calculations underlying the analysis.

Actuarial Review of Self-Insured Liability Program (con't)

Highlights

- PLAN losses (claims) have developed favorably since the last actuarial study. The reversal in adverse development is primarily attributable to results for the 2009-10 and 2010-11 accident years.
- Expected incurred loss development was \$4.4 million (from prior study) while actual incurred loss development was (-\$1.0 million) or \$5.4 million less than expected. This is a significant rebound from the loss experience of the past two years.
- The report includes adjustments to PLAN Ultimate Loss estimates to account for eight claims which have had no significant development since 12/31/13.
- PLAN outstanding liabilities have decreased from \$36 million as of 6/30/13 to \$31.5 million as of 6/30/14 at the expected level (50% CL), a decrease of \$4.5 million. At the 90% confidence level, the outstanding liabilities decreased from \$52.1 million to \$45.7 million, a reduction of \$6.4 million over the period.
- PLAN assets are projected to increase to \$41.9 million from \$39.5 million the prior year, an increase of \$2.4 million.
- Risk Margin Fund balance has increased from \$3.5 million as of 6/30/13 to \$10.4 million as of 6/30/14.
- PLAN total premium contributions (GL/Admin/Excess) are expected to decrease by 1% from prior year driven by a 6% decrease in the average rate offset by a 5% increase in estimated exposure (total payroll).
- Report assumes no increase in excess liability premium and no increase in Administrative Expenses.
- Report assumes no additional funding requirement for Loss Prevention program.
- Member premium changes from prior FY vary significantly which is typical of our program. 17 (59%) of PLAN members will experience a reduction in their liability premium this fiscal year. 12 (41%) of PLAN members will see an increase in their liability premium contributions. One member's premium increase was capped at 30%, while another member's premium reduction was capped at 30%.

The Risk Margin Fund which is designed to protect the pool from adverse experience, is not fully funded. This fund accounts for a safety margin up to the 90% confidence level (optimal) and is currently funded at \$10.4 million. The current funding level is equivalent to funding the pool at a 84% confidence level. This is significant improvement from the 67% CL last year.

Actuarial Review of Self-Insured Liability Program (con't)

The absence of the SIR Fund implies that loss prevention expenses will be paid from surplus in the Risk Margin Fund. Also, given the expiration of the ITC program, there are no special funding considerations or provisions outside of current reserve estimates.

Summary

The Actuarial report and analysis indicates the PLAN Self Funded Liability program has rebounded from adverse loss development in prior years. PLAN program assets have increased while our projected liabilities have been reduced significantly. The outlook is very favorable and program funding levels are adequate.

It is worth noting that our efforts in settling some of our large and most complex cases (claims) outside of the court environment have proved beneficial in terms of reducing potential liabilities and saving significant claim/legal expense.

The Committee will recommend funding at the same confidence level (60%) as the prior year to ensure program funding is geared towards increasing program confidence level to 90% and above. The Committee will continue to monitor program funding levels to ensure compliance with ABAG PLAN funding policy and our Risk Management goals and objectives.

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Monday, March 31, 2014

Mr. James Hill
Risk Manager
Association of Bay Area Governments
101 Eighth Street
Oakland, CA 94607

Re: Actuarial Review of the Self-Insured Liability Program

Dear Mr. Hill:

As you requested, we have completed our review of ABAG's self-insured liability program (the PLAN). We estimate the ultimate cost of claims and expenses for claims incurred during the 2014-15 program year to be \$5,404,000 including allocated loss adjustment expenses (ALAE) and a discount for anticipated investment income (assuming a \$5 million retention). ALAE is basically the direct cost associated with the defense of individual claims. The discount for investment income is calculated based on the likely payout pattern of your claims, assuming a 3.0% return on investments per year. For budgeting purposes, the expected cost of 2014-15 claims translates to a rate of \$1.40 per \$100 payroll.

In addition, we estimate the program's liability for outstanding claims to be \$31,508,000 as of June 30, 2014, including ALAE, unallocated loss adjustment expenses (ULAE), and discounted for anticipated investment income. ULAE is the remainder of the cost to administer all claims to final settlement. Given estimated program assets of \$41,878,000 (including SIR Fund assets), the program is funded at the 84% confidence level (see Graph 1 on Page 8).

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The \$31,508,000 estimate is the minimum liability to be booked by the PLAN in accordance with Governmental Accounting Standards Board (GASB) Statement #10. GASB #10 requires PLAN 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.

**Estimated Liability for Unpaid Loss and LAE
at June 30, 2014**

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	80% CL	High 85% CL	
Loss and ALAE	\$30,667,000					
ULAE (Claims Administration)	3,067,000					
Investment Income Offset	(2,226,000)					
Discounted Loss and LAE	\$31,508,000	\$35,667,000	\$37,463,000	\$39,606,000	\$42,221,000	\$45,718,000
Program Assets Includes SIR Fund	41,878,000					
Redundancy or (Deficiency)	\$10,370,000	\$6,211,000	\$4,415,000	\$2,272,000	(\$343,000)	(\$3,840,000)

The following table shows estimated liability for unpaid loss and LAE at various discount rate assumptions at the expected confidence level.

**Estimated Liability for Unpaid Loss and LAE
at June 30, 2014**

Discount Rate	Outstanding Liability
2.0%	\$32,283,000
3.0%	\$31,508,000
4.0%	\$30,799,000

GASB #10 does not address an actual funding requirement for the program, but only speaks of the liability to be recorded on the PLAN'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.

It should be noted that the \$41,878,000 of program assets can be broken downs as follows:

- \$31,508,000 of assets backing discounted loss and LAE liabilities at expected level
- \$10,370,000 of assets backing discounted loss and LAE liabilities from the expected level to the 84% confidence level (Risk-Margin Fund)

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The following tables show our funding recommendations for PLAN for the 2014-15 fiscal year assuming \$5 million, \$10 million, \$15 million and \$20 million retention limits at 4.0%, 3.0% and 2.0% discount rate assumptions.

**Loss and ALAE Funding Guidelines
4.0% Discount Rate**

	<u>\$5 Million</u>	<u>\$10 Million</u>	<u>\$15 Million</u>	<u>\$20 Million</u>
Expected Loss and ALAE	\$6,024,000	\$6,381,000	\$6,604,000	\$6,715,000
Discounted Loss and ALAE at 4.0%	5,223,000	5,532,000	5,726,000	5,822,000
60% Confidence Level	5,432,000	5,753,000	5,955,000	6,055,000
70% Confidence Level	6,022,000	6,378,000	6,602,000	6,713,000
80% Confidence Level	6,779,000	7,181,000	7,432,000	7,557,000
90% Confidence Level	7,960,000	8,431,000	8,726,000	8,873,000

**Loss and ALAE Layer Funding
4.0% Discount Rate**

	<u>\$5 Million XS \$5 Million</u>	<u>\$5 Million XS \$10 Million</u>	<u>\$5 Million XS \$15 Million</u>
Expected Loss and ALAE	\$357,000	\$223,000	\$111,000
Discounted Loss and ALAE at 4.0%	309,000	194,000	96,000
60% CL Margin	321,000	202,000	100,000
70% CL Margin	356,000	224,000	111,000
80% CL Margin	402,000	251,000	125,000
90% CL Margin	471,000	295,000	147,000

Loss and ALAE Funding Guidelines
3.0% Discount Rate

	\$5 Million	\$10 Million	\$15 Million	\$20 Million
Expected Loss and ALAE	\$6,024,000	\$6,381,000	\$6,604,000	\$6,715,000
Discounted Loss and ALAE at 3.0%	5,404,000	5,724,000	5,924,000	6,023,000
60% Confidence Level	5,620,000	5,953,000	6,161,000	6,264,000
70% Confidence Level	6,231,000	6,600,000	6,830,000	6,945,000
80% Confidence Level	7,014,000	7,430,000	7,689,000	7,818,000
90% Confidence Level	8,235,000	8,723,000	9,028,000	9,179,000

Loss and ALAE Layer Funding
3.0% Discount Rate

	\$5 Million XS \$5 Million	\$5 Million XS \$10 Million	\$5 Million XS \$15 Million
Expected Loss and ALAE	\$357,000	\$223,000	\$111,000
Discounted Loss and ALAE at 3.0%	320,000	200,000	99,000
60% CL Margin	333,000	208,000	103,000
70% CL Margin	369,000	230,000	115,000
80% CL Margin	416,000	259,000	129,000
90% CL Margin	488,000	305,000	151,000

**Loss and ALAE Funding Guidelines
2.0% Discount Rate**

	<u>\$5 Million</u>	<u>\$10 Million</u>	<u>\$15 Million</u>	<u>\$20 Million</u>
Expected Loss and ALAE	\$6,024,000	\$6,381,000	\$6,604,000	\$6,715,000
Discounted Loss and ALAE at 2.0%	5,608,000	5,941,000	6,148,000	6,252,000
60% Confidence Level	5,832,000	6,179,000	6,394,000	6,502,000
70% Confidence Level	6,466,000	6,850,000	7,089,000	7,209,000
80% Confidence Level	7,279,000	7,711,000	7,980,000	8,115,000
90% Confidence Level	8,547,000	9,054,000	9,370,000	9,528,000

**Loss and ALAE Layer Funding
2.0% Discount Rate**

	<u>\$5 Million XS \$5 Million</u>	<u>\$5 Million XS \$10 Million</u>	<u>\$5 Million XS \$15 Million</u>
Expected Loss and ALAE	\$357,000	\$223,000	\$111,000
Discounted Loss and ALAE at 2.0%	333,000	207,000	104,000
60% CL Margin	347,000	215,000	108,000
70% CL Margin	384,000	239,000	120,000
80% CL Margin	432,000	269,000	135,000
90% CL Margin	507,000	316,000	158,000

The funding recommendations above are for losses and allocated loss adjustment expense only. They do not include any provision for claims administration, excess insurance, loss control, overhead, and other expenses associated with the program.

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

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

Sincerely,

Bickmore

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

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Becky Richard, ACAS, MAAA
Manager, Property and Casualty Actuarial Services, Bickmore
Associate, Casualty Actuarial Society
Member, American Academy of Actuaries

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I. BACKGROUND

PLAN began its self-insured excess liability program on June 2, 1986. Excess liability coverage up to \$5 million limits is written for accident years 1986-87 through 1997-98. For accident years 1998-99, 1999-00 and 2000-01 the excess liability coverage is \$7 million. For the accident years 2001-02 through 2005-06, the excess liability coverage is \$10 million per occurrence and PLAN's retention limit is \$5 million. The excess coverage has increased to \$20 million with PLAN's retention of \$5 million for the 2006-07 year. Each member city retains a portion of each claim. Deductible options are: \$25,000, \$50,000, \$100,000, \$250,000 and \$500,000. Appendix D, page 3 summarizes the member cities' deductibles by year.

Claims administration services are provided by ABAG staff. As of June 30, 2014, the PLAN is expected to have available assets of \$41,878,000 for the program including SIR Fund.

In PLAN's loss history, there have been claims made relating to property development actions, specifically inverse condemnation claims. Effective July 1, 2008, the ABAG PLAN Program Memorandum of Coverage (MOC) was amended with the intent to exclude all regulatory inverse condemnation claims going forward. However, there exists tail exposure for claims occurring prior to this date. For these claims, an agreement was reached to provide each member a \$1 million SIR for defense coverage for all prior inverse claims reported by June 30, 2013 (5-year reporting window).

The purpose of this review is to provide a guide to PLAN to determine reasonable funding levels for its self-insurance program according to the funding policy PLAN has adopted to comply with Governmental Accounting Standards Board Statements #10 and #30. The specific objectives of the study are to estimate PLAN's liability for outstanding claims as of June 30, 2014, project ultimate loss cost for 2014-15 and provide funding guidelines to meet these liabilities and future costs.

II. CONCLUSIONS AND RECOMMENDATIONS

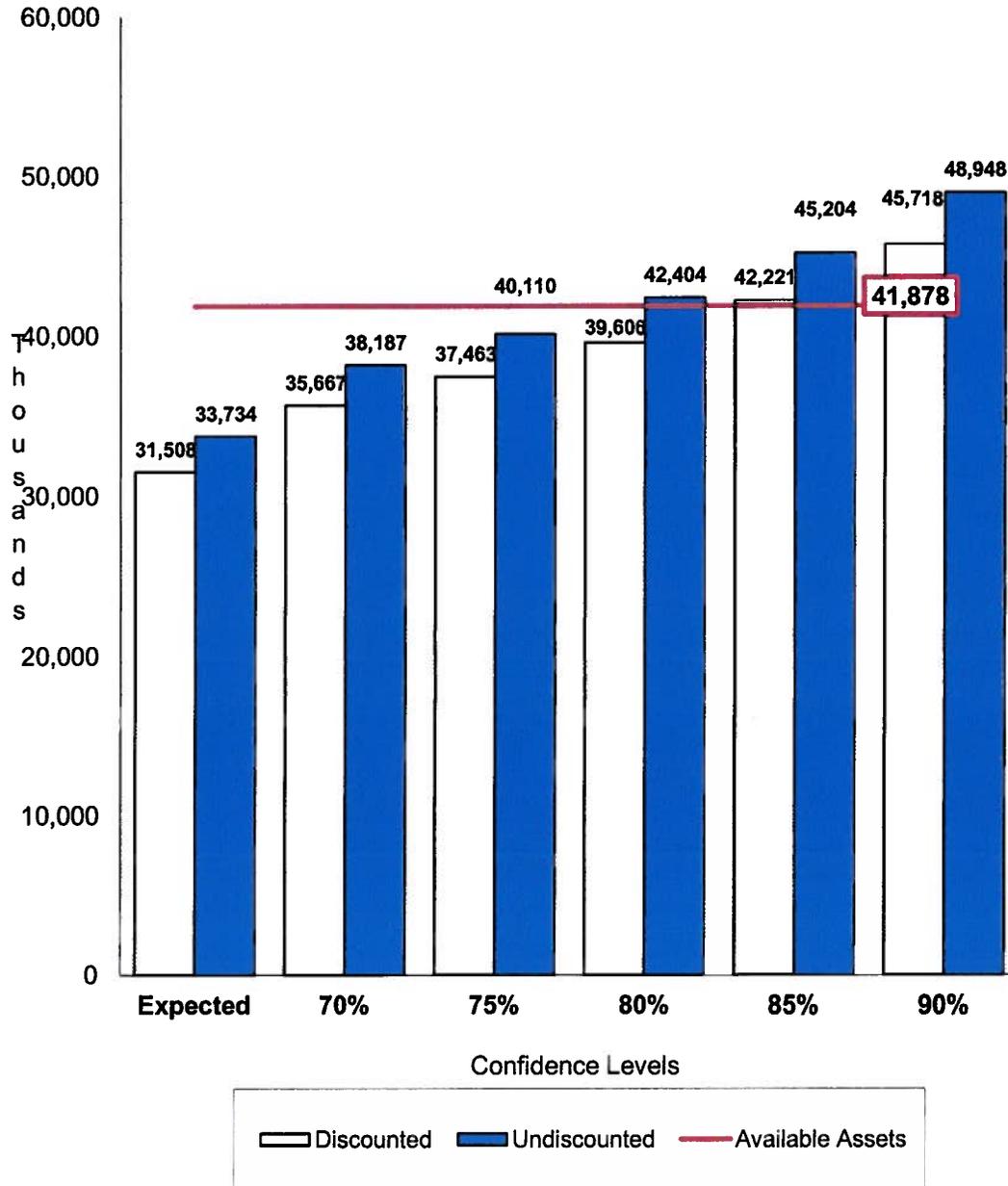
A. LIABILITY FOR OUTSTANDING CLAIMS AS OF JUNE 30, 2014

Graph 1 on the following page summarizes our assessment of the PLAN's funding position as of June 30, 2014. 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 solid horizontal line across the graph indicates the PLAN's available assets at June 30, 2014 including the SIR Fund.

Our best estimate of the full value of PLAN's liability for outstanding claims within its self-insured retention (SIR) is \$33,734,000. This amount includes losses, allocated loss adjustment expenses (ALAE) and unallocated loss adjustment expenses (ULAE), and is shown at the far left of the graph. ALAE is basically the direct cost associated with the defense of individual claims (e.g. legal fees, investigation fees, court charges, etc.). ULAE is the additional cost to administer all claims to final settlement, which may be years into the future (e.g. claims adjusters' salaries, taxes, etc.), and is estimated to be 10% of outstanding loss and ALAE.

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.

ABAG PLAN
Available Assets vs Outstanding Liability (\$000's)
at June 30, 2014



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The PLAN can earn investment income on the assets it holds until claims payments come due. Assuming a long-term average annual return on investments of 3.0%, we estimate the impact of investment income earnings to be about 6.6% if the program is funded within the range indicated in Graph 1. 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 the PLAN's discounted liability for outstanding claims.

We estimate the program's expected discounted liability for outstanding claims to be \$31,508,000 again including ALAE and ULAE. With recognition of the investment income that can be earned on the assets held, the program is funded at the 84% confidence level. The information presented in Graph 1 is also summarized in tabular form below.

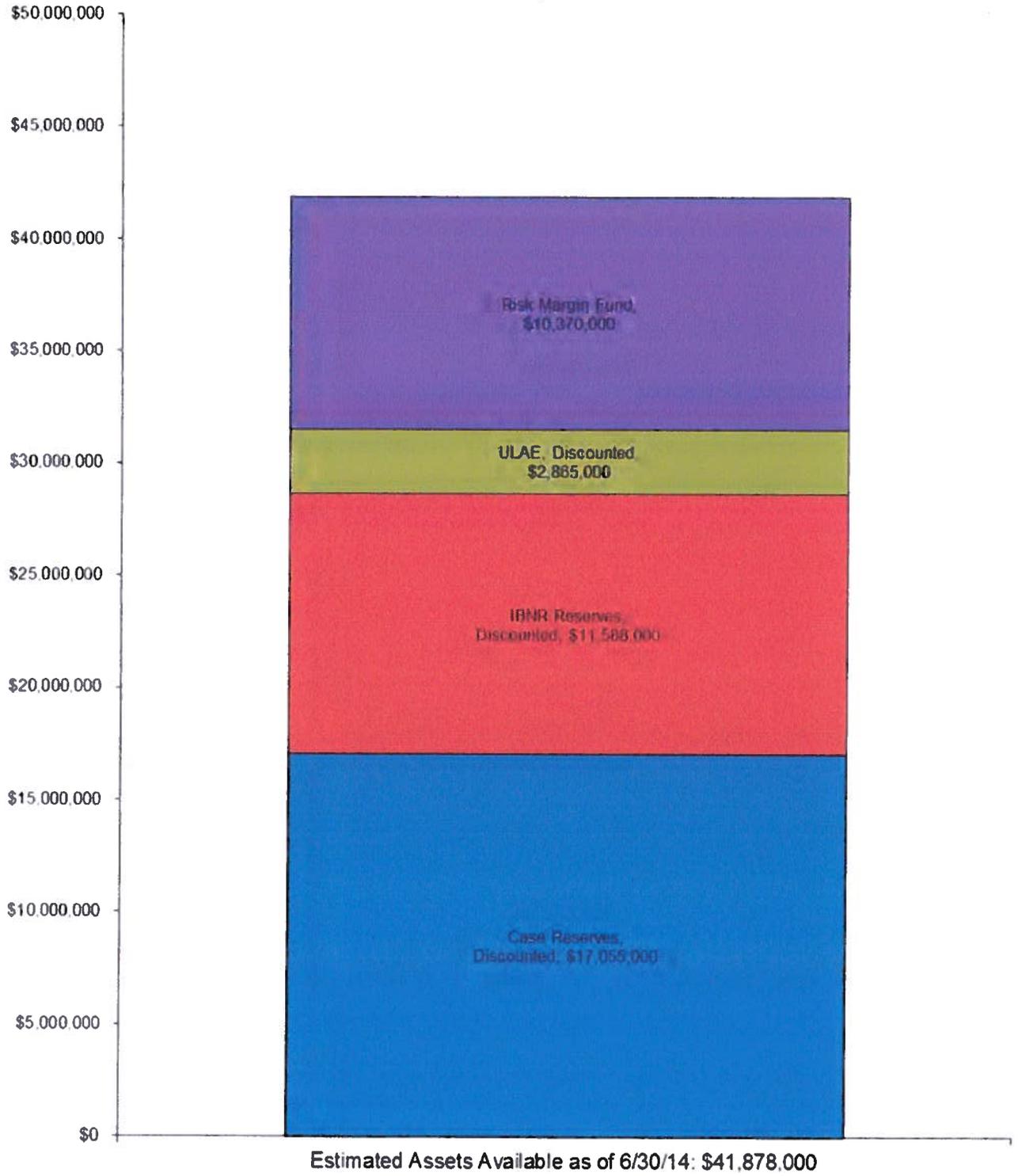
Liability for Outstanding Claims at 6/30/14						
Confidence Levels	<u>Expected</u>	<u>70%</u>	<u>75%</u>	<u>80%</u>	<u>85%</u>	<u>90%</u>
Discounted	\$31,508,000	\$35,667,000	\$37,463,000	\$39,606,000	\$42,221,000	\$45,718,000
Not Discounted	33,734,000	38,187,000	40,110,000	42,404,000	45,204,000	48,948,000
Assets Available at 6/30/14			41,878,000			

GASB #10 does not address an actual funding requirement for the program, but only speaks to the liability to be recorded on the PLAN'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. Optimally, the amount should be sufficient to bring funding to the 75% to 85% confidence level. We consider funding to the 90% confidence level to be conservative.

The following chart shows the breakdown of PLAN's estimated assets available as of June 30, 2014. The discounted value of PLAN's estimated case reserves, IBNR and ULAE as of June 30, 2014 are \$17,055,000, \$11,588,000, and \$2,865,000, respectively. An additional \$10,370,000 increases the funding to 84% confidence level.

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PLAN
Estimated Liability Breakdown
at June 30, 2014



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B. COSTS OF 2014-15 CLAIMS

The following chart shows our funding recommendations for PLAN for the 2013-14 fiscal year assuming \$5 million, \$10 million, \$15 million and \$20 million retention limits at 3.0% discount rate assumption.

Loss and ALAE Funding Guidelines 3.0% Discount Rate

	<u>\$5 Million</u>	<u>\$10 Million</u>	<u>\$15 Million</u>	<u>\$20 Million</u>
Expected Loss and ALAE	\$6,024,000	\$6,381,000	\$6,604,000	\$6,715,000
Discounted Loss and ALAE at 3.0%	5,404,000	5,724,000	5,924,000	6,023,000
60% Confidence Level	5,620,000	5,953,000	6,161,000	6,264,000
70% Confidence Level	6,231,000	6,600,000	6,830,000	6,945,000
80% Confidence Level	7,014,000	7,430,000	7,689,000	7,818,000
90% Confidence Level	8,235,000	8,723,000	9,028,000	9,179,000

Loss and ALAE Layer Funding 3.0% Discount Rate

	<u>\$5 Million XS \$5 Million</u>	<u>\$5 Million XS \$10 Million</u>	<u>\$5 Million XS \$15 Million</u>
Expected Loss and ALAE	\$357,000	\$223,000	\$111,000
Discounted Loss and ALAE at 3.0%	320,000	200,000	99,000
60% CL Margin	333,000	208,000	103,000
70% CL Margin	369,000	230,000	115,000
80% CL Margin	416,000	259,000	129,000
90% CL Margin	488,000	305,000	151,000

The funding recommendations above are for losses and allocated loss adjustment expense only. They do not include any provision for claims administration, excess insurance, loss control, overhead, and other expenses associated with the program.

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C. 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.

Appropriately, the PLAN has separated to some extent the funding goals for its self-insurance program from these accounting guidelines. 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.

As you know, the amount of such a 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 after recognition of investment income.

As you also know, a key factor to consider in determining your 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

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burden of funding increases on past years as well as current years may well be prohibitive.

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 pretty much offsets the required margin, 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, PLAN'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 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.

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We provide the following allocation of deposit premiums, which include ultimate loss and ALAE assuming a \$5M retention per occurrence, claims administration, loss prevention, other administration and excess insurance costs from \$5M to \$25M per occurrence at the expected confidence level on a discounted basis (3%). This is shown in further detail on Exhibit 1, page 2.

Member	Loss Funding	Excess Insurance	Admin Expenses	Loss Prevention Expense	Burlingame Hillsborough CCFD Adjustments	Total Deposit
American Canyon	\$72,625	\$15,009	\$65,730	\$0	\$0	\$153,364
Atherton	135,726	5,286	45,737	0	0	186,748
Benicia	563,390	20,526	225,052	0	0	808,967
Burlingame	308,308	21,994	169,611	0	45,947	545,860
Campbell	210,539	30,876	97,008	0	0	338,423
Colma	48,971	1,133	44,808	0	0	94,913
Cupertino	143,326	43,828	83,633	0	0	270,787
Dublin	146,887	37,700	64,231	0	0	248,818
East Palo Alto	131,132	21,669	86,833	0	0	239,634
Foster City	120,715	23,516	121,235	0	0	265,466
Gilroy	609,189	38,684	149,229	0	0	797,102
Half Moon Bay	50,600	8,751	40,849	0	0	100,201
Hillsborough	165,471	8,180	97,601	0	(45,947)	225,305
Los Altos Hills	38,550	6,245	38,276	0	0	83,070
Los Gatos	306,561	22,670	150,745	0	0	479,975
Millbrae	198,570	16,797	59,086	0	0	274,453
Milpitas	189,773	50,989	146,274	0	0	387,036
Morgan Hill	351,103	30,286	155,104	0	0	536,493
Newark	152,777	32,752	103,208	0	0	288,737
Pacifica	174,571	28,676	76,284	0	0	279,531
Portola Valley	17,641	3,287	17,717	0	0	38,645
Ross, Town of	34,456	1,843	36,533	0	0	72,832
San Bruno	494,271	31,862	288,680	0	0	814,813
San Carlos	161,313	21,984	77,675	0	0	260,972
Saratoga	88,316	23,203	66,668	0	0	178,188
South SF	451,924	49,214	159,575	0	0	660,713
Suisun City	138,324	21,142	76,194	0	0	235,660
Tiburon	73,373	6,772	72,700	0	0	152,845
Woodside	41,600	4,126	33,722	0	0	79,448
Total	\$5,620,000	\$629,000	\$2,850,000	\$0	\$0	\$9,099,000

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As shown in the previous table, total PLAN contributions are \$9,099,000, and can be broken down into four categories (1) Loss Funding, (2) Fixed Expenses, (3) Variable Expenses and (4) Loss Prevention Expenses. These costs are allocated to each individual member using the various methods discussed below.

The loss funding category actually can be broken down into two components: (1) PLAN loss fund contributions and (2) excess insurance. The PLAN loss fund contributions are based on the member's loss experience relative to the overall PLAN average and member's projected exposure (payroll) for 2014-15. The member's loss experience is factored into the allocation by using the experience modification factor developed in Exhibit 1, page 10. The experience modification factor calculation compares the prior five year's loss experience (2008-09 through 2012-13) per \$100 of payroll to the average of all PLAN members. A factor of 100% indicates that the member's loss experience is equal to the PLAN average.

The number of years of loss experience utilized depends on the degree of stability vs. responsiveness desired. Using more years in the calculation may stabilize year-to-year premium changes, but will not be responsive to changes in loss experience. On the other hand, using a limited number of years results in a quick response to changes in loss experience, but changes in year-to-year premiums by member will be dramatic. A five-year time period provides a reasonable balance between stability and responsiveness.

Furthermore, the experience modification factors are developed based on losses limited to \$250,000 per occurrence. Without such a loss limit, a member incurring one catastrophic loss will pay disproportionately higher premiums as long as that loss remains in the experience period. The member will not realize financial benefits from loss control, even though its claim frequency may have decreased.

The experience modification and deductible factors are applied to the selected funding rate to obtain the adjusted rate. The adjusted rate is multiplied by the members' payroll to determine the base deposit.

The excess insurance portion of the loss funding is allocated to each member based upon estimated member population. The assumption here is that losses in excess of the PLAN retention are random, and thus more appropriately related to exposure than loss experience. This calculation is shown on Exhibit 1, Page 6.

Total budgeted administrative costs for 2014-15 are \$2,850,000. Total PLAN administrative expenses of \$2,850,000 are split into \$2,280,000 for general liability and \$570,000 for property coverages then again split into fixed and variable portions. Thirty-three percent of these expenses are assumed to be fixed, and every individual member is initially allocated the same amount of fixed expense regardless of its size. Given total fixed expenses of \$940,500 and 29 members for the 2014-15 fiscal year, this results in an initial charge of \$32,431 per member.

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The remaining sixty-seven percent of administrative expenses are assumed to vary by member and are initially allocated based upon one-third weight to reported claims greater than \$1 (i.e. excluding claims closed without payment) and two-thirds weight to paid losses in the period 2010-11 through 2012-13. Liability and Property are treated separately for the allocation, then added into the premium in total.

The total expenses are then capped at each member's loss funding (excluding excess insurance). The amounts removed by capping expenses at loss funding is then allocated back to other members whose expenses were not capped. The allocation of expenses is shown on Exhibit 1, Pages 7, 8 and 9.

In order to prevent extreme year-to-year fluctuations in each member's deposit, there is a limit in the annual change in deposit between the upcoming year and the current year. As directed by PLAN, the annual change in deposit is limited to 30%, assuming the member keeps the same deductible. The net impact of limiting the change in deposit is spread back to all members whose deposits are not already limited so that total deposit collected for the 2014-15 after limiting will be equal to prior deposit.

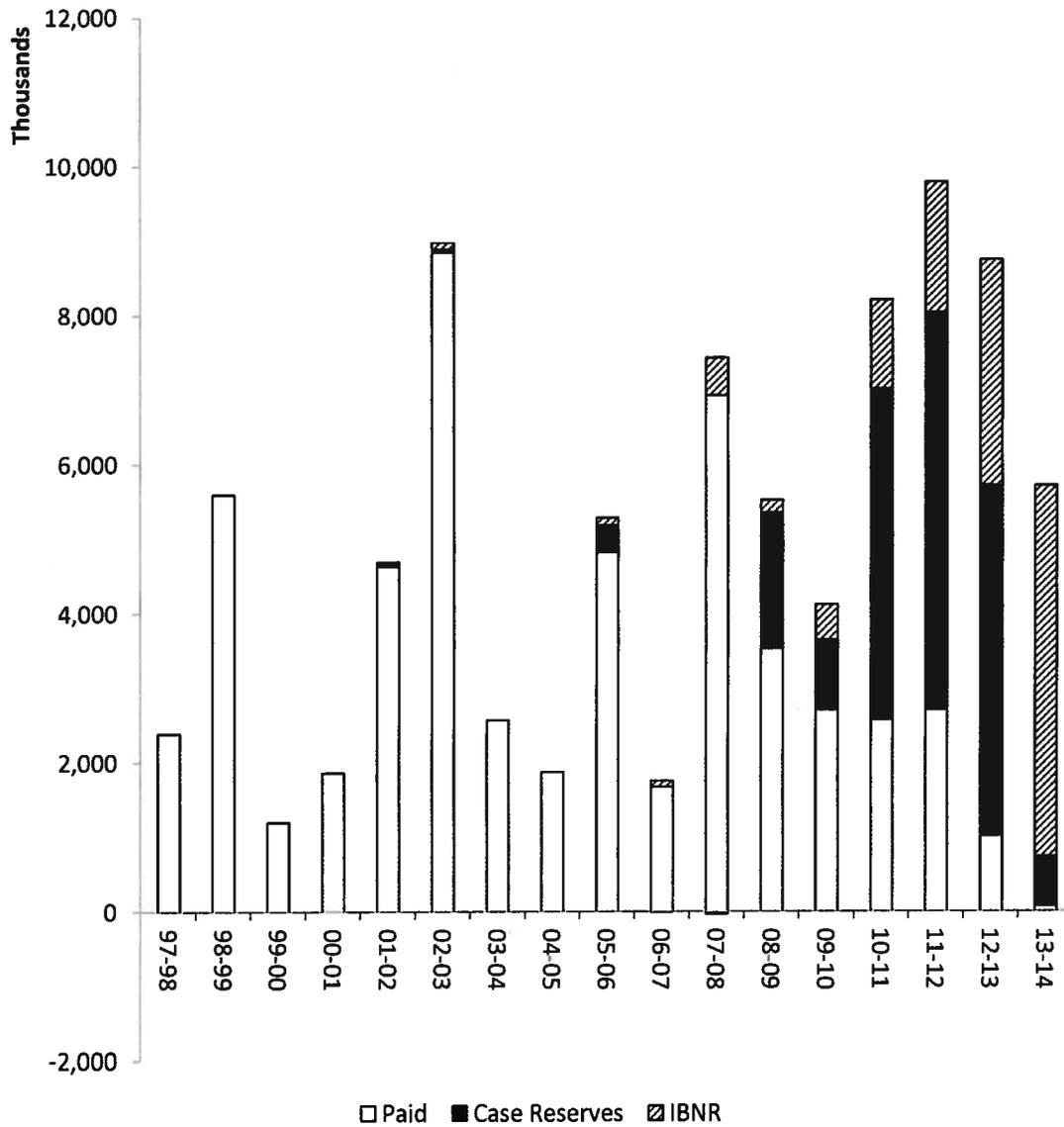
We also have prepared the following PLAN contribution scenarios for the 2014-15 fiscal year.

- Exhibit 1, page 3: \$10M retention / \$25M limit
- Exhibit 1, page 4: \$15M retention / \$25M limit
- Exhibit 1, page 5: \$20M retention / \$25M limit

D. OTHER RESULTS

The following chart show each program year's ultimate loss broken down by paid losses, case reserves and IBNR reserves.

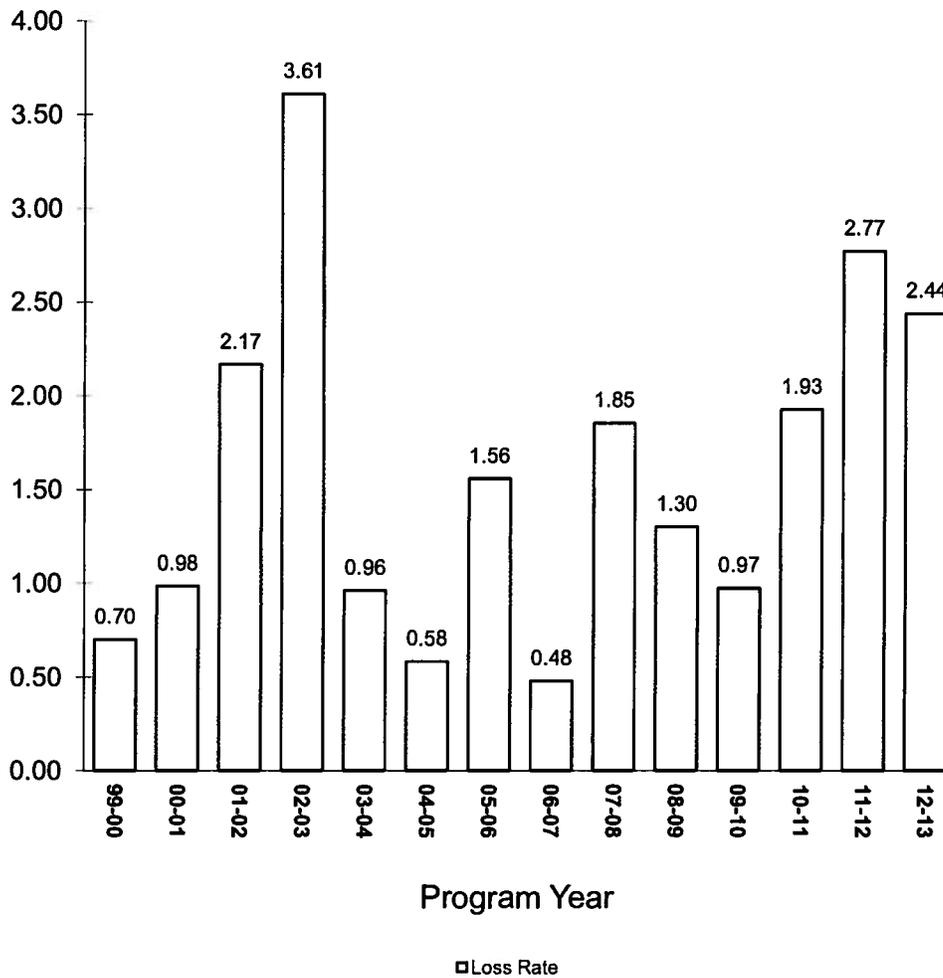
**ABAG PLAN Loss Components
as of June 30, 2014**



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PLAN's loss rate per \$100 of payroll has varied significantly over the past fourteen years. The loss rate initially dropped from a high of \$3.61 in 2002-03 to a low of \$0.48 in 2006-07. This was followed by an increasing trend through 2011-12.

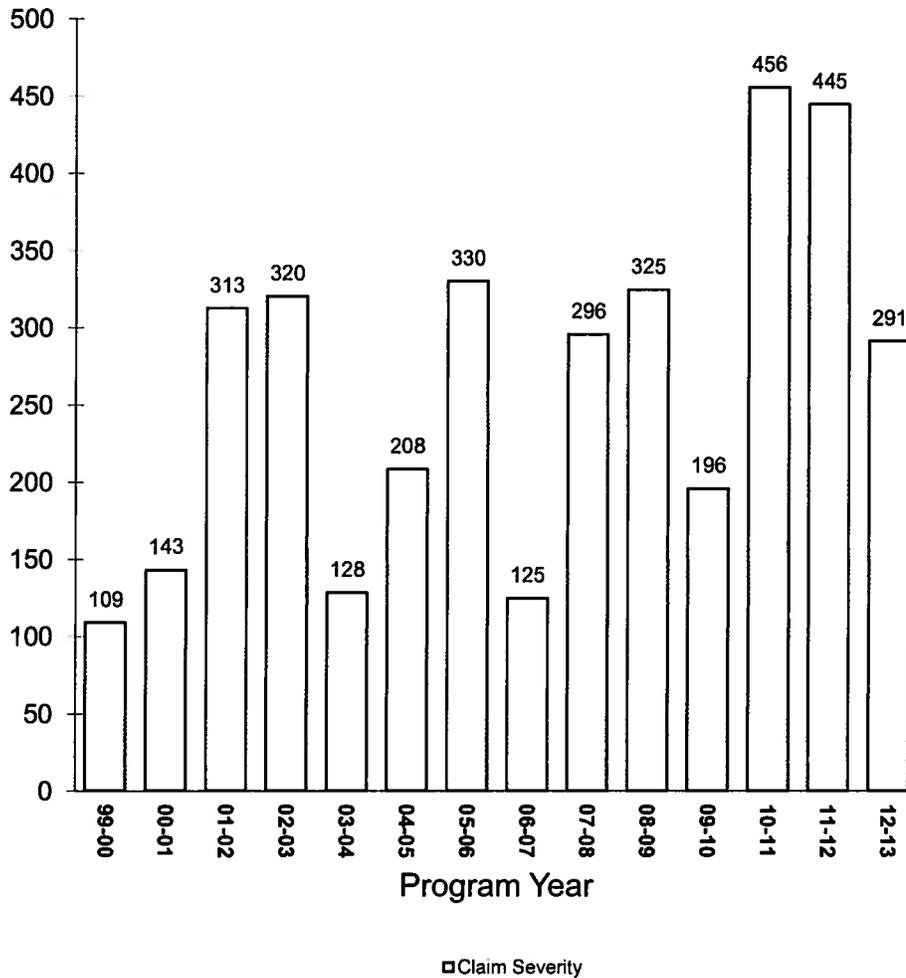
**Indicated Loss Rate per \$100 of Payroll
ABAG Layer**



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The program's cost per claim averaged \$261,000 per claim between 1999-00 to 2011-12 years. The projected 2012-13 severity of \$291,000 is based on a long-term average with consideration for high severity in the recent two years. The claim severities in the following chart are limited to ABAG limits.

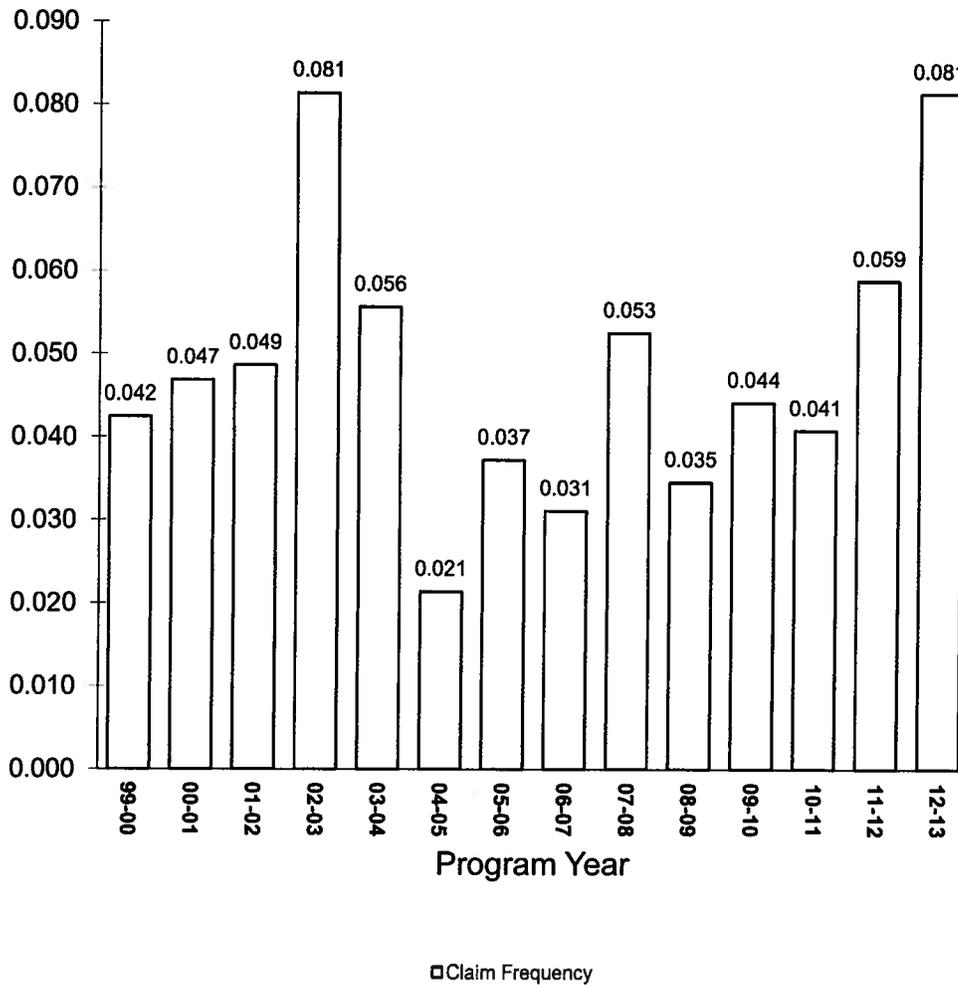
**Indicated Severity
ABAG Layer (\$000)**



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PLAN's claims frequency per \$1 million of payroll has averaged 0.046 claims per \$1 million of payroll during the 1999-00 through 2011-12 years. However, we projected 2012-13 frequency to be much worse than recent average based number of claims reported in the first six months of 2012-13.

**Indicated Frequency
ABAG Layer**



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E. COMPARISON WITH OUR PREVIOUS RESULTS

The most recent report for PLAN was dated May 9, 2013. The following table displays a comparison of the program's ultimate losses from the prior report to the current report.

Estimated Ultimate Losses			
Program Year	Prior Report	Current Report	Change
1986-97	\$18,814,380	\$18,811,532	(\$2,848)
1997-98	2,390,163	2,390,163	0
1998-99	5,593,721	5,593,721	0
1999-00	1,199,565	1,199,565	0
2000-01	1,893,000	1,860,684	(32,316)
2001-02	4,615,125	4,689,000	73,875
2002-03	8,967,000	8,971,000	4,000
2003-04	2,568,802	2,569,681	879
2004-05	1,876,140	1,876,140	0
2005-06	5,306,000	5,282,000	(24,000)
2006-07	1,858,000	1,750,000	(108,000)
2007-08	7,742,000	7,393,000	(349,000)
2008-09	6,236,000	5,518,000	(718,000)
2009-10	5,695,000	4,115,000	(1,580,000)
2010-11	16,325,000	8,200,000	(8,125,000)
2011-12	8,944,000	9,780,000	836,000
2012-13	5,515,000	8,736,000	3,221,000
Total	\$105,538,896	\$98,735,486	(\$6,803,410)

As you can see, we have decreased our estimates of the program ultimate losses significantly in total. This is the result of favorable development in 2008-09, 2009-10 and 2010-11 offset somewhat by adverse development in 2011-12 and 2012-13.

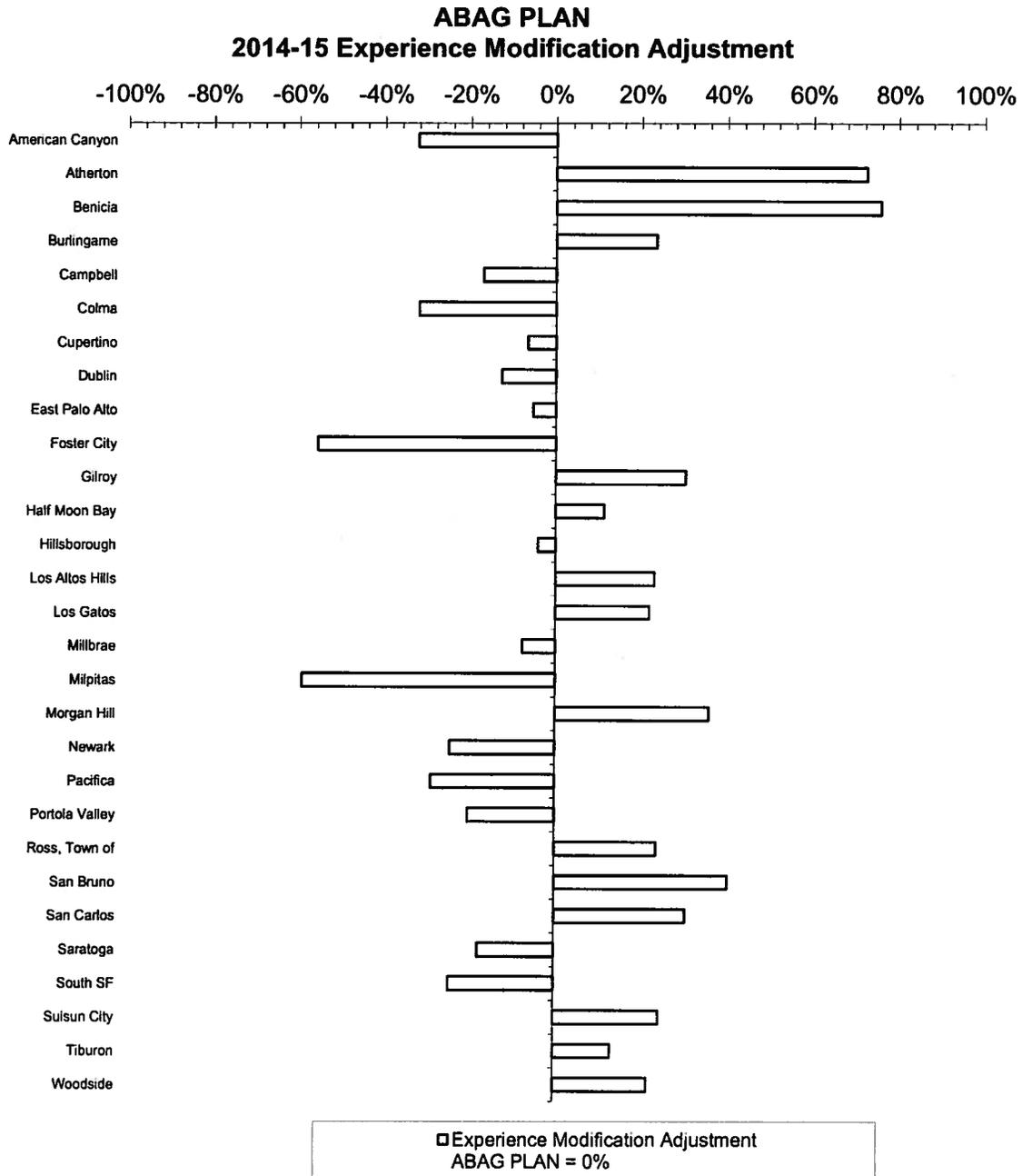
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The following table displays a comparison of the PLAN's proposed 2014-15 funding and actual 2013-14 funding by member. Both assume a \$5 million retention per occurrence, claims administration, and other administration costs. Excess insurance costs for 2013-14 and 2014-15 covered from \$5M to \$25M per occurrence.

Member	2013-14 Actual Funding	2014-15 Proposed Funding	Dollar Change	Percent Change	Burlingame Hillsborough CCFD Adjustments	Total Deposit Premium
American Canyon	\$165,178	\$153,364	(\$11,814)	-7.2%	\$0	\$153,364
Atherton	199,739	186,748	(12,990)	-6.5%	0	186,748
Benicia	774,447	808,967	34,521	4.5%	0	808,967
Burlingame	569,575	499,913	(69,662)	-12.2%	45,947	545,860
Campbell	295,004	338,423	43,419	14.7%	0	338,423
Colma	104,667	94,913	(9,755)	-9.3%	0	94,913
Cupertino	216,993	270,787	53,795	24.8%	0	270,787
Dublin	263,756	248,818	(14,938)	-5.7%	0	248,818
East Palo Alto	297,699	239,634	(58,065)	-19.5%	0	239,634
Foster City	212,506	265,466	52,960	24.9%	0	265,466
Gilroy	713,191	797,102	83,910	11.8%	0	797,102
Half Moon Bay	81,897	100,201	18,304	22.3%	0	100,201
Hillsborough	314,721	271,252	(43,469)	-13.8%	(45,947)	225,305
Los Altos Hills	96,271	83,070	(13,201)	-13.7%	0	83,070
Los Gatos	541,661	479,975	(61,686)	-11.4%	0	479,975
Millbrae	245,249	274,453	29,204	11.9%	0	274,453
Milpitas	395,006	387,036	(7,970)	-2.0%	0	387,036
Morgan Hill	552,098	536,493	(15,604)	-2.8%	0	536,493
Newark	259,244	288,737	29,493	11.4%	0	288,737
Pacifica	349,186	279,531	(69,655)	-19.9%	0	279,531
Portola Valley	42,910	38,645	(4,265)	-9.9%	0	38,645
Ross, Town of	56,025	72,832	16,807	30.0%	0	72,832
San Bruno	742,109	814,813	72,704	9.8%	0	814,813
San Carlos	372,818	260,972	(111,845)	-30.0%	0	260,972
Saratoga	229,953	178,188	(51,765)	-22.5%	0	178,188
South SF	587,044	660,713	73,668	12.5%	0	660,713
Suisun City	271,417	235,660	(35,758)	-13.2%	0	235,660
Tiburon	141,571	152,845	11,274	8.0%	0	152,845
Woodside	102,465	79,448	(23,017)	-22.5%	0	79,448
Total	\$9,194,400	\$9,099,000	(\$95,400)	-1.0%	\$0	\$9,099,000

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The following table displays PLAN members' 2014-15 experience modification adjustment. This is the experience modification factor minus 100%, and shows how each member performs relative to the pool average. A negative percentage indicates better than average performance, while a positive percentage indicates worse than average performance. A detailed calculation of the experience modification factors is shown in Exhibit 1, page 9.



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F. DATA ISSUES

Overall, the data utilized in preparing this report appears to be accurate as of the date of the current evaluation. However, it should be noted that certain assumptions have been made to allow for a lack of information on exposures.

We received loss data evaluated as of December 31, 2013. This data appeared to be consistent with the data provided for prior reviews. However, the number of reported and closed claims were inconsistent. Also there were a few claims that have been moved to a different program year than they had been assigned in the past.

We were provided with historical payroll by member to the 2009 calendar year. Historical fiscal year payrolls to 2008-09 program year were estimated from the calendar year payrolls. We were also provided with fiscal year payrolls for the 2009-10 through 2014-15 program years. We estimated the payroll using a 3% trend when necessary.

The City of Burlingame and the Town of Hillsborough have combined to form the Central County Fire Department (CCFD). Premiums for Burlingame and Hillsborough have been calculated based upon historical loss experience for both entities, thus preserving the matching of payrolls and losses in the calculation of the x-mods. The resulting premiums are then split between fire department and all other departments based upon payrolls weighted by deductible factors. The resulting fire premiums for Hillsborough are then added to total premiums for Burlingame, since Burlingame pays the total premium for CCFD, and is then reimbursed by the Hillsborough. We estimated 2010-11 to 2013-14 payrolls for the fire district to Burlingame and Hillsborough.

Excess insurance premium is provided to be \$629,000 for the \$5 million to \$25 million layer. Premiums for individual layers are estimated based upon ABAG limits factors.

Tiburon has assumed liability coverage for the Tiburon-Belvedere library effective July 1, 2006.

The City of Los Altos has withdraw from the pool effective July 1, 2012.

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 PLAN. 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 excess liability program.
- We have assumed that the future development of incurred and paid losses can be reasonably predicted on the basis of development of such losses in the recent past. We have also assumed that the historical development patterns for the participants of other California public entities with self-insured liability programs in the aggregate form a reasonable basis of comparison to the patterns from PLAN'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 liability programs.
- We have assumed that there is a continuing relationship between past and future loss costs.
- It is not possible to predict future claim costs precisely. Most of the cost of liability claims arise from a small number of incidents involving serious injury. A relatively small number of such claims could generate enough loss dollars to significantly reduce, or even deplete, the self-insurance fund.
- We cannot predict and have not attempted to predict the impact of future law changes and court rulings on claims costs. This is one major reason why we believe our funding recommendations are reasonable now, but should not be extrapolated into the future.

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- We have assumed that the costs associated with liability claims are increasing at 3.0% per year. This trend includes the effect of changes in the average claim size as well as changes in the average number of claims per \$1 million of payroll. We have assumed that the average claim size increases at 3.0% per year and that the average number of claims per \$1 million is stable.
- We have assumed that payroll and other inflation-sensitive exposure measures increase 2.5% annually due to inflation.
- We have assumed that assets held for investment will generate an annual return of 3%.
- The claims costs we have estimated include indemnity and medical payments, and all loss adjustment expenses. We have not provided estimates for excess insurance contributions, and other expenses associated with the program.
- Our funding recommendations do not include provision for catastrophic events not in the PLAN'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 PLAN's excess coverage.
- PLAN available assets have been estimated to be \$41,878,000 as of June 30, 2014 for use in this report.

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.)

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 PLAN CORPORATION

Summary of 2014-15 Deposit by Retention Limit

Member (A)	2013-14 Premium Deposit (B)	Total Deposit \$5 Million Retention Limit (C)	Percent Change (D)	Total Deposit \$10 Million Retention Limit (C)	Percent Change (D)	Total Deposit \$15 Million Retention Limit (C)	Percent Change (D)	Total Deposit \$20 Million Retention Limit (C)	Percent Change (D)
American Canyon	\$165,178	\$153,364	-7.2%	\$150,339	-9.0%	\$148,616	-10.0%	\$147,741	-10.6%
Atherton	199,739	186,748	-6.5%	192,128	-3.8%	195,550	-2.1%	197,236	-1.3%
Benicia	774,447	808,967	4.5%	831,861	7.4%	846,405	9.3%	853,575	10.2%
Burlingame	569,575	499,913	-12.2%	507,196	-11.0%	511,995	-10.1%	514,340	-9.7%
Campbell	295,004	338,423	14.7%	335,931	13.9%	334,716	13.5%	334,071	13.2%
Colma	104,667	94,913	-9.3%	97,135	-7.2%	98,538	-5.9%	99,231	-5.2%
Cupertino	216,993	270,787	24.8%	258,218	19.0%	250,846	15.6%	247,135	13.9%
Dublin	263,756	248,818	-5.7%	239,425	-9.2%	233,970	-11.3%	231,217	-12.3%
East Palo Alto	297,699	239,634	-19.5%	236,846	-20.4%	235,344	-20.9%	234,570	-21.2%
Foster City	212,506	265,466	24.9%	268,617	26.4%	270,845	27.5%	271,916	28.0%
Gitroy	713,191	797,102	11.8%	814,320	14.2%	825,514	15.7%	831,000	16.5%
Half Moon Bay	81,897	100,201	22.3%	98,918	20.8%	98,213	19.9%	97,852	19.5%
Hillsborough	314,721	271,252	-13.8%	276,860	-12.0%	280,459	-10.9%	282,229	-10.3%
Los Altos Hills	96,271	83,070	-13.7%	82,271	-14.5%	81,842	-15.0%	81,620	-15.2%
Los Gatos	541,661	479,975	-11.4%	486,891	-10.1%	491,469	-9.3%	493,702	-8.9%
Millbrae	245,249	274,453	11.9%	278,047	13.4%	280,481	14.4%	281,662	14.8%
Milpitas	395,006	387,036	-2.0%	373,626	-5.4%	365,810	-7.4%	361,868	-8.4%
Morgan Hill	552,098	536,493	-2.8%	542,417	-1.8%	546,458	-1.0%	548,415	-0.7%
Newark	259,244	288,737	11.4%	281,921	8.7%	278,024	7.2%	276,049	6.5%
Pacifica	349,186	279,531	-19.9%	276,019	-21.0%	274,142	-21.5%	273,172	-21.8%
Portola Valley	42,910	38,645	-9.9%	39,177	-8.7%	39,545	-7.8%	39,723	-7.4%
Ross, Town of	56,025	72,832	30.0%	72,832	30.0%	72,832	30.0%	72,832	30.0%
San Bruno	742,109	814,813	9.8%	828,050	11.6%	836,684	12.7%	840,912	13.3%
San Carlos	372,818	260,972	-30.0%	260,972	-30.0%	260,972	-30.0%	260,972	-30.0%
Saratoga	229,953	178,188	-22.5%	172,201	-25.1%	168,716	-26.6%	166,958	-27.4%
South SF	587,044	660,713	12.5%	663,606	13.0%	665,961	13.4%	667,057	13.6%
Suisun City	271,417	235,660	-13.2%	233,579	-13.9%	232,513	-14.3%	231,956	-14.5%
Tiburon	141,571	152,845	8.0%	153,750	8.6%	154,393	9.1%	154,702	9.3%
Woodside	102,465	79,448	-22.5%	79,848	-22.1%	80,145	-21.8%	80,286	-21.6%
Total	9,194,400	9,099,000	-1.0%	9,133,000	-0.7%	9,161,000	-0.4%	9,174,000	-0.2%

(B) From provided by ABAG.

(C) From Exhibit 1 - page 2a, page 3a, page 4a and page 5a, column (E).

(D) $1 - (C) / (B)$

ABAG PLAN CORPORATION

Split of 2014-15 Deposit Between Fire District and Other for Burlingame and Hillsborough

I. \$5M Retention/\$25M Limit

	2014-15 Weighted Payrolls (A)	Loss Funding (B)	Variable Expenses (C)	Fixed Expenses (D)	Excess Insurance (E)	Total Deposit Premium (F)
1. Burlingame Total	\$181,301	\$308,308	\$137,180	\$32,431	\$21,994	\$499,913
2. Hillsborough Total	125,378	165,471	65,170	32,431	8,180	271,252
3. Burlingame FD	\$42,218	\$71,794	\$31,944	\$6,638	\$4,502	\$114,877
4. Burlingame Other	139,083	236,514	105,236	21,867	14,830	378,446
5. Hillsborough FD	24,977	32,964	12,983	3,927	2,663	52,537
6. Hillsborough Other	100,401	132,507	52,187	32,431	8,180	225,305
7. Burlingame and CCFD [(3) + (4) + (5)]	\$206,278	\$341,272	\$150,163	\$32,431	\$21,994	\$545,860
8. Net Hillsborough [(6)]	100,401	132,507	52,187	32,431	8,180	225,305

II. \$10M Retention/\$25M Limit

	2014-15 Weighted Payrolls (A)	Loss Funding (B)	Variable Expenses (C)	Fixed Expenses (D)	Excess Insurance (E)	Total Deposit Premium (F)
1. Burlingame Total	\$181,301	\$326,561	\$136,665	\$32,431	\$11,539	\$507,196
2. Hillsborough Total	125,378	175,264	64,874	32,431	4,292	276,860
3. Burlingame FD	\$42,218	\$76,044	\$31,824	\$6,638	\$2,362	\$116,868
4. Burlingame Other	139,083	250,516	104,841	21,867	7,780	385,004
5. Hillsborough FD	24,977	34,915	12,924	3,927	1,397	53,163
6. Hillsborough Other	100,401	140,349	51,950	32,431	4,292	229,021
7. Burlingame and CCFD [(3) + (4) + (5)]	\$206,278	\$361,476	\$149,589	\$32,431	\$11,539	\$555,035
8. Net Hillsborough [(6)]	100,401	140,349	51,950	32,431	4,292	229,021

III. \$15M Retention/\$25M Limit

	2014-15 Weighted Payrolls (A)	Loss Funding (B)	Variable Expenses (C)	Fixed Expenses (D)	Excess Insurance (E)	Total Deposit Premium (F)
1. Burlingame Total	\$181,301	\$337,976	\$136,343	\$32,431	\$5,245	\$511,995
2. Hillsborough Total	125,378	181,389	64,688	32,431	1,951	280,459
3. Burlingame FD	\$42,218	\$78,702	\$31,749	\$6,638	\$1,073	\$118,163
4. Burlingame Other	139,083	259,274	104,594	21,867	3,536	389,271
5. Hillsborough FD	24,977	36,135	12,887	3,927	635	53,584
6. Hillsborough Other	100,401	145,254	51,802	32,431	1,951	231,437
7. Burlingame and CCFD [(3) + (4) + (5)]	\$206,278	\$374,112	\$149,230	\$32,431	\$5,245	\$561,018
8. Net Hillsborough [(6)]	100,401	145,254	51,802	32,431	1,951	231,437

IV. \$20M Retention/\$25M Limit

	2014-15 Weighted Payrolls (A)	Loss Funding (B)	Variable Expenses (C)	Fixed Expenses (D)	Excess Insurance (E)	Total Deposit Premium (F)
1. Burlingame Total	\$181,301	\$343,627	\$136,184	\$32,431	\$2,098	\$514,340
2. Hillsborough Total	125,378	184,421	64,597	32,431	780	282,229
3. Burlingame FD	\$42,218	\$80,018	\$31,712	\$6,638	\$429	\$118,798
4. Burlingame Other	139,083	263,609	104,472	21,867	1,415	391,361
5. Hillsborough FD	24,977	36,739	12,869	3,927	254	53,789
6. Hillsborough Other	100,401	147,681	51,728	32,431	780	232,621
7. Burlingame and CCFD [(3) + (4) + (5)]	\$206,278	\$380,367	\$149,052	\$32,431	\$2,098	\$563,948
8. Net Hillsborough [(6)]	100,401	147,681	51,728	32,431	780	232,621

(A) is payroll times deductible factors. Burlingame has \$250K, CCFD \$250K and Hillsborough \$50K deductibles.

(1) and (2) on column (B) are from Exhibits I, pages 2a thru 5a. (3) thru (5) are allocated based on (A).

(1) and (2) on column (C) are from Exhibits I, pages 2a thru 5a. (3) thru (5) are allocated based on (A).

(1) and (2) on column (D) are from Exhibits I, pages 2a thru 5a. Burlingame Total is allocated to Burlingame and CCFD.

(1) and (2) on column (E) are from Exhibits I, pages 2a thru 5a. Burlingame Total is allocated to Burlingame and CCFD.

ABAG PLAN CORPORATION

Split of 2014-15 Deposit Between Loss Funding and Administrative Expenses
\$5M Retention / \$25M Limit

Member (A)	Loss Funding (B)	Excess Insurance (C)	Admin Expenses (D)	Loss Prevention Expense (D)	Total Deposit (E)
American Canyon	\$72,625	\$15,009	\$65,730	\$0	\$153,364
Atherton	135,726	5,286	45,737	0	186,748
Benicia	563,390	20,526	225,052	0	808,967
Burlingame	308,308	21,994	169,611	0	499,913
Campbell	210,539	30,876	97,008	0	338,423
Colma	48,971	1,133	44,808	0	94,913
Cupertino	143,326	43,828	83,633	0	270,787
Dublin	146,887	37,700	64,231	0	248,818
East Palo Alto	131,132	21,669	86,833	0	239,634
Foster City	120,715	23,516	121,235	0	265,466
Gilroy	609,189	38,684	149,229	0	797,102
Half Moon Bay	50,600	8,751	40,849	0	100,201
Hillsborough	165,471	8,180	97,601	0	271,252
Los Altos Hills	38,550	6,245	38,276	0	83,070
Los Gatos	306,561	22,670	150,745	0	479,975
Millbrae	198,570	16,797	59,086	0	274,453
Milpitas	189,773	50,989	146,274	0	387,036
Morgan Hill	351,103	30,286	155,104	0	536,493
Newark	152,777	32,752	103,208	0	288,737
Pacifica	174,571	28,676	76,284	0	279,531
Portola Valley	17,641	3,287	17,717	0	38,645
Ross, Town of	34,456	1,843	36,533	0	72,832
San Bruno	494,271	31,862	288,680	0	814,813
San Carlos	161,313	21,984	77,675	0	260,972
Saratoga	88,316	23,203	66,668	0	178,188
South SF	451,924	49,214	159,575	0	660,713
Suisun City	138,324	21,142	76,194	0	235,660
Tiburon	73,373	6,772	72,700	0	152,845
Woodside	41,600	4,126	33,722	0	79,448
Total	\$5,620,000	\$629,000	\$2,850,000	\$0	\$9,099,000

(B) (E) - (D) - (C)

(C) From Exhibit 1, page 2c.

(D) Sum of (H) and (I) from Exhibit 1, page 2c.

(E) From Exhibit 1, page 2b.

ABAG PLAN CORPORATION

2014-15 Deposit - Change from 2013-14 Deposit Limited to 30%
\$5M Retention / \$25M Limit

Member (A)	2014-15 Indicated Deposit (B)	2013-14 Deposit (C)	Initial Indicated Difference (D)	2014-15 Deposit Limited to 30% change (E)	Adjusted 2014-15 Deposit Limited to 30% change (F)	Adjusted Indicated Difference (G)
American Canyon	153,664	165,178	-7.0%	153,664	153,364	-7.2%
Atherton	187,114	199,739	-6.3%	187,114	186,748	-6.5%
Benicia	810,550	774,447	4.7%	810,550	808,967	4.5%
Burlingame	500,891	569,575	-12.1%	500,891	499,913	-12.2%
Campbell	339,085	295,004	14.9%	339,085	338,423	14.7%
Colma	95,098	104,667	-9.1%	95,098	94,913	-9.3%
Cupertino	271,317	216,993	25.0%	271,317	270,787	24.8%
Dublin	249,305	263,756	-5.5%	249,305	248,818	-5.7%
East Palo Alto	240,103	297,699	-19.3%	240,103	239,634	-19.5%
Foster City	265,985	212,506	25.2%	265,985	265,466	24.9%
Gilroy	798,661	713,191	12.0%	798,661	797,102	11.8%
Half Moon Bay	100,397	81,897	22.6%	100,397	100,201	22.3%
Hillsborough	271,783	314,721	-13.6%	271,783	271,252	-13.8%
Los Altos Hills	83,232	96,271	-13.5%	83,232	83,070	-13.7%
Los Gatos	480,914	541,661	-11.2%	480,914	479,975	-11.4%
Millbrae	274,990	245,249	12.1%	274,990	274,453	11.9%
Milpitas	387,793	395,006	-1.8%	387,793	387,036	-2.0%
Morgan Hill	537,543	552,098	-2.6%	537,543	536,493	-2.8%
Newark	289,302	259,244	11.6%	289,302	288,737	11.4%
Pacifica	280,078	349,186	-19.8%	280,078	279,531	-19.9%
Portola Valley	38,721	42,910	-9.8%	38,721	38,645	-9.9%
Ross, Town of	82,434	56,025	47.1%	72,832	72,832	30.0%
San Bruno	816,407	742,109	10.0%	816,407	814,813	9.8%
San Carlos	234,225	372,818	-37.2%	260,972	260,972	-30.0%
Saratoga	178,537	229,953	-22.4%	178,537	178,188	-22.5%
South SF	662,005	587,044	12.8%	662,005	660,713	12.5%
Suisun City	236,121	271,417	-13.0%	236,121	235,660	-13.2%
Tiburon	153,144	141,571	8.2%	153,144	152,845	8.0%
Woodside	79,604	102,465	-22.3%	79,604	79,448	-22.5%
Total	9,099,000	9,194,400	-1.0%	9,116,146	9,099,000	-1.0%

(B) From Exhibit 1, page 2c.

(C) From provided by ABAG.

(D) (B) / (C) - 1

(E) Deposit limited to plus or minus 30% change from 2013-14 level.

(F) Difference in deposit due to limiting (if any) is added to column (E) on a pro-rata basis using column (E).

(G) (F) / (C) - 1

ABAG PLAN CORPORATION

2014-15 Deposit by Member
\$5M Retention / \$25M Limit

Member (A)	Deductible (B)	Deductible Factor (C)	Adjusted Experience Modification Factor (D)	2014-15 Payroll (00) (E)	ABAG PLAN Loss Fund Contribution (F)	Excess Insurance (G)	Adjusted Admin. Expenses (H)	Loss Prevention Expense (I)	Indicated Total Deposit (J)
American Canyon	25,000	1.342	68%	58,098	72,925	15,009	65,730	0	153,664
Atherton	25,000	1.342	173%	42,545	136,091	5,286	45,737	0	187,114
Benicia	25,000	1.342	176%	173,391	564,972	20,526	225,052	0	810,550
Burlingame	250,000	0.724	123%	250,416	309,286	21,994	169,611	0	500,891
Campbell	100,000	1.000	83%	184,188	211,201	30,876	97,008	0	339,085
Colma	50,000	1.190	68%	44,000	49,156	1,133	44,808	0	95,098
Cupertino	250,000	0.724	93%	153,947	143,856	43,828	83,633	0	271,317
Dublin	50,000	1.190	87%	102,685	147,374	37,700	64,231	0	249,305
East Palo Alto	100,000	1.000	95%	100,663	131,601	21,669	86,833	0	240,103
Foster City	100,000	1.000	44%	198,000	121,235	23,516	121,235	0	265,985
Gilroy	50,000	1.190	130%	284,929	610,749	38,684	149,229	0	798,661
Half Moon Bay	50,000	1.190	111%	27,732	50,796	8,751	40,849	0	100,397
Hillsborough	50,000	1.055	96%	118,869	166,002	8,180	97,601	0	271,783
Los Altos Hills	25,000	1.342	123%	16,949	38,712	6,245	38,276	0	83,232
Los Gatos	50,000	1.190	122%	153,399	307,500	22,670	150,745	0	480,914
Millbrae	100,000	1.000	92%	156,098	199,107	16,797	59,086	0	274,990
Milpitas	100,000	1.000	41%	338,903	190,530	50,989	146,274	0	387,793
Morgan Hill	100,000	1.000	136%	187,466	352,153	30,286	155,104	0	537,543
Newark	100,000	1.000	75%	147,200	153,342	32,752	103,208	0	289,302
Pacifica	50,000	1.190	71%	150,000	175,118	28,676	76,284	0	280,078
Portola Valley	25,000	1.342	80%	12,000	17,717	3,287	17,717	0	38,721
Ross, Town of	25,000	1.342	124%	19,200	44,058	1,843	36,533	0	82,434
San Bruno	100,000	1.000	140%	255,593	495,864	31,862	288,680	0	816,407
San Carlos	100,000	1.000	131%	74,563	134,565	21,984	77,675	0	234,225
Saratoga	25,000	1.342	82%	58,294	88,665	23,203	66,668	0	178,537
South SF	100,000	1.000	75%	435,811	453,217	49,214	159,575	0	662,005
Suisun City	25,000	1.342	125%	60,062	138,785	21,142	76,194	0	236,121
Tiburon	50,000	1.190	113%	39,525	73,672	6,772	72,700	0	153,144
Woodside	25,000	1.342	122%	18,471	41,755	4,126	33,722	0	79,604
Total		1.053	99%	3,862,997	5,620,000	629,000	2,850,000	0	9,099,000

(B) Deductible provided by ABAG. See Appendix D, Page 3.

(C) Based on Appendix D, Page 1. Hillsborough is weighted average of \$250K for Fire and \$50K for all other departments.

(D) From Exhibit 1, Page 10.

(E) From Appendix D, Page 2.

(F) $\{ [\$5,620,000 / \text{Total (E)}] \times [(C) / \text{Weighted Average of (C)}] \times (D) \times (E) \}$.

\$5,620,000 is the discounted expected loss & ALAE at 60% CL from Exhibit 2, Page 1a. (3.0% Discount Rate).

(G) From Exhibit 1, page 6.

(H) $[\text{Total fixed expenses} / \text{Total number of members}]$.

Total fixed expenses are equal to 33% of total expenses. Total expenses of \$2,850,000 projected by ABAG.

(I) From Exhibit 1, Page 9.

(J) $(F) + (G) + (H) + (I)$

ABAG PLAN CORPORATION

Split of 2014-15 Deposit Between Loss Funding and Administrative Expenses
\$10M Retention / \$25M Limit

Member (A)	Loss Funding (B)	Excess Insurance (C)	Admin Expenses (D)	Loss Prevention Expense (D)	Total Deposit (E)
American Canyon	\$76,934	\$7,874	\$65,530	\$0	\$150,339
Atherton	143,756	2,773	45,598	0	192,128
Benicia	596,724	10,769	224,368	0	831,861
Burlingame	326,561	11,539	169,096	0	507,196
Campbell	223,019	16,199	96,713	0	335,931
Colma	51,868	595	44,672	0	97,135
Cupertino	151,844	22,994	83,379	0	258,218
Dublin	155,610	19,779	64,036	0	239,425
East Palo Alto	138,908	11,368	86,570	0	236,846
Foster City	127,861	12,338	128,418	0	268,617
Gilroy	645,250	20,295	148,775	0	814,320
Half Moon Bay	53,601	4,591	40,725	0	98,918
Hillsborough	175,264	4,292	97,305	0	276,860
Los Altos Hills	40,835	3,276	38,159	0	82,271
Los Gatos	324,711	11,894	150,287	0	486,891
Millbrae	210,328	8,812	58,907	0	278,047
Milpitas	201,045	26,751	145,830	0	373,626
Morgan Hill	371,894	15,889	154,633	0	542,417
Newark	161,843	17,183	102,895	0	281,921
Pacifica	184,922	15,045	76,052	0	276,019
Portola Valley	18,686	1,725	18,767	0	39,177
Ross, Town of	35,443	967	36,422	0	72,832
San Bruno	523,530	16,716	287,804	0	828,050
San Carlos	171,999	11,534	77,440	0	260,972
Saratoga	93,562	12,173	66,466	0	172,201
South SF	478,696	25,820	159,090	0	663,606
Suisun City	146,524	11,092	75,962	0	233,579
Tiburon	77,718	3,553	72,479	0	153,750
Woodside	44,064	2,165	33,620	0	79,848
Total	\$5,953,000	\$330,000	\$2,850,000	\$0	\$9,133,000

(B) (E) - (D) - (C)

(C) From Exhibit 1, page 3c.

(D) Sum of (H) and (I) from Exhibit 1, page 3c.

(E) From Exhibit 1, page 3b.

ABAG PLAN CORPORATION

2014-15 Deposit - Change from 2013-14 Deposit Limited to 30%
\$10M Retention / \$25M Limit

Member (A)	2014-15 Indicated Deposit (B)	2013-14 Deposit (C)	Initial Indicated Difference (D)	2014-15 Deposit Limited to 30% change (E)	Adjusted 2014-15 Deposit Limited to 30% change (F)	Adjusted Indicated Difference (G)
American Canyon	150,651	165,178	-8.8%	150,651	150,339	-9.0%
Atherton	192,526	199,739	-3.6%	192,526	192,128	-3.8%
Benicia	833,585	774,447	7.6%	833,585	831,861	7.4%
Burlingame	508,247	569,575	-10.8%	508,247	507,196	-11.0%
Campbell	336,627	295,004	14.1%	336,627	335,931	13.9%
Colma	97,336	104,667	-7.0%	97,336	97,135	-7.2%
Cupertino	258,753	216,993	19.2%	258,753	258,218	19.0%
Dublin	239,921	263,756	-9.0%	239,921	239,425	-9.2%
East Palo Alto	237,337	297,699	-20.3%	237,337	236,846	-20.4%
Foster City	269,174	212,506	26.7%	269,174	268,617	26.4%
Gilroy	816,008	713,191	14.4%	816,008	814,320	14.2%
Half Moon Bay	99,123	81,897	21.0%	99,123	98,918	20.8%
Hillsborough	277,434	314,721	-11.8%	277,434	276,860	-12.0%
Los Altos Hills	82,442	96,271	-14.4%	82,442	82,271	-14.5%
Los Gatos	487,900	541,661	-9.9%	487,900	486,891	-10.1%
Millbrae	278,623	245,249	13.6%	278,623	278,047	13.4%
Milpitas	374,400	395,006	-5.2%	374,400	373,626	-5.4%
Morgan Hill	543,541	552,098	-1.5%	543,541	542,417	-1.8%
Newark	282,505	259,244	9.0%	282,505	281,921	8.7%
Pacifica	276,591	349,186	-20.8%	276,591	276,019	-21.0%
Portola Valley	39,258	42,910	-8.5%	39,258	39,177	-8.7%
Ross, Town of	84,058	56,025	50.0%	72,832	72,832	30.0%
San Bruno	829,766	742,109	11.8%	829,766	828,050	11.6%
San Carlos	231,512	372,818	-37.9%	260,972	260,972	-30.0%
Saratoga	172,558	229,953	-25.0%	172,558	172,201	-25.1%
South SF	664,981	587,044	13.3%	664,981	663,606	13.0%
Suisun City	234,063	271,417	-13.8%	234,063	233,579	-13.9%
Tiburon	154,069	141,571	8.8%	154,069	153,750	8.6%
Woodside	80,014	102,465	-21.9%	80,014	79,848	-22.1%
Total	9,133,000	9,194,400	-0.7%	9,151,235	9,133,000	-0.7%

(B) From Exhibit 1, page 3c.

(C) Provided by ABAG.

(D) (B) / (C) - 1

(E) Deposit limited to plus or minus 30% change from 2013-14 level.

(F) Difference in deposit due to limiting (if any) is added to column (E) on a pro-rata basis using column (E).

(G) (F) / (C) - 1

ABAG PLAN CORPORATION

2014-15 Deposit by Member
\$10M Retention / \$25M Limit

Member (A)	Deductible (B)	Deductible Factor (C)	Adjusted Experience Modification Factor (D)	2014-15 Payroll (00) (E)	ABAG PLAN Loss Fund Contribution (F)	Excess Insurance (G)	Adjusted Admin. Expenses (H)	Loss Prevention Expense (I)	Indicated Total Deposit (J)
American Canyon	25,000	1.342	68%	58,098	77,246	7,874	65,530	0	150,651
Atherton	25,000	1.342	173%	42,545	144,155	2,773	45,598	0	192,526
Benicia	25,000	1.342	176%	173,391	598,448	10,769	224,368	0	833,585
Burlingame	250,000	0.724	123%	250,416	327,612	11,539	169,096	0	508,247
Campbell	100,000	1.000	83%	184,188	223,715	16,199	96,713	0	336,627
Colma	50,000	1.190	68%	44,000	52,069	595	44,672	0	97,336
Cupertino	250,000	0.724	93%	153,947	152,379	22,994	83,379	0	258,753
Dublin	50,000	1.190	87%	102,685	156,106	19,779	64,036	0	239,921
East Palo Alto	100,000	1.000	95%	100,663	139,399	11,368	86,570	0	237,337
Foster City	100,000	1.000	44%	198,000	128,418	12,338	128,418	0	269,174
Gilroy	50,000	1.190	130%	284,929	646,937	20,295	148,775	0	816,008
Half Moon Bay	50,000	1.190	111%	27,732	53,806	4,591	40,725	0	99,123
Hillsborough	50,000	1.055	96%	118,869	175,838	4,292	97,305	0	277,434
Los Altos Hills	25,000	1.342	123%	16,949	41,006	3,276	38,159	0	82,442
Los Gatos	50,000	1.190	122%	153,399	325,720	11,894	150,287	0	487,900
Millbrae	100,000	1.000	92%	156,098	210,904	8,812	58,907	0	278,623
Milpitas	100,000	1.000	41%	338,903	201,819	26,751	145,830	0	374,400
Morgan Hill	100,000	1.000	136%	187,466	373,019	15,889	154,633	0	543,541
Newark	100,000	1.000	75%	147,200	162,428	17,183	102,895	0	282,505
Pacifica	50,000	1.190	71%	150,000	185,494	15,045	76,052	0	276,591
Portola Valley	25,000	1.342	80%	12,000	18,767	1,725	18,767	0	39,258
Ross, Town of	25,000	1.342	124%	19,200	46,668	967	36,422	0	84,058
San Bruno	100,000	1.000	140%	255,593	525,246	16,716	287,804	0	829,766
San Carlos	100,000	1.000	131%	74,563	142,539	11,534	77,440	0	231,512
Saratoga	25,000	1.342	82%	58,294	93,918	12,173	66,466	0	172,558
South SF	100,000	1.000	75%	435,811	480,071	25,820	159,090	0	664,981
Suisun City	25,000	1.342	125%	60,062	147,008	11,092	75,962	0	234,063
Tiburon	50,000	1.190	113%	39,525	78,037	3,553	72,479	0	154,069
Woodside	25,000	1.342	122%	18,471	44,229	2,165	33,620	0	80,014
Total		1.053	99%	3,862,997	5,953,000	330,000	2,850,000	0	9,133,000

(B) Deductible provided by ABAG. See Appendix D, Page 3.

(C) Based on Appendix D, Page 1.

(D) From Exhibit 1, Page 10.

(E) From Appendix D, Page 2.

(F) $\{ \$5,953,000 / \text{Total (E)} \} \times [(C) / \text{Weighted Average of (C)}] \times (D) \times (E)$.

\$5,953,000 is the discounted expected loss & ALAE at 60% CL from Exhibit 2, Page 1a. (3.0% Discount Rate).

(G) From Exhibit 1, page 6.

(H) [Total fixed expenses / Total number of members].

Total fixed expenses are equal to 33% of total expenses. Total expenses of \$2,850,000 projected by ABAG.

(I) From Exhibit 1, Page 9.

(J) (F) + (G) + (H) + (I)

ABAG PLAN CORPORATION

Split of 2014-15 Deposit Between Loss Funding and Administrative Expenses
\$15M Retention / \$25M Limit

Member (A)	Loss Funding (B)	Excess Insurance (C)	Admin Expenses (D)	Loss Prevention Expense (D)	Total Deposit (E)
American Canyon	\$79,631	\$3,579	\$65,406	\$0	\$148,616
Atherton	148,778	1,261	45,511	0	195,550
Benicia	617,569	4,895	223,941	0	846,405
Burlingame	337,976	5,245	168,774	0	511,995
Campbell	230,824	7,363	96,529	0	334,716
Colma	53,680	270	44,587	0	98,538
Cupertino	157,173	10,452	83,221	0	250,846
Dublin	161,066	8,990	63,914	0	233,970
East Palo Alto	143,772	5,167	86,405	0	235,344
Foster City	132,332	5,608	132,905	0	270,845
Gilroy	667,796	9,225	148,492	0	825,514
Half Moon Bay	55,479	2,087	40,648	0	98,213
Hillsborough	181,389	1,951	97,120	0	280,459
Los Altos Hills	42,266	1,489	38,087	0	81,842
Los Gatos	336,062	5,406	150,001	0	491,469
Millbrae	217,680	4,006	58,795	0	280,481
Milpitas	208,098	12,160	145,553	0	365,810
Morgan Hill	384,897	7,222	154,339	0	546,458
Newark	167,515	7,810	102,699	0	278,024
Pacifica	191,396	6,838	75,907	0	274,142
Portola Valley	19,339	784	19,422	0	39,545
Ross, Town of	36,039	440	36,353	0	72,832
San Bruno	541,829	7,598	287,256	0	836,684
San Carlos	178,438	5,243	77,292	0	260,972
Saratoga	96,843	5,533	66,340	0	168,716
South SF	495,437	11,736	158,788	0	665,961
Suisun City	151,653	5,042	75,818	0	232,513
Tiburon	80,437	1,615	72,341	0	154,393
Woodside	45,605	984	33,556	0	80,145
Total	\$6,161,000	\$150,000	\$2,850,000	\$0	\$9,161,000

(B) (E) - (D) - (C)

(C) From Exhibit 1, page 4c.

(D) Sum of (H) and (I) from Exhibit 1, page 4c.

(E) From Exhibit 1, page 4b.

ABAG PLAN CORPORATION

2014-15 Deposit - Change from 2013-14 Deposit Limited to 30%
\$15M Retention / \$25M Limit

Member (A)	2014-15 Indicated Deposit (B)	2013-14 Deposit (C)	Initial Indicated Difference (D)	2014-15 Deposit Limited to 30% change (E)	Adjusted 2014-15 Deposit Limited to 30% change (F)	Adjusted Indicated Difference (G)
American Canyon	148,930	165,178	-9.8%	148,930	148,616	-10.0%
Atherton	195,963	199,739	-1.9%	195,963	195,550	-2.1%
Benicia	848,194	774,447	9.5%	848,194	846,405	9.3%
Burlingame	513,078	569,575	-9.9%	513,078	511,995	-10.1%
Campbell	335,424	295,004	13.7%	335,424	334,716	13.5%
Colma	98,746	104,667	-5.7%	98,746	98,538	-5.9%
Cupertino	251,376	216,993	15.8%	251,376	250,846	15.6%
Dublin	234,465	263,756	-11.1%	234,465	233,970	-11.3%
East Palo Alto	235,842	297,699	-20.8%	235,842	235,344	-20.8%
Foster City	271,418	212,506	27.7%	271,418	270,845	27.5%
Gilroy	827,259	713,191	16.0%	827,259	825,514	15.7%
Half Moon Bay	98,421	81,897	20.2%	98,421	98,213	19.9%
Hillsborough	281,052	314,721	-10.7%	281,052	280,459	-10.9%
Los Altos Hills	82,015	96,271	-14.8%	82,015	81,842	-15.0%
Los Gatos	492,508	541,661	-9.1%	492,508	491,469	-9.3%
Millbrae	281,074	245,249	14.6%	281,074	280,481	14.4%
Milpitas	366,583	395,006	-7.2%	366,583	365,810	-7.4%
Morgan Hill	547,613	552,098	-0.8%	547,613	546,458	-1.0%
Newark	278,612	259,244	7.5%	278,612	278,024	7.2%
Pacifica	274,721	349,186	-21.3%	274,721	274,142	-21.5%
Portola Valley	39,629	42,910	-7.6%	39,629	39,545	-7.8%
Ross, Town of	85,092	56,025	51.9%	72,832	72,832	30.0%
San Bruno	838,453	742,109	13.0%	838,453	836,684	12.7%
San Carlos	230,054	372,818	-38.3%	260,972	260,972	-30.0%
Saratoga	169,073	229,953	-26.5%	169,073	168,716	-26.6%
South SF	667,369	587,044	13.7%	667,369	665,961	13.4%
Suisun City	233,005	271,417	-14.2%	233,005	232,513	-14.3%
Tiburon	154,720	141,571	9.3%	154,720	154,393	9.1%
Woodside	80,315	102,465	-21.6%	80,315	80,145	-21.8%
Total	9,161,000	9,194,400	-0.4%	9,179,659	9,161,000	-0.4%

(B) From Exhibit 1, page 4c.

(C) Provided by ABAG.

(D) (B) / (C) - 1

(E) Deposit limited to plus or minus 30% change from 2013-14 level.

(F) Difference in deposit due to limiting (if any) is added to column (E) on a pro-rata basis using column (E).

(G) (F) / (C) - 1

ABAG PLAN CORPORATION

2014-15 Deposit by Member
\$15M Retention / \$25M Limit

Member (A)	Deductible (B)	Deductible Factor (C)	Adjusted Experience Modification Factor (D)	2014-15 Payroll (00) (E)	ABAG PLAN Loss Fund Contribution (F)	Excess Insurance (G)	Adjusted Admin. Expenses (H)	Loss Prevention Expense (I)	Indicated Total Deposit (J)
American Canyon	25,000	1.342	68%	58,098	79,945	3,579	65,406	0	148,930
Atherton	25,000	1.342	173%	42,545	149,191	1,261	45,511	0	195,963
Benicia	25,000	1.342	176%	173,391	619,358	4,895	223,941	0	848,194
Burlingame	250,000	0.724	123%	250,416	339,059	5,245	168,774	0	513,078
Campbell	100,000	1.000	83%	184,188	231,532	7,363	96,529	0	335,424
Colma	50,000	1.190	68%	44,000	53,888	270	44,587	0	98,746
Cupertino	250,000	0.724	93%	153,947	157,704	10,452	83,221	0	251,376
Dublin	50,000	1.190	87%	102,685	161,560	8,990	63,914	0	234,465
East Palo Alto	100,000	1.000	95%	100,663	144,269	5,167	86,405	0	235,842
Foster City	100,000	1.000	44%	198,000	132,905	5,608	132,905	0	271,418
Gilroy	50,000	1.190	130%	284,929	669,541	9,225	148,492	0	827,259
Half Moon Bay	50,000	1.190	111%	27,732	55,686	2,087	40,648	0	98,421
Hillsborough	50,000	1.055	96%	118,869	181,982	1,951	97,120	0	281,052
Los Altos Hills	25,000	1.342	123%	16,949	42,439	1,489	38,087	0	82,015
Los Gatos	50,000	1.190	122%	153,399	337,101	5,406	150,001	0	492,508
Milbrae	100,000	1.000	92%	156,098	218,273	4,006	58,795	0	281,074
Milpitas	100,000	1.000	41%	338,903	208,871	12,160	145,553	0	366,583
Morgan Hill	100,000	1.000	136%	187,466	386,052	7,222	154,339	0	547,613
Newark	100,000	1.000	75%	147,200	168,103	7,810	102,699	0	278,612
Pacifica	50,000	1.190	71%	150,000	191,975	6,838	75,907	0	274,721
Portola Valley	25,000	1.342	80%	12,000	19,422	784	19,422	0	39,629
Ross, Town of	25,000	1.342	124%	19,200	48,299	440	36,353	0	85,092
San Bruno	100,000	1.000	140%	255,593	543,598	7,598	287,256	0	838,453
San Carlos	100,000	1.000	131%	74,563	147,519	5,243	77,292	0	230,054
Saratoga	25,000	1.342	82%	58,294	97,200	5,533	66,340	0	169,073
South SF	100,000	1.000	75%	435,811	496,845	11,736	158,788	0	667,369
Suisun City	25,000	1.342	125%	60,062	152,145	5,042	75,818	0	233,005
Tiburon	50,000	1.190	113%	39,525	80,764	1,615	72,341	0	154,720
Woodside	25,000	1.342	122%	18,471	45,775	984	33,556	0	80,315
Total		1.053	99%	3,862,997	6,161,000	150,000	2,850,000	0	9,161,000

(B) Deductible provided by ABAG. See Appendix D, Page 3.

(C) Based on Appendix D, Page 1.

(D) From Exhibit 1, Page 10.

(E) From Appendix D, Page 2.

(F) $\{ \$6,161,000 / \text{Total (E)} \} \times \{ (C) / \text{Weighted Average of (C)} \} \times (D) \times (E)$.

\$6,161,000 is the discounted expected loss & ALAE at 60% CL from Exhibit 2, Page 1a. (3.0% Discount Rate).

(G) From Exhibit 1, page 6.

(H) $[\text{Total fixed expenses} / \text{Total number of members}]$.

Total fixed expenses are equal to 33% of total expenses. Total expenses of \$2,850,000 projected by ABAG.

(I) From Exhibit 1, Page 9.

(J) $(F) + (G) + (H) + (I)$

ABAG PLAN CORPORATION

Split of 2014-15 Deposit Between Loss Funding and Administrative Expenses
\$20M Retention / \$25M Limit

Member (A)	Loss Funding (B)	Excess Insurance (C)	Admin Expenses (D)	Loss Prevention Expense (D)	Total Deposit (E)
American Canyon	\$80,965	\$1,432	\$65,344	\$0	\$147,741
Atherton	151,264	504	45,468	0	197,236
Benicia	627,888	1,958	223,730	0	853,575
Burlingame	343,627	2,098	168,615	0	514,340
Campbell	234,688	2,945	96,438	0	334,071
Colma	54,577	108	44,545	0	99,231
Cupertino	159,812	4,181	83,142	0	247,135
Dublin	163,767	3,596	63,854	0	231,217
East Palo Alto	146,180	2,067	86,323	0	234,570
Foster City	134,546	2,243	135,127	0	271,916
Gilroy	678,958	3,690	148,352	0	831,000
Half Moon Bay	56,408	835	40,609	0	97,852
Hillsborough	184,421	780	97,028	0	282,229
Los Altos Hills	42,974	596	38,051	0	81,620
Los Gatos	341,681	2,162	149,859	0	493,702
Millbrae	221,320	1,602	58,739	0	281,662
Milpitas	211,589	4,864	145,415	0	361,868
Morgan Hill	391,333	2,889	154,193	0	548,415
Newark	170,323	3,124	102,602	0	276,049
Pacifica	194,601	2,735	75,836	0	273,172
Portola Valley	19,662	314	19,747	0	39,723
Ross, Town of	36,338	176	36,319	0	72,832
San Bruno	550,888	3,039	286,985	0	840,912
San Carlos	181,656	2,097	77,219	0	260,972
Saratoga	98,468	2,213	66,277	0	166,958
South SF	503,725	4,694	158,638	0	667,057
Suisun City	154,193	2,017	75,746	0	231,956
Tiburon	81,783	646	72,273	0	154,702
Woodside	46,368	394	33,524	0	80,286
Total	\$6,264,000	\$60,000	\$2,850,000	\$0	\$9,174,000

(B) (E) - (D) - (C)

(C) From Exhibit 1, page 5c.

(D) Sum of (H) and (I) from Exhibit 1, page 5c.

(E) From Exhibit 1, page 5b.

ABAG PLAN CORPORATION

2014-15 Deposit - Change from 2013-14 Deposit Limited to 30%
\$20M Retention / \$25M Limit

Member (A)	2014-15 Indicated Deposit (B)	2013-14 Deposit (C)	Initial Indicated Difference (D)	2014-15 Deposit Limited to 30% change (E)	Adjusted 2014-15 Deposit Limited to 30% change (F)	Adjusted Indicated Difference (G)
American Canyon	148,057	165,178	-10.4%	148,057	147,741	-10.6%
Atherton	197,658	199,739	-1.0%	197,658	197,236	-1.3%
Benicia	855,401	774,447	10.5%	855,401	853,575	10.2%
Burlingame	515,440	569,575	-9.5%	515,440	514,340	-9.7%
Campbell	334,785	295,004	13.5%	334,785	334,071	13.2%
Colma	99,443	104,667	-5.0%	99,443	99,231	-5.2%
Cupertino	247,663	216,993	14.1%	247,663	247,135	13.9%
Dublin	231,711	263,756	-12.1%	231,711	231,217	-12.3%
East Palo Alto	235,071	297,699	-21.0%	235,071	234,570	-21.2%
Foster City	272,497	212,506	28.2%	272,497	271,916	28.0%
Gilroy	832,777	713,191	16.8%	832,777	831,000	16.5%
Half Moon Bay	98,061	81,897	19.7%	98,061	97,852	19.5%
Hillsborough	282,832	314,721	-10.1%	282,832	282,229	-10.3%
Los Altos Hills	81,795	96,271	-15.0%	81,795	81,620	-15.2%
Los Gatos	494,758	541,661	-8.7%	494,758	493,702	-8.9%
Millbrae	282,264	245,249	15.1%	282,264	281,662	14.8%
Milpitas	362,642	395,006	-8.2%	362,642	361,868	-8.4%
Morgan Hill	549,588	552,098	-0.5%	549,588	548,415	-0.7%
Newark	276,639	259,244	6.7%	276,639	276,049	6.5%
Pacifica	273,756	349,186	-21.6%	273,756	273,172	-21.8%
Portola Valley	39,808	42,910	-7.2%	39,808	39,723	-7.4%
Ross, Town of	85,601	56,025	52.8%	72,832	72,832	30.0%
San Bruno	842,710	742,109	13.6%	842,710	840,912	13.3%
San Carlos	229,302	372,818	-38.5%	260,972	260,972	-30.0%
Saratoga	167,315	229,953	-27.2%	167,315	166,958	-27.4%
South SF	668,483	587,044	13.9%	668,483	667,057	13.6%
Suisun City	232,451	271,417	-14.4%	232,451	231,956	-14.5%
Tiburon	155,033	141,571	9.5%	155,033	154,702	9.3%
Woodside	80,458	102,465	-21.5%	80,458	80,286	-21.6%
Total	9,174,000	9,194,400	-0.2%	9,192,902	9,174,000	-0.2%

(B) From Exhibit 1, page 5c.

(C) Provided by ABAG.

(D) (B) / (C) - 1

(E) Deposit limited to plus or minus 30% change from 2013-14 level.

(F) Difference in deposit due to limiting (if any) is added to column (E) on a pro-rata basis using column (E).

(G) (F) / (C) - 1

ABAG PLAN CORPORATION

2014-15 Deposit by Member
\$20M Retention / \$25M Limit

Member (A)	Deductible (B)	Deductible Factor (C)	Adjusted Experience Modification Factor (D)	2014-15 Payroll (00) (E)	ABAG PLAN Loss Fund Contribution (F)	Excess Insurance (G)	Adjusted Admin. Expenses (H)	Loss Prevention Expense (I)	Indicated Total Deposit (J)
American Canyon	25,000	1.342	68%	58,098	81,281	1,432	65,344	0	148,057
Atherton	25,000	1.342	173%	42,545	151,686	504	45,468	0	197,658
Benicia	25,000	1.342	176%	173,391	629,713	1,958	223,730	0	855,401
Burlingame	250,000	0.724	123%	250,416	344,727	2,098	168,615	0	515,440
Campbell	100,000	1.000	83%	184,188	235,402	2,945	96,438	0	334,785
Colma	50,000	1.190	68%	44,000	54,789	108	44,545	0	99,443
Cupertino	250,000	0.724	93%	153,947	160,340	4,181	83,142	0	247,663
Dublin	50,000	1.190	87%	102,685	164,261	3,596	63,854	0	231,711
East Palo Alto	100,000	1.000	95%	100,663	146,681	2,067	86,323	0	235,071
Foster City	100,000	1.000	44%	198,000	135,127	2,243	135,127	0	272,497
Gilroy	50,000	1.190	130%	284,929	680,735	3,690	148,352	0	832,777
Half Moon Bay	50,000	1.190	111%	27,732	56,617	835	40,609	0	98,061
Hillsborough	50,000	1.055	96%	118,869	185,024	780	97,028	0	282,832
Los Altos Hills	25,000	1.342	123%	16,949	43,148	596	38,051	0	81,795
Los Gatos	50,000	1.190	122%	153,399	342,736	2,162	149,859	0	494,758
Millbrae	100,000	1.000	92%	156,098	221,922	1,602	58,739	0	282,264
Milpitas	100,000	1.000	41%	338,903	212,363	4,864	145,415	0	362,642
Morgan Hill	100,000	1.000	136%	187,466	392,506	2,889	154,193	0	549,588
Newark	100,000	1.000	75%	147,200	170,913	3,124	102,602	0	276,639
Pacifica	50,000	1.190	71%	150,000	195,185	2,735	75,836	0	273,756
Portola Valley	25,000	1.342	80%	12,000	19,747	314	19,747	0	39,808
Ross, Town of	25,000	1.342	124%	19,200	49,106	176	36,319	0	85,601
San Bruno	100,000	1.000	140%	255,593	552,686	3,039	286,985	0	842,710
San Carlos	100,000	1.000	131%	74,563	149,985	2,097	77,219	0	229,302
Saratoga	25,000	1.342	82%	58,294	98,825	2,213	66,277	0	167,315
South SF	100,000	1.000	75%	435,811	505,151	4,694	158,638	0	668,483
Suisun City	25,000	1.342	125%	60,062	154,688	2,017	75,746	0	232,451
Tiburon	50,000	1.190	113%	39,525	82,114	646	72,273	0	155,033
Woodside	25,000	1.342	122%	18,471	46,540	394	33,524	0	80,458
Total		1.053	99%	3,862,997	6,264,000	60,000	2,850,000	0	9,174,000

(B) Deductible provided by ABAG. See Appendix D, Page 3.

(C) Based on Appendix D, Page 1.

(D) From Exhibit 1, Page 10.

(E) From Appendix D, Page 2.

(F) { [\$6,264,000 / Total (E)] x [(C) / Weighted Average of (C)] x (D) x (E)}.

\$6,264,000 is the discounted expected loss & ALAE at 60% CL from Exhibit 2, Page 1a. (3.0% Discount Rate).

(G) From Exhibit 1, page 6.

(H) [Total fixed expenses / Total number of members].

Total fixed expenses are equal to 33% of total expenses. Total expenses of \$2,850,000 projected by ABAG.

(I) From Exhibit 1, Page 9.

(J) (F) + (G) + (H) + (I)

ABAG PLAN CORPORATION

2014-15 Allocation of Excess Insurance Premium by Member

Member (A)	2014-15 Population (B)	Percent 2014-15 Population (C)	2014-15 Excess Insurance \$5M XS \$20M (D)	2014-15 Excess Insurance \$10M XS \$15M (E)	2014-15 Excess Insurance \$15M XS \$10M (F)	2014-15 Excess Insurance \$20M XS \$5M (G)
American Canyon	19,862	2.39%	15,009	7,874	3,579	1,432
Atherton	6,995	0.84%	5,286	2,773	1,261	504
Benicia	27,163	3.26%	20,526	10,769	4,895	1,958
Burlingame	29,106	3.50%	21,994	11,539	5,245	2,098
Campbell	40,860	4.91%	30,876	16,199	7,363	2,945
Colma	1,500	0.18%	1,133	595	270	108
Cupertino	58,000	6.97%	43,828	22,994	10,452	4,181
Dublin	49,890	5.99%	37,700	19,779	8,990	3,596
East Palo Alto	28,675	3.44%	21,669	11,368	5,167	2,067
Foster City	31,120	3.74%	23,516	12,338	5,608	2,243
Gilroy	51,192	6.15%	38,684	20,295	9,225	3,690
Half Moon Bay	11,581	1.39%	8,751	4,591	2,087	835
Hillsborough	10,825	1.30%	8,180	4,292	1,951	780
Los Altos Hills	8,264	0.99%	6,245	3,276	1,489	596
Los Gatos	30,000	3.60%	22,670	11,894	5,406	2,162
Millbrae	22,228	2.67%	16,797	8,812	4,006	1,602
Milpitas	67,476	8.11%	50,989	26,751	12,160	4,864
Morgan Hill	40,079	4.81%	30,286	15,889	7,222	2,889
Newark	43,342	5.21%	32,752	17,183	7,810	3,124
Pacifica	37,948	4.56%	28,676	15,045	6,838	2,735
Portola Valley	4,350	0.52%	3,287	1,725	784	314
Ross, Town of	2,439	0.29%	1,843	967	440	176
San Bruno	42,165	5.07%	31,862	16,716	7,598	3,039
San Carlos	29,092	3.50%	21,984	11,534	5,243	2,097
Saratoga	30,706	3.69%	23,203	12,173	5,533	2,213
South SF	65,127	7.82%	49,214	25,820	11,736	4,694
Suisun City	27,978	3.36%	21,142	11,092	5,042	2,017
Tiburon	8,962	1.08%	6,772	3,553	1,615	646
Woodside	5,460	0.66%	4,126	2,165	984	394
Total	832,385	100.0%	629,000	330,000	150,000	60,000

(B) Provided by ABAG.

(C) (B) / Total (B)

(D) (C) X Total (D)

(E) (C) X Total (E)

(F) (C) X Total (F)

(G) (C) X Total (G)

Totals for (E), (F), (G) are estimated.

ABAG PLAN CORPORATION

2014-15 Allocation of Variable Administrative Expenses by Member
Liability Claims

Member (A)	Liability Reported Counts > \$1 2010-11 to 2013-14 (B)	Liability Paid Losses 2010-11 to 2013-14 (C)	Percent Liability Reported Counts > \$1 (D)	Percent Liability Paid Losses 2010-11 to 2013-14 (E)	Percent Liability Variable Administrative Expenses (G)	Liability Variable Administrative Expenses (H)
American Canyon	15	16,579	1.86%	0.22%	0.77%	11,701
Atherton	8	36,532	0.99%	0.49%	0.65%	9,996
Benicia	53	948,293	6.56%	12.63%	10.60%	162,000
Burlingame	88	565,357	10.89%	7.53%	8.65%	132,126
Campbell	38	110,929	4.70%	1.48%	2.55%	38,991
Colma	6	52,897	0.74%	0.70%	0.72%	10,955
Cupertino	29	154,672	3.59%	2.06%	2.57%	39,251
Dublin	17	24,009	2.10%	0.32%	0.91%	13,969
East Palo Alto	30	184,356	3.71%	2.45%	2.87%	43,907
Foster City	12	801,751	1.49%	10.68%	7.61%	116,289
Gilroy	45	380,873	5.57%	5.07%	5.24%	80,010
Half Moon Bay	4	3,503	0.50%	0.05%	0.20%	2,996
Hillsborough	23	237,617	2.85%	3.16%	3.06%	46,718
Los Altos Hills	2	394	0.25%	0.01%	0.09%	1,314
Los Gatos	21	436,509	2.60%	5.81%	4.74%	72,430
Millbrae	21	56,104	2.60%	0.75%	1.36%	20,843
Milpitas	67	248,609	8.29%	3.31%	4.97%	75,938
Morgan Hill	53	581,430	6.56%	7.74%	7.35%	112,249
Newark	38	137,919	4.70%	1.84%	2.79%	42,651
Pacifica	23	48,549	2.85%	0.65%	1.38%	21,078
Portola Valley	0	0	0.00%	0.00%	0.00%	0
Ross, Town of	4	406	0.50%	0.01%	0.17%	2,576
San Bruno	84	1,442,067	10.40%	19.20%	16.27%	248,498
San Carlos	40	122,268	4.95%	1.63%	2.74%	41,789
Saratoga	6	89,564	0.74%	1.19%	1.04%	15,927
South SF	50	526,207	6.19%	7.01%	6.73%	102,870
Suisun City	20	109,074	2.48%	1.45%	1.79%	27,396
Tiburon	10	193,019	1.24%	2.57%	2.13%	32,478
Woodside	1	200	0.12%	0.00%	0.04%	657
Total	808	7,509,689	100.00%	100.00%	100.00%	1,527,600

(B) Based on reported claims count > \$1 for 2010-11 to 2013-14 from Appendix E, Page 8.

(C) Based on paid losses for 2010-11 to 2013-14 from Appendix E, Page 6b.

(D) (B) / Total (B)

(E) (C) / Total (C)

(G) (D) x (1/3) + (E) x (2/3)

(H) Total of (H) x (G)

Total fixed expenses are equal to 67% of total expenses. Total expenses of \$2,850,000 projected by ABAG.

ABAG PLAN CORPORATION

2014-15 Allocation of Variable Administrative Expenses by Member
Property Claims

Member (A)	Property Reported Counts > \$1 2010-11 to 2013-14 (B)	Property Paid Losses 2010-11 to 2013-14 (C)	Percent Property Reported Counts > \$1 (D)	Percent Property Paid Losses 2010-11 to 2013-14 (E)	Percent Property Variable Administrative Expenses (G)	Property Variable Administrative Expenses (H)
American Canyon	14	192,527	7.61%	4.19%	5.33%	20,362
Atherton	2	19,234	1.09%	0.42%	0.64%	2,450
Benicia	9	363,603	4.89%	7.92%	6.91%	26,389
Burlingame	1	21,152	0.54%	0.46%	0.49%	1,865
Campbell	16	228,885	8.70%	4.99%	6.22%	23,762
Colma	0	10,467	0.00%	0.23%	0.15%	580
Cupertino	5	124,783	2.72%	2.72%	2.72%	10,379
Dublin	9	187,487	4.89%	4.08%	4.35%	16,623
East Palo Alto	6	84,973	3.26%	1.85%	2.32%	8,863
Foster City	6	83,313	3.26%	1.81%	2.30%	8,771
Gilroy	11	475,575	5.98%	10.36%	8.90%	33,982
Half Moon Bay	3	46,507	1.63%	1.01%	1.22%	4,654
Hillsborough	16	100,035	8.70%	2.18%	4.35%	16,617
Los Altos Hills	2	43,773	1.09%	0.95%	1.00%	3,811
Los Gatos	15	589,187	8.15%	12.83%	11.27%	43,050
Milbrae	3	47,363	1.63%	1.03%	1.23%	4,702
Milpitas	17	421,876	9.24%	9.19%	9.21%	35,156
Morgan Hill	3	97,961	1.63%	2.13%	1.97%	7,508
Newark	10	347,453	5.43%	7.57%	6.86%	26,186
Pacifica	7	297,502	3.80%	6.48%	5.59%	21,340
Portola Valley	0	0	0.00%	0.00%	0.00%	0
Ross, Town of	1	2,666	0.54%	0.06%	0.22%	840
San Bruno	2	16,964	1.09%	0.37%	0.61%	2,324
San Carlos	2	11,027	1.09%	0.24%	0.52%	1,995
Saratoga	5	245,212	2.72%	5.34%	4.47%	17,057
South SF	9	271,354	4.89%	5.91%	5.57%	21,274
Suisun City	8	169,510	4.35%	3.69%	3.91%	14,935
Tiburon	2	90,904	1.09%	1.98%	1.68%	6,425
Woodside	0	0	0.00%	0.00%	0.00%	0
Total	184	4,591,293	100.00%	100.00%	100.00%	381,900

(B) Based on reported claims count > \$1 for 2010-11 to 2013-14 from Appendix E, Page 8.
Reported property claims for 2010-11 to 2013-14 included.

(C) Based on paid losses for 2010-11 to 2013-14 from Appendix E, Page 6b.
Property paid losses for 2010-11 to 2013-14 are included.

(D) (B) / Total (B)

(E) (C) / Total (C)

(G) (D) x (1/3) + (E) x (2/3)

(H) Total of (H) x (G)

Total fixed expenses are equal to 67% of total expenses. Total expenses of \$2,850,000 projected by ABAG.

ABAG PLAN CORPORATION

2014-15 Allocation of Loss Prevention Expenses by Member

Member (A)	2014-15 Budgeted Loss Prevention Expense (B)	Percent 2014-15 Budgeted Loss Prevention Expense (C)	2014-15 Charged Loss Prevention Expense (D)
American Canyon	0	100.00%	0
Atherton	0	0.00%	0
Belvedere	0	0.00%	0
Benicia	0	0.00%	0
Brisbane	0	0.00%	0
Burlingame	0	0.00%	0
Campbell	0	0.00%	0
Colma	0	0.00%	0
Cupertino	0	0.00%	0
Dublin	0	0.00%	0
East Palo Alto	0	0.00%	0
Foster City	0	0.00%	0
Gilroy	0	0.00%	0
Half Moon Bay	0	0.00%	0
Hillsborough	0	0.00%	0
Los Altos	0	0.00%	0
Los Altos Hills	0	0.00%	0
Los Gatos	0	0.00%	0
Millbrae	0	0.00%	0
Milpitas	0	0.00%	0
Morgan Hill	0	0.00%	0
Newark	0	0.00%	0
Pacifica	0	0.00%	0
Portola Valley	0	0.00%	0
Ross, Town of	0	0.00%	0
San Bruno	0	0.00%	0
San Carlos	0	0.00%	0
San Mateo	0	0.00%	0
Saratoga	0	0.00%	0
South SF	0	0.00%	0
Suisun City	0	0.00%	0
Tiburon	0	0.00%	0
Woodside	0	0.00%	0
Total	0	100.00%	0

(B) Provided by ABAG.

(C) (B) / Total (B)

(D) (C) / Total (D)

Total (D) is amount required for a 20% increase total premium collected.

ABAG PLAN CORPORATION

Calculation of Experience Modification Factors by Member

Member (A)	2008-09 to 2012-13 Limited Incurred Losses (B)	2008-09 to 2012-13 Payroll (00) (C)	Percent Incurred Losses (D)	Percent Payroll (E)	Indicated Differential (F)	Credibility (G)	Indicated Experience Modification Factor (H)	Adjusted Experience Modification Factor (I)
American Canyon	131,096	293,571	0.5%	1.5%	0.360	50%	68%	68%
Atherton	785,170	223,587	3.3%	1.2%	2.833	40%	173%	173%
Benicia	2,278,943	939,520	9.5%	4.9%	1.957	80%	177%	176%
Burlingame	1,977,621	1,226,721	8.3%	6.4%	1.301	80%	124%	123%
Campbell	821,996	869,618	3.4%	4.5%	0.763	70%	83%	83%
Colma	53,462	208,673	0.2%	1.1%	0.207	40%	68%	68%
Cupertino	796,085	704,084	3.3%	3.7%	0.912	70%	94%	93%
Dublin	410,092	416,165	1.7%	2.2%	0.795	60%	88%	87%
East Palo Alto	605,941	532,660	2.5%	2.8%	0.918	60%	95%	95%
Foster City	385,997	1,015,851	1.6%	5.3%	0.307	80%	45%	44%
Gilroy	2,015,855	1,172,318	8.4%	6.1%	1.387	80%	131%	130%
Half Moon Bay	274,966	158,718	1.2%	0.8%	1.398	30%	112%	111%
Hillsborough	736,272	627,365	3.1%	3.3%	0.947	70%	96%	96%
Los Altos Hills	250,394	92,320	1.0%	0.5%	2.188	20%	124%	123%
Los Gatos	1,287,837	786,330	5.4%	4.1%	1.321	70%	122%	122%
Millbrae	592,486	543,679	2.5%	2.8%	0.879	60%	93%	92%
Milpitas	827,197	1,944,961	3.5%	10.1%	0.343	90%	41%	41%
Morgan Hill	1,635,626	905,391	6.8%	4.7%	1.457	80%	137%	136%
Newark	702,912	867,665	2.9%	4.5%	0.654	70%	76%	75%
Pacifica	645,023	881,180	2.7%	4.6%	0.591	70%	71%	71%
Portola Valley	0	56,246	0.0%	0.3%	0.000	20%	80%	80%
Ross, Town of	258,760	115,257	1.1%	0.6%	1.811	30%	124%	124%
San Bruno	2,163,064	1,153,078	9.0%	6.0%	1.513	80%	141%	140%
San Carlos	922,525	489,472	3.9%	2.5%	1.521	60%	131%	131%
Saratoga	222,796	277,252	0.9%	1.4%	0.648	50%	82%	82%
South SF	1,942,565	2,149,447	8.1%	11.1%	0.729	90%	76%	75%
Suisun City	604,814	324,404	2.5%	1.7%	1.504	50%	125%	125%
Tiburon	321,759	192,645	1.3%	1.0%	1.347	40%	114%	113%
Woodside	251,500	115,969	1.1%	0.6%	1.750	30%	122%	122%
Total	23,902,757	19,284,147	100.0%	100.0%	1.000	100%	100%	100%

(B) Based on losses limited to \$250,000 for 2008-09 to 2012-13 from Appendix E, Page 4b.

(C) Based on payroll for Incurred Losses from Appendix D, Page 2.

(D) (B) / Total (B)

(E) (C) / Total (C)

(F) (D) / (E)

(G) [(C) / ((C) + 30,000,000)]. Limited to minimum of 10% and maximum of 90%, and rounded to the nearest 10%.

(H) ((F) x (G)) + (1.00 - (G))

(I) Adjusted for off-balance using payroll as weights.

ABAG PLAN CORPORATION
ABAG Layer

Funding Options for 2014-2015 Losses
3.0% Discount Rate

	\$5M Retention \$25M Limit	\$10M Retention \$25M Limit	\$15M Retention \$25M Limit	\$20M Retention \$25M Limit
(A) Payroll (\$00's)	3,862,997	3,862,997	3,862,997	3,862,997
(B) Average SIR Discount factor:	105.3%	105.3%	105.3%	105.3%
(C) Base Loss Rate:	\$1.481	\$1.569	\$1.623	\$1.651
(D) ABAG PLAN Expected Losses:	\$6,024,000	\$6,381,000	\$6,604,000	\$6,715,000
(E) Discount Factor for Future Funding: at 3% interest	89.7%	89.7%	89.7%	89.7%
(F) Estimated Cost of Excess Insurance	\$629,000	\$330,000	\$150,000	\$60,000
(G) Discounted Losses w/ Excess Insurance	\$6,033,000	\$6,054,000	\$6,074,000	\$6,083,000
(H) 60% Confidence Margin	216,000	229,000	237,000	241,000
70% Confidence Margin	827,000	876,000	906,000	922,000
80% Confidence Margin	1,610,000	1,706,000	1,765,000	1,795,000
90% Confidence Margin	2,831,000	2,999,000	3,104,000	3,156,000
(I) Funding at the 60% confidence Level:	6,249,000	6,283,000	6,311,000	6,324,000
Funding at the 70% confidence Level:	6,860,000	6,930,000	6,980,000	7,005,000
Funding at the 80% confidence Level:	7,643,000	7,760,000	7,839,000	7,878,000
Funding at the 90% confidence Level:	8,864,000	9,053,000	9,178,000	9,239,000
(A) From Appendix D, Page 2.				
(B) Based on Appendix D, Page 1.				
(C) From Exhibit 2, Page 2.				
(D) (A) x (B) x (C)				
(E) Based on Appendix A, Page 12.				
(F) Based on \$629,000 in Excess Insurance Premium for the \$5M to \$25M layer and ILF factors.				
(G) (D) x (E) + (F)				
(H) (D) + (E) x Confidence Level Factor from Exhibit 2, Page 6.				
(I) (G) + (H)				

ABAG PLAN CORPORATION
ABAG Layer

Funding Options for 2014-2015 Losses
4.0% Discount Rate

	\$5M Retention \$25M Limit	\$10M Retention \$25M Limit	\$15M Retention \$25M Limit	\$20M Retention \$25M Limit
(A) Payroll (\$00's)	3,862,997	3,862,997	3,862,997	3,862,997
(B) Average SIR Discount factor:	105.3%	105.3%	105.3%	105.3%
(C) Base Loss Rate:	\$1.481	\$1.569	\$1.623	\$1.651
(D) ABAG PLAN Expected Losses:	\$6,020,000	\$6,380,000	\$6,600,000	\$6,720,000
(E) Discount Factor for Future Funding: at 4.0% interest	86.7%	86.7%	86.7%	86.7%
(F) Estimated Cost of Excess Insurance	\$629,000	\$330,000	\$150,000	\$60,000
(G) Discounted Losses w/ Excess Insurance	\$5,850,000	\$5,860,000	\$5,872,000	\$5,886,000
(H) 70% Confidence Margin	209,000	221,000	229,000	233,000
80% Confidence Margin	799,000	846,000	875,000	891,000
90% Confidence Margin	1,555,000	1,648,000	1,705,000	1,736,000
95% Confidence Margin	2,735,000	2,898,000	2,998,000	3,053,000
(I) Funding at the 70% confidence Level:	6,059,000	6,081,000	6,101,000	6,119,000
Funding at the 80% confidence Level:	6,649,000	6,706,000	6,747,000	6,777,000
Funding at the 90% confidence Level:	7,405,000	7,508,000	7,577,000	7,622,000
Funding at the 95% confidence Level:	8,585,000	8,758,000	8,870,000	8,939,000
(A) From Appendix D, Page 2.				
(B) Based on Appendix D, Page 1.				
(C) From Exhibit 2, Page 2.				
(D) (A) x (B) x (C)				
(E) Based on Appendix A, Page 12.				
(F) Based on \$629,000 in Excess Insurance Premium for the \$5M to \$25M layer and ILF factors.				
(G) (D) x (E) + (F)				
(H) (D) + (E) x Confidence Level Factor from Exhibit 2, Page 6.				
(I) (G) + (H)				

ABAG PLAN CORPORATION
ABAG Layer

Selected 2014-2015 Base Loss Rate (\$100K - \$1M Layer)

	Current 2014-2015	Prior 2013-2014
(A) Estimated based on \$1M Ultimate Less \$100K Ultimate	\$0.978	\$1.040
(B) Estimated based on \$100K - \$1M Analysis:	1.071	1.134
(C) Estimated based on \$100K Analysis & Size of Loss Factors:	1.053	1.002
(D) Selected Base Loss Rate (\$100K - \$1M Layer):	1.020	1.060
(E) Factor to \$5M Retention	1.452	1.410
Factor to \$7M Retention	1.473	1.432
Factor to \$10M Retention	1.538	1.496
Factor to \$15M Retention	1.592	1.549
Factor to \$20M Retention	1.619	1.576
(F) Selected Base Loss Rate for \$5M Retention :	\$1.481	\$1.495
Selected Base Loss Rate for \$7M Retention :	1.503	1.518
Selected Base Loss Rate for \$10M Retention :	1.569	1.585
Selected Base Loss Rate for \$15M Retention :	1.623	1.642
Selected Base Loss Rate for \$20M Retention :	1.651	1.670

- (A) From Appendix B, Page 1.
- (B) From Appendix C, Page 1.
- (C) From Exhibit 4, Page 3.
- (D) Based on (A) - (C).
- (E) Based on ABAG and Industry experience.
- (F) (D) x (E).

ABAG PLAN CORPORATION
ABAG Layer

Funding Guidelines for Outstanding Losses
as of June 30, 2014

	<u>June 30, 2014</u>
(A) Estimated Ultimate Losses Incurred as of:	\$104,450,000
(B) Estimated Paid Losses as of:	73,780,000
(C) Estimated Liability for Claims Outstanding ULAE	\$30,670,000
Outstanding as of:	<u>3,067,000</u>
	33,737,000
2.9% (D) Outstanding Liability Discount Factor:	93.4%
2.8% (E) Discounted Outstanding Liability for 2.7% Claims as of:	\$31,508,000
2.7% (F) Risk Margin at 90% Confidence Level:	14,210,000
(G) Required Funding at the 90% confidence Level:	\$45,718,000
(H) Estimated Assets as of:	41,878,000
(I) Estimated Surplus/(Deficit) as of:	(\$3,840,000)

Notes:

- (A) From Appendix A.
- (B) Provided by ABAG
- (C) (A) - (B)
- (D) From Exhibit 2, Page 5.
- (E) (C) * (D)
- (F) (E) * Confidence Level Factor from Exhibit 2, Page 6.
- (G) (E) + (F)
- (H) From Exhibit 2, Page 4.
- (I) (H) - (G)

ABAG PLAN CORPORATION
ABAG Layer

Estimated Assets as of June 30, 2014

	Admin Fund	Liability Fund
(A) <u>Assets as of December 31, 2013</u>	616,527	42,507,055
(B) <u>Total Income to Fund during 1/1/14 to 6/30/14</u>		
Premiums:	1,425,000	3,183,758
Interest Income:	0	1,139,642
Claims Dividend:	0	0
Total Income:	<u>\$1,425,000</u>	<u>\$4,323,400</u>
(C) <u>Total Payments from Fund during 1/1/14 to 6/30/14</u>		
Loss Payments:		4,592,484
Admin Fund / Personal:	1,491,098	
Admin Fund / Consultants:	106,357	
Admin Fund / Other Direct Charges:	34,502	
Liability Fund / Personal:		0
Liability Fund / Loss Prevention Program:		359,724
Liability Fund / Excess insurance:		0
Liability Fund / Miscellaneous:		0
Total Payments:	<u>\$1,631,957</u>	<u>\$4,952,208</u>
(D) <u>Estimated Assets as of 6/30/14:</u>	\$409,570	\$41,878,246

Notes:

- (A) Provided by ABAG.
(B) Provided by ABAG
(C) Provided by ABAG, Loss Payments from Appendix A.
(D) (A) + (B) - (C).

ABAG PLAN CORPORATION
ABAG Layer

Estimated Assets as of June 30, 2014

	Paid Loss Development Factor	Full Value Reserve	Full Discounted Reserve at 3.0%	3.0% Discounted Factor	6/30/2014 Outstanding Loss	6/30/2014 Discounted Outstanding Loss at 3.0%
1997-1998	1.000	0.0%	0.0%	100.0%	0	0
1998-1999	1.000	0.0%	0.0%	100.0%	0	0
1999-2000	1.002	0.2%	0.2%	100.0%	0	0
2000-2001	1.004	0.4%	0.4%	100.0%	0	0
2001-2002	1.008	0.8%	0.8%	100.0%	58,786	58,786
2002-2003	1.012	1.2%	1.2%	100.0%	129,414	129,414
2003-2004	1.018	1.8%	1.8%	100.0%	0	0
2004-2005	1.025	2.4%	2.3%	95.8%	0	0
2005-2006	1.034	3.3%	3.1%	93.9%	462,868	434,633
2006-2007	1.052	4.9%	4.6%	93.9%	75,684	71,067
2007-2008	1.101	9.2%	8.7%	94.6%	476,093	450,384
2008-2009	1.194	16.2%	15.3%	94.4%	1,994,863	1,883,151
2009-2010	1.368	26.9%	25.4%	94.4%	1,413,162	1,334,025
2010-2011	1.806	44.6%	42.1%	94.4%	5,625,936	5,310,884
2011-2012	3.441	70.9%	66.8%	94.2%	7,074,974	6,664,626
2012-2013	12.043	91.7%	85.3%	93.0%	7,719,224	7,178,878
2013-2014	66.702	98.5%	89.5%	90.9%	5,635,770	5,122,915
Total					30,666,774	28,638,763
Discount Factor						93.4%

ABAG PLAN CORPORATION
ABAG Layer

Confidence Level Factors

Probability	Projected Funding Factor	Outstanding Liability Factor
95	1.735	1.632
90	1.524	1.451
85	1.395	1.340
80	1.298	1.257
75	1.220	1.189
70	1.153	1.132
65	1.094	1.081
60	1.040	1.034
55	0.990	0.992
50	0.942	0.951
45	0.897	0.912
40	0.853	0.873
35	0.808	0.835
30	0.763	0.796
25	0.716	0.756

ABAG PLAN CORPORATION - Liability

Funding Guidelines for Outstanding Liabilities at
June 30, 2014

(A) Estimated Ultimate Losses Incurred through 6/30/14: (From Appendix A,)	\$104,445,000
(B) Estimated Paid Losses through 6/30/14: (From Appendix A,)	\$73,779,000
(C) Estimated Liability for Claims Outstanding at 6/30/14: (From Appendix A,)	<u>\$30,667,000</u>
(D) Estimated Liability for Outstanding Claims Administration Fees at 6/30/14: (10% of (C) per Auditor excluding large settled claims)	3,067,000
(E) Total Outstanding Liability for Claims at 6/30/14: ((C) + (D))	<u>\$33,734,000</u>
(F) Anticipated Investment Income ((E) x [1 - Appendix A, Page 11, (H)])	2,226,000
(G) Discounted Outstanding Liability for Claims at 6/30/14: ((E) - (F))	<u>\$31,508,000</u>

Confidence Level of Adequacy:	Marginally Acceptable	Recommended			Conservative
	70%	75%	80%	85%	90%
(H) Confidence Level Factor: (From ,)	1.132	1.189	1.257	1.340	1.451
(I) Margin for Adverse Experience ((G) x [(H) - 1])	4,159,000	5,955,000	8,098,000	10,713,000	14,210,000
(J) Total Required Available Funding at 6/30/14: ((G) + (I))	<u>\$35,667,000</u>	<u>\$37,463,000</u>	<u>\$39,606,000</u>	<u>\$42,221,000</u>	<u>\$45,718,000</u>

ABAG PLAN CORPORATION - Liability

IBNR as of 6/30/14 at Expected Claims Level

Accident Year	Estimated Ultimate (A)	Reported as of 12/31/13 (B)	Estimated IBNR as of 12/31/2013 (C)	Estimated Percent of IBNR Reported Between 1/1/14 and 6/30/2014 (D)	Estimated IBNR Reported (E)	Estimated IBNR as of 6/30/2014 (F)
1986-1993	\$13,840,472	\$13,840,472	\$0	100.0%	\$0	\$0
1993-1994	1,696,149	1,696,149	0	100.0%	0	0
1994-1995	1,995,329	1,995,329	0	100.0%	0	0
1995-1996	651,879	651,879	0	100.0%	0	0
1996-1997	627,703	627,703	0	100.0%	0	0
1997-1998	2,390,163	2,390,163	0	100.0%	0	0
1998-1999	5,593,721	5,593,721	0	100.0%	0	0
1999-2000	1,199,565	1,199,565	0	33.3%	0	0
2000-2001	1,860,684	1,860,684	0	33.2%	0	0
2001-2002	4,689,000	4,643,008	45,992	19.8%	10,000	35,992
2002-2003	8,971,000	8,866,771	104,229	19.8%	20,000	84,229
2003-2004	2,569,681	2,569,681	0	14.0%	0	0
2004-2005	1,876,140	1,876,140	0	14.0%	0	0
2005-2006	5,282,000	5,171,734	110,266	12.7%	10,000	100,266
2006-2007	1,750,000	1,660,000	90,000	14.2%	10,000	80,000
2007-2008	7,393,000	6,805,660	587,340	13.8%	80,000	507,340
2008-2009	5,518,000	5,320,000	198,000	17.0%	30,000	168,000
2009-2010	4,115,000	3,530,000	585,000	19.1%	110,000	475,000
2010-2011	8,200,000	6,660,000	1,540,000	22.2%	340,000	1,200,000
2011-2012	9,780,000	7,640,000	2,140,000	18.3%	390,000	1,750,000
2012-2013	8,736,000	4,920,000	3,816,000	20.8%	790,000	3,026,000
2013-2014	5,710,000	360,000	2,500,000	7.0%	370,000	4,980,000
Totals	\$104,445,486	\$89,878,659	\$11,716,827		\$2,160,000	\$12,406,827

Notes:

- (A) From Appendix A, Page 3.
 (B) Provided by ABAG. These losses exclude amounts incurred above the Authority's SIR for each year.
 (C) (A) - (B).
 (D) Percentage of incurred but not reported (IBNR) expected to be reported between 1/1/14 and 6/30/14. The percentage is based on the development pattern selected in Appendix A, Page 6b.
 (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 6/30/14. This amount is dependent on both the strength of the case reserves and the average frequency and severity of the losses incurred.

ABAG PLAN CORPORATION - Liability

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)
1986-1993	\$13,840,472	\$13,840,472	\$13,840,472	\$13,840,472	\$12,041,120	\$13,840,472
1993-1994	1,696,149	1,696,149	1,696,149	1,696,149	2,126,112	1,696,149
1994-1995	1,995,329	1,995,329	1,995,329	1,995,329	2,919,872	1,995,329
1995-1996	651,879	651,879	651,879	651,879	2,067,626	651,879
1996-1997	627,703	627,703	627,703	627,703	2,129,655	627,703
1997-1998	2,390,163	2,390,163	2,390,163	2,390,163	3,788,847	2,390,163
1998-1999	5,599,315	5,599,315	5,599,314	5,599,314	2,875,544	5,593,721
1999-2000	1,203,164	1,203,164	1,203,160	1,203,160	2,327,138	1,199,565
2000-2001	1,871,848	1,871,848	1,871,846	1,871,846	2,832,752	1,860,684
2001-2002	4,689,438	4,661,858	4,689,886	4,662,579	3,366,630	4,689,000
2002-2003	8,999,773	8,941,781	9,001,329	8,944,194	6,472,900	8,971,000
2003-2004	2,623,644	2,623,644	2,623,624	2,623,624	4,762,200	2,569,681
2004-2005	1,928,672	1,930,548	1,926,813	1,928,690	2,207,277	1,876,140
2005-2006	5,368,260	4,939,003	5,367,120	4,954,279	4,041,776	5,282,000
2006-2007	1,746,161	1,764,240	1,746,014	1,763,390	3,642,646	1,750,000
2007-2008	7,316,085	7,701,452	7,323,301	7,665,229	6,699,875	7,393,000
2008-2009	5,947,538	3,800,423	6,012,275	4,356,793	4,692,595	5,518,000
2009-2010	4,258,298	3,541,193	4,613,597	4,486,050	5,970,636	4,115,000
2010-2011	2,476,816	2,554,794	3,539,374	4,428,134	5,271,210	8,200,000
2011-2012	14,935,991	8,551,494	10,101,194	5,531,060	6,635,882	9,780,000
2012-2013	30,305,168	19,878,148	9,105,934	5,403,997	9,320,400	8,736,000
Totals						\$98,735,486
						Projected Losses for the Year 2013-2014 (G) \$5,710,000
						Projected Losses for the Year 2014-2015 (H) \$6,024,000

Notes:

- (A) From Appendix A, Page 6a.
- (B) From Appendix A, Page 7a.
- (C) From Appendix A, Page 8a, Column (G).
- (D) From Appendix A, Page 8b, Column (G).
- (E) From Appendix D, Page 1, Column (C).
- (F) Selected averages of (A), (B), (C), (D), and (E).
- (G) From Appendix A, Page 5a, Line (J) .
- (H) From Appendix A, Page 5a, Line (R) .

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 PLAN CORPORATION - Liability

Estimated Ultimate Limited Losses Capped at ABAG Retention

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)	Selected Ultimate Limited Losses (E)
1986-1993	\$13,840,472	\$13,840,472	\$13,840,472	\$13,840,472	\$13,840,472
1993-1994	1,696,149	1,696,149	1,696,149	1,696,149	1,696,149
1994-1995	1,995,329	1,995,329	1,995,329	1,995,329	1,995,329
1995-1996	651,879	651,879	651,879	651,879	651,879
1996-1997	627,703	627,703	627,703	627,703	627,703
1997-1998	2,390,163	2,390,163	2,390,163	2,390,163	2,390,163
1998-1999	5,599,315	5,599,315	5,599,314	5,599,314	5,593,721
1999-2000	1,203,164	1,203,164	1,203,160	1,203,160	1,199,565
2000-2001	1,871,848	1,871,848	1,871,846	1,871,846	1,860,684
2001-2002	4,689,438	4,661,858	4,689,886	4,662,579	4,689,000
2002-2003	8,999,773	8,941,781	9,001,329	8,944,194	8,971,000
2003-2004	2,623,644	2,623,644	2,623,624	2,623,624	2,569,681
2004-2005	1,928,672	1,930,548	1,926,813	1,928,690	1,876,140
2005-2006	5,368,260	4,939,003	5,367,120	4,954,279	5,282,000
2006-2007	1,746,161	1,764,240	1,746,014	1,763,390	1,750,000
2007-2008	7,316,085	7,701,452	7,323,301	7,665,229	7,393,000
2008-2009	5,947,538	3,800,423	6,012,275	4,356,793	5,518,000
2009-2010	4,258,298	3,541,193	4,613,597	4,486,050	4,115,000
2010-2011	2,476,816	2,554,794	3,539,374	4,428,134	3,250,000
2011-2012	14,935,991	8,551,494	10,101,194	5,531,060	9,780,000
2012-2013	30,305,168	19,878,148	9,105,934	5,403,997	8,736,000
Totals					\$93,785,486

Notes:

- (A) From Appendix A, Page 6a, Column (D).
- (B) From Appendix A, Page 7a, Column (D).
- (C) Based on results in Appendix A, Page 8a.
- (D) Based on results in Appendix A, Page 8b.
- (E) Selected averages of (A), (B), (C), and (D).

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 PLAN CORPORATION - Liability

Projection of 2013-2014
and 2014-2015 Losses

Accident Year	Ultimate Limited Losses (A)	Claim Cost Trend Factor (B)	Adjusted Limited Losses (C)	Composite Exposure (D)	Limited Loss Rate (E)
1986-1993	\$13,840,472	1.860	\$25,747,355	16,239,338	\$1.585
1993-1994	1,696,149	1.806	3,063,434	3,010,346	1.018
1994-1995	1,995,329	1.754	3,498,821	3,073,771	1.138
1995-1996	651,879	1.702	1,109,780	3,159,932	0.351
1996-1997	627,703	1.653	1,037,497	3,159,423	0.328
1997-1998	2,390,163	1.605	3,835,510	3,271,328	1.172
1998-1999	5,593,721	1.558	8,714,835	3,463,235	2.516
1999-2000	1,199,565	1.513	1,814,450	3,664,293	0.495
2000-2001	1,860,684	1.469	2,732,477	3,827,945	0.714
2001-2002	4,689,000	1.426	6,685,393	4,152,131	1.610
2002-2003	8,971,000	1.384	12,417,962	4,514,625	2.751
2003-2004	2,569,681	1.344	3,453,436	4,603,406	0.750
2004-2005	1,876,140	1.305	2,447,937	5,257,122	0.466
2005-2006	5,282,000	1.267	6,691,080	5,238,794	1.277
2006-2007	1,750,000	1.230	2,152,279	5,355,566	0.402
2007-2008	7,393,000	1.194	8,827,629	5,522,681	1.598
2008-2009	5,518,000	1.159	6,396,874	5,569,288	1.149
2009-2010	4,115,000	1.126	4,631,469	5,255,386	0.881
2010-2011	3,250,000	1.093	3,551,363	4,753,943	0.747
2011-2012	9,780,000	1.061	10,375,602	3,934,204	2.637
2012-2013	8,736,000	1.030	8,998,080	3,783,057	2.379
Totals	\$93,785,486		\$128,183,263	100,809,814	\$1.272
95/96-05/06	55,193,821		67,631,024	54,157,146	\$1.249
(F) Selected Limited Rate:					\$1.438
(G) Factor to Average Deductible & SIR:					1.051
(H) Program Rate for 2013-2014 Losses:					\$1.51
(I) Estimated 2013-2014 Composite Exposure:				3,778,924	
(J) Projected Program Losses for 2013-2014:				5,710,000	
(K) Estimated Total ULAE for 2013-2014 Losses:				0	
(L) Projected 2013-2014 Ultimate Losses Plus ULAE:				\$5,710,000	
(M) Selected Limited Rate:					\$1.438
(N) Factor to Average Deductible & SIR:					1.053
(O) Claim Cost Trend Factor:					1.030
(P) Program Rate for 2014-2015 Losses:					\$1.559
(Q) Estimated 2014-2015 Composite Exposure:				3,862,997	
(R) Projected Program Losses for 2014-2015:				6,024,000	
(S) Estimated Total ULAE for 2014-2015 Losses:				0	
(T) Projected 2014-2015 Ultimate Losses Plus ULAE:				\$6,024,000	

Notes appear on the next page.

ABAG PLAN CORPORATION - Liability

Projection of 2013-2014
and 2014-2015 Losses

Notes:

- (A) From Appendix A, Page 4, Column (E).
For purposes of projecting future losses, losses are capped at \$100,000 per occurrence.
- (B) We assume that losses are increasing at 3.0% per year.
- (C) $(A) \times (B)$.
- (D) Provided by ABAG.
- (E) $(C) / (D)$.
- (F) Selected based on (E).
- (G) Based on a Burr distribution, a mathematical model of claim sizes.
- (H) $(F) \times (G)$.
- (I) Provided by ABAG.
- (J) $(H) \times (I)$.
- (K) Based on an estimated claim closing pattern and ABAG's historical claims administration expenses.
- (L) $(J) + (K)$.
- (M) (F)
- (N) Based on a Burr distribution, a mathematical model of claim sizes.
- (O) We assume that losses are increasing at 3.0% per year.
- (P) $(M) \times (N) \times (O)$.
- (Q) Provided by ABAG.
- (R) $(P) \times (Q)$.
- (S) Based on an estimated claim closing pattern and ABAG's historical claims administration expenses.
- (T) $(R) + (S)$.

This exhibit shows the calculation of future loss costs based on the past loss rates per exposure. 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 PLAN CORPORATION - Liability

Reported Loss Development

Accident Year (A)	Limited Reported Losses as of 12/31/13 (B)	Reported Loss Development Factor (C)	Estimated Ultimate Limited Losses (D)
1986-1993	\$13,840,472	1.000	\$13,840,472
1993-1994	1,696,149	1.000	1,696,149
1994-1995	1,995,329	1.000	1,995,329
1995-1996	651,879	1.000	651,879
1996-1997	627,703	1.000	627,703
1997-1998	2,390,163	1.000	2,390,163
1998-1999	5,593,721	1.001	5,599,315
1999-2000	1,199,565	1.003	1,203,164
2000-2001	1,860,684	1.006	1,871,848
2001-2002	4,643,008	1.010	4,689,438
2002-2003	8,866,771	1.015	8,999,773
2003-2004	2,569,681	1.021	2,623,644
2004-2005	1,876,140	1.028	1,928,672
2005-2006	5,171,734	1.038	5,368,260
2006-2007	1,656,699	1.054	1,746,161
2007-2008	6,805,660	1.075	7,316,085
2008-2009	5,319,801	1.118	5,947,538
2009-2010	3,528,002	1.207	4,258,298
2010-2011	1,710,508	1.448	2,476,816
2011-2012	7,639,893	1.955	14,935,991
2012-2013	4,921,268	6.158	30,305,168
Totals	\$84,564,830		\$120,471,866

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 6b.
- (D) (B) x (C). These estimated losses exclude amounts over \$100,000 per occurrence.

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 PLAN CORPORATION - Liability

Reported Loss Development at ABAG Retention Limits

Accident Year	Limited Losses 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
1992-1993											841,043
1993-1994										1,690,462	1,692,312
1994-1995									2,123,032	2,123,032	2,123,032
1995-1996								458,209	458,209	458,209	458,209
1996-1997							629,224	636,225	627,703	627,703	627,703
1997-1998						2,720,128	2,544,624	2,544,624	2,544,624	2,544,624	2,390,163
1998-1999					4,720,056	4,913,712	5,464,162	5,614,162	5,639,162	5,593,878	5,593,878
1999-2000				1,090,980	1,240,651	1,295,651	1,258,685	1,258,685	1,199,915	1,199,915	1,199,915
2000-2001			1,029,802	1,075,802	1,110,538	1,151,880	1,736,208	1,709,846	1,709,846	1,709,846	1,709,846
2001-2002		486,199	2,720,670	2,906,359	3,303,530	4,806,236	6,530,242	4,585,777	4,573,678	4,573,678	4,664,570
2002-2003	567,543	1,906,336	4,062,177	8,370,243	9,217,066	8,542,877	8,721,640	8,719,727	8,808,032	8,850,963	8,792,658
2003-2004	4,001	184,321	558,456	670,955	1,173,162	1,318,511	1,591,251	1,881,919	2,790,812	2,568,802	2,569,681
2004-2005		671,598	1,275,449	1,852,243	1,904,110	1,876,140	1,884,486	1,876,140	1,876,140	1,876,140	
2005-2006	25,000	422,143	1,922,276	2,886,625	3,514,764	4,881,587	4,993,818	5,096,734	5,171,734		
2006-2007	250,000	429,839	388,247	544,541	885,717	1,181,310	1,717,627	1,656,699			
2007-2008	228,140	748,802	1,944,679	3,425,750	4,743,123	7,031,234	6,805,660				
2008-2009	40,000	593,853	2,272,388	4,424,148	5,587,036	5,819,751					
2009-2010	588,210	3,130,545	3,852,129	3,616,630	3,528,002						
2010-2011		3,235,361	13,599,043	6,660,508							
2011-2012	25,000	6,136,433	10,300,736								
2012-2013	25,000	4,721,268									
2013-2014	357,000										

Reported Loss Development Factors:

	6-18 Months	18-30 Months	30-42 Months	42-54 Months	54-66 Months	66-78 Months	78-90 Months	90-102 Months	102-114 Months	114-126 Months	126-138 Months
1992-1993											1.000
1993-1994										1.001	1.007
1994-1995									1.000	1.000	1.000
1995-1996								1.000	1.000	1.000	1.000
1996-1997							1.011	0.987	1.000	1.000	1.000
1997-1998						0.935	1.000	1.000	1.000	0.939	1.000
1998-1999					1.041	1.112	1.027	1.004	0.992	1.000	1.000
1999-2000				1.137	1.044	0.971	1.000	0.953	1.000	1.000	1.000
2000-2001			1.045	1.032	1.037	1.507	0.985	1.000	1.000	1.000	1.000
2001-2002		5.596	1.068	1.137	1.455	1.359	0.702	0.997	1.000	1.020	0.989
2002-2003	3.359	2.131	2.061	1.101	0.927	1.021	1.000	1.010	1.005	0.993	1.008
2003-2004	46.069	3.030	1.201	1.748	1.124	1.207	1.183	1.483	0.920	1.000	
2004-2005		1.899	1.452	1.028	0.985	1.004	0.996	1.000	1.000		
2005-2006	16.886	4.554	1.502	1.218	1.389	1.023	1.021	1.015			
2006-2007	1.719	0.903	1.403	1.627	1.334	1.454	0.965				
2007-2008	3.282	2.597	1.762	1.385	1.482	0.968					
2008-2009	14.846	3.827	1.947	1.263	1.042						
2009-2010	5.322	1.230	0.939	0.975							
2010-2011		4.203	0.490								
2011-2012	245.457	1.679									
2012-2013	188.851										
Average	58.421	2.877	1.352	1.241	1.169	1.142	0.990	1.041	0.992	0.996	1.000
Dollar-weighted Averages											
3-yr		2.220	0.745	1.209	1.251	1.032	1.004	1.111	0.987	1.002	1.002
4-yr		2.293	0.837	1.228	1.284	1.029	1.032	1.061	0.990	1.002	1.002
Industry	4.658	1.905	1.333	1.139	1.034	1.015	1.006	1.000	1.000	1.000	1.000
Prior	6.000	3.300	1.400	1.250	1.080	1.040	1.020	1.015	1.010	1.007	1.006
Selected	6.000	3.150	1.350	1.200	1.080	1.040	1.020	1.015	1.010	1.007	1.006
Cumulated	36.948	6.158	1.955	1.448	1.207	1.118	1.075	1.054	1.038	1.028	1.021

ABAG PLAN CORPORATION - Liability

Reported Loss Development at ABAG Retention Limits

Accident Year	<u>Limited Losses Reported as of:</u>										
	138 Months	150 Months	162 Months	174 Months	186 Months	198 Months	210 Months	222 Months	234 Months	246 Months	258 Months
1992-1993	841,043	841,043	841,043	841,043	835,152	5,785,152	5,810,152	5,810,152	5,810,402	5,810,402	5,810,152
1993-1994	1,704,727	1,754,727	1,708,515	1,708,564	1,708,564	1,696,149	1,696,149	1,696,149	1,696,149	1,696,149	
1994-1995	2,123,032	2,123,032	1,995,329	1,995,329	1,995,329	1,995,329	1,997,926	1,997,926	1,995,329		
1995-1996	458,209	458,209	458,209	651,879	651,879	651,879	651,879	651,879			
1996-1997	627,703	627,703	627,703	627,703	627,703	627,703	627,703				
1997-1998	2,390,163	2,390,163	2,390,163	2,390,163	2,390,163	2,390,163					
1998-1999	5,593,721	5,593,721	5,593,721	5,593,721	5,593,721						
1999-2000	1,199,915	1,199,565	1,199,565	1,199,565							
2000-2001	1,709,846	1,874,146	1,860,684								
2001-2002	4,615,125	4,643,008									
2002-2003	8,866,771										
2003-2004											
2004-2005											
2005-2006											
2006-2007											
2007-2008											
2008-2009											
2009-2010											
2010-2011											
2011-2012											
2012-2013											
2013-2014											
	138-150 Months	150-162 Months	162-174 Months	174-186 Months	186-198 Months	198-210 Months	210-222 Months	222-234 Months	234-246 Months	246-258 Months	258-Ult. Months
1992-1993	1.000	1.000	1.000	0.993	6.927	1.004	1.000	1.000	1.000	1.000	
1993-1994	1.029	0.974	1.000	1.000	0.993	1.000	1.000	1.000	1.000		
1994-1995	1.000	0.940	1.000	1.000	1.000	1.001	1.000	0.999			
1995-1996	1.000	1.000	1.423	1.000	1.000	1.000	1.000				
1996-1997	1.000	1.000	1.000	1.000	1.000	1.000					
1997-1998	1.000	1.000	1.000	1.000	1.000						
1998-1999	1.000	1.000	1.000	1.000							
1999-2000	1.000	1.000	1.000								
2000-2001	1.096	0.993									
2001-2002	1.006										
2002-2003											
2003-2004											
2004-2005											
2005-2006											
2006-2007											
2007-2008											
2008-2009											
2009-2010											
2010-2011											
2011-2012											
2012-2013											
	138-150 Months	150-162 Months	162-174 Months	174-186 Months	186-198 Months	198-210 Months	210-222 Months	222-234 Months	234-246 Months	246-258 Months	258-Ult. Months
Average	1.013	0.990	1.053	0.999	1.987	1.001	1.000	1.000	1.000	1.000	
Dollar-weighted Averages											
3-yr	1.025	0.998	1.000	1.000	1.000	1.001	1.000	1.000			
4-yr	1.015	0.999	1.000	1.000	1.000	1.001	1.000				
Industry	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000		
Prior	1.005	1.004	1.003	1.002	1.001	1.000	1.000	1.000	1.000		
Selected	1.005	1.004	1.003	1.002	1.001	1.000	1.000	1.000	1.000		
Cumulated	1.015	1.010	1.006	1.003	1.001	1.000	1.000	1.000	1.000		

ABAG PLAN CORPORATION - Liability

Paid Loss Development

Accident Year (A)	Limited Paid Losses as of 12/31/13 (B)	Paid Loss Development Factor (C)	Estimated Ultimate Limited Losses (D)
1986-1993	\$13,840,472	1.000	\$13,840,472
1993-1994	1,696,149	1.000	1,696,149
1994-1995	1,995,329	1.000	1,995,329
1995-1996	651,879	1.000	651,879
1996-1997	627,703	1.000	627,703
1997-1998	2,390,163	1.000	2,390,163
1998-1999	5,593,721	1.001	5,599,315
1999-2000	1,199,565	1.003	1,203,164
2000-2001	1,860,684	1.006	1,871,848
2001-2002	4,615,701	1.010	4,661,858
2002-2003	8,809,636	1.015	8,941,781
2003-2004	2,569,681	1.021	2,623,644
2004-2005	1,876,140	1.029	1,930,548
2005-2006	4,753,612	1.039	4,939,003
2006-2007	1,656,563	1.065	1,764,240
2007-2008	6,755,660	1.140	7,701,452
2008-2009	3,030,640	1.254	3,800,423
2009-2010	2,352,952	1.505	3,541,193
2010-2011	1,131,441	2.258	2,554,794
2011-2012	1,183,434	7.226	8,551,494
2012-2013	550,184	36.130	19,878,148
Totals	\$69,141,309		\$100,764,600

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 7b.
- (D) (B) x (C). These estimated losses exclude amounts over \$100,000 per occurrence.

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 PLAN CORPORATION - Liability

Paid Loss Development at ABAG Retention Limits

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
1992-1993											841,043
1993-1994										1,690,462	1,678,047
1994-1995									2,123,032	2,123,032	2,123,032
1995-1996								458,209	458,209	458,209	458,209
1996-1997							621,724	627,703	627,703	627,703	627,703
1997-1998						2,305,273	2,544,624	2,544,624	2,544,624	2,544,624	2,390,163
1998-1999					3,820,237	4,138,290	5,424,711	5,512,152	5,607,478	5,593,878	5,593,878
1999-2000				1,062,616	1,185,651	1,258,685	1,258,685	1,258,685	1,199,915	1,199,915	1,199,915
2000-2001			917,795	1,045,181	1,051,918	1,061,561	1,705,561	1,709,846	1,709,846	1,709,846	1,709,846
2001-2002		309,735	1,134,971	2,673,383	3,181,741	3,268,324	3,280,242	4,573,678	4,573,678	4,573,678	4,613,136
2002-2003	150,543	1,228,821	1,665,669	6,933,745	8,246,287	8,190,377	8,708,241	8,719,727	8,719,727	8,742,645	8,772,745
2003-2004	4,000	77,051	495,103	608,305	921,312	1,087,642	1,376,804	1,647,154	2,608,353	2,568,802	2,569,681
2004-2005		81,598	417,717	1,814,469	1,878,960	1,876,140	1,876,140	1,876,140	1,876,140	1,876,140	
2005-2006		247,187	294,551	1,141,504	2,514,423	3,122,718	4,717,976	4,734,927	4,753,612		
2006-2007	6,182	16,629	124,634	476,923	689,869	1,110,840	1,669,292	1,656,563			
2007-2008		73,131	687,414	1,833,480	3,126,455	5,793,113	6,755,660				
2008-2009	20,033	75,913	531,423	2,267,616	2,681,095	3,030,640					
2009-2010	219,495	304,644	724,295	2,093,891	2,352,952						
2010-2011		249,199	684,682	1,176,359							
2011-2012	14,083	197,650	1,183,434								
2012-2013		550,184									
2013-2014											

Paid Loss Development Factors:

	6-18 Months	18-30 Months	30-42 Months	42-54 Months	54-66 Months	66-78 Months	78-90 Months	90-102 Months	102-114 Months	114-126 Months	126-138 Months
1992-1993											1.000
1993-1994										0.993	1.007
1994-1995									1.000	1.000	1.000
1995-1996								1.000	1.000	1.000	1.000
1996-1997							1.010	1.000	1.000	1.000	1.000
1997-1998						1.104	1.000	1.000	1.000	0.939	1.000
1998-1999					1.083	1.311	1.016	1.017	0.998	1.000	1.000
1999-2000				1.116	1.062	1.000	1.000	0.953	1.000	1.000	1.000
2000-2001			1.139	1.006	1.009	1.607	1.003	1.000	1.000	1.000	1.000
2001-2002		3.664	2.355	1.190	1.027	1.004	1.394	1.000	1.000	1.009	1.000
2002-2003	8.163	1.356	4.163	1.189	0.993	1.063	1.001	1.000	1.003	1.003	1.004
2003-2004	19.263	6.426	1.229	1.515	1.181	1.266	1.196	1.584	0.985	1.000	
2004-2005		5.119	4.344	1.036	0.998	1.000	1.000	1.000	1.000		
2005-2006		1.192	3.875	2.203	1.242	1.511	1.004	1.004			
2006-2007	2.690	7.495	3.827	1.446	1.610	1.503	0.992				
2007-2008		9.400	2.667	1.705	1.853	1.166					
2008-2009	3.789	7.000	4.267	1.182	1.130						
2009-2010	1.388	2.378	2.891	1.124							
2010-2011		2.748	1.718								
2011-2012	14.035	5.988									
2012-2013											
2013-2014											
Average	8.221	4.797	2.952	1.337	1.199	1.230	1.056	1.051	0.999	0.995	1.001
Dollar-weighted Averages											
3-yr		3.450	2.854	1.317	1.529	1.311	1.001	1.119	0.999	1.004	1.003
4-yr		3.775	2.805	1.327	1.449	1.262	1.028	1.058	0.999	1.004	1.002
Industry Pnr	11.043	3.182	1.786	1.350	1.166	1.088	1.062	1.040	1.026	1.013	1.005
Selected	12.000	5.000	3.200	1.600	1.250	1.100	1.070	1.025	1.010	1.008	1.006
Cumulated	433.560	36.130	7.226	2.258	1.505	1.254	1.140	1.065	1.039	1.029	1.021

ABAG PLAN CORPORATION - Liability

Paid Loss Development at ABAG Retention Limits

Accident Year	<u>Limited Losses Paid as of:</u>										
	138 Months	150 Months	162 Months	174 Months	186 Months	198 Months	210 Months	222 Months	234 Months	246 Months	258 Months
1992-1993	841,043	841,043	841,043	841,043	835,152	5,785,152	5,810,152	5,810,152	5,810,402	5,810,402	5,810,152
1993-1994	1,690,462	1,703,569	1,708,515	1,708,564	1,708,564	1,696,149	1,696,149	1,696,149	1,696,149	1,696,149	1,696,149
1994-1995	2,123,032	2,123,032	1,995,329	1,995,329	1,995,329	1,995,329	1,997,926	1,997,926	1,995,329		
1995-1996	458,209	458,209	458,209	651,879	651,879	651,879	651,879	651,879			
1996-1997	627,703	627,703	627,703	627,703	627,703	627,703	627,703				
1997-1998	2,390,163	2,390,163	2,390,163	2,390,163	2,390,163	2,390,163					
1998-1999	5,593,721	5,593,721	5,593,721	5,593,721	5,593,721						
1999-2000	1,199,915	1,199,565	1,199,565	1,199,565							
2000-2001	1,709,846	1,804,869	1,860,684								
2001-2002	4,615,125	4,615,701									
2002-2003	8,809,636										
2003-2004											
2004-2005											
2005-2006											
2006-2007											
2007-2008											
2008-2009											
2009-2010											
2010-2011											
2011-2012											
2012-2013											
2013-2014											
	138-150 Months	150-162 Months	162-174 Months	174-186 Months	186-198 Months	198-210 Months	210-222 Months	222-234 Months	234-246 Months	246-258 Months	258-Ult. Months
1992-1993	1.000	1.000	1.000	0.993	6.927	1.004	1.000	1.000	1.000	1.000	1.000
1993-1994	1.008	1.003	1.000	1.000	0.993	1.000	1.000	1.000	1.000		
1994-1995	1.000	0.940	1.000	1.000	1.000	1.001	1.000	0.999			
1995-1996	1.000	1.000	1.423	1.000	1.000	1.000	1.000				
1996-1997	1.000	1.000	1.000	1.000	1.000	1.000					
1997-1998	1.000	1.000	1.000	1.000	1.000						
1998-1999	1.000	1.000	1.000	1.000							
1999-2000	1.000	1.000	1.000								
2000-2001	1.056	1.031									
2001-2002	1.000										
2002-2003											
2003-2004											
2004-2005											
2005-2006											
2006-2007											
2007-2008											
2008-2009											
2009-2010											
2010-2011											
2011-2012											
2012-2013											
	138-150 Months	150-162 Months	162-174 Months	174-186 Months	186-198 Months	198-210 Months	210-222 Months	222-234 Months	234-246 Months	246-258 Months	258-Ult. Months
Average	1.006	0.997	1.053	0.999	1.987	1.001	1.000	1.000	1.000	1.000	
Dollar-weighted Averages											
3-yr	1.013	1.006	1.000	1.000	1.000	1.001	1.000	1.000			
4-yr	1.007	1.005	1.000	1.000	1.000	1.001	1.000				
Industry	1.005	1.005	1.004	1.004	1.004	1.003	1.002	1.002	1.001		
Prior	1.005	1.004	1.003	1.002	1.001	1.000	1.000	1.000	1.000		
Selected	1.005	1.004	1.003	1.002	1.001	1.000	1.000	1.000	1.000		
Cumulated	1.015	1.010	1.006	1.003	1.001	1.000	1.000	1.000	1.000		

ABAG PLAN CORPORATION - Liability

Exposure and Development Method
Based on Reported Losses

Accident Year	Composite Exposure (A)	Reported Losses as of 12/31/13 (B)	Loss Development Factor (C)	Percentage of Losses Yet to Be Reported (D)	Program Rate (E)	Incurred but not Reported (IBNR) (F)	Estimated Ultimate Losses (G)
1986-1993	16,239,338	\$13,840,472	1.000	0.000	\$0.852	\$0	\$13,840,472
1993-1994	3,010,346	1,696,149	1.000	0.000	0.563	0	1,696,149
1994-1995	3,073,771	1,995,329	1.000	0.000	0.649	0	1,995,329
1995-1996	3,159,932	651,879	1.000	0.000	0.206	0	651,879
1996-1997	3,159,423	627,703	1.000	0.000	0.199	0	627,703
1997-1998	3,271,328	2,390,163	1.000	0.000	0.731	0	2,390,163
1998-1999	3,463,235	5,593,721	1.001	0.001	1.615	5,593	5,599,314
1999-2000	3,664,293	1,199,565	1.003	0.003	0.327	3,595	1,203,160
2000-2001	3,827,945	1,860,684	1.006	0.006	0.486	11,162	1,871,846
2001-2002	4,152,131	4,643,008	1.010	0.010	1.129	46,878	4,689,886
2002-2003	4,514,625	8,866,771	1.015	0.015	1.987	134,558	9,001,329
2003-2004	4,603,406	2,569,681	1.021	0.021	0.558	53,943	2,623,624
2004-2005	5,257,122	1,876,140	1.028	0.027	0.357	50,673	1,926,813
2005-2006	5,238,794	5,171,734	1.038	0.037	1.008	195,386	5,367,120
2006-2007	5,355,566	1,656,699	1.054	0.051	0.327	89,315	1,746,014
2007-2008	5,522,681	6,805,660	1.075	0.070	1.339	517,641	7,323,301
2008-2009	5,569,288	5,319,801	1.118	0.106	1.173	692,474	6,012,275
2009-2010	5,255,386	3,528,002	1.207	0.171	1.208	1,085,595	4,613,597
2010-2011	4,753,943	1,710,508	1.448	0.309	1.245	1,828,866	3,539,374
2011-2012	3,934,204	7,639,893	1.955	0.488	1.282	2,461,301	10,101,194
2012-2013	3,783,057	4,921,268	6.158	0.838	1.320	4,184,666	9,105,934
Totals	\$100,809,814	\$84,564,830				\$11,361,646	\$95,926,476

Notes:

- (A) Provided by ABAG.
- (B) Provided by ABAG. These losses exclude amounts incurred above the Authority's SIR for each year.
- (C) From Appendix A, Page 6a, Column (F).
- (D) $1 - 1/(C)$.
- (E) From Appendix A, Page 8c, Column (H).
- (F) $(A) \times (D) \times (E)$.
- (G) $(B) + (F)$.

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

ABAG PLAN CORPORATION - Liability

Exposure and Development Method
Based on Paid Losses

Accident Year	Composite Exposure (A)	Paid Losses as of 12/31/13 (B)	Loss Development Factor (C)	Percentage of Losses Yet to Be Paid (D)	Program Rate (E)	Incurred but not Paid (F)	Estimated Ultimate Losses (G)
1986-1993	16,239,338	\$13,840,472	1.000	0.000	\$0.852	\$0	\$13,840,472
1993-1994	3,010,346	1,696,149	1.000	0.000	0.563	0	1,696,149
1994-1995	3,073,771	1,995,329	1.000	0.000	0.649	0	1,995,329
1995-1996	3,159,932	651,879	1.000	0.000	0.206	0	651,879
1996-1997	3,159,423	627,703	1.000	0.000	0.199	0	627,703
1997-1998	3,271,328	2,390,163	1.000	0.000	0.731	0	2,390,163
1998-1999	3,463,235	5,593,721	1.001	0.001	1.615	5,593	5,599,314
1999-2000	3,664,293	1,199,565	1.003	0.003	0.327	3,595	1,203,160
2000-2001	3,827,945	1,860,684	1.006	0.006	0.486	11,162	1,871,846
2001-2002	4,152,131	4,615,701	1.010	0.010	1.129	46,878	4,662,579
2002-2003	4,514,625	8,809,636	1.015	0.015	1.987	134,558	8,944,194
2003-2004	4,603,406	2,569,681	1.021	0.021	0.558	53,943	2,623,624
2004-2005	5,257,122	1,876,140	1.029	0.028	0.357	52,550	1,928,690
2005-2006	5,238,794	4,753,612	1.039	0.038	1.008	200,667	4,954,279
2006-2007	5,355,566	1,656,563	1.065	0.061	0.327	106,827	1,763,390
2007-2008	5,522,681	6,755,660	1.140	0.123	1.339	909,569	7,665,229
2008-2009	5,569,288	3,030,640	1.254	0.203	1.173	1,326,153	4,356,793
2009-2010	5,255,386	2,352,952	1.505	0.336	1.208	2,133,098	4,486,050
2010-2011	4,753,943	1,131,441	2.258	0.557	1.245	3,296,693	4,428,134
2011-2012	3,934,204	1,183,434	7.226	0.862	1.282	4,347,626	5,531,060
2012-2013	3,783,057	550,184	36.130	0.972	1.320	4,853,813	5,403,997
Totals	\$100,809,814	\$69,141,309				\$17,482,725	\$86,624,034

Notes:

- (A) Provided by ABAG.
- (B) Provided by ABAG. These losses exclude amounts paid above the Authority's SIR for each year.
- (C) From Appendix A, Page 7a.
- (D) $1 - 1/(C)$.
- (E) From Appendix A, Page 8c, Column (H).
- (F) $(A) \times (D) \times (E)$.
- (G) $(B) + (F)$.

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

ABAG PLAN CORPORATION - Liability

Exposure and Development Method

Accident Year	Composite Exposure (A)	Estimated Ultimate Limited Losses (B)	Claim Cost Trend Factor (C)	Adjusted Losses (D)	Ratio of Adjusted Losses to Exposure (E)	Limited Rate (F)	Factor to SIR (G)	Program Rate (H)
1986-1993	16,239,338	\$13,840,472	1.860	\$25,747,355	\$1.585	\$0.852	1.000	\$0.852
1993-1994	3,010,346	1,696,149	1.806	3,063,434	1.018	0.563	1.000	0.563
1994-1995	3,073,771	1,995,329	1.754	3,498,821	1.138	0.649	1.000	0.649
1995-1996	3,159,932	651,879	1.702	1,109,780	0.351	0.206	1.000	0.206
1996-1997	3,159,423	627,703	1.653	1,037,497	0.328	0.199	1.000	0.199
1997-1998	3,271,328	2,390,163	1.605	3,835,510	1.172	0.731	1.000	0.731
1998-1999	3,463,235	5,593,721	1.558	8,714,835	2.516	1.615	1.000	1.615
1999-2000	3,664,293	1,199,565	1.513	1,814,450	0.495	0.327	1.000	0.327
2000-2001	3,827,945	1,860,684	1.469	2,732,477	0.714	0.486	1.000	0.486
2001-2002	4,152,131	4,689,000	1.426	6,685,393	1.610	1.129	1.000	1.129
2002-2003	4,514,625	8,971,000	1.384	12,417,962	2.751	1.987	1.000	1.987
2003-2004	4,603,406	2,569,681	1.344	3,453,436	0.750	0.558	1.000	0.558
2004-2005	5,257,122	1,876,140	1.305	2,447,937	0.466	0.357	1.000	0.357
2005-2006	5,238,794	5,282,000	1.267	6,691,080	1.277	1.008	1.000	1.008
2006-2007	5,355,566	1,750,000	1.230	2,152,279	0.402	0.327	1.000	0.327
2007-2008	5,522,681	7,393,000	1.194	8,827,629	1.598	1.339	1.000	1.339
2008-2009	5,569,288	5,518,000	1.159	6,396,874	1.149	1.173	1.000	1.173
2009-2010	5,255,386	4,115,000	1.126	4,631,469	0.881	1.208	1.000	1.208
2010-2011	4,753,943	2,492,000	1.093	2,723,076	0.573	1.245	1.000	1.245
2011-2012	3,934,204	9,828,000	1.061	10,426,525	2.650	1.282	1.000	1.282
2012-2013	3,783,057	19,878,000	1.030	20,474,340	5.412	1.320	1.000	1.320
Total/Avg	\$100,809,814	\$104,217,486		\$138,882,159	\$1.378			
02/03-11/12	50,005,015	49,794,821		60,168,267	\$1.203			
03/04-12/13	49,273,447	60,701,821		68,224,645	\$1.385			
				Selected Limited Rate:	\$1.360			
				Prior:	\$1.300			

Notes:

- (A) Provided by ABAG.
- (B) Selected average of results from Appendices A and A.
- (C) We assume that losses are increasing at 3.0% per year.
- (D) (B) x (C).
- (E) (D) / (A).
- (F) Selected Limited Rate / (C). For 1992-93 and prior (B) / (A).
- (G) Based on a Burr distribution, a mathematical model of claim sizes.
- (H) (F) x (G).

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

ABAG PLAN CORPORATION - Liability

Exposure Measures

Accident Year	Population (A)	Gross Revenue (\$00) (B)	Total Payroll (\$00) (C)	Sheriff's Payroll (\$00) (D)	Number of Police Vehicles (E)	Number of Employees (FTE) (F)	Inflation Trend Factor (G)
1986-1993			9,672,030				1.679
1993-1994			1,837,818				1.638
1994-1995			1,923,511				1.598
1995-1996			2,026,897				1.559
1996-1997			2,077,201				1.521
1997-1998			2,204,399				1.484
1998-1999			2,391,737				1.448
1999-2000			2,593,272				1.413
2000-2001			2,775,885				1.379
2001-2002			3,087,086				1.345
2002-2003			3,441,025				1.312
2003-2004			3,596,411				1.280
2004-2005			4,209,065				1.249
2005-2006			4,297,616				1.219
2006-2007			4,504,261				1.189
2007-2008			4,760,932				1.160
2008-2009			4,919,866				1.132
2009-2010			4,760,313				1.104
2010-2011			4,414,060				1.077
2011-2012			3,743,296				1.051
2012-2013			3,690,787				1.025
2013-2014			3,778,924				1.000
2014-2015			3,862,997				1.000

Notes: All exposure data provided by ABAG.

ABAG PLAN CORPORATION - Liability

Adjusted Exposure Measures

Accident Year	Population (A)	Gross Revenue (B)	Total Payroll (C)	Sheriff's Payroll (D)	Number of Police Vehicles (E)	Number of Employees (FTE) (F)	Composite Exposure (G)
1986-1993			16,239,338				16,239,338
1993-1994			3,010,346				3,010,346
1994-1995			3,073,771				3,073,771
1995-1996			3,159,932				3,159,932
1996-1997			3,159,423				3,159,423
1997-1998			3,271,328				3,271,328
1998-1999			3,463,235				3,463,235
1999-2000			3,664,293				3,664,293
2000-2001			3,827,945				3,827,945
2001-2002			4,152,131				4,152,131
2002-2003			4,514,625				4,514,625
2003-2004			4,603,406				4,603,406
2004-2005			5,257,122				5,257,122
2005-2006			5,238,794				5,238,794
2006-2007			5,355,566				5,355,566
2007-2008			5,522,681				5,522,681
2008-2009			5,569,288				5,569,288
2009-2010			5,255,386				5,255,386
2010-2011			4,753,943				4,753,943
2011-2012			3,934,204				3,934,204
2012-2013			3,783,057				3,783,057
2013-2014			3,778,924				3,778,924
2014-2015			3,862,997				3,862,997
Weight	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	

Notes: Monetary exposures have been adjusted for inflation before calculating the adjusted exposure measures. All exposures from page 1 have been adjusted to a common level.
Composite Exposure = (0.0% x Population) + (0.0% x Revenue) + (100.0% x Total Payroll) + (0.0% x Sheriff's Payroll) + (0.0% x Police Vehicles) + (0.0% x (FTE)).

ABAG PLAN CORPORATION - Liability

Payment and Reserve Forecast

<u>Accident Year</u>	<u>As of</u> <u>12/31/2013</u>	<u>Calendar Period</u>	
		<u>1/1/2014</u> <u>to</u> <u>6/30/2014</u>	<u>7/1/2014</u> <u>to</u> <u>6/30/2015</u>
Prior			
Ultimate Loss	\$18,811,532	\$18,811,532	\$18,811,532
Paid in Calendar Period	-	0	0
Paid to Date	18,811,532	18,811,532	18,811,532
Outstanding Liability	0	0	0
1997-1998			
Ultimate Loss	\$2,390,163	\$2,390,163	\$2,390,163
Paid in Calendar Period	-	0	0
Paid to Date	2,390,163	2,390,163	2,390,163
Outstanding Liability	0	0	0
1998-1999			
Ultimate Loss	\$5,593,721	\$5,593,721	\$5,593,721
Paid in Calendar Period	-	0	0
Paid to Date	5,593,721	5,593,721	5,593,721
Outstanding Liability	0	0	0
1999-2000			
Ultimate Loss	\$1,199,565	\$1,199,565	\$1,199,565
Paid in Calendar Period	-	0	0
Paid to Date	1,199,565	1,199,565	1,199,565
Outstanding Liability	0	0	0
2000-2001			
Ultimate Loss	\$1,860,684	\$1,860,684	\$1,860,684
Paid in Calendar Period	-	0	0
Paid to Date	1,860,684	1,860,684	1,860,684
Outstanding Liability	0	0	0
2001-2002			
Ultimate Loss	\$4,689,000	\$4,689,000	\$4,689,000
Paid in Calendar Period	-	14,513	29,275
Paid to Date	4,615,701	4,630,214	4,659,489
Outstanding Liability	73,299	58,786	29,511
2002-2003			
Ultimate Loss	\$8,971,000	\$8,971,000	\$8,971,000
Paid in Calendar Period	-	31,950	42,836
Paid to Date	8,809,636	8,841,586	8,884,422
Outstanding Liability	161,364	129,414	86,578

ABAG PLAN CORPORATION - Liability
Payment and Reserve Forecast

<u>Accident Year</u>	<u>As of</u> <u>12/31/2013</u>	<u>Calendar Period</u>	
		<u>1/1/2014</u> <u>to</u> <u>6/30/2014</u>	<u>7/1/2014</u> <u>to</u> <u>6/30/2015</u>
2003-2004			
Ultimate Loss	\$2,569,681	\$2,569,681	\$2,569,681
Paid in Calendar Period	-	0	0
Paid to Date	2,569,681	2,569,681	2,569,681
Outstanding Liability	0	0	0
2004-2005			
Ultimate Loss	\$1,876,140	\$1,876,140	\$1,876,140
Paid in Calendar Period	-	0	0
Paid to Date	1,876,140	1,876,140	1,876,140
Outstanding Liability	0	0	0
2005-2006			
Ultimate Loss	\$5,282,000	\$5,282,000	\$5,282,000
Paid in Calendar Period	-	65,520	119,420
Paid to Date	4,753,612	4,819,132	4,938,552
Outstanding Liability	528,388	462,868	343,448
2006-2007			
Ultimate Loss	\$1,750,000	\$1,750,000	\$1,750,000
Paid in Calendar Period	-	17,753	25,354
Paid to Date	1,656,563	1,674,316	1,699,670
Outstanding Liability	93,437	75,684	50,330
2007-2008			
Ultimate Loss	\$7,393,000	\$7,393,000	\$7,393,000
Paid in Calendar Period	-	161,247	219,479
Paid to Date	6,755,660	6,916,907	7,136,386
Outstanding Liability	637,340	476,093	256,614
2008-2009			
Ultimate Loss	\$5,518,000	\$5,518,000	\$5,518,000
Paid in Calendar Period	-	492,497	867,765
Paid to Date	3,030,640	3,523,137	4,390,902
Outstanding Liability	2,487,360	1,994,863	1,127,098
2009-2010			
Ultimate Loss	\$4,115,000	\$4,115,000	\$4,115,000
Paid in Calendar Period	-	348,886	559,612
Paid to Date	2,352,952	2,701,838	3,261,450
Outstanding Liability	1,762,048	1,413,162	853,550

ABAG PLAN CORPORATION - Liability

Payment and Reserve Forecast

<u>Accident Year</u>	<u>As of</u> <u>12/31/2013</u>	<u>Calendar Period</u>	
		<u>1/1/2014</u> <u>to</u> <u>6/30/2014</u>	<u>7/1/2014</u> <u>to</u> <u>6/30/2015</u>
2010-2011			
Ultimate Loss	\$8,200,000	\$8,200,000	\$8,200,000
Paid in Calendar Period	-	1,397,704	2,233,497
Paid to Date	1,176,360	2,574,064	4,807,561
Outstanding Liability	7,023,640	5,625,936	3,392,439
2011-2012			
Ultimate Loss	\$9,780,000	\$9,780,000	\$9,780,000
Paid in Calendar Period	-	1,521,592	2,624,815
Paid to Date	1,183,434	2,705,026	5,329,841
Outstanding Liability	8,596,566	7,074,974	4,450,159
2012-2013			
Ultimate Loss	\$8,736,000	\$8,736,000	\$8,736,000
Paid in Calendar Period	-	466,592	1,744,545
Paid to Date	550,184	1,016,776	2,761,321
Outstanding Liability	8,185,816	7,719,224	5,974,679
2013-2014			
Ultimate Loss	\$2,855,000	\$5,710,000	\$5,710,000
Paid in Calendar Period	-	74,230	388,868
Paid to Date	-	74,230	463,098
Outstanding Liability	2,855,000	5,635,770	5,246,902
2014-2015			
Ultimate Loss	-	-	\$6,024,000
Paid in Calendar Period	-	-	90,360
Paid to Date	-	-	90,360
Outstanding Liability	-	-	5,933,640
Totals			
Ultimate Loss	\$101,590,486	\$104,445,486	\$110,469,486
Paid in Calendar Period	-	4,592,484	8,945,826
Paid to Date	69,186,228	73,778,712	82,724,538
Outstanding Liability	32,404,258	30,666,774	27,744,948
Total Outstanding ULAE	0	0	0
Outstanding Liability plus ULAE	32,404,258	30,666,774	27,744,948

Notes appear on the next page.

ABAG PLAN CORPORATION - Liability

Payment and Reserve Forecast

Notes to previous page:

- Accident Year is associated with date of loss. Calendar Period is associated with date of transaction. For example, for the losses which occurred during 2011-2012, \$1,521,592 is expected to be paid between 1/1/14 and 6/30/14, \$2,705,026 will have been paid by 6/30/14, and the reserve for remaining payments on these claims should be \$7,074,974.
- Ultimate Losses for each accident year are from Appendix A, Page 3.
- 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, \$2,624,815 = \$7,074,974 x 37.1%.
- Paid to Date is Paid in Calendar Period plus Paid to Date from previous calendar period. For example, \$5,329,841 = \$2,624,815 + \$2,705,026.
- Outstanding Liability is Ultimate Loss minus Paid to Date. For example, \$7,074,974 = \$9,780,000 - \$2,705,026.

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 PLAN Corporation - Liability Program (\$100K and \$1M Analysis)

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

Accident Year	Estimated Ultimate \$100K Limited Losses (A)	Estimated Ultimate \$1M Limited Losses (B)	Estimated Ultimate \$100K - \$1M Losses (C)	Trend Factor (D)	Adjusted \$100K - \$1M Losses (E)	Composite Exposure (F)	Trended \$100K - \$1M Loss Rate (G)
1986-1993	\$13,949,000	21,730,000	7,781,000	1.087	\$8,458,000	16,239,338	\$0.521
1993-1994	2,507,317	3,929,985	1,422,668	1.083	1,541,000	3,010,346	0.512
1994-1995	2,792,035	4,425,406	1,633,371	1.079	1,762,000	3,073,771	0.573
1995-1996	2,146,026	2,606,086	460,060	1.075	495,000	3,159,932	0.157
1996-1997	2,573,489	2,844,489	271,000	1.070	290,000	3,159,423	0.092
1997-1998	3,047,280	5,144,132	2,096,852	1.066	2,235,000	3,271,328	0.683
1998-1999	2,537,000	4,359,000	1,822,000	1.062	1,935,000	3,463,235	0.559
1999-2000	1,825,620	2,790,112	964,492	1.057	1,019,000	3,664,293	0.278
2000-2001	2,482,404	4,214,381	1,731,977	1.053	1,824,000	3,827,945	0.476
2001-2002	3,029,000	6,001,000	2,972,000	1.049	3,118,000	4,152,131	0.751
2002-2003	4,977,421	9,547,000	4,569,579	1.045	4,775,000	4,514,625	1.058
2003-2004	3,560,542	5,766,423	2,205,881	1.041	2,296,000	4,603,406	0.499
2004-2005	2,872,000	4,596,000	1,724,000	1.037	1,788,000	5,257,122	0.340
2005-2006	3,807,000	7,128,000	3,321,000	1.032	3,427,000	5,238,794	0.654
2006-2007	3,424,000	4,939,000	1,515,000	1.028	1,557,000	5,355,566	0.291
2007-2008	4,380,000	9,028,000	4,648,000	1.024	4,760,000	5,522,681	0.862
2008-2009	3,524,000	7,027,000	3,503,000	1.020	3,573,000	5,569,288	0.642
2009-2010	3,296,000	6,876,000	3,580,000	1.016	3,637,000	5,255,386	0.692
2010-2011	2,874,000	6,469,000	3,595,000	1.012	3,638,000	4,753,943	0.765
2011-2012	4,005,000	11,165,000	7,160,000	1.008	7,217,000	3,934,204	1.834
2012-2013	5,299,000	12,429,000	7,130,000	1.004	7,159,000	3,783,057	1.892
Totals	\$78,908,134	\$143,015,014	\$64,106,880		\$66,504,000	100,809,814	0.660
05/06-12/13	33,481,000	69,657,000	36,176,000		36,756,000	44,670,041	0.823
06/07-12/13	26,802,000	57,933,000	31,131,000		31,541,000	34,174,125	0.923
08/09-12/13	18,998,000	43,966,000	24,968,000		25,224,000	23,295,878	1.083
						Prior:	0.990
						Selected Loss Rate for 2013-14:	0.940
						Selected Loss Rate for 2014-15:	0.978

- (A) From Appendix B, Page 3, Column (F).
- (B) From Appendix B, Page 2, Column (F).
These losses exclude amounts incurred over \$1,000,000.
- (C) (B) - (A).
- (D) We assume that losses are increasing at .4% per year.
- (E) (C) x (D).
- (F) Percentage of incurred but not reported (IBNR) expected to be reported between 1/1//14 and 6/30/14. The percentage is based on the development pattern selected in Appendix B, Page 4b.
- (G) (C) x (F).

ABAG PLAN Corporation - Liability Program (\$100K and \$1M Analysis)

Estimated Ultimate \$1M Limited 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 \$1M Limited Losses (F)
1986-1993	\$21,729,383	\$21,719,383	\$21,729,383	\$21,719,383	\$18,815,016	\$21,730,000
1993-1994	3,929,985	3,929,985	3,929,985	3,929,985	3,721,616	3,929,985
1994-1995	4,425,406	4,425,406	4,425,406	4,425,406	4,214,880	4,425,406
1995-1996	2,606,086	2,606,086	2,606,086	2,606,086	3,295,110	2,606,086
1996-1997	2,844,489	2,844,489	2,844,489	2,844,489	4,020,852	2,844,489
1997-1998	5,144,132	5,144,132	5,144,132	5,144,132	4,845,000	5,144,132
1998-1999	4,358,966	4,333,966	4,358,966	4,333,966	4,108,356	4,359,000
1999-2000	2,792,902	2,792,902	2,793,124	2,793,124	3,014,400	2,790,112
2000-2001	4,222,810	4,222,810	4,222,734	4,222,734	4,180,608	4,214,381
2001-2002	6,001,370	5,973,953	5,998,287	5,970,979	5,201,262	6,001,000
2002-2003	9,546,686	9,498,641	9,542,054	9,493,637	8,713,986	9,547,000
2003-2004	5,818,321	5,829,854	5,823,680	5,836,404	6,365,848	5,766,423
2004-2005	4,595,772	4,613,888	4,604,047	4,624,921	5,235,560	4,596,000
2005-2006	7,128,474	6,929,332	7,130,110	6,930,073	7,089,381	7,128,000
2006-2007	4,938,582	5,000,902	4,977,928	5,055,826	6,511,889	4,939,000
2007-2008	8,956,497	9,098,581	8,934,993	9,052,877	8,501,088	9,028,000
2008-2009	6,889,430	6,381,119	7,026,748	6,720,303	8,465,184	7,027,000
2009-2010	6,655,975	6,305,868	6,876,169	6,834,392	7,973,308	6,876,000
2010-2011	6,069,507	4,963,128	6,469,442	6,139,074	6,613,124	6,469,000
2011-2012	13,012,470	8,602,991	11,164,763	7,550,403	6,454,287	11,165,000
2012-2013	19,245,030	8,398,286	12,429,464	7,063,646	7,574,084	12,429,000
Totals						\$143,015,014

Notes:

- (A) From Appendix B, Page 4a, Column (G).
- (B) From Appendix B, Page 5a, Column (G).
- (C) From Appendix B, Page 6a, Column (G).
- (D) From Appendix B, Page 6b, Column (G).
- (E) From Appendix B, Page 7a, Column (C).
- (F) Selected averages of (A), (B), (C), (D), and (E).

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 PLAN Corporation - Liability Program (\$100K and \$1M Analysis)

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)
1986-1993	\$13,947,979	\$13,937,979	\$13,947,979	\$13,937,979	\$13,949,969	\$13,949,000
1993-1994	2,507,317	2,507,317	2,507,317	2,507,317	2,507,592	2,507,317
1994-1995	2,792,035	2,792,035	2,792,035	2,792,035	2,792,160	2,792,035
1995-1996	2,146,026	2,146,026	2,146,026	2,146,026	2,146,330	2,146,026
1996-1997	2,573,489	2,573,489	2,573,489	2,573,489	2,573,404	2,573,489
1997-1998	3,047,280	3,047,280	3,047,280	3,047,280	3,047,250	3,047,280
1998-1999	2,535,722	2,510,722	2,535,722	2,510,722	2,536,842	2,537,000
1999-2000	1,825,620	1,825,620	1,825,620	1,825,620	1,825,920	1,825,620
2000-2001	2,482,404	2,482,404	2,482,404	2,482,404	2,482,464	2,482,404
2001-2002	3,027,919	3,000,611	3,027,919	3,000,611	3,028,647	3,029,000
2002-2003	4,977,421	4,982,398	4,977,421	4,982,401	4,977,576	4,977,421
2003-2004	3,560,542	3,571,224	3,560,542	3,571,217	3,560,446	3,560,542
2004-2005	2,866,202	2,883,351	2,866,202	2,883,376	2,871,820	2,872,000
2005-2006	3,799,470	3,821,875	3,799,483	3,822,187	3,806,694	3,807,000
2006-2007	3,408,566	3,456,045	3,408,675	3,456,536	3,424,313	3,424,000
2007-2008	4,397,293	4,346,871	4,397,485	4,346,720	4,380,288	4,380,000
2008-2009	3,495,595	3,502,590	3,517,610	3,554,667	4,271,176	3,524,000
2009-2010	3,238,446	3,271,117	3,275,384	3,359,009	3,937,428	3,296,000
2010-2011	2,823,039	2,745,000	2,891,433	2,946,444	3,197,594	2,874,000
2011-2012	4,023,169	3,295,313	3,948,907	3,288,892	3,057,093	4,005,000
2012-2013	5,420,099	3,206,545	4,935,175	3,179,299	3,512,264	5,299,000
Totals						\$78,908,134

Notes:

- (A) From Appendix B, Page 4a, Column (D).
- (B) From Appendix B, Page 5a, Column (D).
- (C) Based on results in Appendix B, Page 6a.
- (D) Based on results in Appendix B, Page 6b.
- (E) Based on results in Appendix B, Page 7a.
- (F) Selected averages of (A), (B), (C), (D), and (E).

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 PLAN Corporation - Liability Program (\$100K and \$1M Analysis)

Reported Loss Development

Accident Year (A)	\$100K Limited Reported Losses as of 12/31/13 (B)	Reported Loss Development Factor (C)	Ultimate \$100K Limited Losses (D)	\$1M Limited Reported Losses of 12/31/13 (E)	Reported Loss Development Factor (F)	Ultimate Program Losses (G)
1986-1993	\$13,947,979	1.000	\$13,947,979	\$21,729,383	1.000	\$21,729,383
1993-1994	2,507,317	1.000	2,507,317	3,929,985	1.000	3,929,985
1994-1995	2,792,035	1.000	2,792,035	4,425,406	1.000	4,425,406
1995-1996	2,146,026	1.000	2,146,026	2,606,086	1.000	2,606,086
1996-1997	2,573,489	1.000	2,573,489	2,844,489	1.000	2,844,489
1997-1998	3,047,280	1.000	3,047,280	5,144,132	1.000	5,144,132
1998-1999	2,535,722	1.000	2,535,722	4,358,966	1.000	4,358,966
1999-2000	1,825,620	1.000	1,825,620	2,790,112	1.001	2,792,902
2000-2001	2,482,404	1.000	2,482,404	4,214,381	1.002	4,222,810
2001-2002	3,027,919	1.000	3,027,919	5,977,460	1.004	6,001,370
2002-2003	4,977,421	1.000	4,977,421	9,489,748	1.006	9,546,686
2003-2004	3,560,542	1.000	3,560,542	5,766,423	1.009	5,818,321
2004-2005	2,866,202	1.000	2,866,202	4,541,277	1.012	4,595,772
2005-2006	3,795,674	1.001	3,799,470	7,002,430	1.018	7,128,474
2006-2007	3,394,986	1.004	3,408,566	4,808,746	1.027	4,938,582
2007-2008	4,358,070	1.009	4,397,293	8,612,016	1.040	8,956,497
2008-2009	3,430,417	1.019	3,495,595	6,462,880	1.066	6,889,430
2009-2010	3,131,959	1.034	3,238,446	5,969,484	1.115	6,655,975
2010-2011	2,650,741	1.065	2,823,039	4,918,563	1.234	6,069,507
2011-2012	3,631,019	1.108	4,023,169	9,067,923	1.435	13,012,470
2012-2013	4,254,395	1.274	5,420,099	8,680,663	2.217	19,245,030
Totals	\$76,937,217		\$78,895,633	\$133,340,553		\$150,912,273

Notes:

- (A) Years are 7/1 to 6/30.
- (B) Provided by ABAG. These losses exclude amount over the SIR.
- (C) From Appendix B, Page 4b.
- (D) (B) x (C). These estimated losses exclude amount over the SIR.
- (E) Losses capped at the Authority's SIR. Amounts are provided by ABAG.
- (F) Derived from factors on Appendix B, Page 4d.
- (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 PLAN Corporation - Liability Program (\$100K and \$1M Analysis)
Reported Loss Development

\$100K Limited Losses Reported as of:

Accident Year	6 Months	18 Months	30 Months	42 Months	54 Months	66 Months	78 Months	90 Months	102 Months	114 Months	126 Months
1992-1993											2,897,152
1993-1994										2,507,317	2,507,317
1994-1995									2,829,061	2,829,061	2,829,061
1995-1996								2,044,858	2,044,858	2,044,858	2,044,858
1996-1997							2,586,401	2,575,189	2,573,489	2,573,489	2,573,489
1997-1998						3,262,022	3,061,911	3,061,911	3,061,911	3,061,911	2,997,280
1998-1999					2,506,534	2,457,886	2,464,836	2,506,807	2,506,307	2,495,192	2,508,064
1999-2000				1,887,472	1,844,959	1,844,459	1,838,459	1,825,620	1,825,620	1,825,620	1,825,620
2000-2001			2,502,195	2,256,049	2,413,689	2,435,656	2,425,865	2,387,404	2,387,404	2,382,404	2,382,404
2001-2002		2,356,125	2,422,293	2,794,437	2,851,519	2,940,724	2,987,766	2,939,481	2,956,981	2,951,981	3,039,481
2002-2003	1,341,283	3,829,893	4,293,424	4,604,949	4,740,657	4,821,491	4,811,984	4,901,984	4,966,984	5,011,984	4,977,421
2003-2004	702,623	2,248,188	2,863,892	3,229,117	3,366,140	3,528,698	3,560,692	3,460,542	3,560,542	3,560,542	3,560,542
2004-2005	909,032	2,172,504	3,103,889	2,811,093	3,026,321	2,861,424	2,893,524	2,858,702	2,866,202	2,866,202	
2005-2006	584,388	2,569,384	3,328,173	3,524,433	3,669,875	3,689,497	3,765,682	3,770,624	3,795,674		
2006-2007	776,086	2,403,595	2,905,504	3,039,627	3,179,650	3,297,534	3,391,424	3,394,986			
2007-2008	1,054,492	2,921,920	3,743,710	4,332,780	4,420,360	4,381,184	4,358,070				
2008-2009	543,401	2,839,064	3,484,984	3,288,639	3,398,037	3,430,417					
2009-2010	763,697	3,371,740	3,848,137	3,115,304	3,131,959						
2010-2011	510,509	2,770,955	2,742,484	2,650,741							
2011-2012	602,255	3,518,281	3,631,019								
2012-2013	465,105	4,254,395									
2013-2014	842,948										

Reported Loss Development Factors:

	6-18 Months	18-30 Months	30-42 Months	42-54 Months	54-66 Months	66-78 Months	78-90 Months	90-102 Months	102-114 Months	114-126 Months	126-138 Months
1992-1993											1.000
1993-1994										1.000	1.000
1994-1995									1.000	1.000	1.000
1995-1996								1.000	1.000	1.000	1.000
1996-1997							0.996	0.999	1.000	1.000	1.000
1997-1998						0.939	1.000	1.000	1.000	0.979	1.000
1998-1999					0.981	1.003	1.017	1.000	0.996	1.005	1.000
1999-2000				0.977	1.000	0.997	0.993	1.000	1.000	1.000	1.000
2000-2001			0.902	1.070	1.009	0.996	0.984	1.000	0.998	1.000	1.000
2001-2002		1.028	1.154	1.020	1.031	1.016	0.984	1.006	0.998	1.030	0.987
2002-2003	2.855	1.121	1.073	1.029	1.017	0.998	1.019	1.013	1.009	0.993	1.000
2003-2004	3.200	1.274	1.128	1.042	1.048	1.009	0.972	1.029	1.000	1.000	
2004-2005	2.390	1.429	0.906	1.077	0.946	1.011	0.988	1.003	1.000		
2005-2006	4.397	1.295	1.059	1.041	1.005	1.021	1.001	1.007			
2006-2007	3.097	1.209	1.046	1.046	1.037	1.028	1.001				
2007-2008	2.771	1.281	1.157	1.020	0.991	0.995					
2008-2009	5.225	1.228	0.944	1.033	1.010						
2009-2010	4.415	1.141	0.810	1.005							
2010-2011	5.428	0.990	0.967								
2011-2012	5.842	1.032									
2012-2013	9.147										
Average Dollar-weighted Averages	4.433	1.184	1.013	1.033	1.007	1.001	0.996	1.005	1.000	1.001	0.999
3-yr	6.682	1.058	0.899	1.020	1.010	1.013	0.997	1.013	1.004	1.005	0.996
4-yr	5.943	1.097	0.969	1.026	1.009	1.013	0.991	1.013	1.003	1.004	0.997
Comparative Factors	2.945	1.254	1.006	0.965	0.972	1.000	1.000	1.000	1.000	1.000	1.000
Prior	4.000	1.230	1.050	1.040	1.015	1.010	1.005	1.003	1.001	1.000	1.000
Selected	4.500	1.150	1.040	1.030	1.015	1.010	1.005	1.003	1.001	1.000	1.000
Cumulated	5.733	1.274	1.108	1.065	1.034	1.019	1.009	1.004	1.001	1.000	1.000

ABAG PLAN Corporation - Liability Program (\$100K and \$1M Analysis)
Reported Loss Development

\$100K Limited Losses Reported as of:

Accident Year	138 Months	150 Months	162 Months	174 Months	186 Months	198 Months	210 Months	222 Months	234 Months	246 Months	258 Months
1992-1993	2,897,152	2,897,152	2,897,152	2,897,152	2,891,260	2,991,260	2,991,260	2,991,260	2,991,260	2,991,260	2,991,260
1993-1994	2,507,317	2,507,317	2,507,317	2,507,317	2,507,317	2,507,317	2,507,317	2,507,317	2,507,317	2,507,317	2,507,317
1994-1995	2,829,061	2,829,061	2,792,035	2,792,035	2,792,035	2,792,035	2,792,035	2,792,035	2,792,035	2,792,035	
1995-1996	2,044,858	2,049,858	2,046,026	2,146,026	2,146,026	2,146,026	2,146,026	2,146,026	2,146,026		
1996-1997	2,573,489	2,573,489	2,573,489	2,573,489	2,575,789	2,573,489	2,573,489	2,573,489			
1997-1998	2,997,280	2,997,280	2,997,280	3,047,280	3,047,280	3,047,280					
1998-1999	2,509,278	2,515,050	2,510,722	2,510,722	2,535,722						
1999-2000	1,825,620	1,825,620	1,825,620	1,825,620							
2000-2001	2,382,504	2,482,404	2,482,404								
2001-2002	3,000,035	3,027,919									
2002-2003	4,977,421										
2003-2004											
2004-2005											
2005-2006											
2006-2007											
2007-2008											
2008-2009											
2009-2010											
2010-2011											
2011-2012											
2012-2013											
2013-2014											

	138-150 Months	150-162 Months	162-174 Months	174-186 Months	186-198 Months	198-210 Months	210-222 Months	222-234 Months	234-246 Months	246-258 Months	258-Ult. Months
1992-1993	1.000	1.000	1.000	0.998	1.035	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	1.000	1.000	1.000	
1994-1995	1.000	0.987	1.000	1.000	1.000	1.000	1.000	1.000			
1995-1996	1.002	0.998	1.049	1.000	1.000	1.000	1.000				
1996-1997	1.000	1.000	1.000	1.001	0.999	1.000					
1997-1998	1.000	1.000	1.017	1.000	1.000						
1998-1999	1.002	0.998	1.000	1.010							
1999-2000	1.000	1.000	1.000								
2000-2001	1.042	1.000									
2001-2002	1.009										
2002-2003											
2003-2004											
2004-2005											
2005-2006											
2006-2007											
2007-2008											
2008-2009											
2009-2010											
2010-2011											
2011-2012											
2012-2013											

	138-150 Months	150-162 Months	162-174 Months	174-186 Months	186-198 Months	198-210 Months	210-222 Months	222-234 Months	234-246 Months	246-258 Months	258-Ult. Months
Average Dollar-weighted Averages	1.006	0.998	1.008	1.001	1.006	1.000	1.000	1.000	1.000	1.000	
3-yr	1.018	0.999	1.007	1.003	1.000	1.000	1.000	1.000			
4-yr	1.014	1.000	1.005	1.003	1.000	1.000	1.000				
Comparative Factors	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Prior	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Selected	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Cumulated	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	

ABAG PLAN Corporation - Liability Program (\$100K and \$1M Analysis)
Reported between \$100,000 and \$1,000,000 Loss Development

Losses Reported as of:

Accident Year	6 Months	18 Months	30 Months	42 Months	54 Months	66 Months	78 Months	90 Months	102 Months	114 Months	126 Months
1992-1993											361,078
1993-1994										1,468,781	1,468,781
1994-1995									1,724,047	1,724,047	1,724,047
1995-1996								341,390	341,390	341,390	341,390
1996-1997							272,521	279,522	271,001	271,001	271,001
1997-1998						2,414,333	2,251,313	2,251,313	2,251,313	2,251,313	2,096,852
1998-1999					1,658,625	1,823,243	1,823,243	1,823,243	1,823,243	1,823,243	1,823,243
1999-2000				898,513	1,005,578	1,060,578	1,023,612	1,023,612	964,842	964,842	964,842
2000-2001			965,485	958,981	953,812	1,008,532	1,579,410	1,581,139	1,581,139	1,581,139	1,581,139
2001-2002		365,699	1,446,885	1,633,894	2,059,086	2,967,377	2,941,383	2,955,718	2,943,619	2,943,619	2,959,541
2002-2003	365,543	1,476,042	3,953,355	3,589,550	4,887,581	4,262,606	4,441,309	4,439,396	4,497,701	4,495,632	4,437,327
2003-2004		66,478	363,636	398,884	890,862	986,705	1,227,451	1,518,119	2,427,012	2,205,001	2,205,881
2004-2005		586,598	1,140,449	1,700,075	1,700,074	1,675,074	1,675,074	1,675,074	1,675,074	1,675,074	
2005-2006	25,000	331,278	1,741,278	2,362,206	2,728,549	2,867,756	2,979,841	3,131,757	3,206,757		
2006-2007	200,000	292,450	332,811	374,101	717,777	1,013,370	1,474,688	1,413,760			
2007-2008	100,000	633,000	1,573,836	2,796,222	3,688,008	4,360,051	4,253,945				
2008-2009		267,405	1,881,941	3,667,001	3,485,698	3,032,463					
2009-2010	588,210	2,839,236	3,579,153	3,176,666	2,837,525						
2010-2011		1,983,751	4,432,358	2,267,822							
2011-2012		5,467,351	5,436,904								
2012-2013		4,426,268									
2013-2014	307,000										

Reported Loss Development Factors:

	6-18 Months	18-30 Months	30-42 Months	42-54 Months	54-66 Months	66-78 Months	78-90 Months	90-102 Months	102-114 Months	114-126 Months	126-138 Months
1992-1993											1.000
1993-1994										1.000	1.000
1994-1995									1.000	1.000	1.000
1995-1996								1.000	1.000	1.000	1.000
1996-1997							1.026	0.970	1.000	1.000	1.000
1997-1998						0.932	1.000	1.000	1.000	0.931	1.000
1998-1999					1.099	1.000	1.000	1.000	1.000	1.000	1.000
1999-2000				1.119	1.055	0.965	1.000	0.943	1.000	1.000	1.000
2000-2001			0.993	0.995	1.057	1.566	1.001	1.000	1.000	1.000	1.000
2001-2002		3.956	1.129	1.260	1.441	0.991	1.005	0.996	1.000	1.005	0.997
2002-2003	4.038	2.678	0.908	1.362	0.872	1.042	1.000	1.013	1.000	0.987	1.017
2003-2004		5.470	1.097	2.233	1.108	1.244	1.237	1.599	0.909	1.000	
2004-2005		1.944	1.491	1.000	0.985	1.000	1.000	1.000	1.000		
2005-2006	13.251	5.256	1.357	1.155	1.051	1.039	1.051	1.024			
2006-2007	1.462	1.138	1.124	1.919	1.412	1.455	0.959				
2007-2008	6.330	2.486	1.777	1.319	1.182	0.976					
2008-2009		7.038	1.949	0.951	0.870						
2009-2010	4.827	1.261	0.888	0.893							
2010-2011		2.234	0.512								
2011-2012		0.994									
2012-2013											

	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	5.982	3.132	1.202	1.291	1.103	1.110	1.025	1.050	0.992	0.993	1.001
Dollar-weighted											
Averages											
3-yr		1.307	0.921	1.039	1.065	1.057	1.015	1.156	0.974	0.996	1.007
4-yr		1.452	1.038	1.071	1.062	1.047	1.052	1.097	0.981	0.996	1.007
Comparative											
Factors	4.611	1.861	1.298	1.135	1.045	1.025	1.013	1.004	1.002	1.000	1.000
Prior	6.000	3.300	1.400	1.250	1.080	1.040	1.020	1.015	1.010	1.007	1.006
Selected	6.000	3.150	1.350	1.200	1.080	1.040	1.020	1.015	1.010	1.007	1.006
Cumulated	36.948	6.158	1.955	1.448	1.207	1.118	1.075	1.054	1.038	1.028	1.021

ABAG PLAN Corporation - Liability Program (\$100K and \$1M Analysis)
Reported between \$100,000 and \$1,000,000 Loss Development

Losses Reported as of:

Accident Year	138 Months	150 Months	162 Months	174 Months	186 Months	198 Months	210 Months	222 Months	234 Months	246 Months	258 Months
1992-1993	361,078	361,078	361,078	361,078	361,078	1,261,078	1,261,078	1,261,078	1,261,078	1,261,078	1,261,078
1993-1994	1,468,781	1,468,781	1,422,569	1,422,668	1,422,668	1,422,668	1,422,668	1,422,668	1,422,668	1,422,668	1,422,668
1994-1995	1,724,047	1,724,047	1,633,372	1,633,372	1,633,372	1,633,372	1,633,372	1,633,372	1,633,372	1,633,372	
1995-1996	341,390	341,390	341,390	460,061	460,061	460,061	460,061	460,061	460,061		
1996-1997	271,001	271,001	271,001	271,001	271,001	271,001	271,001	271,001			
1997-1998	2,096,852	2,096,852	2,096,852	2,096,852	2,096,852	2,096,852					
1998-1999	1,823,244	1,823,244	1,823,244	1,823,244	1,823,244						
1999-2000	964,842	964,492	964,492	964,492							
2000-2001	1,581,139	1,745,439	1,731,977								
2001-2002	2,949,541	2,949,541									
2002-2003	4,512,327										
2003-2004											
2004-2005											
2005-2006											
2006-2007											
2007-2008											
2008-2009											
2009-2010											
2010-2011											
2011-2012											
2012-2013											
2013-2014											

	138-150 Months	150-162 Months	162-174 Months	174-186 Months	186-198 Months	198-210 Months	210-222 Months	222-234 Months	234-246 Months	246-258 Months	258-Ult. Months
1992-1993	1.000	1.000	1.000	1.000	3.493	1.000	1.000	1.000	1.000	1.000	
1993-1994	1.000	0.969	1.000	1.000	1.000	1.000	1.000	1.000	1.000		
1994-1995	1.000	0.947	1.000	1.000	1.000	1.000	1.000	1.000			
1995-1996	1.000	1.000	1.348	1.000	1.000	1.000	1.000				
1996-1997	1.000	1.000	1.000	1.000	1.000	1.000					
1997-1998	1.000	1.000	1.000	1.000	1.000						
1998-1999	1.000	1.000	1.000	1.000							
1999-2000	1.000	1.000	1.000								
2000-2001	1.104	0.992									
2001-2002	1.000										
2002-2003											
2003-2004											
2004-2005											
2005-2006											
2006-2007											
2007-2008											
2008-2009											
2009-2010											
2010-2011											
2011-2012											
2012-2013											

	138-150 Months	150-162 Months	162-174 Months	174-186 Months	186-198 Months	198-210 Months	210-222 Months	222-234 Months	234-246 Months	246-258 Months	258-Ult. Months
Average Dollar-weighted Averages	1.010	0.990	1.044	1.000	1.416	1.000	1.000	1.000	1.000	1.000	
3-yr	1.030	0.997	1.000	1.000	1.000	1.000	1.000	1.000			
4-yr	1.022	0.998	1.000	1.000	1.000	1.000	1.000				
Comparative Factors	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Prior	1.005	1.004	1.003	1.002	1.001	1.000	1.000	1.000	1.000	1.000	1.000
Selected	1.005	1.004	1.003	1.002	1.001	1.000	1.000	1.000	1.000	1.000	1.000
Cumulated	1.015	1.010	1.006	1.003	1.001	1.000	1.000	1.000	1.000	1.000	1.000

ABAG PLAN Corporation - Liability Program (\$100K and \$1M Analysis)

Paid Loss Development

Accident Year (A)	\$100K Limited Paid Losses as of 12/31/13 (B)	Paid Loss Development Factor (C)	Ultimate \$100K Limited Losses (D)	\$1M Limited Paid Losses of 12/31/13 (E)	Paid Loss Development Factor (F)	Ultimate Program Losses (G)
1986-1993	\$13,937,979	1.000	\$13,937,979	\$21,719,383	1.000	\$21,719,383
1993-1994	2,507,317	1.000	2,507,317	3,929,985	1.000	3,929,985
1994-1995	2,792,035	1.000	2,792,035	4,425,406	1.000	4,425,406
1995-1996	2,146,026	1.000	2,146,026	2,606,086	1.000	2,606,086
1996-1997	2,573,489	1.000	2,573,489	2,844,489	1.000	2,844,489
1997-1998	3,047,280	1.000	3,047,280	5,144,132	1.000	5,144,132
1998-1999	2,510,722	1.000	2,510,722	4,333,966	1.000	4,333,966
1999-2000	1,825,620	1.000	1,825,620	2,790,112	1.001	2,792,902
2000-2001	2,482,404	1.000	2,482,404	4,214,381	1.002	4,222,810
2001-2002	3,000,611	1.000	3,000,611	5,950,152	1.004	5,973,953
2002-2003	4,977,421	1.001	4,982,398	9,432,613	1.007	9,498,641
2003-2004	3,560,542	1.003	3,571,224	5,766,423	1.011	5,829,854
2004-2005	2,866,154	1.006	2,883,351	4,541,228	1.016	4,613,888
2005-2006	3,780,292	1.011	3,821,875	6,766,926	1.024	6,929,332
2006-2007	3,394,936	1.018	3,456,045	4,808,560	1.040	5,000,902
2007-2008	4,228,474	1.028	4,346,871	8,432,420	1.079	9,098,581
2008-2009	3,338,980	1.049	3,502,590	5,592,567	1.141	6,381,119
2009-2010	2,998,274	1.091	3,271,117	4,977,007	1.267	6,305,868
2010-2011	2,287,500	1.200	2,745,000	3,135,267	1.583	4,963,128
2011-2012	2,112,380	1.560	3,295,313	3,239,078	2.656	8,602,991
2012-2013	934,308	3.432	3,206,545	1,259,491	6.668	8,398,286
Totals	\$71,302,744		\$75,905,812	\$115,909,672		\$133,615,702

Notes:

- (A) Years are 7/1 to 6/30.
- (B) Provided by ABAG. These losses exclude amount over the SIR.
- (C) From Appendix B, Page 5b.
- (D) (B) x (C). These estimated losses exclude amount over the SIR.
- (E) Losses capped at the Authority's SIR. Amounts are provided by ABAG.
- (F) Derived from factors on Appendix B, Page 5d.
- (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 PLAN Corporation - Liability Program (\$100K and \$1M Analysis)

Paid Loss Development

\$100K Limited Losses Paid as of:

Accident Year	6 Months	18 Months	30 Months	42 Months	54 Months	66 Months	78 Months	90 Months	102 Months	114 Months	126 Months
1992-1993											2,897,152
1993-1994										2,479,458	2,479,458
1994-1995									2,829,061	2,829,061	2,829,061
1995-1996								2,044,858	2,044,858	2,044,858	2,044,858
1996-1997							2,573,489	2,573,489	2,573,489	2,573,489	2,573,489
1997-1998						2,993,393	3,047,280	3,047,280	3,047,280	3,047,280	2,997,280
1998-1999					2,360,276	2,430,641	2,431,091	2,448,352	2,471,781	2,479,344	2,506,179
1999-2000				1,731,851	1,768,612	1,824,459	1,824,459	1,825,620	1,825,620	1,825,620	1,825,620
2000-2001			1,691,549	2,066,275	2,230,962	2,324,934	2,376,109	2,382,404	2,382,404	2,382,404	2,382,404
2001-2002		1,331,577	1,898,744	2,493,146	2,814,747	2,835,674	2,838,647	2,939,481	2,939,481	2,939,481	2,998,047
2002-2003	368,341	1,921,924	3,419,382	4,159,574	4,572,735	4,708,622	4,811,984	4,820,255	4,893,323	4,930,307	4,962,508
2003-2004	173,413	1,278,587	2,112,645	2,806,518	3,216,963	3,398,305	3,452,557	3,460,542	3,560,542	3,560,542	3,560,542
2004-2005	92,583	901,463	2,122,845	2,612,734	2,848,049	2,845,394	2,853,463	2,858,654	2,866,154	2,866,154	
2005-2006	91,777	1,099,067	1,733,718	3,299,822	3,599,286	3,654,071	3,764,224	3,766,533	3,780,292		
2006-2007	178,735	1,234,100	2,253,938	2,920,430	3,103,547	3,253,555	3,391,424	3,394,936			
2007-2008	149,993	1,300,794	2,635,467	3,650,448	4,101,554	4,208,833	4,228,474				
2008-2009	161,539	1,020,079	2,186,680	2,792,089	3,110,459	3,338,980					
2009-2010	301,727	1,046,459	2,274,617	2,817,091	2,998,274						
2010-2011	106,645	872,432	1,692,195	2,287,500							
2011-2012	114,916	832,713	2,112,380								
2012-2013	98,607	934,308									
2013-2014	130,461										

Paid Loss Development Factors:

	6-18 Months	18-30 Months	30-42 Months	42-54 Months	54-66 Months	66-78 Months	78-90 Months	90-102 Months	102-114 Months	114-126 Months	126-138 Months
1992-1993											1.000
1993-1994										1.000	1.005
1994-1995									1.000	1.000	1.000
1995-1996								1.000	1.000	1.000	1.000
1996-1997							1.000	1.000	1.000	1.000	1.000
1997-1998						1.018	1.000	1.000	1.000	0.984	1.000
1998-1999					1.030	1.000	1.007	1.010	1.003	1.011	1.001
1999-2000				1.021	1.032	1.000	1.001	1.000	1.000	1.000	1.000
2000-2001			1.222	1.080	1.042	1.022	1.003	1.000	1.000	1.000	1.000
2001-2002		1.426	1.313	1.129	1.007	1.001	1.036	1.000	1.000	1.020	1.001
2002-2003	5.218	1.779	1.216	1.099	1.030	1.022	1.002	1.015	1.008	1.007	1.003
2003-2004	7.373	1.652	1.328	1.146	1.056	1.016	1.002	1.029	1.000	1.000	
2004-2005	9.737	2.355	1.231	1.090	0.999	1.003	1.002	1.003	1.000		
2005-2006	11.975	1.577	1.903	1.091	1.015	1.030	1.001	1.004			
2006-2007	6.905	1.826	1.296	1.063	1.048	1.042	1.001				
2007-2008	8.672	2.026	1.385	1.124	1.026	1.005					
2008-2009	6.315	2.144	1.277	1.114	1.073						
2009-2010	3.468	2.174	1.238	1.064							
2010-2011	8.181	1.940	1.352								
2011-2012	7.246	2.537									
2012-2013	9.475										

	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	7.688	1.949	1.342	1.093	1.033	1.014	1.005	1.006	1.001	1.002	1.001
3-yr	8.244	2.209	1.283	1.103	1.047	1.024	1.001	1.012	1.003	1.008	1.002
4-yr	5.927	2.192	1.314	1.093	1.039	1.020	1.001	1.013	1.003	1.007	1.001
Comparative Factors	4.218	2.117	1.446	1.151	1.057	1.033	1.015	1.010	1.008	1.008	1.006
Prior	8.000	2.000	1.300	1.100	1.035	1.020	1.010	1.007	1.005	1.003	1.002
Selected	8.000	2.200	1.300	1.100	1.040	1.020	1.010	1.007	1.005	1.003	1.002
Cumulated	27.456	3.432	1.560	1.200	1.091	1.049	1.028	1.018	1.011	1.006	1.003

ABAG PLAN Corporation - Liability Program (\$100K and \$1M Analysis)
Paid Loss Development

\$100K 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	246 Months	258 Months
1992-1993	2,897,152	2,897,152	2,897,152	2,897,152	2,891,260	2,991,260	2,991,260	2,991,260	2,991,260	2,991,260	2,991,260
1993-1994	2,492,835	2,507,317	2,507,317	2,507,317	2,507,317	2,507,317	2,507,317	2,507,317	2,507,317	2,507,317	2,507,317
1994-1995	2,829,061	2,829,061	2,792,035	2,792,035	2,792,035	2,792,035	2,792,035	2,792,035	2,792,035	2,792,035	
1995-1996	2,044,858	2,044,858	2,046,026	2,146,026	2,146,026	2,146,026	2,146,026	2,146,026	2,146,026		
1996-1997	2,573,489	2,573,489	2,573,489	2,573,489	2,573,489	2,573,489	2,573,489	2,573,489			
1997-1998	2,997,280	2,997,280	2,997,280	3,047,280	3,047,280	3,047,280					
1998-1999	2,509,278	2,510,050	2,510,722	2,510,722	2,510,722						
1999-2000	1,825,620	1,825,620	1,825,620	1,825,620							
2000-2001	2,382,404	2,482,404	2,482,404								
2001-2002	3,000,035	3,000,611									
2002-2003	4,977,421										
2003-2004											
2004-2005											
2005-2006											
2006-2007											
2007-2008											
2008-2009											
2009-2010											
2010-2011											
2011-2012											
2012-2013											
2013-2014											

	138-150 Months	150-162 Months	162-174 Months	174-186 Months	186-198 Months	198-210 Months	210-222 Months	222-234 Months	234-246 Months	246-258 Months	258-Ult. Months
1992-1993	1.000	1.000	1.000	0.998	1.035	1.000	1.000	1.000	1.000	1.000	
1993-1994	1.006	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000		
1994-1995	1.000	0.987	1.000	1.000	1.000	1.000	1.000	1.000			
1995-1996	1.000	1.001	1.049	1.000	1.000	1.000	1.000				
1996-1997	1.000	1.000	1.000	1.000	1.000	1.000					
1997-1998	1.000	1.000	1.017	1.000	1.000						
1998-1999	1.000	1.000	1.000	1.000							
1999-2000	1.000	1.000	1.000								
2000-2001	1.042	1.000									
2001-2002	1.000										
2002-2003											
2003-2004											
2004-2005											
2005-2006											
2006-2007											
2007-2008											
2008-2009											
2009-2010											
2010-2011											
2011-2012											
2012-2013											

	138-150 Months	150-162 Months	162-174 Months	174-186 Months	186-198 Months	198-210 Months	210-222 Months	222-234 Months	234-246 Months	246-258 Months	258-Ult. Months
Average Dollar-weighted Averages	1.005	0.999	1.008	1.000	1.006	1.000	1.000	1.000	1.000	1.000	
3-yr	1.014	1.000	1.007	1.000	1.000	1.000	1.000	1.000			
4-yr	1.010	1.000	1.005	1.000	1.000	1.000	1.000				
Comparative Factors	1.006	1.004	1.004	1.002	1.002	1.001	1.001	1.001	1.001	1.000	1.001
Prior	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Selected	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Cumulated	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

ABAG PLAN Corporation - Liability Program (\$100K and \$1M Analysis)
Paid between \$100,000 and \$1,000,000 Loss Development

Losses Paid as of:

Accident Year	6 Months	18 Months	30 Months	42 Months	54 Months	66 Months	78 Months	90 Months	102 Months	114 Months	126 Months
1992-1993											361,078
1993-1994										1,417,622	1,417,622
1994-1995									1,724,048	1,724,048	1,724,048
1995-1996								341,390	341,390	341,390	341,390
1996-1997							265,021	271,001	271,001	271,001	271,001
1997-1998						2,012,369	2,251,313	2,251,313	2,251,313	2,251,313	2,096,852
1998-1999					1,000,106	1,275,187	1,823,244	1,823,244	1,823,244	1,823,244	1,823,244
1999-2000				880,149	1,000,578	1,023,612	1,023,612	1,023,612	964,842	964,842	964,842
2000-2001			873,114	953,412	953,532	953,532	1,579,410	1,581,139	1,581,139	1,581,139	1,581,139
2001-2002		309,735	1,022,186	1,490,294	1,947,824	2,029,466	2,041,384	2,943,619	2,943,619	2,943,619	2,949,541
2002-2003	75,543	903,527	2,226,102	3,446,317	3,946,802	3,910,106	4,427,910	4,439,396	4,439,396	4,432,327	4,432,327
2003-2004		15,692	363,636	379,734	682,512	766,935	1,013,004	1,283,354	2,244,553	2,205,001	2,205,881
2004-2005		6,598	310,953	1,675,075	1,675,075	1,675,075	1,675,075	1,675,075	1,675,075	1,675,075	
2005-2006		208,642	211,412	862,224	2,089,131	2,710,478	2,891,138	2,950,433	2,986,634		
2006-2007	6,182	15,240	69,317	308,983	521,929	942,901	1,426,352	1,413,623			
2007-2008		54,284	602,929	1,401,455	2,571,860	3,424,876	4,203,946				
2008-2009		19,904	228,676	1,724,990	2,057,605	2,253,588					
2009-2010	219,495	285,835	559,909	1,786,817	1,978,733						
2010-2011		244,011	492,996	847,767							
2011-2012		183,567	1,126,697								
2012-2013		325,184									
2013-2014											

Paid Loss Development Factors:

	6-18 Months	18-30 Months	30-42 Months	42-54 Months	54-66 Months	66-78 Months	78-90 Months	90-102 Months	102-114 Months	114-126 Months	126-138 Months
1992-1993											1.000
1993-1994										1.000	1.000
1994-1995									1.000	1.000	1.000
1995-1996								1.000	1.000	1.000	1.000
1996-1997							1.023	1.000	1.000	1.000	1.000
1997-1998						1.119	1.000	1.000	1.000	0.931	1.000
1998-1999					1.275	1.430	1.000	1.000	1.000	1.000	1.000
1999-2000				1.137	1.023	1.000	1.000	0.943	1.000	1.000	1.000
2000-2001			1.092	1.000	1.000	1.656	1.001	1.000	1.000	1.000	1.000
2001-2002		3.300	1.458	1.307	1.042	1.006	1.442	1.000	1.000	1.002	1.000
2002-2003	11.960	2.464	1.548	1.145	0.991	1.132	1.003	1.000	0.998	1.000	1.005
2003-2004		23.173	1.044	1.797	1.124	1.321	1.267	1.749	0.982	1.000	
2004-2005		47.128	5.387	1.000	1.000	1.000	1.000	1.000	1.000		
2005-2006		1.013	4.078	2.423	1.297	1.067	1.021	1.012			
2006-2007	2.465	4.548	4.458	1.689	1.807	1.513	0.991				
2007-2008		11.107	2.324	1.835	1.332	1.227					
2008-2009		11.489	7.543	1.193	1.095						
2009-2010	1.302	1.959	3.191	1.107							
2010-2011		2.020	1.720								
2011-2012		6.138									
2012-2013											

	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	5.242	10.394	3.077	1.421	1.181	1.225	1.068	1.064	0.998	0.994	1.000
Dollar-weighted											
Averages											
3-yr		3.055	3.402	1.345	1.285	1.204	1.008	1.169	0.994	1.001	1.003
4-yr		3.284	3.057	1.365	1.289	1.165	1.045	1.096	0.996	1.001	1.002
Comparative											
Factors	9.143	3.115	1.786	1.350	1.168	1.090	1.065	1.042	1.030	1.017	1.009
Prior	12.000	5.000	3.200	1.600	1.250	1.100	1.070	1.025	1.010	1.008	1.006
Selected	12.000	5.000	3.200	1.500	1.200	1.100	1.070	1.025	1.010	1.008	1.006
Cumulated	433.560	36.130	7.226	2.258	1.505	1.254	1.140	1.065	1.039	1.029	1.021

ABAG PLAN Corporation - Liability Program (\$100K and \$1M Analysis)
Paid between \$100,000 and \$1,000,000 Loss Development

Accident Year	Losses Paid as of:										
	138 Months	150 Months	162 Months	174 Months	186 Months	198 Months	210 Months	222 Months	234 Months	246 Months	258 Months
1992-1993	361,078	361,078	361,078	361,078	361,078	1,261,078	1,261,078	1,261,078	1,261,078	1,261,078	1,261,078
1993-1994	1,417,622	1,417,622	1,422,569	1,422,668	1,422,668	1,422,668	1,422,668	1,422,668	1,422,668	1,422,668	1,422,668
1994-1995	1,724,048	1,724,048	1,633,372	1,633,372	1,633,372	1,633,372	1,633,372	1,633,372	1,633,372	1,633,372	
1995-1996	341,390	341,390	341,390	460,061	460,061	460,061	460,061	460,061	460,061		
1996-1997	271,001	271,001	271,001	271,001	271,001	271,001	271,001	271,001			
1997-1998	2,096,852	2,096,852	2,096,852	2,096,852	2,096,852	2,096,852	2,096,852				
1998-1999	1,823,244	1,823,244	1,823,244	1,823,244	1,823,244	1,823,244	1,823,244	1,823,244			
1999-2000	964,842	964,492	964,492	964,492							
2000-2001	1,581,139	1,676,162	1,731,977								
2001-2002	2,949,541	2,949,541									
2002-2003	4,455,192										
2003-2004											
2004-2005											
2005-2006											
2006-2007											
2007-2008											
2008-2009											
2009-2010											
2010-2011											
2011-2012											
2012-2013											
2013-2014											
	138-150 Months	150-162 Months	162-174 Months	174-186 Months	186-198 Months	198-210 Months	210-222 Months	222-234 Months	234-246 Months	246-258 Months	258-Ult. Months
1992-1993	1.000	1.000	1.000	1.000	3.493	1.000	1.000	1.000	1.000	1.000	
1993-1994	1.000	1.003	1.000	1.000	1.000	1.000	1.000	1.000	1.000		
1994-1995	1.000	0.947	1.000	1.000	1.000	1.000	1.000	1.000			
1995-1996	1.000	1.000	1.348	1.000	1.000	1.000	1.000				
1996-1997	1.000	1.000	1.000	1.000	1.000	1.000					
1997-1998	1.000	1.000	1.000	1.000	1.000						
1998-1999	1.000	1.000	1.000	1.000							
1999-2000	1.000	1.000	1.000								
2000-2001	1.060	1.033									
2001-2002	1.000										
2002-2003											
2003-2004											
2004-2005											
2005-2006											
2006-2007											
2007-2008											
2008-2009											
2009-2010											
2010-2011											
2011-2012											
2012-2013											
	138-150 Months	150-162 Months	162-174 Months	174-186 Months	186-198 Months	198-210 Months	210-222 Months	222-234 Months	234-246 Months	246-258 Months	258-Ult. Months
Average	1.006	0.998	1.044	1.000	1.416	1.000	1.000	1.000	1.000	1.000	
Dollar-weighted											
Averages											
3-yr	1.017	1.013	1.000	1.000	1.000	1.000	1.000	1.000			
4-yr	1.013	1.009	1.000	1.000	1.000	1.000	1.000				
Comparative											
Factors	1.008	1.006	1.006	1.004	1.004	1.003	1.002	1.002	1.001	1.000	1.001
Prior	1.005	1.004	1.003	1.002	1.001	1.000	1.000	1.000	1.000	1.000	1.000
Selected	1.005	1.004	1.003	1.002	1.001	1.000	1.000	1.000	1.000	1.000	1.000
Cumulated	1.015	1.010	1.006	1.003	1.001	1.000	1.000	1.000	1.000	1.000	1.000

ABAG PLAN Corporation - Liability Program (\$100K and \$1M Analysis)

Exposure and Development Method
Based on Reported Losses

Accident Year	Composite Exposure (A)	Reported Losses as of 12/31/13 (B)	Loss Development Factor (C)	Percentage of Losses Yet to Be Reported (D)	\$1M Limited Rate (E)	Incurred but not Reported (IBNR) (F)	Ultimate \$1M Limited Losses (G)
1986-1993	16,239,338	\$21,729,383	1.000	0.000	\$1.159	\$0	\$21,729,383
1993-1994	3,010,346	3,929,985	1.000	0.000	1.236	0	3,929,985
1994-1995	3,073,771	4,425,406	1.000	0.000	1.371	0	4,425,406
1995-1996	3,159,932	2,606,086	1.000	0.000	1.042	0	2,606,086
1996-1997	3,159,423	2,844,489	1.000	0.000	1.273	0	2,844,489
1997-1998	3,271,328	5,144,132	1.000	0.000	1.482	0	5,144,132
1998-1999	3,463,235	4,358,966	1.000	0.000	1.187	0	4,358,966
1999-2000	3,664,293	2,790,112	1.001	0.001	0.822	3,012	2,793,124
2000-2001	3,827,945	4,214,381	1.002	0.002	1.091	8,353	4,222,734
2001-2002	4,152,131	5,977,460	1.004	0.004	1.254	20,827	5,998,287
2002-2003	4,514,625	9,489,748	1.006	0.006	1.931	52,306	9,542,054
2003-2004	4,603,406	5,766,423	1.009	0.009	1.382	57,257	5,823,680
2004-2005	5,257,122	4,541,277	1.012	0.012	0.995	62,770	4,604,047
2005-2006	5,238,794	7,002,430	1.018	0.018	1.354	127,680	7,130,110
2006-2007	5,355,566	4,808,746	1.027	0.026	1.215	169,182	4,977,928
2007-2008	5,522,681	8,612,016	1.040	0.038	1.539	322,977	8,934,993
2008-2009	5,569,288	6,462,880	1.066	0.062	1.633	563,868	7,026,748
2009-2010	5,255,386	5,969,484	1.115	0.103	1.675	906,685	6,876,169
2010-2011	4,753,943	4,918,563	1.234	0.190	1.717	1,550,879	6,469,442
2011-2012	3,934,204	9,067,923	1.435	0.303	1.759	2,096,840	11,164,763
2012-2013	3,783,057	8,680,663	2.217	0.549	1.805	3,748,801	12,429,464
Totals	\$100,809,814	\$133,340,553				\$9,691,437	\$143,031,990

Notes:

- (A) Provided by ABAG.
- (B) Provided by ABAG. These losses exclude amounts incurred above the Authority's SIR for each year.
- (C) From Appendix B, Page 4a, Column (F).
- (D) $1 - 1/(C)$.
- (E) From Appendix B, Page 6c, Column (H).
- (F) $(A) \times (D) \times (E)$.
- (G) $(B) + (F)$.

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

ABAG PLAN Corporation - Liability Program (\$100K and \$1M Analysis)

Exposure and Development Method
Based on Paid Losses

Accident Year	Composite Exposure (A)	Paid Losses as of 12/31/13 (B)	Loss Development Factor (C)	Percentage of Losses Yet to Be Paid (D)	\$1M Limited Rate (E)	Incurred but not Paid (F)	Ultimate \$1M Limited Losses (G)
1986-1993	16,239,338	\$21,719,383	1.000	0.000	\$1.159	\$0	\$21,719,383
1993-1994	3,010,346	3,929,985	1.000	0.000	1.236	0	3,929,985
1994-1995	3,073,771	4,425,406	1.000	0.000	1.371	0	4,425,406
1995-1996	3,159,932	2,606,086	1.000	0.000	1.042	0	2,606,086
1996-1997	3,159,423	2,844,489	1.000	0.000	1.273	0	2,844,489
1997-1998	3,271,328	5,144,132	1.000	0.000	1.482	0	5,144,132
1998-1999	3,463,235	4,333,966	1.000	0.000	1.187	0	4,333,966
1999-2000	3,664,293	2,790,112	1.001	0.001	0.822	3,012	2,793,124
2000-2001	3,827,945	4,214,381	1.002	0.002	1.091	8,353	4,222,734
2001-2002	4,152,131	5,950,152	1.004	0.004	1.254	20,827	5,970,979
2002-2003	4,514,625	9,432,613	1.007	0.007	1.931	61,024	9,493,637
2003-2004	4,603,406	5,766,423	1.011	0.011	1.382	69,981	5,836,404
2004-2005	5,257,122	4,541,228	1.016	0.016	0.995	83,693	4,624,921
2005-2006	5,238,794	6,766,926	1.024	0.023	1.354	163,147	6,930,073
2006-2007	5,355,566	4,808,560	1.040	0.038	1.215	247,266	5,055,826
2007-2008	5,522,681	8,432,420	1.079	0.073	1.539	620,457	9,052,877
2008-2009	5,569,288	5,592,567	1.141	0.124	1.633	1,127,736	6,720,303
2009-2010	5,255,386	4,977,007	1.267	0.211	1.675	1,857,385	6,834,392
2010-2011	4,753,943	3,135,267	1.583	0.368	1.717	3,003,807	6,139,074
2011-2012	3,934,204	3,239,078	2.656	0.623	1.759	4,311,325	7,550,403
2012-2013	3,783,057	1,259,491	6.668	0.850	1.805	5,804,155	7,063,646
Totals	\$100,809,814	\$115,909,672				\$17,382,168	\$133,291,840

Notes:

- (A) Provided by ABAG.
- (B) Provided by ABAG. These losses exclude amounts paid above the Authority's SIR for each year.
- (C) From Appendix B, Page 5a, Column (F).
- (D) 1 - 1/(C).
- (E) From Appendix B, Page 6c, Column (H).
- (F) (A) x (D) x (E).
- (G) (B) + (F).

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

ABAG PLAN Corporation - Liability Program (\$100K and \$1M Analysis)

Exposure and Development Method

Accident Year	Composite Exposure (A)	Ultimate \$100K Limited Losses (B)	Trend Factor (C)	Trended \$100K Limited Losses (D)	Trended \$100K Limited Loss Rate (E)	Trended \$100K Limited Loss Rate (F)	Factor to SIR (G)	\$1M Limited Loss Rate (H)
1986-1993	16,239,338	\$13,949,000	1.087	\$15,162,563	\$0.934	\$0.859	1.349	\$1.159
1993-1994	3,010,346	2,507,317	1.083	2,715,424	0.902	0.833	1.484	1.236
1994-1995	3,073,771	2,792,035	1.079	3,012,606	0.980	0.908	1.510	1.371
1995-1996	3,159,932	2,146,026	1.075	2,306,978	0.730	0.679	1.535	1.042
1996-1997	3,159,423	2,573,489	1.070	2,753,633	0.872	0.815	1.563	1.273
1997-1998	3,271,328	3,047,280	1.066	3,248,400	0.993	0.932	1.590	1.482
1998-1999	3,463,235	2,537,000	1.062	2,694,294	0.778	0.733	1.619	1.187
1999-2000	3,664,293	1,825,620	1.057	1,929,680	0.527	0.498	1.651	0.822
2000-2001	3,827,945	2,482,404	1.053	2,613,971	0.683	0.648	1.684	1.091
2001-2002	4,152,131	3,029,000	1.049	3,177,421	0.765	0.730	1.717	1.254
2002-2003	4,514,625	4,977,421	1.045	5,201,405	1.152	1.103	1.751	1.931
2003-2004	4,603,406	3,560,542	1.041	3,706,524	0.805	0.773	1.788	1.382
2004-2005	5,257,122	2,872,000	1.037	2,978,264	0.567	0.546	1.823	0.995
2005-2006	5,238,794	3,807,000	1.032	3,928,824	0.750	0.727	1.862	1.354
2006-2007	5,355,566	3,424,000	1.028	3,519,872	0.657	0.639	1.902	1.215
2007-2008	5,522,681	4,380,000	1.024	4,485,120	0.812	0.793	1.941	1.539
2008-2009	5,569,288	3,498,000	1.020	3,567,960	0.641	0.824	1.982	1.633
2009-2010	5,255,386	3,249,000	1.016	3,300,984	0.628	0.827	2.025	1.675
2010-2011	4,753,943	2,823,000	1.012	2,856,876	0.601	0.830	2.068	1.717
2011-2012	3,934,204	4,023,000	1.008	4,055,184	1.031	0.833	2.111	1.759
2012-2013	3,783,057	5,420,000	1.004	5,441,680	1.438	0.837	2.156	1.805
Total/Avg	\$100,809,814	\$78,923,134		\$82,657,663	\$0.820			
08/09-12/13	23,295,878	19,013,000		19,222,684	\$0.825			
09/10-12/13	17,726,590	15,515,000		15,654,724	\$0.883			
			Selected \$100K Limited Rate:		\$0.840			
			Prior:		\$0.800			

Notes:

- (A) Provided by ABAG.
- (B) Selected average of results from Appendices B and B.
- (C) From Appendix E, Column (B).
- (D) (B) x (C).
- (E) (D) / (A).
- (F) Selected \$100K Limited Rate / (C). For 2007-2008 and prior (B) / (A).
- (G) Based on a Burr distribution, a mathematical model of claim sizes.
- (H) (F) x (G).

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

ABAG PLAN Corporation - Liability Program (\$100K and \$1M Analys

Frequency and Severity Method

Accident Year	Ultimate \$1M Limited Severity (A)	Ultimate Claims (B)	Ultimate \$1M Limited Losses (C)
1986-1993	\$5,016	3,751	\$18,815,016
1993-1994	5,708	652	3,721,616
1994-1995	5,854	720	4,214,880
1995-1996	4,641	710	3,295,110
1996-1997	5,478	734	4,020,852
1997-1998	6,460	750	4,845,000
1998-1999	5,754	714	4,108,356
1999-2000	4,710	640	3,014,400
2000-2001	6,876	608	4,180,608
2001-2002	7,194	723	5,201,262
2002-2003	10,798	807	8,713,986
2003-2004	9,544	667	6,365,848
2004-2005	7,172	730	5,235,560
2005-2006	9,971	711	7,089,381
2006-2007	9,263	703	6,511,889
2007-2008	10,418	816	8,501,088
2008-2009	11,628	728	8,465,184
2009-2010	12,229	652	7,973,308
2010-2011	12,866	514	6,613,124
2011-2012	13,531	477	6,454,287
2012-2013	14,237	532	7,574,084
Total		17,339	\$134,914,839

Notes:

- (A) From Appendix D, Page 7b, Column (H).
- (B) From Appendix D, Page 7b, 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 PLAN Corporation - Liability Program (\$100K and \$1M Analysis)

Frequency and Severity Method

Accident Year	Ultimate \$100K Limited Losses (A)	Ultimate Claims (B)	Ultimate \$100K Limited Severity (C)	Trend Factor (D)	Trended \$100K Limited Severity (E)	\$100K Limited Severity (F)	Factor to SIR (G)	\$1M Limited Severity (H)
1986-1993	\$13,949,000	3,751	\$3,719	1.860	\$6,917	\$3,719	1.349	\$5,016
1993-1994	2,507,317	652	3,846	1.806	6,946	3,846	1.484	5,708
1994-1995	2,792,035	720	3,878	1.754	6,802	3,878	1.510	5,854
1995-1996	2,146,026	710	3,023	1.702	5,145	3,023	1.535	4,641
1996-1997	2,573,489	734	3,506	1.653	5,795	3,506	1.563	5,478
1997-1998	3,047,280	750	4,063	1.605	6,521	4,063	1.590	6,460
1998-1999	2,537,000	714	3,553	1.558	5,536	3,553	1.619	5,754
1999-2000	1,825,620	640	2,853	1.513	4,317	2,853	1.651	4,710
2000-2001	2,482,404	608	4,083	1.469	5,998	4,083	1.684	6,876
2001-2002	3,029,000	723	4,189	1.426	5,974	4,189	1.717	7,194
2002-2003	4,977,421	807	6,168	1.384	8,537	6,168	1.751	10,798
2003-2004	3,560,542	667	5,338	1.344	7,174	5,338	1.788	9,544
2004-2005	2,872,000	730	3,934	1.305	5,134	3,934	1.823	7,172
2005-2006	3,807,000	711	5,354	1.267	6,784	5,354	1.862	9,971
2006-2007	3,424,000	703	4,871	1.230	5,991	4,871	1.902	9,263
2007-2008	4,380,000	816	5,368	1.194	6,409	5,368	1.941	10,418
2008-2009	3,524,000	728	4,841	1.159	5,611	5,867	1.982	11,628
2009-2010	3,296,000	652	5,055	1.126	5,692	6,039	2.025	12,229
2010-2011	2,874,000	514	5,591	1.093	6,111	6,221	2.068	12,866
2011-2012	4,005,000	477	8,396	1.061	8,908	6,409	2.111	13,531
2012-2013	5,299,000	532	9,961	1.030	10,260	6,602	2.156	14,237
Average \$100K Limited Severity:					\$6,503			
Average 07/08-11/12:					\$6,546			
Average 08/09-12/13:					\$7,316			
Selected \$100K Limited Severity:					\$6,800			
Prior:					\$6,300			

Notes:

- (A) Selected average of results from Appendices B, B, and B.
- (B) Appendix D, Page 7c, Column (C).
- (C) (A) / (B).
- (D) From Appendix E, Column (J).
- (E) (C) x (D).
- (F) Selected Limited Severity / (D).
- (G) Based on a Burr distribution, a mathematical model of claim sizes.
- (H) (F) x (G).

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

ABAG PLAN Corporation - Liability Program (\$100K and \$1M Analysis)

Frequency and Severity Method
Projection of Ultimate Claims

Accident Year	Reported Claim Development (A)	Closed Claim Development (B)	Selected Ultimate Claims (C)	Composite Exposure (10,000s) (D)	Claim Frequency (E)	Trend Factor (F)	Trended Claim Frequency (G)
1986-1993	3,751	3,750	3,751	1,623.934	2.310	0.588	1.358
1993-1994	652	652	652	301.035	2.166	0.603	1.306
1994-1995	720	720	720	307.377	2.342	0.618	1.447
1995-1996	710	710	710	315.993	2.247	0.634	1.425
1996-1997	734	734	734	315.942	2.323	0.650	1.510
1997-1998	750	750	750	327.133	2.293	0.667	1.529
1998-1999	714	714	714	346.324	2.062	0.684	1.410
1999-2000	640	641	640	366.429	1.747	0.702	1.226
2000-2001	608	610	608	382.795	1.588	0.720	1.143
2001-2002	723	725	723	415.213	1.741	0.738	1.285
2002-2003	807	810	807	451.463	1.788	0.757	1.354
2003-2004	667	671	667	460.341	1.449	0.776	1.124
2004-2005	730	735	730	525.712	1.389	0.796	1.106
2005-2006	711	713	711	523.879	1.357	0.817	1.109
2006-2007	703	709	703	535.557	1.313	0.838	1.100
2007-2008	816	824	816	552.268	1.478	0.859	1.270
2008-2009	728	733	728	556.929	1.307	0.881	1.151
2009-2010	652	663	652	525.539	1.241	0.904	1.122
2010-2011	514	520	514	475.394	1.081	0.927	1.002
2011-2012	477	467	477	393.420	1.212	0.951	1.153
2012-2013	532	508	532	378.306	1.406	0.975	1.371
Total	17,339	17,359	17,339	10,080.981			1.254

(H) Selected 2013-2014 Frequency: 1.350
Prior: 1.210

Program Year:	2013-2014	2014-2015
(I) Trend Factor:	1.000	0.975
(J) Selected Frequency:	1.350	1.316
(K) Composite Exposure:	377.892	386.300
(L) Ultimate Claims:	510	508

Notes:

- (A) From Appendix D, Page 7d, (C).
- (B) From Appendix D, Page 7e, (C).
- (C) Selected from (A) and (B).
- (D) From Appendix B, Page 8b, (G).
- (E) (C) / (D).
- (F) From Appendix E.
- (G) (E) x (F).
- (H) The selected frequency of 1.350 is based on (G).
- (I) From Appendix E.
- (J) (H) x (I).
- (K) From Appendix B, Page 8b, (G).
- (L) (J) x (K).

This exhibit summarizes the estimated numbers of claims and shows the estimated frequencies per 10,000 units of composite exposure, Appendix B, Page 8b, Item (G).

ABAG PLAN Corporation - Liability Program (\$100K and \$1M Analysis)

Frequency and Severity Method
Reported Claim Count Development

Accident Year	Claims Reported as of 12/31/2013 (A)	Reported Claim Development Factor (B)	Ultimate Claims (C)	Trended Claim Frequency (D)
1986-1993	3,751	1.000	3,751	1.358
1993-1994	652	1.000	652	1.306
1994-1995	720	1.000	720	1.448
1995-1996	710	1.000	710	1.425
1996-1997	734	1.000	734	1.510
1997-1998	750	1.000	750	1.529
1998-1999	714	1.000	714	1.410
1999-2000	640	1.000	640	1.226
2000-2001	608	1.000	608	1.144
2001-2002	723	1.000	723	1.285
2002-2003	807	1.000	807	1.353
2003-2004	667	1.000	667	1.124
2004-2005	730	1.000	730	1.105
2005-2006	711	1.000	711	1.109
2006-2007	702	1.001	703	1.100
2007-2008	814	1.003	816	1.269
2008-2009	724	1.006	728	1.152
2009-2010	646	1.010	652	1.122
2010-2011	506	1.015	514	1.002
2011-2012	465	1.025	477	1.153
2012-2013	499	1.066	532	1.371
Total	17,273		17,339	1.254

Notes:

- (A) Provided by ABAG.
- (B) From Appendix B, Page 7f.
- (C) (A) x (B).
- (D) (C) / [Appendix D, Page 7c, (D)] x [Appendix D, Page 7c, (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 PLAN Corporation - Liability Program (\$100K and \$1M Analysis)

Frequency and Severity Method
Closed Claim Count Development

Accident Year	Claims Closed as of 12/31/2013 (A)	Closed Claim Development Factor (B)	Ultimate Claims (C)	Trended Claim Frequency (D)
1986-1993	3,750	1.000	3,750	1.358
1993-1994	652	1.000	652	1.306
1994-1995	720	1.000	720	1.448
1995-1996	710	1.000	710	1.425
1996-1997	734	1.000	734	1.510
1997-1998	750	1.000	750	1.529
1998-1999	713	1.001	714	1.410
1999-2000	640	1.002	641	1.228
2000-2001	608	1.003	610	1.147
2001-2002	722	1.004	725	1.289
2002-2003	806	1.005	810	1.358
2003-2004	667	1.006	671	1.131
2004-2005	730	1.007	735	1.113
2005-2006	707	1.009	713	1.112
2006-2007	701	1.012	709	1.109
2007-2008	811	1.016	824	1.282
2008-2009	718	1.021	733	1.160
2009-2010	643	1.031	663	1.140
2010-2011	497	1.046	520	1.014
2011-2012	421	1.109	467	1.129
2012-2013	332	1.530	508	1.309
Total	17,032		17,359	1.255

Notes:

- (A) Provided by ABAG.
- (B) From Appendix B, Page 7g.
- (C) (A) x (B).
- (D) (C) / [Appendix D, Page 7c, (D)] x [Appendix D, Page 7c, (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 PLAN Corporation - Liability Program (\$100K and \$1M Analysis)
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
1992-1993											691	691	691	691
1993-1994										652	652	652	652	652
1994-1995									719	719	719	718	719	719
1995-1996								707	707	707	707	708	709	709
1996-1997							732	733	732	731	732	732	732	733
1997-1998						752	748	749	747	747	747	747	750	750
1998-1999					708	709	710	700	702	702	702	712	713	713
1999-2000				639	641	640	564	567	567	566	640	640	640	640
2000-2001			594	597	605	589	589	590	590	607	607	608	608	608
2001-2002		686	717	719	707	709	710	710	722	722	723	723	723	
2002-2003	253	775	796	790	791	792	792	806	807	807	807	807		
2003-2004	206	637	631	652	656	656	668	667	668	666	667			
2004-2005	244	619	720	721	723	728	729	730	730	730				
2005-2006	192	669	695	697	706	708	710	710	711					
2006-2007	234	660	677	696	696	700	701	702						
2007-2008	242	659	803	809	814	814	814							
2008-2009	243	693	716	721	724	724								
2009-2010	238	632	647	646	646									
2010-2011	168	494	505	506										
2011-2012	129	452	465											
2012-2013	169	499												
2013-2014	144													

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
1992-1993											1.000	1.000	1.000	1.000
1993-1994										1.000	1.000	1.000	1.000	1.000
1994-1995									1.000	1.000	0.999	1.001	1.000	1.000
1995-1996								1.000	1.000	1.000	1.001	1.001	1.000	1.001
1996-1997							1.001	0.999	0.999	1.001	1.000	1.000	1.001	1.000
1997-1998						0.995	1.001	0.997	1.000	1.000	1.000	1.004	1.000	1.000
1998-1999					1.001	1.001	0.986	1.003	1.000	1.000	1.014	1.001	1.000	1.000
1999-2000				1.003	0.998	0.881	1.005	1.000	0.998	1.131	1.000	1.000	1.000	1.000
2000-2001			1.005	1.013	0.974	1.000	1.002	1.000	1.029	1.000	1.002	1.000	1.000	
2001-2002		1.045	1.003	0.983	1.003	1.001	1.000	1.017	1.000	1.001	1.000	1.000		
2002-2003	3.063	1.027	0.992	1.001	1.001	1.000	1.018	1.001	1.000	1.000	1.000			
2003-2004	3.092	0.991	1.033	1.006	1.000	1.018	0.999	1.001	0.997	1.002				
2004-2005	2.537	1.163	1.001	1.003	1.007	1.001	1.001	1.000	1.000					
2005-2006	3.484	1.039	1.003	1.013	1.003	1.003	1.000	1.001						
2006-2007	2.821	1.026	1.028	1.000	1.006	1.001	1.001							
2007-2008	2.723	1.219	1.007	1.006	1.000	1.000								
2008-2009	2.852	1.033	1.007	1.004	1.000									
2009-2010	2.655	1.024	0.998	1.000										
2010-2011	2.940	1.022	1.002											
2011-2012	3.504	1.029												
2012-2013	2.953													

	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	2.966	1.056	1.007	1.003	0.999	0.991	1.001	1.002	1.002	1.012	1.001	1.001	1.000	1.000
Claim-weighted Averages														
3-yr	3.101	1.025	1.003	1.004	1.002	1.001	1.001	1.001	0.999	1.001	1.000	1.000	1.000	1.000
4-yr	2.950	1.027	1.004	1.003	1.002	1.001	1.000	1.001	0.999	1.001	1.000	1.000	1.000	1.000
Comparative Factors														
Prior	2.633	1.136	1.018	1.005	1.005	1.004	1.004	1.002	1.002	1.001	1.000	1.000	1.000	1.000
Selected	3.000	1.050	1.010	1.005	1.004	1.003	1.002	1.001	1.000	1.000	1.000	1.000	1.000	1.000
Cumulated	3.000	1.040	1.010	1.005	1.004	1.003	1.002	1.001	1.000	1.000	1.000	1.000	1.000	1.000
Cumulated	3.198	1.066	1.025	1.015	1.010	1.006	1.003	1.001	1.000	1.000	1.000	1.000	1.000	1.000

ABAG PLAN Corporation - Liability Program (\$100K and \$1M Analysis)
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
1992-1993											690	691	691	691
1993-1994										651	651	651	651	652
1994-1995									719	719	719	718	719	719
1995-1996								707	707	707	707	708	708	709
1996-1997							730	731	732	731	732	732	732	733
1997-1998						749	748	749	747	747	747	747	749	750
1998-1999					701	704	707	697	700	701	701	712	712	713
1999-2000				628	636	636	563	567	567	566	640	640	640	640
2000-2001			544	583	593	582	587	589	589	607	607	607	607	608
2001-2002		474	664	700	698	705	707	709	721	721	722	723	722	
2002-2003	44	536	734	766	783	789	791	805	805	805	806	806		
2003-2004	36	465	585	636	648	649	662	663	666	666	667			
2004-2005	54	414	668	706	712	726	727	730	730	730				
2005-2006	50	487	637	672	692	701	707	707	707					
2006-2007	83	518	632	681	687	692	699	701						
2007-2008	94	480	742	786	800	808	811							
2008-2009	89	509	664	704	712	718								
2009-2010	45	464	599	631	643									
2010-2011	46	331	470	497										
2011-2012	27	285	421											
2012-2013	36	332												
2013-2014	28													

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
1992-1993											1.001	1.000	1.000	1.000
1993-1994										1.000	1.000	1.000	1.002	1.000
1994-1995									1.000	1.000	0.999	1.001	1.000	1.000
1995-1996								1.000	1.000	1.000	1.001	1.000	1.001	1.001
1996-1997							1.001	1.001	0.999	1.001	1.000	1.000	1.001	1.000
1997-1998						0.999	1.001	0.997	1.000	1.000	1.000	1.003	1.001	1.000
1998-1999					1.004	1.004	0.986	1.004	1.001	1.000	1.016	1.000	1.001	1.000
1999-2000				1.013	1.000	0.885	1.007	1.000	0.998	1.131	1.000	1.000	1.000	1.000
2000-2001			1.072	1.017	0.981	1.009	1.003	1.000	1.031	1.000	1.000	1.000	1.002	
2001-2002		1.401	1.054	0.997	1.010	1.003	1.003	1.017	1.000	1.001	1.001	0.999		
2002-2003	12.182	1.369	1.044	1.022	1.008	1.003	1.018	1.000	1.000	1.001	1.000			
2003-2004	12.917	1.258	1.087	1.019	1.002	1.020	1.002	1.005	1.000	1.002				
2004-2005	7.667	1.614	1.057	1.008	1.020	1.001	1.004	1.000	1.000					
2005-2006	9.740	1.308	1.055	1.030	1.013	1.009	1.000	1.000						
2006-2007	6.241	1.220	1.078	1.009	1.007	1.010	1.003							
2007-2008	5.106	1.546	1.059	1.018	1.010	1.004								
2008-2009	5.719	1.305	1.060	1.011	1.008									
2009-2010	10.311	1.291	1.053	1.019										
2010-2011	7.196	1.420	1.057											
2011-2012	10.556	1.477												
2012-2013	9.222													

	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	8.805	1.383	1.061	1.015	1.006	0.995	1.003	1.002	1.003	1.012	1.002	1.000	1.001	1.000
Claim-weighted Averages														
3-yr	8.697	1.380	1.057	1.016	1.009	1.007	1.002	1.001	1.000	1.001	1.000	0.999	1.001	1.000
4-yr	9.169	1.356	1.058	1.014	1.010	1.006	1.002	1.001	1.000	1.001	1.000	1.000	1.001	1.000
Comparative Factors														
Prior	3.387	1.495	1.122	1.051	1.033	1.020	1.012	1.010	1.007	1.005	1.005	1.003	1.003	1.001
Selected	8.250	1.360	1.060	1.015	1.010	1.005	1.004	1.003	1.002	1.001	1.001	1.001	1.001	1.001
Cumulated	8.500	1.380	1.060	1.015	1.010	1.005	1.004	1.003	1.002	1.001	1.001	1.001	1.001	1.001
Cumulated	13.005	1.530	1.109	1.046	1.031	1.021	1.016	1.012	1.009	1.007	1.006	1.005	1.004	1.003

ABAG PLAN Corporation - Liability Program (\$100K and \$1M Analysis)

Exposure Measures

Accident Year	Population (A)	Gross Revenue (\$00) (B)	Total Payroll (\$00) (C)	Sheriff's Payroll (\$00) (D)	Number of Police Vehicles (E)	Number of Employees (FTE) (F)	Inflation Trend Factor (G)
1986-1993			9,672,030				1.679
1993-1994			1,837,818				1.638
1994-1995			1,923,511				1.598
1995-1996			2,026,897				1.559
1996-1997			2,077,201				1.521
1997-1998			2,204,399				1.484
1998-1999			2,391,737				1.448
1999-2000			2,593,272				1.413
2000-2001			2,775,885				1.379
2001-2002			3,087,086				1.345
2002-2003			3,441,025				1.312
2003-2004			3,596,411				1.280
2004-2005			4,209,065				1.249
2005-2006			4,297,616				1.219
2006-2007			4,504,261				1.189
2007-2008			4,760,932				1.160
2008-2009			4,919,866				1.132
2009-2010			4,760,313				1.104
2010-2011			4,414,060				1.077
2011-2012			3,743,296				1.051
2012-2013			3,690,787				1.025
2013-2014			3,778,924				1.000
2014-2015			3,862,997				1.000

Notes: All exposure data provided by ABAG.

ABAG PLAN Corporation - Liability Program (\$100K and \$1M Analysis)

Adjusted Exposure Measures

Accident Year	Population (A)	Gross Revenue (B)	Total Payroll (C)	Sheriff's Payroll (D)	Number of Police Vehicles (E)	Number of Employees (FTE) (F)	Composite Exposure (G)
1986-1993			16,239,338				16,239,338
1993-1994			3,010,346				3,010,346
1994-1995			3,073,771				3,073,771
1995-1996			3,159,932				3,159,932
1996-1997			3,159,423				3,159,423
1997-1998			3,271,328				3,271,328
1998-1999			3,463,235				3,463,235
1999-2000			3,664,293				3,664,293
2000-2001			3,827,945				3,827,945
2001-2002			4,152,131				4,152,131
2002-2003			4,514,625				4,514,625
2003-2004			4,603,406				4,603,406
2004-2005			5,257,122				5,257,122
2005-2006			5,238,794				5,238,794
2006-2007			5,355,566				5,355,566
2007-2008			5,522,681				5,522,681
2008-2009			5,569,288				5,569,288
2009-2010			5,255,386				5,255,386
2010-2011			4,753,943				4,753,943
2011-2012			3,934,204				3,934,204
2012-2013			3,783,057				3,783,057
2013-2014			3,778,924				3,778,924
2014-2015			3,862,997				3,862,997
Weight	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	

Notes: Monetary exposures have been adjusted for inflation before calculating the adjusted exposure measures. All exposures from page 1 have been adjusted to a common level.
 Composite Exposure = (0.0% x Population) + (0.0% x Revenue) + (100.0% x Total Payroll) + (0.0% x Sheriff's Payroll) + (0.0% x Police Vehicles) + (0.0% x (FTE)).

ABAG PLAN Corporation - Liability Program (\$100K to \$1M Analysis)

Estimated Loss Rates for the \$100,000 - \$1,000,000 Layer

Accident Year	Estimated Ultimate \$100K - \$1M Losses (A)	Claim Cost Trend Factor (B)	Adjusted \$100K - \$1M Losses (C)	Composite Exposure (D)	Trended Ultimate \$100K - \$1M Loss Rate (E)
1986-1993				16,239,338	
1993-1994	1,422,668	2.191	3,117,000	3,010,346	1.035
1994-1995	1,633,372	2.107	3,441,000	3,073,771	1.119
1995-1996	460,061	2.026	932,000	3,159,932	0.295
1996-1997	271,001	1.948	528,000	3,159,423	0.167
1997-1998	2,096,852	1.873	3,927,000	3,271,328	1.200
1998-1999	1,823,244	1.801	3,284,000	3,463,235	0.948
1999-2000	964,492	1.732	1,670,000	3,664,293	0.456
2000-2001	1,731,977	1.665	2,884,000	3,827,945	0.753
2001-2002	2,949,541	1.601	4,722,000	4,152,131	1.137
2002-2003	4,569,579	1.539	7,035,000	4,514,625	1.558
2003-2004	2,205,881	1.480	3,265,000	4,603,406	0.709
2004-2005	1,675,074	1.423	2,384,000	5,257,122	0.453
2005-2006	3,321,000	1.369	4,545,000	5,238,794	0.868
2006-2007	1,515,000	1.316	1,994,000	5,355,566	0.372
2007-2008	4,648,000	1.265	5,881,000	5,522,681	1.065
2008-2009	3,503,000	1.217	4,262,000	5,569,288	0.765
2009-2010	3,279,000	1.170	3,836,000	5,255,386	0.730
2010-2011	2,755,000	1.125	3,099,000	4,753,943	0.652
2011-2012	7,396,000	1.082	8,000,000	3,934,204	2.033
2012-2013	8,396,000	1.040	8,732,000	3,783,057	2.308
Total	56,616,742		77,538,000	100,809,814	0.769
03/04-12/13	38,693,955		45,998,000	49,273,447	0.934
				Prior:	0.950
			Selected Loss Rate for 2012-13		1.030
			Selected Loss Rate for 2013-14		1.071

Notes:

- (A) From Appendix C, Page 2, Column (F).
 (B) We assume that losses are increasing at 4.0% per year.
 (C) (A) x (B).
 (D) From Appendix E, Page 1.
 (E) (C) / (D)

ABAG PLAN Corporation - Liability Program (\$100K to \$1M Analysis)

Estimated Ultimate Program Losses for the \$100,000 - \$1,000,000 Layer

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)	Selected Ultimate Limited Losses (E)
1986-1993	\$7,781,404	\$7,781,404	\$7,781,404	\$7,781,404	\$7,781,404
1993-1994	1,422,668	1,422,668	1,422,668	1,422,668	1,422,668
1994-1995	1,633,372	1,633,372	1,633,372	1,633,372	1,633,372
1995-1996	460,061	460,061	460,061	460,061	460,061
1996-1997	271,001	271,001	271,001	271,001	271,001
1997-1998	2,096,852	2,096,852	2,096,852	2,096,852	2,096,852
1998-1999	1,825,067	1,825,067	1,825,066	1,825,066	1,823,244
1999-2000	967,385	967,385	967,383	967,383	964,492
2000-2001	1,742,369	1,742,369	1,742,358	1,742,358	1,731,977
2001-2002	2,979,036	2,979,036	2,979,021	2,979,021	2,949,541
2002-2003	4,580,012	4,522,020	4,580,859	4,523,724	4,569,579
2003-2004	2,252,205	2,252,205	2,252,187	2,252,187	2,205,881
2004-2005	1,721,976	1,723,652	1,720,354	1,722,032	1,675,074
2005-2006	3,328,614	3,103,113	3,329,649	3,112,847	3,321,000
2006-2007	1,490,103	1,505,508	1,491,057	1,506,076	1,515,000
2007-2008	4,572,991	4,792,498	4,579,452	4,775,908	4,648,000
2008-2009	3,390,294	2,825,999	3,498,245	3,145,604	3,503,000
2009-2010	3,424,893	2,977,993	3,575,334	3,428,463	3,279,000
2010-2011	3,283,806	1,914,258	3,520,852	3,106,465	2,755,000
2011-2012	10,629,147	8,141,513	7,141,768	4,138,157	7,396,000
2012-2013	27,256,958	11,748,898	7,352,364	3,719,176	8,396,000
2013-2014					3,892,000
2014-2015					4,138,000
Totals					\$72,428,146

Notes:

- (A) From Appendix C, Page 3a, Column (D).
- (B) From Appendix C, Page 4a, Column (D).
- (C) Based on results in Appendix C, Page 5a.
- (D) Based on results in Appendix C, Page 5b.
- (E) Selected averages of (A), (B), (C), and (D).

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 PLAN Corporation - Liability Program (\$100K to \$1M Analysis)

Reported Loss Development

Accident Year (A)	Limited Reported Losses as of 12/31/13 (B)	Reported Loss Development Factor (C)	Estimated Ultimate Limited Losses (D)
1986-1993	\$7,781,404	1.000	\$7,781,404
1993-1994	1,422,668	1.000	1,422,668
1994-1995	1,633,372	1.000	1,633,372
1995-1996	460,061	1.000	460,061
1996-1997	271,001	1.000	271,001
1997-1998	2,096,852	1.000	2,096,852
1998-1999	1,823,244	1.001	1,825,067
1999-2000	964,492	1.003	967,385
2000-2001	1,731,977	1.006	1,742,369
2001-2002	2,949,541	1.010	2,979,036
2002-2003	4,512,327	1.015	4,580,012
2003-2004	2,205,881	1.021	2,252,205
2004-2005	1,675,074	1.028	1,721,976
2005-2006	3,206,757	1.038	3,328,614
2006-2007	1,413,760	1.054	1,490,103
2007-2008	4,253,945	1.075	4,572,991
2008-2009	3,032,463	1.118	3,390,294
2009-2010	2,837,525	1.207	3,424,893
2010-2011	2,267,822	1.448	3,283,806
2011-2012	5,436,904	1.955	10,629,147
2012-2013	4,426,268	6.158	27,256,958
Totals	\$56,403,338		\$87,110,214

Notes:

- (A) Years are 7/1 to 6/30.
- (B) Provided by ABAG. These losses include amounts between \$100,000 and \$1,000,000.
- (C) From Appendix C, Page 3b.
- (D) (B) x (C). These estimated losses include amounts between \$100,000 and \$1,000,000.

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 PLAN Corporation - Liability Program (\$100K to \$1M Analysis)

Limited Losses Reported as of:

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
1992-1993											
1993-1994											361,078
1994-1995										1,468,781	1,468,781
1995-1996									1,724,047	1,724,047	1,724,047
1996-1997								341,390	341,390	341,390	341,390
1997-1998							272,521	279,522	271,001	271,001	271,001
1998-1999						2,414,333	2,251,313	2,251,313	2,251,313	2,251,313	2,096,852
1999-2000					1,658,625	1,823,243	1,823,243	1,823,243	1,823,243	1,823,243	1,823,243
2000-2001				898,513	1,005,578	1,060,578	1,023,612	1,023,612	964,842	964,842	1,825,620
2001-2002			965,485	958,981	953,812	1,008,532	1,579,410	1,581,139	1,581,139	2,382,404	2,382,404
2002-2003		365,699	1,446,885	1,633,894	2,059,086	2,967,377	2,941,383	2,955,718	2,956,981	2,951,981	3,039,481
2003-2004	365,543	1,476,042	3,953,355	3,589,550	4,887,581	4,262,606	4,441,309	4,901,984	4,966,984	5,011,984	3,560,542
2004-2005		66,478	363,636	398,884	890,862	986,705	3,560,692	3,460,542	3,560,542	2,866,202	
2005-2006		586,598	1,140,449	1,700,075	1,700,074	2,861,424	2,893,524	2,858,702	3,795,674		
2006-2007	25,000	331,278	1,741,278	2,362,206	3,669,875	3,689,497	3,765,682	3,394,986			
2007-2008	200,000	292,450	332,811	3,039,627	3,179,650	3,297,534	4,358,070				
2008-2009	100,000	633,000	3,743,710	4,332,780	4,420,360	3,430,417					
2009-2010		2,839,064	3,484,984	3,288,639	3,131,959						
2010-2011	763,697	3,371,740	3,848,137	2,650,741							
2011-2012	510,509	2,770,955	3,631,019								
2012-2013	602,255	4,254,395									
2013-2014	842,948										

Reported Loss Development Factors:

	6-18 Months	18-30 Months	30-42 Months	42-54 Months	54-66 Months	66-78 Months	78-90 Months	90-102 Months	102-114 Months	114-126 Months	126-138 Months
1992-1993											
1993-1994											1.000
1994-1995										1.000	1.000
1995-1996									1.000	1.000	1.000
1996-1997								1.000	1.000	1.000	1.000
1997-1998							1.026	0.970	1.000	1.000	1.000
1998-1999						0.932	1.000	1.000	1.000	0.931	1.000
1999-2000					1.099	1.000	1.000	1.000	1.000	1.000	1.376
2000-2001				1.119	1.055	0.965	1.000	0.943	1.000	1.892	1.000
2001-2002			0.993	0.995	1.057	1.566	1.001	1.000	1.507	1.000	1.000
2002-2003		3.956	1.129	1.260	1.441	0.991	1.005	1.000	0.998	1.030	1.638
2003-2004	4.038	2.678	0.908	1.362	0.872	1.042	1.104	1.013	1.009	0.710	
2004-2005		5.470	1.097	2.233	1.108	3.609	0.972	1.029	0.805		
2005-2006		1.944	1.491	1.000	1.683	1.011	0.988	1.328			
2006-2007	13.251	5.256	1.357	1.554	1.005	1.021	0.902				
2007-2008	1.462	1.138	9.133	1.046	1.037	1.322					
2008-2009	6.330	5.914	1.157	1.020	0.776						
2009-2010		1.228	0.944	0.952							
2010-2011	4.415	1.141	0.689								
2011-2012	5.428	1.310									
2012-2013	7.064										
Average	5.998	3.004	1.890	1.254	1.113	1.346	1.000	1.028	1.032	1.056	1.101
Dollar-weighted Averages											
3-yr	5.541	1.221	0.927	1.007	0.924	1.119	0.951	1.098	0.943	0.868	1.267
4-yr		1.530	1.167	1.106	1.024	1.345	0.997	1.078	1.011	0.956	1.289
Comparative Industry	4.658	1.905	1.333	1.139	1.034	1.015	1.006	1.000	1.000	1.000	1.000
Prior	6.000	3.300	1.400	1.250	1.080	1.040	1.020	1.015	1.010	1.007	1.006
Selected	6.000	3.150	1.350	1.200	1.080	1.040	1.020	1.015	1.010	1.007	1.006
Cumulated	36.948	6.158	1.955	1.448	1.207	1.118	1.075	1.054	1.038	1.028	1.021

ABAG PLAN Corporation - Liability Program (\$100K to \$1M Analysis)

Limited Losses Reported as of:

Limited Losses Reported as of:

Accident Year	138 Months	150 Months	162 Months	174 Months	186 Months	198 Months	210 Months	222 Months	234 Months	246 Months	258 Months
1992-1993	1,243,337	1,243,337	1,243,337	1,243,337	1,243,337	1,243,490	1,243,490	2,173,587	2,173,587	2,173,587	2,991,260
1993-1994	361,078	361,078	361,078	361,078	361,078	1,261,078	2,991,260	2,991,260	2,991,260	2,507,317	
1994-1995	1,468,781	1,468,781	1,422,569	1,422,668	1,422,668	2,507,317	2,507,317	2,507,317	2,792,035		
1995-1996	1,724,047	1,724,047	1,633,372	1,633,372	2,792,035	2,792,035	2,792,035	2,146,026			
1996-1997	341,390	341,390	341,390	2,146,026	2,146,026	2,146,026	2,573,489				
1997-1998	271,001	271,001	2,573,489	2,573,489	2,575,789	3,047,280					
1998-1999	2,096,852	2,997,280	2,997,280	3,047,280	2,535,722						
1999-2000	2,509,278	2,515,050	2,510,722	1,825,620							
2000-2001	1,825,620	1,825,620	2,482,404								
2001-2002	2,382,504	3,027,919									
2002-2003	4,977,421										
2003-2004											
2004-2005											
2005-2006											
2006-2007											
2007-2008											
2008-2009											
2009-2010											
2010-2011											
2011-2012											
2012-2013											
2013-2014											

	138-150 Months	150-162 Months	162-174 Months	174-186 Months	186-198 Months	198-210 Months	210-222 Months	222-234 Months	234-246 Months	246-258 Months	258-Ult. Months
1992-1993	1.000	1.000	1.000	1.000	1.000	1.000	1.748	1.000	1.000	1.376	
1993-1994	1.000	1.000	1.000	1.000	3.493	2.372	1.000	1.000	0.838		
1994-1995	1.000	0.969	1.000	1.000	1.762	1.000	1.000	1.114			
1995-1996	1.000	0.947	1.000	1.709	1.000	1.000	0.769				
1996-1997	1.000	1.000	6.286	1.000	1.000	1.199					
1997-1998	1.000	9.496	1.000	1.001	1.183						
1998-1999	1.429	1.000	1.017	0.832							
1999-2000	1.002	0.998	0.727								
2000-2001	1.000	1.360									
2001-2002	1.271										
2002-2003											
2003-2004											
2004-2005											
2005-2006											
2006-2007											
2007-2008											
2008-2009											
2009-2010											
2010-2011											
2011-2012											
2012-2013											

	138-150 Months	150-162 Months	162-174 Months	174-186 Months	186-198 Months	198-210 Months	210-222 Months	222-234 Months	234-246 Months	246-258 Months	258-Ult. Months
Average	1.070	1.974	1.629	1.077	1.573	1.314	1.129	1.038	0.919	1.376	
Dollar-weighted Averages											
3-yr	1.097	1.089	0.921	0.934	1.063	1.057	0.922	1.037			
4-yr	1.176	1.388	1.139	1.069	1.174	1.248	1.030				
Comparative Industry	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Prior	1.005	1.004	1.003	1.002	1.001	1.000	1.000	1.000	1.000	1.000	1.000
Selected	1.005	1.004	1.003	1.002	1.001	1.000	1.000	1.000	1.000	1.000	1.000
Cumulated	1.015	1.010	1.006	1.003	1.001	1.000	1.000	1.000	1.000	1.000	1.000

ABAG PLAN Corporation - Liability Program (\$100K to \$1M Analysis)

Paid Loss Development

Accident Year (A)	Limited Paid Losses as of 12/31/13 (B)	Paid Loss Development Factor (C)	Estimated Ultimate Limited Losses (D)
1986-1993	\$7,781,404	1.000	\$7,781,404
1993-1994	1,422,668	1.000	1,422,668
1994-1995	1,633,372	1.000	1,633,372
1995-1996	460,061	1.000	460,061
1996-1997	271,001	1.000	271,001
1997-1998	2,096,852	1.000	2,096,852
1998-1999	1,823,244	1.001	1,825,067
1999-2000	964,492	1.003	967,385
2000-2001	1,731,977	1.006	1,742,369
2001-2002	2,949,541	1.010	2,979,036
2002-2003	4,455,192	1.015	4,522,020
2003-2004	2,205,881	1.021	2,252,205
2004-2005	1,675,075	1.029	1,723,652
2005-2006	2,986,634	1.039	3,103,113
2006-2007	1,413,623	1.065	1,505,508
2007-2008	4,203,946	1.140	4,792,498
2008-2009	2,253,588	1.254	2,825,999
2009-2010	1,978,733	1.505	2,977,993
2010-2011	847,767	2.258	1,914,258
2011-2012	1,126,697	7.226	8,141,513
2012-2013	325,184	36.130	11,748,898
Totals	\$44,606,932		\$66,686,872

Notes:

- (A) Years are 7/1 to 6/30.
- (B) Provided by ABAG. These losses include amounts between \$100,000 and \$1,000,000.
- (C) From Appendix C, Page 4b.
- (D) (B) x (C). These estimated losses include amounts between \$100,000 and \$1,000,000.

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 PLAN Corporation - Liability Program (\$100K to \$1M Analysis)

Limited Losses Paid as of:

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
1992-1993											
1993-1994											
1994-1995											361,078
1995-1996										1,417,622	1,417,622
1996-1997									1,724,048	1,724,048	1,724,048
1997-1998								341,390	341,390	341,390	341,390
1998-1999							265,021	271,001	271,001	271,001	271,001
1999-2000						2,012,369	2,251,313	2,251,313	2,251,313	2,251,313	2,096,852
2000-2001					1,000,106	1,275,187	1,823,244	1,823,244	1,823,244	1,823,244	1,823,244
2001-2002				880,149	1,000,578	1,023,612	1,023,612	1,023,612	964,842	964,842	2,382,404
2002-2003			873,114	953,412	953,532	953,532	1,579,410	1,581,139	1,581,139	2,939,481	2,998,047
2003-2004		309,735	1,022,186	1,490,294	1,947,824	2,029,466	2,041,384	2,943,619	4,893,323	4,930,307	3,560,542
2004-2005	75,543	903,527	2,226,102	3,446,317	3,946,802	3,910,106	4,427,910	3,460,542	3,560,542	2,866,154	
2005-2006		15,692	363,636	379,734	682,512	766,935	2,853,463	2,858,654	3,780,292		
2006-2007		6,598	310,953	1,675,075	1,675,075	3,654,071	3,764,224	3,394,936			
2007-2008		208,642	211,412	862,224	3,103,547	3,253,555	4,228,474				
2008-2009	6,182	15,240	69,317	3,650,448	4,101,554	3,338,980					
2009-2010		54,284	2,186,680	2,792,089	2,998,274						
2010-2011		1,046,459	2,274,617	2,287,500							
2011-2012	106,645	872,432	2,112,380								
2012-2013	114,916	934,308									
2013-2014	130,461										

Paid Loss Development Factors:

	6-18 Months	18-30 Months	30-42 Months	42-54 Months	54-66 Months	66-78 Months	78-90 Months	90-102 Months	102-114 Months	114-126 Months	126-138 Months
1992-1993											
1993-1994											
1994-1995											1.000
1995-1996										1.000	1.000
1996-1997									1.000	1.000	1.000
1997-1998								1.000	1.000	1.000	1.000
1998-1999							1.023	1.000	1.000	1.000	1.000
1999-2000						1.119	1.000	1.000	1.000	0.931	1.000
2000-2001					1.275	1.430	1.000	1.000	1.000	1.000	1.001
2001-2002				1.137	1.023	1.000	1.000	0.943	1.000	2.469	1.000
2002-2003			1.092	1.000	1.000	1.656	1.001	1.000	1.859	1.020	1.660
2003-2004		3.300	1.458	1.307	1.042	1.006	1.442	1.662	1.008	0.722	
2004-2005	11.960	2.464	1.548	1.145	0.991	1.132	0.782	1.029	0.805		
2005-2006		23.173	1.044	1.797	1.124	3.721	1.002	1.322			
2006-2007		47.128	5.387	1.000	2.181	1.030	0.902				
2007-2008		1.013	4.078	3.599	1.048	1.300					
2008-2009	2.465	4.548	52.663	1.124	0.814						
2009-2010		40.282	1.277	1.074							
2010-2011		2.174	1.006								
2011-2012	8.181	2.421									
2012-2013	8.130										
Average	7.684	14.056	7.728	1.465	1.166	1.488	1.017	1.106	1.075	1.127	1.073
Dollar-weighted Averages											
3-yr		3.332	1.927	1.397	1.154	1.413	0.879	1.321	1.070	1.012	1.275
4-yr		3.341	2.023	1.323	1.152	1.318	0.967	1.274	1.064	1.010	1.213
Comparative Industry	11.043	3.182	1.786	1.350	1.166	1.088	1.062	1.040	1.026	1.013	1.005
Prior	12.000	5.000	3.200	1.600	1.250	1.100	1.070	1.025	1.010	1.008	1.006
Selected	12.000	5.000	3.200	1.500	1.200	1.100	1.070	1.025	1.010	1.008	1.006
Cumulated	433.560	36.130	7.226	2.258	1.505	1.254	1.140	1.065	1.039	1.029	1.021

ABAG PLAN Corporation - Liability Program (\$100K to \$1M Analysis)

Limited Losses Paid as of:

Losses Paid as of:

Accident Year	138 Months	150 Months	162 Months	174 Months	186 Months	198 Months	210 Months	222 Months	234 Months	246 Months	258 Months
1992-1993		1,290,374	1,290,374	1,290,374	1,290,374	1,290,374	1,290,374	1,290,374	2,173,587	2,173,587	2,991,260
1993-1994	1,243,337	1,243,337	1,243,337	1,243,337	1,243,337	1,243,490	1,243,490	2,991,260	2,991,260	2,507,317	
1994-1995	361,078	361,078	361,078	361,078	361,078	1,261,078	2,507,317	2,507,317	2,792,035		
1995-1996	1,417,622	1,417,622	1,422,569	1,422,668	1,422,668	2,792,035	2,792,035	2,146,026			
1996-1997	1,724,048	1,724,048	1,633,372	1,633,372	2,146,026	2,146,026	2,573,489				
1997-1998	341,390	341,390	341,390	2,573,489	2,573,489	3,047,280					
1998-1999	271,001	271,001	2,997,280	3,047,280	2,510,722						
1999-2000	2,096,852	2,510,050	2,510,722	1,825,620							
2000-2001	1,825,620	1,825,620	2,482,404								
2001-2002	2,382,404	3,000,611									
2002-2003	4,977,421										
2003-2004											
2004-2005											
2005-2006											
2006-2007											
2007-2008											
2008-2009											
2009-2010											
2010-2011											
2011-2012											
2012-2013											
2013-2014											

	138-150 Months	150-162 Months	162-174 Months	174-186 Months	186-198 Months	198-210 Months	210-222 Months	222-234 Months	234-246 Months	246-258 Months	258-Ult. Months
1992-1993		1.000	1.000	1.000	1.000	1.000	1.000	1.684	1.000	1.376	
1993-1994	1.000	1.000	1.000	1.000	1.000	1.000	2.406	1.000	0.838		
1994-1995	1.000	1.000	1.000	1.000	3.493	1.988	1.000	1.114			
1995-1996	1.000	1.003	1.000	1.000	1.963	1.000	0.769				
1996-1997	1.000	0.947	1.000	1.314	1.000	1.199					
1997-1998	1.000	1.000	7.538	1.000	1.184						
1998-1999	1.000	11.060	1.017	0.824							
1999-2000	1.197	1.000	0.727								
2000-2001	1.000	1.360									
2001-2002	1.259										
2002-2003											
2003-2004											
2004-2005											
2005-2006											
2006-2007											
2007-2008											
2008-2009											
2009-2010											
2010-2011											
2011-2012											
2012-2013											

	138-150 Months	150-162 Months	162-174 Months	174-186 Months	186-198 Months	198-210 Months	210-222 Months	222-234 Months	234-246 Months	246-258 Months	258-Ult. Months
Average	1.051	2.152	1.785	1.020	1.607	1.237	1.294	1.266	0.919	1.376	
Dollar-weighted Averages											
3-yr	1.164	1.735	1.273	0.997	1.300	1.270	1.168	1.172			
4-yr	1.157	1.684	1.213	0.997	1.422	1.225	1.141				
Comparative Industry	1.005	1.005	1.004	1.004	1.004	1.003	1.002	1.002	1.001	1.000	1.001
Prior	1.005	1.004	1.003	1.002	1.001	1.000	1.000	1.000	1.000	1.000	1.000
Selected	1.005	1.004	1.003	1.002	1.001	1.000	1.000	1.000	1.000	1.000	1.000
Cumulated	1.015	1.010	1.006	1.003	1.001	1.000	1.000	1.000	1.000	1.000	1.000

ABAG PLAN Corporation - Liability Program (\$100K to \$1M Analysis)

Exposure and Development Method
Based on Reported Losses

Accident Year	Composite Exposure (A)	Reported Losses as of 12/31/13 (B)	Loss Development Factor (C)	Percentage of Losses Yet to Be Reported (D)	Program Rate (E)	Incurred but not Reported (IBNR) (F)	Estimated Ultimate Losses (G)
1986-1993	16,239,338	\$7,781,404	1.000	0.000	\$0.479	\$0	\$7,781,404
1993-1994	3,010,346	1,422,668	1.000	0.000	0.473	0	1,422,668
1994-1995	3,073,771	1,633,372	1.000	0.000	0.531	0	1,633,372
1995-1996	3,159,932	460,061	1.000	0.000	0.146	0	460,061
1996-1997	3,159,423	271,001	1.000	0.000	0.086	0	271,001
1997-1998	3,271,328	2,096,852	1.000	0.000	0.641	0	2,096,852
1998-1999	3,463,235	1,823,244	1.001	0.001	0.526	1,822	1,825,066
1999-2000	3,664,293	964,492	1.003	0.003	0.263	2,891	967,383
2000-2001	3,827,945	1,731,977	1.006	0.006	0.452	10,381	1,742,358
2001-2002	4,152,131	2,949,541	1.010	0.010	0.710	29,480	2,979,021
2002-2003	4,514,625	4,512,327	1.015	0.015	1.012	68,532	4,580,859
2003-2004	4,603,406	2,205,881	1.021	0.021	0.479	46,306	2,252,187
2004-2005	5,257,122	1,675,074	1.028	0.027	0.319	45,280	1,720,354
2005-2006	5,238,794	3,206,757	1.038	0.037	0.634	122,892	3,329,649
2006-2007	5,355,566	1,413,760	1.054	0.051	0.283	77,297	1,491,057
2007-2008	5,522,681	4,253,945	1.075	0.070	0.842	325,507	4,579,452
2008-2009	5,569,288	3,032,463	1.118	0.106	0.789	465,782	3,498,245
2009-2010	5,255,386	2,837,525	1.207	0.171	0.821	737,809	3,575,334
2010-2011	4,753,943	2,267,822	1.448	0.309	0.853	1,253,030	3,520,852
2011-2012	3,934,204	5,436,904	1.955	0.488	0.888	1,704,864	7,141,768
2012-2013	3,783,057	4,426,268	6.158	0.838	0.923	2,926,096	7,352,364
Totals	\$100,809,814	\$56,403,338				\$7,817,969	\$64,221,307

Notes:

- (A) Provided by ABAG.
- (B) Provided by ABAG. These losses include amounts between \$100,000 and \$1,000,000.
- (C) From Appendix C, Page 3a, Column (C).
- (D) 1 - 1/(C).
- (E) From Appendix C, Page 5c, Column (H).
- (F) (A) x (D) x (E).
- (G) (B) + (F).

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

ABAG PLAN Corporation - Liability Program (\$100K to \$1M Analysis)

Exposure and Development Method
Based on Paid Losses

Accident Year	Composite Exposure (A)	Paid Losses as of 12/31/13 (B)	Loss Development Factor (C)	Percentage of Losses Yet to Be Paid (D)	Program Rate (E)	Incurred but not Paid (F)	Estimated Ultimate Losses (G)
1986-1993	16,239,338	\$7,781,404	1.000	0.000	\$0.479	\$0	\$7,781,404
1993-1994	3,010,346	1,422,668	1.000	0.000	0.473	0	1,422,668
1994-1995	3,073,771	1,633,372	1.000	0.000	0.531	0	1,633,372
1995-1996	3,159,932	460,061	1.000	0.000	0.146	0	460,061
1996-1997	3,159,423	271,001	1.000	0.000	0.086	0	271,001
1997-1998	3,271,328	2,096,852	1.000	0.000	0.641	0	2,096,852
1998-1999	3,463,235	1,823,244	1.001	0.001	0.526	1,822	1,825,066
1999-2000	3,664,293	964,492	1.003	0.003	0.263	2,891	967,383
2000-2001	3,827,945	1,731,977	1.006	0.006	0.452	10,381	1,742,358
2001-2002	4,152,131	2,949,541	1.010	0.010	0.710	29,480	2,979,021
2002-2003	4,514,625	4,455,192	1.015	0.015	1.012	68,532	4,523,724
2003-2004	4,603,406	2,205,881	1.021	0.021	0.479	46,306	2,252,187
2004-2005	5,257,122	1,675,075	1.029	0.028	0.319	46,957	1,722,032
2005-2006	5,238,794	2,986,634	1.039	0.038	0.634	126,213	3,112,847
2006-2007	5,355,566	1,413,623	1.065	0.061	0.283	92,453	1,506,076
2007-2008	5,522,681	4,203,946	1.140	0.123	0.842	571,962	4,775,908
2008-2009	5,569,288	2,253,588	1.254	0.203	0.789	892,016	3,145,604
2009-2010	5,255,386	1,978,733	1.505	0.336	0.821	1,449,730	3,428,463
2010-2011	4,753,943	847,767	2.258	0.557	0.853	2,258,698	3,106,465
2011-2012	3,934,204	1,126,697	7.226	0.862	0.888	3,011,460	4,138,157
2012-2013	3,783,057	325,184	36.130	0.972	0.923	3,393,992	3,719,176
Totals	\$100,809,814	\$44,606,932				\$12,002,893	\$56,609,825

Notes:

- (A) Provided by ABAG.
- (B) Provided by ABAG. These losses include amounts between \$100,000 and \$1,000,000.
- (C) From Appendix C, Page 4a, Column (C).
- (D) $1 - 1/(C)$.
- (E) From Appendix C, Page 5c, Column (H).
- (F) $(A) \times (D) \times (E)$.
- (G) $(B) + (F)$.

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

ABAG PLAN CORPORATION
Exposure x Deductible Discount Factor

Member	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01	1999-00	1998-99	1997-98	1996-97	1995-96	1994-95	1993-94	1992-93	1991-92	1990-91	1989-90	1988-89	1987-88	1986-87			
American Canyon	780	765	752	732	748	853	844	777	716	646	548	457	377	304	287	274	244	197	171	155	140	118	0	0	0	0	0	0	0	0		
Albion	571	531	476	566	673	685	695	626	613	613	584	563	545	442	368	425	440	386	343	278	249	233	198	190	189	178	155	135	125	0		
Belvedere	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	
Berkeley	2,327	2,176	2,252	2,273	2,431	2,633	2,975	2,872	2,665	2,440	2,309	2,193	2,064	1,914	1,797	1,641	1,459	1,306	1,138	1,000	1,200	1,189	1,09	94	93	80	63	54	50	0		
Brisbane	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	
Buffume	1,813	1,768	1,727	1,804	1,582	1,774	1,863	1,836	1,736	1,668	1,638	1,612	1,622	1,516	1,219	1,012	883	823	878	882	900	855	813	0	0	0	0	0	0	0	0	0
Campbell	1,842	1,804	1,765	1,706	1,639	1,790	1,737	1,705	1,621	1,584	1,569	1,587	1,522	1,395	1,175	1,025	1,107	984	898	881	873	935	1,075	1,062	925	782	769	729	696	0	0	
Colma	524	511	480	517	484	476	499	503	489	434	391	354	305	298	277	250	226	197	176	146	136	111	0	0	0	0	0	0	0	0	0	
Cupertino	1,115	1,079	1,057	1,043	943	996	958	905	1,214	1,158	1,151	1,121	1,094	942	846	800	826	746	680	636	581	551	564	0	0	0	0	0	0	0	0	
Dublin	1,222	1,220	1,107	1,043	843	946	977	851	904	857	808	741	651	555	481	396	333	292	268	231	187	189	222	211	178	161	105	84	67	0	0	
East Palo Alto	1,007	991	956	986	1,088	1,056	1,240	1,092	1,048	1,050	852	770	556	455	391	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Foster City	1,980	1,832	1,982	1,783	1,903	2,353	2,157	2,078	1,946	2,772	2,538	2,431	2,228	2,034	1,868	1,726	1,584	1,431	1,325	1,260	1,193	1,075	960	830	886	847	765	685	614	536	0	
Gilroy	3,391	3,224	2,978	2,813	2,824	2,492	3,045	3,168	2,846	2,772	2,538	2,431	2,228	2,034	1,868	1,726	1,584	1,431	1,325	1,260	1,193	1,075	960	830	886	847	765	685	614	536	0	
Hillborough	1,254	1,208	1,273	1,191	1,339	1,537	1,566	1,468	1,348	1,278	1,125	982	940	0	0	704	823	572	544	516	462	430	422	398	373	339	311	0	0	0	0	0
Los Altos	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
Los Altos Hills	227	254	258	245	248	253	229	213	213	202	190	184	175	151	143	139	121	116	103	89	84	74	63	62	59	51	46	40	40	0	0	0
Los Gatos	1,825	1,804	1,946	1,865	1,829	1,947	1,849	1,848	1,764	1,729	1,682	1,682	1,648	1,522	1,372	1,231	1,157	1,027	905	883	865	845	847	835	837	801	714	650	603	603	0	0
Millbrae	3,389	3,347	3,445	3,445	3,660	4,411	4,489	4,441	4,327	4,363	4,419	4,385	4,216	3,565	3,254	3,339	3,137	2,828	2,566	2,315	2,035	1,925	1,823	1,643	1,443	1,443	1,372	1,158	1,045	0	0	0
Morgan Hill	1,875	1,836	1,971	1,639	1,670	2,005	2,048	1,721	1,499	1,377	1,244	1,148	1,313	1,182	871	866	811	732	738	747	738	747	654	670	736	726	651	546	466	384	0	0
Norcross	1,785	1,653	1,344	1,362	1,286	2,174	2,489	2,560	2,517	2,414	2,468	2,425	2,121	1,867	1,727	1,577	1,433	1,346	1,280	1,243	1,244	1,111	991	1,093	1,158	1,084	954	817	700	0	0	
Piedmont	1,785	1,653	1,344	1,362	1,286	2,174	2,489	2,560	2,517	2,414	2,468	2,425	2,121	1,867	1,727	1,577	1,433	1,346	1,280	1,243	1,244	1,111	991	1,093	1,158	1,084	954	817	700	0	0	0
Piedmont	1,785	1,653	1,344	1,362	1,286	2,174	2,489	2,560	2,517	2,414	2,468	2,425	2,121	1,867	1,727	1,577	1,433	1,346	1,280	1,243	1,244	1,111	991	1,093	1,158	1,084	954	817	700	0	0	0
Piedmont	1,785	1,653	1,344	1,362	1,286	2,174	2,489	2,560	2,517	2,414	2,468	2,425	2,121	1,867	1,727	1,577	1,433	1,346	1,280	1,243	1,244	1,111	991	1,093	1,158	1,084	954	817	700	0	0	0
Piedmont	1,785	1,653	1,344	1,362	1,286	2,174	2,489	2,560	2,517	2,414	2,468	2,425	2,121	1,867	1,727	1,577	1,433	1,346	1,280	1,243	1,244	1,111	991	1,093	1,158	1,084	954	817	700	0	0	0
Piedmont	1,785	1,653	1,344	1,362	1,286	2,174	2,489	2,560	2,517	2,414	2,468	2,425	2,121	1,867	1,727	1,577	1,433	1,346	1,280	1,243	1,244	1,111	991	1,093	1,158	1,084	954	817	700	0	0	0
Piedmont	1,785	1,653	1,344	1,362	1,286	2,174	2,489	2,560	2,517	2,414	2,468	2,425	2,121	1,867	1,727	1,577	1,433	1,346	1,280	1,243	1,244	1,111	991	1,093	1,158	1,084	954	817	700	0	0	0
Piedmont	1,785	1,653	1,344	1,362	1,286	2,174	2,489	2,560	2,517	2,414	2,468	2,425	2,121	1,867	1,727	1,577	1,433	1,346	1,280	1,243	1,244	1,111	991	1,093	1,158	1,084	954	817	700	0	0	0
Piedmont	1,785	1,653	1,344	1,362	1,286	2,174	2,489	2,560	2,517	2,414	2,468	2,425	2,121	1,867	1,727	1,577	1,433	1,346	1,280	1,243	1,244	1,111	991	1,093	1,158	1,084	954	817	700	0	0	0
Piedmont	1,785	1,653	1,344	1,362	1,286	2,174	2,489	2,560	2,517	2,414	2,468	2,425	2,121	1,867	1,727	1,577	1,433	1,346	1,280	1,243	1,244	1,111	991	1,093	1,158	1,084	954	817	700	0	0	0
Piedmont	1,785	1,653	1,344	1,362	1,286	2,174	2,489	2,560	2,517	2,414	2,468	2,425	2,121	1,867	1,727	1,577	1,433	1,346	1,280	1,243	1,244	1,111	991	1,093	1,158	1,084	954	817	700	0	0	0
Piedmont	1,785	1,653	1,344	1,362	1,286	2,174	2,489	2,560	2,517	2,414	2,468	2,425	2,121	1,867	1,727	1,577	1,433	1,346	1,280	1,243	1,244	1,111	991	1,093	1,158	1,084	954	817	700	0	0	0
Piedmont	1,785	1,653	1,344	1,362	1,286	2,174	2,489	2,560	2,517	2,414	2,468	2,425	2,121	1,867	1,727	1,577	1,433	1,346	1,280	1,243	1,244	1,111	991	1,093	1,158	1,084	954	817	700	0	0	0
Piedmont	1,785	1,653	1,344	1,362	1,286	2,174	2,489	2,560	2,517	2,414	2,468	2,425	2,121	1,867	1,727	1,577	1,433	1,346	1,280	1,243	1,244	1,111	991	1,093	1,158	1,084	954	817	700	0	0	0
Piedmont	1,785	1,653	1,344	1,362	1,286	2,174	2,489	2,560	2,517	2,414	2,468	2,425	2,121	1,867	1,727	1,577	1,433	1,346	1,280	1,243	1,244	1,111	991	1,093	1,158	1,084	954	817	700	0	0	0
Piedmont	1,785	1,653	1,344	1,362	1,286	2,174	2,489	2,560	2,517	2,414	2,468	2,425	2,121	1,867	1,727	1,577	1,433	1,346	1,280	1,243	1,244	1,111	991	1,093	1,158	1,084	954	817	700	0	0	0
Piedmont	1,785	1,653	1,344	1,362	1,286	2,174	2,489	2,560	2,517	2,414	2,468	2,425	2,121	1,867	1,727	1,577	1,433	1,346	1,280	1,243	1,244	1,111	991	1,093	1,158	1,084	954	817	700	0	0	0
Piedmont	1,785	1,653	1,344	1,362	1,286	2,174	2,489	2,560	2,517	2,414	2,468	2,425	2,121	1,867	1,727	1,577	1,433	1,346	1,280	1,243	1,244	1,111										

ABAG PLAN CORPORATION
Historical Payroll By Member

Member	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-07	2007-06	2006-05	2005-04	2004-03	2003-02	2002-01	2001-01	1999-00	1998-99	1997-98	1996-97	1995-96	1994-95	1993-94	1992-93	1991-92	1990-91	1989-90	1988-89	1987-88	1986-			
American Canyon	58,088	57,015	56,164	53,981	56,022	63,432	58,502	54,210	48,886	41,573	34,774	28,801	23,329	21,177	20,203	18,050	15,448	13,454	12,254	11,165	9,461	0	0	0	0	0	0	0	0		
Aviation	42,545	39,583	35,545	37,816	46,031	51,401	52,195	47,137	46,438	45,000	42,884	41,603	37,166	33,897	32,860	32,004	30,204	27,066	21,894	19,903	18,723	16,029	15,567	15,824	14,850	13,077	11,532	10,6			
Benedere	173,391	162,207	160,198	169,886	161,176	195,789	223,482	210,379	201,112	184,705	175,342	167,020	157,824	146,929	132,610	121,142	102,166	80,995	8,921	8,002	8,002	9,647	9,651	8,139	7,687	6,665	5,362	4,581	4,3		
Brentgale	250,416	247,646	240,255	251,946	221,933	240,446	283,140	280,414	247,716	238,630	233,838	232,967	233,156	220,947	188,241	160,244	137,381	131,560	88,144	67,342	63,486	107,542	106,245	92,451	76,187	76,901	72,912	63,5	0		
Camphill	141,660	130,385	178,455	170,613	163,953	178,038	170,485	182,146	138,774	138,810	138,810	152,214	138,548	127,519	118,458	110,701	98,418	88,016	63,569	59,143	55,146	55,321	56,403	53,122	47,905	43,530	40,021	35,0	0		
Carmichael	141,000	141,000	141,000	141,000	141,000	141,000	141,000	141,000	141,000	141,000	141,000	141,000	141,000	141,000	141,000	141,000	141,000	141,000	141,000	141,000	141,000	141,000	141,000	141,000	141,000	141,000	141,000	141,000	141,000	141,000	
Cupertino	153,947	149,484	143,032	149,904	140,718	160,374	172,432	171,432	153,840	145,054	133,602	120,491	109,351	94,215	84,390	82,820	74,981	68,016	50,531	40,555	33,068	25,770	23,572	20,531	17,306	14,681	11,821	9,904	7,156	5,8	
Dublin	100,653	102,689	99,350	98,098	71,288	80,426	120,347	120,347	120,347	120,347	120,347	120,347	120,347	120,347	120,347	120,347	120,347	120,347	120,347	120,347	120,347	120,347	120,347	120,347	120,347	120,347	120,347	120,347	120,347	120,347	120,347
East Palo Alto	100,653	102,689	99,350	98,098	71,288	80,426	120,347	120,347	120,347	120,347	120,347	120,347	120,347	120,347	120,347	120,347	120,347	120,347	120,347	120,347	120,347	120,347	120,347	120,347	120,347	120,347	120,347	120,347	120,347	120,347	120,347
Foster City	184,000	193,201	186,247	178,272	190,344	235,278	215,710	207,814	198,666	191,226	184,439	184,439	184,439	184,439	184,439	184,439	184,439	184,439	184,439	184,439	184,439	184,439	184,439	184,439	184,439	184,439	184,439	184,439	184,439	184,439	184,439
Galaxy	284,929	271,361	242,673	237,593	222,907	211,327	250,718	269,646	251,583	237,315	228,629	208,422	193,570	176,431	154,530	148,750	135,187	123,939	117,432	111,844	107,462	104,386	97,560	92,180	84,743	76,679	68,547	61,362	53,5		
Hill Moon Bay	27,732	26,034	14,571	15,028	34,148	43,116	51,556	58,398	57,860	53,434	48,703	43,371	43,240	39,430	33,432	29,022	26,985	23,631	21,432	19,144	17,185	15,849	14,665	13,288	11,813	10,308	8,744	7,290	5,8		
Hillsborough	110,869	114,534	119,416	112,654	109,376	114,984	113,740	103,070	93,779	89,938	87,360	84,335	81,241	78,384	70,213	64,481	63,860	61,658	59,728	57,833	55,925	54,000	52,075	50,150	48,225	46,300	44,375	42,450	40,525	38,600	
Los Altos	16,948	18,943	19,300	18,321	18,579	17,168	16,045	16,038	15,038	14,424	14,484	14,484	14,484	14,484	14,484	14,484	14,484	14,484	14,484	14,484	14,484	14,484	14,484	14,484	14,484	14,484	14,484	14,484	14,484	14,484	14,484
Los Altos Hills	153,399	151,881	152,685	157,468	152,679	155,119	165,399	157,506	150,600	148,037	144,536	143,117	142,289	132,046	116,501	104,685	98,337	90,921	80,135	78,517	77,609	76,018	76,683	76,035	76,749	73,969	73,969	73,969	73,969	73,969	
Los Gatos	156,098	156,098	156,098	156,098	156,098	156,098	156,098	156,098	156,098	156,098	156,098	156,098	156,098	156,098	156,098	156,098	156,098	156,098	156,098	156,098	156,098	156,098	156,098	156,098	156,098	156,098	156,098	156,098	156,098	156,098	156,098
Millbrae	336,903	334,719	344,481	344,481	366,038	441,054	448,889	444,093	432,705	436,209	441,923	438,501	421,607	358,493	325,352	333,863	313,742	292,924	262,262	256,595	231,545	203,500	182,298	164,267	144,330	127,183	115,803	104,5	0		
Mariposa	187,466	183,842	187,140	165,875	167,644	200,336	204,706	190,530	172,093	149,919	137,728	124,354	114,674	113,909	100,320	82,561	73,742	71,488	64,871	65,666	66,786	63,517	67,015	73,568	72,634	65,146	54,604	46,557	38,3	0	
Morgan Hill	147,200	146,300	134,370	136,186	129,613	217,351	249,935	256,035	251,735	241,409	246,589	242,485	212,080	186,683	172,712	157,671	143,323	134,648	127,954	124,341	124,395	111,102	98,134	109,323	115,846	106,391	95,390	81,744	69,6		
Newark	150,000	144,322	165,008	171,323	169,638	175,748	178,461	176,774	171,322	159,638	152,041	148,004	144,805	138,719	128,509	115,121	106,332	100,978	97,465	94,404	89,709	84,887	85,326	84,695	79,216	75,590	70,159	61,433	55,5		
Pacific	12,000	11,953	10,454	11,564	11,628	11,504	10,897	9,872	8,755	7,848	7,848	7,211	6,483	5,704	5,257	4,732	4,037	3,459	3,379	3,256	3,034	2,703	2,456	2,282	2,153	1,8	0	0	0		
Portola Valley	12,000	11,953	10,454	11,564	11,628	11,504	10,897	9,872	8,755	7,848	7,848	7,211	6,483	5,704	5,257	4,732	4,037	3,459	3,379	3,256	3,034	2,703	2,456	2,282	2,153	1,8	0	0	0		
Ross, Town of	255,593	244,969	238,970	230,890	230,825	233,714	220,779	202,857	206,898	207,820	203,892	204,509	201,478	190,694	169,400	148,259	137,828	133,565	122,769	108,525	105,124	106,409	105,991	100,326	87,227	74,845	71,827	67,6	0		
San Bruno	74,583	72,212	82,753	78,684	82,213	121,766	118,107	115,540	110,517	115,538	109,999	108,272	94,186	79,987	71,999	65,528	59,659	55,645	51,384	48,037	47,446	45,228	41,404	37,305	34,838	33,180	30,2	0			
San Carlos	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	
San Mateo	58,294	57,268	54,527	53,060	53,060	52,739	53,711	49,946	45,739	41,102	36,859	38,418	35,396	29,873	26,008	24,553	23,574	22,241	20,977	20,165	20,544	20,571	19,259	18,069	17,067	15,869	14,812	14,6	0		
San Ramon	435,814	431,259	429,659	423,659	423,010	429,352	449,625	434,203	382,327	359,738	379,065	368,514	356,737	340,070	318,618	288,547	264,110	246,804	234,521	220,097	209,165	205,640	203,571	192,595	182,063	170,607	158,869	149,812	144,6	0	
San Jose	60,952	59,295	57,652	56,899	56,899	56,899	56,899	56,899	56,899	56,899	56,899	56,899	56,899	56,899	56,899	56,899	56,899	56,899	56,899	56,899	56,899	56,899	56,899	56,899	56,899	56,899	56,899	56,899	56,899	56,899	56,899
Sunnyvale	39,525	39,581	31,867	32,048	37,384	48,144	42,535	40,895	37,315	34,001	28,086	27,661	26,514	23,663	20,601	18,474	17,744	17,008	16,422	16,014	15,709	15,884	16,324	16,678	15,633	13,918	12,234	11,4	0		
Tamano	18,471	18,232	19,508	22,232	23,855	23,465	20,808	24,922	18,128	16,325	15,104	15,462	14,220	11,613	9,230	8,433	7,179	6,151	5,179	4,151	3,123	2,095	1,067	0,042	0,042	0,042	0,042	0,042	0,042	0,042	0,042
Woodside	3,862,897	3,778,924	3,690,787	3,743,296	4,414,090	4,760,313	4,919,866	4,760,932	4,504,261	4,287,618	4,209,085	3,996,411	3,441,025	3,170,672	2,856,612	2,593,272	2,391,737	2,204,389	2,077,201	2,026,687	1,923,511	1,837,818	1,800,789	1,824,129	1,516,390	1,383,452	1,250,172	1,100,583	986,5	0	
Total	3,862,897	3,778,924	3,690,787	3,743,296	4,414,090	4,760,313	4,919,866	4,760,932	4,504,261	4,287,618	4,209,085	3,996,411	3,441,025	3,170,672	2																

ABAG PLAN Corporation

Liability

Summary of Incurred Loss and ALAE as of December 31, 2013
Within ABAG Plan Retention

Member	1986-1987	1987-1988	1988-1989	1989-1990	1990-1991	1991-1992	1992-1993	1993-1994	1994-1995	1995-1996
American Canyon	NA	NA	NA	NA	NA	NA	0	7,011	0	85,460
Atherton	0	0	0	496,493	0	0	66,979	0	0	0
Belvedere	305,544	0	0	0	0	94,523	49,220	362,962	0	0
Benicia	40,084	0	235,024	21,420	134,139	180,308	106,588	0	43,611	142,621
Brisbane	64,649	0	0	0	0	0	0	0	6,550	0
Burlingame	NA	NA	NA	NA	NA	NA	0	0	0	160,241
Campbell	0	0	0	0	0	0	0	0	189,890	0
Colma	NA	0								
Cupertino	84,753	0	0	0	0	0	0	0	0	0
Dublin	0	0	0	0	0	0	0	0	0	0
East Palo Alto	NA	0								
Foster City	0	0	93,377	0	0	0	0	0	0	0
Gilroy	0	0	0	164,735	0	651,855	154,488	0	39,080	4,860
Half Moon Bay	NA	NA	NA	NA	NA	NA	4,975,000	39,781	0	0
Hillsborough	NA	NA	NA	0	0	227,416	0	0	117,162	0
Los Altos	0	0	0	0	0	0	0	18,152	0	0
Los Altos Hills	0	0	1,000	0	0	0	0	0	0	0
Los Gatos, Town C	908,818	24,947	2,982	0	103,629	35,033	64,529	0	17,469	12,228
Millbrae	0	0	0	0	70,883	0	0	0	0	0
Milpitas	0	505,549	81,027	0	0	24,963	0	0	295,266	0
Morgan Hill	0	0	0	320,555	0	21,304	0	0	0	0
Newark	0	0	0	190,382	832,116	0	74,634	194,108	1,096,379	0
Pacifica	0	0	0	0	0	0	0	951,547	22,965	0
Portola Valley	0	0	0	0	0	0	0	82,228	0	0
Ross	0	0	0	0	0	0	0	0	0	210,203
San Bruno	0	0	0	0	0	0	0	15,218	0	0
San Carlos	0	0	0	0	0	0	0	0	0	0
San Mateo	0	0	0	0	0	161,712	44,330	0	108,089	0
Saratoga	4,925	9,356	31,082	70,583	7,988	0	39,081	0	0	0
South San Francis	193,610	0	0	326,621	0	0	0	808	0	0
Suisun City	0	0	0	78,210	0	0	0	0	0	0
Tiburon	33,516	0	0	0	266,193	0	71,386	24,334	0	0
Woodside	0	0	116,083	544,503	11,756	173,119	163,915	0	8,637	36,266
Total	1,635,899	539,852	560,575	2,213,502	1,510,260	1,570,233	5,810,152	1,696,149	1,995,329	651,879

Notes:
Data Provided by ABAG. Note that American Canyon joined ABAG on 7/1/1993; Burlingame and Half Moon Bay on 7/1/1992; Hillsborough on 7/1/1988; Ross on 7/1/1995; Colma on 7/1/1998; and East Palo Alto on 7/1/2000
Brisbane left the program effective 7/1/1996 and Hillsborough on 7/1/2000

ABAG PLAN Corporation

Liability

Summary of Incurred Loss and ALAE as of December 31, 2013
Within ABAG Plan Retention

Member	1996-1997	1997-1998	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
American Canyon	0	0	0	0	0	0	65,755	164,501	0	0
Atherton	8,394	0	0	0	0	10,949	155,000	0	0	0
Belvedere	1,317	0	0	0	0	0	0	0	0	0
Benicia	168,278	53,300	171,880	164,875	158,177	2,036,705	519,700	161,931	154,525	155,841
Brisbane	0	0	0	0	0	0	0	0	0	0
Burlingame	0	0	0	0	449,118	0	0	0	0	0
Campbell	0	0	0	0	0	0	15,374	0	0	0
Colma	0	0	0	0	0	37,786	211,136	0	0	8,951
Cupertino	0	0	0	0	0	0	0	11,617	0	0
Dublin	0	0	51,770	0	0	0	141,621	0	68	0
East Palo Alto	0	0	0	0	0	0	0	0	0	159,180
Foster City	0	338,944	0	0	0	0	0	0	0	0
Gilroy	26,013	37,487	0	73,034	98,928	0	21,784	0	12,704	74,317
Half Moon Bay	0	142,072	22,919	0	0	28,388	13,663	0	0	0
Hillsborough	0	0	0	0	0	0	669,044	0	0	0
Los Altos	0	22,747	0	0	0	0	240,934	0	250,344	175,000
Los Altos Hills	0	30,385	0	0	0	0	0	0	0	0
Los Gatos, Town C	0	632,866	33,309	0	0	0	0	0	0	0
Milbrae	0	0	1,823,375	149,332	139,476	0	62,936	50,858	0	0
Milpitas	0	317,871	0	0	0	48,823	3,677,870	0	0	1,295,203
Morgan Hill	0	14,047	42,972	0	0	0	116,242	178,016	0	0
Newark	0	0	0	0	627,608	117,491	0	1,329,090	0	0
Pacifica	26,355	0	0	0	0	1,320,210	463,152	28,489	0	0
Portola Valley	110,287	0	0	0	0	63,438	0	508,687	0	0
Ross	0	0	0	0	0	0	372,184	0	0	0
San Bruno	0	678,483	3,421,541	0	0	586,202	0	0	0	2,420,979
San Carlos	0	0	0	481,085	146,278	301,216	121,383	639,440	0	19,363
San Mateo	0	0	0	0	0	0	0	0	0	205,929
Saratoga	0	0	0	0	22,580	0	0	0	0	175,000
South San Francis	0	121,961	23,244	264,780	151,175	66,800	1,943,538	4,000	0	405,467
Suisun City	287,061	0	0	66,458	66,343	25,000	55,455	0	949,813	76,503
Tiburon	0	0	2,712	0	0	0	0	0	0	0
Woodside	0	0	0	0	0	0	0	1,739	0	0
Total	627,703	2,390,163	5,593,721	1,199,565	1,860,684	4,643,008	8,866,771	2,569,681	1,876,140	5,171,734

Notes:
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Brisbane left the program effective 7/1/1996 and Hillsborough on 7/1/2000

ABAG PLAN Corporation

Liability

Summary of Incurred Loss and ALAE as of December 31, 2013
Within ABAG Plan Retention

Member	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	Total
American Canyon	582,926	0	0	50,276	0	0	0	0	955,930
Atherton	0	2,849	1,599,482	0	0	325,000	375,000	0	3,040,145
Belvedere	0	0	0	0	0	0	0	0	813,566
Benicia	192,519	1,304,360	992,931	143,809	335,000	37,989	781,970	0	8,438,584
Brisbane	0	0	0	0	0	0	0	0	71,200
Burlingame	0	0	0	0	0	3,000,000	75,000	0	3,684,359
Campbell	0	21,353	312,618	0	150,000	0	0	0	689,234
Colma	0	0	0	0	0	0	0	0	257,872
Cupertino	0	0	2,450,521	0	0	450,000	50,000	0	596,370
Dublin	0	0	0	0	0	0	0	0	2,643,979
East Palo Alto	129,420	43,946	0	0	0	1,585,000	0	0	1,917,546
Foster City	7,370	0	0	0	0	1,100,000	0	0	1,539,691
Gilroy	0	3,026,760	0	644,019	152,000	285,000	1,145,000	150,000	6,762,066
Half Moon Bay	0	33,990	101,856	21,569	0	460,000	0	0	5,379,238
Hillsborough	51,544	38,328	72,997	0	66,723	0	0	0	1,703,215
Los Altos	0	137,234	0	0	51,726	0	0	0	896,137
Los Altos Hills	0	0	0	244,522	0	0	0	0	305,604
Los Gatos, Town C	137,890	1,133,478	0	245,567	5,146,916	0	330,000	0	8,913,760
Millbrae	0	0	0	2,111	0	0	50,000	0	7,503,516
Milpitas	343,564	424,758	0	0	50,000	215,000	125,500	0	2,100,072
Morgan Hill	8,750	50,000	35,194	189,068	0	0	150,000	7,000	2,624,879
Newark	18,702	0	0	0	0	0	35,498	0	3,186,919
Pacifica	47,850	156,921	0	230,127	0	0	250,000	0	4,006,303
Portola Valley	0	0	0	0	0	0	0	0	255,952
Ross	0	56,742	0	0	0	0	575,000	0	3,635,108
San Bruno	0	0	0	202,268	336,929	681,502	0	200,000	6,141,506
San Carlos	0	54,284	0	121,597	0	0	75,000	0	2,460,342
San Mateo	0	172,046	0	1,050,050	0	0	0	0	1,397,096
Saratoga	0	148,611	57,999	0	39,612	0	0	0	842,093
South San Francisco	136,163	0	0	0	0	2,161,246	703,300	0	7,118,753
Suisun City	0	0	196,153	50,236	131,601	0	0	0	980,852
Tiburon	0	0	0	0	200,000	0	0	0	582,444
Woodside	0	0	0	332,783	0	0	0	0	1,388,293
Total	1,656,699	6,805,660	5,819,751	3,528,002	6,660,508	10,300,736	4,721,268	357,000	92,832,626

Notes:
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Brisbane left the program effective 7/1/1996 and Hillsborough on 7/1/2000

ABAG PLAN Corporation

Liability

Summary of Paid Loss and ALAE as of December 31, 2013
Within ABAG Plan Retention

Member	1986-1987	1987-1988	1988-1989	1989-1990	1990-1991	1991-1992	1992-1993	1993-1994	1994-1995	1995-1996
American Canyon	NA	NA	NA	NA	NA	NA	0	7,011	0	85,460
Atherton	0	0	0	496,493	0	0	66,979	0	0	0
Belvedere	305,544	0	0	0	0	94,523	48,220	362,962	0	0
Benicia	40,084	0	235,024	21,420	134,139	180,308	106,588	0	43,611	142,621
Brisbane	64,649	0	0	0	0	0	0	0	6,550	0
Burlingame	NA	NA	NA	NA	NA	NA	0	0	0	160,241
Campbell	0	0	0	0	0	0	0	0	189,890	0
Colma	NA	0								
Cupertino	84,753	0	0	0	0	0	0	0	0	0
Dublin	0	0	0	0	0	0	0	0	0	0
East Palo Alto	NA	0								
Foster City	0	0	93,377	0	0	0	0	0	0	0
Gilroy	0	0	0	164,735	0	651,855	154,488	0	39,080	4,860
Half Moon Bay	NA	NA	NA	NA	NA	NA	4,975,000	39,781	0	0
Hillsborough	NA	NA	NA	0	0	227,416	0	0	117,162	0
Los Allos	0	0	0	0	0	0	0	18,152	0	0
Los Altos Hills	0	0	1,000	0	0	0	0	0	17,469	12,228
Los Gatos, Town Of	908,818	24,947	2,982	0	103,629	35,033	64,529	0	0	0
Millbrae	0	0	0	0	70,883	0	0	0	295,266	0
Milpitas	0	505,549	81,027	0	0	24,963	0	0	0	0
Morgan Hill	0	0	0	320,555	83,555	21,304	0	0	42,102	0
Newark	0	0	0	190,382	832,116	0	74,634	194,108	1,096,379	0
Pacifica	0	0	0	0	0	0	0	951,547	22,965	0
Portola Valley	0	0	0	0	0	0	0	82,228	0	0
Ross	0	0	0	0	0	0	0	0	0	210,203
San Bruno	0	0	0	0	0	0	0	15,218	0	0
San Carlos	0	0	0	0	0	0	0	0	108,089	0
San Mateo	0	0	0	0	0	161,712	44,330	0	0	0
Saratoga	4,925	9,356	31,082	70,583	7,988	0	0	0	0	0
South San Francisco	193,610	0	0	326,621	0	0	39,081	808	0	0
Suisun City	0	0	0	78,210	0	0	0	0	0	0
Tiburon	33,516	0	0	0	266,193	0	71,386	24,334	0	0
Woodside	0	0	116,083	544,503	11,756	173,119	163,915	0	8,637	36,266
Total	1,635,899	539,852	560,575	2,213,502	1,510,260	1,570,233	5,810,152	1,696,149	1,995,329	651,879

Notes:
Data Provided by ABAG. Note that American Canyon joined ABAG on 7/1/1993; Burlingame and Half Moon Bay on 7/1/1992; Hillsborough on 7/1/1988; Ross on 7/1/1995; Colma on 7/1/1998; and East Palo Alto on 7/1/2000
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ABAG PLAN Corporation

Liability

Summary of Paid Loss and ALAE as of December 31, 2013
Within ABAG Plan Retention

Member	1996-1997	1997-1998	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
American Canyon	0	0	0	0	0	0	65,755	164,501	0	0
Atherton	8,394	0	0	0	0	10,949	97,865	0	0	0
Belvedere	1,317	0	0	0	0	0	0	0	0	0
Benicia	168,278	53,300	171,880	164,875	159,177	2,036,705	519,700	161,931	154,525	155,841
Brisbane	0	0	0	0	0	0	0	0	0	0
Burlingame	0	0	0	0	449,118	0	0	0	0	0
Campbell	0	0	0	0	0	0	15,374	0	0	0
Colma	0	0	0	0	0	37,786	211,136	0	0	8,951
Cupertino	0	0	0	0	0	0	0	11,617	0	0
Dublin	0	0	51,770	0	0	0	141,621	0	68	0
East Palo Alto	0	0	0	0	0	0	0	0	0	159,180
Foster City	0	338,944	0	0	0	0	0	0	0	0
Gilroy	26,013	37,487	22,919	73,034	98,928	28,388	21,784	0	12,704	74,317
Half Moon Bay	0	142,072	0	0	0	0	13,663	0	0	0
Hillsborough	0	0	0	0	0	0	669,044	0	0	0
Los Altos	0	22,747	0	0	0	0	240,934	0	250,344	118,634
Los Altos Hills	0	30,385	0	0	0	0	0	0	0	0
Los Gatos, Town Of	0	632,866	33,309	0	0	0	0	0	0	0
Millbrae	0	0	1,823,375	149,332	139,476	0	62,936	50,858	0	0
Milpitas	0	317,871	0	0	0	48,823	3,677,870	0	0	1,097,203
Morgan Hill	0	14,047	42,972	0	0	0	116,242	178,016	0	0
Newark	0	0	0	0	627,608	117,491	0	1,329,090	0	0
Pacifica	26,355	0	0	0	0	1,320,210	463,152	28,489	508,687	0
Portola Valley	110,287	0	0	0	0	36,130	0	0	0	0
Ross	0	0	0	0	0	0	372,184	0	0	2,420,979
San Bruno	0	678,483	3,421,541	481,085	146,278	586,202	0	0	0	19,363
San Carlos	0	0	0	0	0	301,216	121,383	639,440	0	205,929
San Mateo	0	0	0	0	0	0	0	0	0	11,245
Saratoga	0	0	0	0	22,580	0	0	4,000	0	405,467
South San Francisco	0	121,961	23,244	264,780	151,175	66,800	1,943,538	0	949,813	76,503
Suisun City	287,061	0	0	66,458	66,343	25,000	55,455	0	0	0
Tiburon	0	0	2,712	0	0	0	0	0	0	0
Woodside	0	0	0	0	0	0	0	1,739	0	0
Total	627,703	2,390,163	5,593,721	1,199,565	1,860,684	4,615,701	8,809,636	2,569,681	1,876,140	4,753,612

Notes:
Data Provided by ABAG. Note that American Canyon joined ABAG on 7/1/1993; Burlingame and Half Moon Bay on 7/1/1992; Hillsborough on 7/1/1988; Ross on 7/1/1995; Colma on 7/1/1998; and East Palo Alto on 7/1/2000
Brisbane left the program effective 7/1/1996 and Hillsborough on 7/1/2000

ABAG PLAN Corporation

Liability

Summary of Paid Loss and ALAE as of December 31, 2013
Within ABAG Plan Retention

Member	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	Total
American Canyon	582,926	0	0	50,276	0	0	0	0	955,930
Atherton	0	2,849	1,599,482	0	0	0	0	0	2,283,010
Belvedere	0	0	0	0	0	0	0	0	813,566
Benicia	192,519	1,304,360	439,776	18,809	143,950	14,083	550,184	0	7,313,686
Brisbane	0	0	0	0	0	0	0	0	71,200
Burlingame	0	0	0	0	0	0	0	0	609,359
Campbell	0	21,353	312,618	0	0	0	0	0	539,234
Colma	0	0	0	0	0	0	0	0	257,872
Cupertino	0	0	0	0	0	0	0	0	96,370
Dublin	0	0	259,330	0	0	0	0	0	452,789
East Palo Alto	129,420	43,946	0	0	0	0	0	0	332,546
Foster City	7,233	0	0	0	0	678,628	0	0	1,118,183
Gilroy	0	3,026,760	0	644,019	151,048	0	0	0	5,181,114
Half Moon Bay	0	33,990	101,856	21,569	0	0	0	0	5,379,238
Hillsborough	51,544	38,328	72,997	0	66,723	42,653	0	0	1,285,869
Los Altos	0	137,234	0	0	51,726	0	0	0	839,771
Los Altos Hills	0	0	0	244,522	0	0	0	0	305,604
Los Gatos, Town Of	137,890	1,133,478	0	245,567	241,835	0	0	0	3,678,679
Milbrae	0	0	0	2,111	0	0	0	0	7,255,516
Milpitas	343,564	424,758	0	0	0	0	0	0	1,924,572
Morgan Hill	8,750	0	35,194	189,068	0	165,314	0	0	2,368,193
Newark	18,702	0	0	0	0	0	0	0	3,151,420
Pacifica	47,850	156,921	0	230,127	0	0	0	0	3,756,303
Portola Valley	0	0	0	0	0	0	0	0	228,644
Ross	0	56,742	0	0	0	0	0	0	3,060,108
San Bruno	0	0	0	202,268	336,929	196,105	0	0	5,456,109
San Carlos	0	54,284	0	121,597	0	0	0	0	2,385,342
San Mateo	0	172,046	0	0	0	0	0	0	183,291
Saratoga	0	148,611	57,999	0	39,612	0	0	0	842,093
South San Francisco	136,163	0	0	0	0	86,651	0	0	4,340,859
Suisun City	0	0	151,388	50,236	30,485	0	0	0	834,971
Tiburon	0	0	0	0	114,051	0	0	0	496,495
Woodside	0	0	0	332,783	0	0	0	0	1,388,293
Total	1,656,563	6,755,660	3,030,640	2,352,952	1,176,359	1,183,434	550,184	0	69,186,228

ABAG PLAN Corporation

Liability

Summary of Incurred Loss and ALAE as of December 31, 2013
\$250,000 Limit

Member	1986-1987	1987-1988	1988-1989	1989-1990	1990-1991	1991-1992	1992-1993	1993-1994	1994-1995	1995-1996
American Canyon	NA	NA	NA	NA	NA	NA	250	35,151	562	122,464
Atherton	22,940	12,362	7,889	250,000	4,673	0	95,536	13,844	11,209	15,447
Belvedere	250,000	148	0	0	15,804	119,523	95,320	251,695	3,919	0
Benicia	84,487	36,715	275,959	110,521	218,462	280,008	236,477	30,194	135,369	249,733
Brisbane	164,066	25,848	26,315	1,357	9,704	20,725	0	14,427	37,845	3,553
Burlingame	NA	NA	NA	NA	NA	NA	253,036	103,270	110,300	403,800
Campbell	62,256	51,589	96,119	166,192	105,879	74,980	134,946	86,814	272,370	56,027
Colma	NA	0								
Cupertino	222,285	102,807	27,750	64,949	47,948	17,609	19,882	46,812	75,169	7,540
Dublin	10,637	18,879	5,477	1,006	5,241	45,629	2,044	9,128	1,514	47,052
East Palo Alto	NA	0								
Foster City	19,245	51,009	198,990	111,947	25,022	7,910	15,254	11,176	131,240	81,535
Gilroy	53,726	92,727	12,709	316,089	59,600	328,578	256,020	162,890	158,812	75,977
Half Moon Bay	NA	NA	NA	NA	NA	NA	274,869	121,024	1,825	25,213
Hillsborough	NA	NA	0	0	58,525	256,840	91,299	33,277	239,399	125,759
Los Altos	35,929	62,257	29,877	21,882	133,157	42,642	136,040	149,666	144,391	1,270
Los Altos Hills	475	0	26,000	0	0	0	8,425	182	49,170	37,228
Los Gatos, Town Of	434,434	144,371	56,889	34,687	197,267	198,882	230,265	94,798	75,851	24,233
Milbrae	32,930	54,732	44,852	21,914	226,679	29,441	29,577	30,377	287,433	10,979
Milpitas	82,768	343,348	202,586	115,338	90,162	174,126	64,606	182,078	109,033	39,259
Morgan Hill	57,842	55,474	17,410	348,126	329,538	188,141	37,601	87,425	269,248	94,309
Newark	82,027	100,554	55,839	345,991	280,156	72,140	336,890	582,988	257,067	91,376
Pacifica	86,970	49,575	85,176	109,182	81,248	167,402	32,085	315,172	161,766	17,706
Portola Valley	0	0	0	13,662	0	0	16,015	107,228	7,824	0
Ross	0	0	0	0	0	0	0	0	2,596	286,646
San Bruno	53,791	21,011	127,856	93,826	24,721	93,647	174,350	195,237	230,491	142,531
San Carlos	139,717	20,477	198,047	22,136	58,492	441,393	446,184	35,296	445,430	210,131
San Mateo	0	0	0	0	0	0	0	0	0	0
Saratoga	55,068	37,439	98,167	117,923	65,769	15,034	98,636	39,177	16,034	19,365
South San Francisco	329,701	68,167	42,967	329,798	49,492	62,135	55,284	199,701	136,531	177,829
Suisun City	48,102	34,611	24,579	174,597	12,210	40,696	36,267	92,367	3,182	15,418
Tiburon	94,701	8,909	50,992	33,308	270,277	496	126,264	10,051	58,637	2,088
Woodside	8,338	11,692	154,829	330,610	39,855	198,119	198,915	580	46,032	61,377
Total	2,432,433	1,404,701	1,867,274	3,135,041	2,409,882	2,876,093	3,502,338	3,042,023	3,490,250	2,445,845

Notes:
Data Provided by ABAG. Note that American Canyon joined ABAG on 7/1/1993; Burlingame and Half Moon Bay on 7/1/1992; Hillsborough on 7/1/1988; Ross on 7/1/1995; Colma on 7/1/1998; and East Palo Alto on 7/1/2000
Brisbane left the program effective 7/1/1996 and Hillsborough on 7/1/2000

ABAG PLAN Corporation

Liability

Summary of Incurred Loss and ALAE as of December 31, 2013
\$250,000 Limit

Member	1996-1997	1997-1998	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
American Canyon	1,209	3,576	19,560	1,481	92	1,862	91,572	241,441	6,394	11,857
Atherton	49,011	23,137	2,951	4,915	951	46,015	183,426	827	1,200	3,790
Belvedere	26,317	394	0	0	0	0	0	3,696	1,500	0
Benicia	297,007	228,705	326,304	254,844	290,980	295,966	644,493	335,662	302,300	291,510
Brisbane	0	0	0	0	0	0	0	0	0	0
Burlingame	215,832	151,922	106,561	70,655	608,274	286,419	606,264	371,794	197,141	629,451
Campbell	47,253	139,729	211,223	26,861	88,235	75,994	147,523	105,571	42,985	63,161
Colma	0	0	10,815	0	1,684	171,967	256,887	2,508	34,218	59,101
Cupertino	29,150	86,274	81,801	3,576	6,440	40,837	26,505	413,660	77,586	41,695
Dublin	285	24,581	152,800	0	288	15,086	241,621	5,549	50,068	1,678
East Palo Alto	0	0	0	0	25,052	55,936	103,601	58,042	128,024	396,704
Foster City	19,049	270,319	40,141	3,595	12,172	17,969	13,345	8,840	4,984	86,884
Glroy	148,651	128,415	112,167	130,185	303,118	73,916	191,233	8,962	130,553	211,006
Half Moon Bay	46,280	200,024	87,025	0	390	86,116	86,404	17,999	5,258	10,000
Hillsborough	132,125	141,110	53,906	10,347	0	0	640,249	115,320	63,208	12,403
Los Altos	66,826	164,154	4,736	4,651	2,234	91,201	289,224	38,347	256,683	250,000
Los Altos Hills	0	66,929	0	0	10,211	0	3,933	0	0	0
Los Gatos, Town Of	96,112	493,535	221,846	59,356	70,021	55,690	180,260	138,377	104,671	74,172
Millbrae	31,207	90,950	315,827	290,565	306,697	31,643	409,905	59,021	3,629	322,554
Milpitas	99,174	558,839	29,041	35,986	99,475	208,862	95,355	424,875	67,680	35,519
Morgan Hill	81,678	112,931	123,496	79,468	100,744	10,905	333,006	782,503	171,283	46,927
Newark	74,545	12,016	58,519	32,153	288,165	238,860	50,674	25,260	63,915	26,306
Pacifica	368,794	87,094	76,566	18,080	51,309	466,939	551,905	339,257	509,169	150,580
Portola Valley	135,287	0	0	0	0	88,438	138	0	0	0
Ross	13,360	5,222	0	0	0	0	308,589	4,948	2,651	250,000
San Bruno	163,407	649,693	342,982	189,872	186,409	601,201	206,442	140,849	309,502	302,939
San Carlos	63,602	43,870	197,670	928,295	397,895	655,290	528,081	731,407	132,673	592,950
San Mateo	0	0	0	0	0	0	0	0	184,311	703,028
Saratoga	2,886	6,684	11,219	265	48,102	9,297	5,750	35,666	8,446	250,760
South San Francisco	237,845	424,683	186,347	264,254	292,627	222,110	888,728	94,116	439,429	277,543
Suisun City	343,193	24,888	32,753	91,958	94,913	54,010	111,858	12,588	32,285	7,966
Tiburon	17,703	0	52,712	64,667	0	0	1,246	0	500	0
Woodside	1,750	21,859	0	0	0	2,596	0	28,856	0	2,300
Total	2,809,537	4,161,532	2,858,966	2,566,030	3,286,480	3,905,132	7,198,216	4,545,938	3,332,246	5,112,783

Notes:
Data Provided by ABAG. Note that American Canyon joined ABAG on 7/1/1993; Burlingame and Half Moon Bay on 7/1/1992; Hillsborough on 7/1/1988; Ross on 7/1/1995; Colma on 7/1/1998; and East Palo Alto on 7/1/2000
Brisbane left the program effective 7/1/1996 and Hillsborough on 7/1/2000

ABAG PLAN Corporation

Liability

Summary of Incurred Loss and ALAE as of December 31, 2013
\$250,000 Limit

Member	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	Total
American Canyon	327,691	2,822	2,706	85,968	2,397	21,467	18,558	1,155	1,000,236
Atherton	6,640	29,249	500,000	3,101	1,857	24,302	255,911	4,776	1,575,957
Belvedere	0	0	0	0	0	0	0	0	766,316
Benicia	260,877	794,459	621,021	224,005	390,007	143,847	900,063	7,604	8,267,579
Brisbane	0	0	0	0	0	0	0	0	303,840
Burlingame	393,597	532,310	318,717	210,664	354,934	606,168	487,138	128,871	7,147,119
Campbell	54,052	124,857	256,337	29,919	270,279	90,915	174,546	16,299	3,072,909
Colma	15,463	31,137	0	0	6,536	46,861	65	0	637,241
Cupertino	51,490	12,503	9,496	6,705	2,480	509,279	268,125	52,730	2,353,084
Dublin	17,345	12,360	342,869	3,213	3,883	16,578	43,549	3,425	1,081,795
East Palo Alto	324,730	294,120	21,343	123,717	30,136	376,074	54,672	43,550	2,035,699
Foster City	130,098	139,485	3,075	8,073	6,285	362,597	5,966	0	1,786,206
Gilroy	43,194	751,478	45,015	359,473	239,823	411,948	959,597	232,372	5,998,232
Half Moon Bay	7,986	83,990	159,894	71,569	3,137	366	40,000	50	1,329,418
Hillsborough	130,202	112,542	176,744	7,285	136,113	406,470	9,659	2,612	2,955,398
Los Altos	15,157	372,215	30,836	13,327	155,281	10,076	0	0	2,522,058
Los Altos Hills	12,397	0	0	250,000	0	0	394	5,000	470,344
Los Gatos, Town Of	209,332	275,627	48,545	278,533	519,799	47,829	393,131	0	4,758,512
Millbrae	63,791	41,296	67,790	216,879	35,571	663	271,563	9,903	3,348,388
Milpitas	423,806	309,136	39,350	57,707	257,663	61,737	410,720	33,247	4,651,496
Morgan Hill	142,339	172,325	143,284	547,696	111,437	397,805	435,404	135,835	5,414,180
Newark	156,550	82,262	187,673	40,490	7,360	211,386	256,003	15,953	4,033,117
Pacifica	108,635	303,006	18,358	290,929	6,087	18,901	310,749	0	4,782,639
Portola Valley	0	0	0	0	0	0	0	0	368,592
Ross	10,392	81,742	0	8,355	0	306	250,100	0	1,224,906
San Bruno	149,072	166,738	84,774	324,774	798,368	703,983	251,165	377,299	7,106,930
San Carlos	161,125	205,308	155,956	484,647	2,226	14,670	265,026	6,333	7,584,328
San Mateo	221,578	580,287	666,190	516,660	153,253	0	0	0	3,025,307
Saratoga	68	201,918	107,999	433	86,200	28,163	0	50	1,366,517
South San Francisco	857,860	188,861	231,998	68,789	26,947	1,090,351	524,480	16,889	7,785,465
Suisun City	24,828	16,298	276,869	82,524	195,802	26,482	23,137	494	1,934,876
Tiburon	1,300	29,953	4,774	3,000	250,000	16,803	47,181	5,501	1,151,062
Woodside	0	5,178	0	251,300	0	0	200	0	1,364,384
Total	4,321,595	5,953,463	4,521,616	4,569,735	4,053,881	5,646,047	6,657,100	1,099,948	103,206,127

ABAG PLAN Corporation

Liability

Summary of Paid Loss and ALAE as of December 31, 2013
\$250,000 Limit

Member	1986-1987	1987-1988	1988-1989	1989-1990	1990-1991	1991-1992	1992-1993	1993-1994	1994-1995	1995-1996
American Canyon	NA	NA	NA	NA	NA	NA	250	35,151	562	122,464
Atherton	22,940	12,362	7,889	250,000	4,673	NA	95,536	13,844	11,209	15,447
Belvedere	250,000	148	0	0	15,804	119,523	95,320	251,695	3,919	0
Benicia	84,487	36,715	275,959	110,521	218,462	280,008	236,477	30,194	135,369	249,733
Brisbane	164,066	25,848	26,315	1,357	9,704	20,725	0	14,427	37,845	3,553
Burlingame	NA	NA	NA	NA	NA	NA	253,036	103,270	110,300	403,800
Campbell	62,256	51,589	96,119	166,192	105,879	74,980	134,946	86,814	272,370	56,027
Colma	NA	0								
Cupertino	222,285	102,807	27,750	64,949	47,948	17,609	19,882	46,812	75,169	7,540
Dublin	10,637	18,879	5,477	1,006	5,241	45,629	2,044	9,128	1,514	47,052
East Palo Alto	NA	0								
Foster City	19,245	51,009	198,990	111,947	25,022	7,910	15,254	11,176	131,240	81,535
Gilroy	53,726	92,727	12,709	316,089	59,600	328,578	256,020	162,890	158,812	75,977
Half Moon Bay	NA	NA	NA	NA	NA	NA	274,869	121,024	1,825	25,213
Hillsborough	NA	NA	0	0	58,525	256,840	91,299	33,277	239,399	125,759
Los Altos	35,929	62,257	29,877	21,882	133,157	42,642	136,040	149,666	144,391	1,270
Los Altos Hills	475	0	26,000	0	0	0	8,425	182	49,170	37,228
Los Gatos, Town Of	434,434	144,371	56,889	34,687	197,267	198,882	230,265	94,798	75,851	24,233
Millbrae	32,930	54,732	44,852	21,914	226,679	29,441	29,577	30,377	297,433	10,979
Milpitas	82,768	343,348	202,586	115,338	90,162	174,126	64,606	182,078	109,033	39,259
Morgan Hill	57,842	55,474	17,410	348,126	329,538	188,141	37,601	87,425	269,248	94,309
Newark	82,027	100,554	55,839	345,991	280,156	72,140	336,890	582,988	257,067	91,376
Pacifica	86,970	49,575	85,176	109,182	81,248	167,402	32,085	315,172	161,766	17,706
Portola Valley	0	0	0	13,662	0	0	16,015	107,228	7,824	0
Ross	0	0	0	0	0	0	0	0	2,596	286,646
San Bruno	53,791	21,011	127,856	93,826	24,721	93,647	174,350	195,237	230,491	142,531
San Carlos	139,717	20,477	198,047	22,136	58,492	441,393	446,184	35,296	445,430	210,131
San Mateo	0	0	0	0	0	0	0	0	0	0
Saratoga	55,068	37,439	98,167	117,923	65,769	15,034	98,636	39,177	16,034	19,365
South San Francisco	329,701	68,167	42,967	329,798	49,492	62,135	55,284	199,701	136,531	177,829
Suisun City	48,102	34,611	24,579	174,597	12,210	40,696	36,267	92,367	3,182	15,418
Tiburon	94,701	8,909	50,992	33,308	270,277	496	126,264	10,051	58,637	2,088
Woodside	8,338	1,692	154,829	330,610	39,855	198,119	198,915	580	46,032	61,377
Total	2,432,433	1,394,701	1,867,274	3,135,041	2,409,882	2,876,093	3,502,338	3,042,023	3,490,250	2,445,845

Notes:
Data Provided by ABAG. Note that American Canyon joined ABAG on 7/1/1993; Burlingame and Half Moon Bay on 7/1/1992; Hillsborough on 7/1/1988; Ross on 7/1/1995; Colma on 7/1/1998; and East Palo Alto on 7/1/2000
Brisbane left the program effective 7/1/1996 and Hillsborough on 7/1/2000

ABAG PLAN Corporation

Liability

Summary of Paid Loss and ALAE as of December 31, 2013
\$250,000 Limit

Member	1996-1997	1997-1998	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
American Canyon	1,209	3,576	19,560	1,481	92	1,862	91,572	241,441	6,394	11,857
Atherton	49,011	23,137	2,951	4,915	951	46,015	126,291	827	1,200	3,790
Belvedere	26,317	394	0	0	0	0	0	3,696	1,500	0
Benicia	297,007	228,705	326,304	254,844	290,980	295,966	644,493	335,662	302,300	291,510
Brisbane	0	0	0	0	0	0	0	0	0	0
Burlingame	215,832	151,922	106,561	70,655	608,274	286,419	606,264	371,794	197,141	614,069
Campbell	47,253	139,729	211,223	26,861	88,235	75,994	147,523	105,571	42,985	63,161
Colma	0	0	10,815	0	1,684	171,967	256,887	2,508	34,218	59,101
Cupertino	29,150	86,274	81,801	3,576	6,440	40,837	26,505	413,660	77,586	41,695
Dublin	285	24,581	152,800	0	288	15,096	241,621	5,549	50,068	1,678
East Palo Alto	0	0	0	0	25,052	55,936	103,601	58,042	128,024	396,704
Foster City	19,049	270,319	40,141	3,595	12,172	17,969	13,345	8,840	4,984	86,884
Gilroy	148,651	128,415	112,167	130,185	303,118	73,916	191,233	8,962	130,553	211,006
Half Moon Bay	46,280	200,024	87,025	0	390	86,116	86,404	17,999	5,258	10,000
Hillsborough	132,125	141,110	53,906	10,347	0	0	640,249	115,320	63,208	12,403
Los Altos	66,826	164,154	4,736	4,651	2,234	91,201	289,224	38,347	256,683	218,634
Los Altos Hills	0	66,929	0	0	10,211	0	3,933	0	0	0
Los Gatos, Town Of	96,112	493,535	221,846	59,356	70,021	55,690	180,260	138,377	104,671	74,172
Millbrae	31,207	90,950	290,827	290,565	306,697	31,643	409,905	59,021	3,629	322,554
Milpitas	99,174	558,839	29,041	35,986	99,475	208,862	95,355	424,875	67,680	35,519
Morgan Hill	81,678	112,931	123,496	79,468	100,744	10,905	333,006	782,503	171,283	46,927
Newark	74,545	12,016	58,519	32,153	288,165	238,860	50,674	25,260	63,867	26,306
Pacifica	368,794	87,094	76,566	18,080	51,309	466,939	551,905	339,257	509,169	150,580
Portola Valley	135,287	0	0	0	0	61,130	138	0	0	0
Ross	13,360	5,222	0	0	0	0	308,589	4,948	2,651	250,000
San Bruno	163,407	649,693	342,982	189,872	186,409	601,201	206,442	140,849	309,502	302,939
San Carlos	63,602	43,870	197,670	928,295	397,895	655,290	528,081	731,407	132,673	592,950
San Mateo	0	0	0	0	0	0	0	0	184,311	703,028
Saratoga	2,886	6,684	11,219	265	48,102	9,297	5,750	35,666	8,446	250,760
South San Francisco	237,845	424,683	186,347	264,254	292,627	222,110	888,728	94,116	439,429	277,543
Suisun City	343,193	24,888	32,753	91,958	94,913	54,010	111,858	12,588	32,285	7,966
Tiburon	17,703	0	52,712	64,667	0	0	1,246	0	500	0
Woodside	1,750	21,859	0	0	0	2,596	0	28,856	0	2,300
Total	2,809,537	4,161,532	2,833,966	2,566,030	3,286,480	3,877,825	7,141,081	4,545,938	3,332,198	5,066,035

Notes:
Data Provided by ABAG. Note that American Canyon joined ABAG on 7/1/1993; Burlingame and Half Moon Bay on 7/1/1992; Hillsborough on 7/1/1988; Ross on 7/1/1995; Colma on 7/1/1998; and East Palo Alto on 7/1/2000
Brisbane left the program effective 7/1/1996 and Hillsborough on 7/1/2000

ABAG PLAN Corporation

Liability

Summary of Paid Loss and ALAE as of December 31, 2013
\$250,000 Limit

Member	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	Total
American Canyon	327,691	2,822	2,706	85,968	2,397	9,708	3,558	916	973,238
Atherton	6,640	29,249	500,000	3,101	1,857	24,302	10,374	0	1,268,510
Belvedere	0	0	0	0	0	0	0	0	768,316
Benicia	260,877	794,459	567,816	83,853	234,850	62,891	606,512	0	7,536,953
Brisbane	0	0	0	0	0	0	0	0	303,840
Burlingame	393,597	532,310	318,717	146,170	317,358	131,934	105,351	10,713	6,055,488
Campbell	54,052	124,857	256,337	29,919	30,254	61,248	19,178	249	2,631,799
Colma	15,463	31,137	0	0	6,036	46,861	0	0	636,676
Cupertino	51,490	12,503	9,496	6,705	2,480	118,153	26,135	7,903	1,675,143
Dublin	17,345	12,360	342,869	3,213	3,883	16,578	3,549	0	1,038,370
East Palo Alto	324,730	294,098	20,184	123,717	30,136	145,748	8,472	0	1,714,441
Foster City	129,962	128,593	3,075	8,073	6,285	262,597	4,240	0	1,673,452
Gilroy	43,194	751,478	45,015	359,473	238,871	59,640	55,922	26,440	4,535,366
Half Moon Bay	7,986	83,990	159,894	71,569	3,137	366	0	0	1,289,368
Hillsborough	130,202	112,542	176,744	7,285	136,113	99,124	776	1,605	2,638,160
Los Altos	15,157	372,215	30,836	13,327	155,281	10,076	0	0	2,490,692
Los Altos Hills	12,397	0	0	250,000	0	0	394	0	465,344
Los Gatos, Town Of	209,332	275,627	48,545	278,533	364,717	47,829	23,962	0	4,234,262
Millbrae	63,791	41,296	67,790	216,879	35,571	683	19,850	0	3,061,772
Milpitas	423,756	309,136	39,350	57,707	128,744	50,039	63,709	6,117	4,136,668
Morgan Hill	142,339	97,306	143,284	547,696	111,437	385,313	7,333	62,034	4,824,797
Newark	156,550	82,262	187,673	36,512	3,360	102,763	30,803	982	3,676,307
Pacifica	108,635	303,006	18,358	290,929	6,087	18,901	23,561	0	4,495,451
Portola Valley	0	0	0	0	0	0	0	0	341,284
Ross	10,392	81,742	0	8,355	0	306	100	0	974,906
San Bruno	149,072	166,738	84,774	324,774	798,368	536,472	40,359	12,187	6,363,500
San Carlos	161,125	205,308	155,906	484,647	2,226	13,670	105,712	660	7,418,291
San Mateo	221,578	580,287	658,581	482,808	89,251	0	0	0	2,919,844
Saratoga	68	201,918	107,999	433	86,200	3,363	0	0	1,341,667
South San Francisco	857,860	95,200	159,144	68,789	26,947	468,910	30,200	150	6,486,489
Suisun City	24,828	16,298	232,104	82,524	94,686	5,856	8,037	494	1,753,270
Tiburon	1,300	29,953	4,774	3,000	164,051	11,803	17,165	0	1,024,596
Woodside	0	5,178	0	251,300	0	0	200	0	1,354,384
Total	4,321,409	5,773,867	4,341,973	4,327,258	3,080,585	2,695,136	1,215,451	130,461	92,102,643

ABAG PLAN Corporation

Liability

Summary of Incurred Loss and ALAE as of December 31, 2013
Total Limits

Member	1986-1987	1987-1988	1988-1989	1989-1990	1990-1991	1991-1992	1992-1993	1993-1994	1994-1995	1995-1996
American Canyon	NA	NA	NA	NA	NA	NA	250	35,151	562	122,464
Atherton	22,940	12,362	7,889	521,493	4,673	0	95,536	13,844	11,209	15,447
Belvedere	330,544	148	0	0	15,804	119,523	95,320	389,657	3,919	0
Benicia	84,487	36,715	285,983	110,521	218,462	280,008	236,477	30,194	135,369	249,733
Brisbane	164,066	25,848	26,315	1,357	9,704	20,725	0	14,427	37,845	3,553
Burlingame	NA	NA	NA	NA	NA	NA	253,036	103,270	110,300	564,041
Campbell	62,256	51,589	96,119	166,192	105,879	74,980	134,946	86,814	312,260	56,027
Colma	NA	0								
Cupertino	222,285	102,807	27,750	64,949	47,948	17,609	19,882	46,812	75,169	7,540
Dublin	10,637	18,879	5,477	1,006	5,241	45,629	2,044	9,128	1,514	47,052
East Palo Alto	NA	0								
Foster City	19,245	51,009	199,990	111,947	25,022	7,910	15,254	11,176	131,240	81,535
Glroy	53,726	92,727	12,709	316,089	59,600	780,432	256,020	162,890	158,812	75,977
Half Moon Bay	NA	NA	NA	NA	NA	NA	5,024,869	121,024	1,825	25,213
Hillsborough	NA	NA	0	0	58,525	334,256	91,299	33,277	239,399	125,759
Los Altos	35,929	62,257	29,877	21,882	133,157	42,642	136,040	149,666	144,391	1,270
Los Altos Hills	475	0	26,000	0	0	0	8,425	182	49,170	37,228
Los Gatos, Town Of	1,084,092	144,371	56,889	34,687	197,267	198,882	230,265	94,798	75,851	24,233
Milbrae	32,930	54,732	44,852	21,914	226,679	29,441	29,577	30,377	442,700	10,979
Milpitas	82,768	698,897	202,586	115,338	90,162	174,126	64,606	182,078	109,033	39,259
Morgan Hill	57,842	55,474	17,410	518,681	329,538	188,141	37,601	87,425	269,248	94,309
Newark	82,027	100,554	55,839	386,373	962,272	72,140	336,890	582,988	1,203,446	91,376
Pacifica	86,970	49,575	85,176	109,182	81,248	167,402	32,085	1,116,720	161,766	17,706
Portola Valley	0	0	0	13,662	0	0	16,015	107,228	7,824	0
Ross	0	0	0	0	0	0	0	0	2,596	286,646
San Bruno	53,791	21,011	127,856	93,826	24,721	93,647	174,350	195,237	230,491	142,531
San Carlos	139,717	20,477	198,047	22,136	58,492	453,105	446,184	35,296	445,430	210,131
San Mateo	0	0	0	0	0	0	0	0	0	0
Saratoga	55,068	37,439	98,167	117,923	65,769	15,034	98,636	39,177	16,034	19,365
South San Francisco	373,310	68,167	42,967	506,419	49,492	62,135	55,284	199,701	136,531	177,829
Suisun City	48,102	34,611	24,579	174,597	12,210	40,696	36,267	92,367	3,182	15,418
Tiburon	94,701	8,909	50,992	33,308	336,470	496	126,264	10,051	58,637	2,088
Woodside	8,338	11,692	154,829	594,503	39,855	198,119	198,915	580	46,032	61,377
Total	3,206,245	1,760,250	1,877,298	4,057,984	3,158,191	3,417,076	8,252,338	3,981,532	4,621,785	2,606,086

Notes:
Data Provided by ABAG. Note that American Canyon joined ABAG on 7/1/1993; Burlingame and Half Moon Bay on 7/1/1992; Hillsborough on 7/1/1988; Ross on 7/1/1995; Colma on 7/1/1996; and East Palo Alto on 7/1/2000
Brisbane left the program effective 7/1/1996 and Hillsborough on 7/1/2000

ABAG PLAN Corporation

Liability

Summary of Incurred Loss and ALAE as of December 31, 2013
Total Limits

Member	1996-1997	1997-1998	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
American Canyon	1,209	3,576	19,560	1,481	92	1,862	91,572	241,441	6,394	11,857
Atherton	49,011	23,137	2,951	4,915	951	46,015	183,426	827	1,200	3,790
Belvedere	26,317	394	0	0	0	0	0	3,696	1,500	0
Benicia	297,007	228,705	326,304	254,844	290,980	2,107,670	661,352	335,662	302,300	291,510
Brisbane	0	0	0	0	0	0	0	0	0	0
Burlingame	215,832	151,922	106,561	70,655	1,057,392	286,419	606,264	371,794	197,141	629,451
Campbell	47,253	139,729	211,223	26,861	88,235	75,994	147,523	105,571	42,985	63,161
Colma	0	0	10,815	0	1,684	171,967	268,022	2,508	34,218	59,101
Cupertino	29,150	86,274	81,801	3,576	6,440	40,837	26,505	413,660	77,586	41,695
Dublin	285	24,581	152,800	0	288	15,096	241,621	5,549	50,068	1,678
East Palo Alto	0	0	0	0	25,052	55,936	103,601	58,042	128,024	405,884
Foster City	19,049	459,263	40,141	3,595	12,172	17,969	13,345	8,840	4,984	86,884
Gilroy	148,651	128,415	112,167	130,185	303,118	73,916	191,233	8,962	130,553	211,006
Half Moon Bay	46,280	200,024	87,025	0	390	86,116	86,404	17,999	5,258	10,000
Hillsborough	132,125	141,110	53,906	10,347	0	0	895,735	115,320	63,208	12,403
Los Altos	66,826	164,154	4,736	4,651	2,234	91,201	380,158	38,347	357,026	275,000
Los Altos Hills	0	66,929	0	0	10,211	0	3,933	0	0	0
Los Gatos, Town Of	96,112	868,308	221,846	59,356	70,021	55,690	180,260	138,377	104,671	74,172
Milbrae	31,207	90,950	1,989,202	290,565	306,697	31,643	3,937,776	59,021	3,629	1,467,757
Milpitas	99,174	599,238	29,041	35,986	99,475	208,862	95,355	452,891	67,680	35,519
Morgan Hill	81,678	112,931	123,496	79,468	100,744	10,905	333,006	1,661,593	171,283	46,927
Newark	74,545	12,016	58,519	32,153	765,773	238,860	50,674	25,260	63,915	26,306
Pacifica	368,794	87,094	76,566	18,080	51,309	1,608,140	855,427	339,257	867,856	150,580
Portola Valley	135,287	0	0	0	0	88,438	138	0	0	0
Ross	13,360	5,222	0	0	0	0	422,184	4,948	2,651	2,445,979
San Bruno	163,407	1,028,176	3,614,523	189,872	186,409	1,031,403	206,442	140,849	309,502	302,939
San Carlos	63,602	43,870	197,670	1,037,598	397,895	797,415	528,061	1,044,786	132,673	592,950
San Mateo	0	0	0	0	0	0	0	0	184,311	878,028
Saratoga	2,886	6,684	11,219	265	48,102	9,297	5,750	35,666	8,446	431,227
South San Francisco	237,845	424,683	186,347	379,034	293,803	222,110	2,436,052	94,116	1,229,795	277,543
Suisun City	378,146	24,888	32,753	91,958	94,913	54,010	111,858	12,588	32,285	7,966
Tiburon	17,703	0	52,712	64,667	0	0	1,246	0	500	0
Woodside	1,750	21,859	0	0	0	2,596	0	28,856	0	2,300
Total	2,844,489	5,144,132	7,803,881	2,790,112	4,214,381	7,430,366	13,064,942	5,766,423	4,581,643	8,843,612

Notes:
Data Provided by ABAG. Note that American Canyon joined ABAG on 7/1/1993; Burlingame and Half Moon Bay on 7/1/1992; Hillsborough on 7/1/1988; Ross on 7/1/1995; Colma on 7/1/1998; and East Palo Alto on 7/1/2000
Brisbane left the program effective 7/1/1996 and Hillsborough on 7/1/2000

ABAG PLAN Corporation

Liability

Summary of Incurred Loss and ALAE as of December 31, 2013
Total Limits

Member	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	Total
American Canyon	636,518	2,822	2,706	85,968	2,397	21,467	18,558	1,155	1,309,062
Atherton	6,640	29,249	1,649,482	3,101	1,857	350,000	405,911	4,776	3,472,630
Belvedere	0	0	0	0	0	0	0	0	966,821
Benicia	260,877	1,467,931	1,120,971	224,005	450,007	143,847	945,326	7,604	11,384,850
Brisbane	0	0	0	0	0	0	0	0	303,840
Burlingame	393,597	532,310	318,717	210,664	354,934	3,606,168	562,138	128,871	10,831,478
Campbell	54,052	124,857	418,955	29,919	270,279	90,915	174,546	16,299	3,275,416
Colma	15,463	31,137	0	0	6,536	46,861	65	0	648,376
Cupertino	51,490	12,503	9,496	6,705	2,480	959,279	318,125	52,730	2,853,084
Dublin	17,345	12,360	2,593,390	3,213	3,883	16,578	43,549	3,425	3,332,316
East Palo Alto	324,730	294,120	21,343	123,717	30,136	1,811,074	54,672	43,550	3,479,879
Foster City	130,098	139,485	3,075	8,073	6,285	1,312,597	5,966	0	2,925,150
Gilroy	43,194	3,292,051	45,015	753,955	239,823	411,948	1,459,597	232,372	9,885,143
Half Moon Bay	7,986	83,990	159,894	71,569	3,137	366	40,000	50	6,079,418
Hillsborough	130,202	112,542	176,744	7,285	136,113	516,470	9,659	2,612	3,398,299
Los Altos	15,157	372,215	30,836	13,327	155,281	10,076	0	0	2,738,336
Los Altos Hills	12,397	0	0	269,522	0	0	394	5,000	489,866
Los Gatos, Town Of	209,332	1,209,105	48,545	324,100	5,519,799	47,829	443,131	0	11,811,989
Millbrae	63,791	41,296	67,790	216,879	35,571	683	271,563	9,903	9,840,102
Milpitas	602,130	583,895	39,350	57,707	257,683	61,737	410,720	33,247	5,528,544
Morgan Hill	142,339	172,325	143,284	547,696	111,437	462,805	435,404	135,835	6,528,825
Newark	156,550	82,262	187,673	40,490	7,360	211,386	256,003	15,953	6,179,601
Pacifica	108,635	303,006	18,358	321,055	6,087	18,901	360,749	0	7,467,724
Portola Valley	0	0	0	0	0	0	0	0	368,592
Ross	10,392	81,742	0	8,355	0	306	600,100	0	3,884,480
San Bruno	149,072	166,738	84,774	377,042	853,050	1,051,702	251,165	427,299	11,691,825
San Carlos	161,125	205,308	155,956	484,647	2,226	14,670	265,026	6,333	8,160,846
San Mateo	221,578	752,333	666,190	1,566,710	153,253	0	0	0	4,422,402
Saratoga	68	201,918	107,999	433	86,200	28,163	0	50	1,546,984
South San Francisco	857,860	188,861	231,998	68,789	26,947	2,890,351	1,077,780	16,889	12,812,640
Suisun City	24,828	16,298	276,869	82,524	195,802	26,482	23,137	494	1,969,829
Tiburon	1,300	29,953	4,774	3,000	250,000	16,803	47,181	5,501	1,217,255
Woodside	0	5,178	0	359,083	0	0	200	0	1,736,059
Total	4,808,746	10,547,791	8,584,186	6,269,534	9,168,563	14,129,465	8,480,663	1,149,948	162,561,664

ABAG PLAN Corporation

Liability

Summary of Paid Loss and ALAE as of December 31, 2013

Total Limits

Member	1986-1987	1987-1988	1988-1989	1989-1990	1990-1991	1991-1992	1992-1993	1993-1994	1994-1995	1995-1996
American Canyon	NA	NA	NA	NA	NA	NA	250	35,151	562	122,464
Atherton	22,940	12,362	7,889	521,493	4,673	0	95,536	13,844	11,209	15,447
Belvedere	330,544	148	0	0	15,804	119,523	95,320	389,657	3,919	0
Benicia	84,487	36,715	285,983	110,521	218,462	280,008	236,477	30,194	135,369	249,733
Brisbane	164,066	25,848	26,315	1,357	9,704	20,725	0	14,427	37,845	3,553
Burlingame	NA	NA	NA	NA	NA	NA	253,036	103,270	110,300	564,041
Campbell	62,256	51,589	96,119	166,192	105,879	74,980	134,946	86,814	312,260	56,027
Colma	NA	0								
Cupertino	222,285	102,807	27,750	64,949	47,948	17,609	19,882	46,812	75,169	7,540
Dublin	10,637	18,879	5,477	1,006	5,241	45,629	2,044	9,128	1,514	47,052
East Palo Alto	NA	0								
Foster City	19,245	51,009	198,990	111,947	25,022	7,910	15,254	11,176	131,240	81,535
Gilroy	53,726	92,727	12,709	316,089	59,600	780,432	256,020	162,890	158,812	75,977
Half Moon Bay	NA	NA	NA	NA	NA	NA	5,024,869	121,024	1,825	25,213
Hillsborough	NA	NA	0	0	58,525	334,256	91,299	33,277	239,399	125,759
Los Altos	35,929	62,257	29,877	21,882	133,157	42,642	136,040	149,666	144,391	1,270
Los Altos Hills	475	0	26,000	0	0	0	8,425	182	49,170	37,228
Los Gatos, Town Of	1,084,092	144,371	56,889	34,687	197,267	198,882	230,265	94,798	75,851	24,233
Millbrae	32,930	54,732	44,852	21,914	226,679	29,441	29,577	30,377	442,700	10,979
Milpitas	82,768	698,897	202,586	115,338	90,162	174,126	64,606	182,078	109,033	39,259
Morgan Hill	57,842	55,474	17,410	518,681	329,538	188,141	37,601	87,425	269,248	94,309
Newark	82,027	100,554	55,839	386,373	962,272	72,140	336,890	582,988	1,203,446	91,376
Pacifica	86,970	49,575	85,176	109,182	81,248	167,402	32,085	1,116,720	161,766	17,706
Portola Valley	0	0	0	13,662	0	0	16,015	107,228	7,824	0
Ross	0	0	0	0	0	0	0	0	2,596	286,646
San Bruno	53,791	21,011	127,856	93,826	24,721	93,647	174,350	195,237	230,491	142,531
San Carlos	139,717	20,477	198,047	22,136	58,492	453,105	446,184	35,296	445,430	210,131
San Mateo	0	0	0	0	0	0	0	0	0	0
Saratoga	55,068	37,439	98,167	117,923	65,769	15,034	98,636	39,177	16,034	19,365
South San Francisco	373,310	68,167	42,967	506,419	49,492	62,135	55,284	199,701	136,531	177,829
Suisun City	48,102	34,611	24,579	174,597	12,210	40,696	36,267	92,367	3,182	15,418
Tiburon	94,701	8,909	50,992	33,308	336,470	496	126,264	10,051	58,637	2,088
Woodside	8,338	1,692	154,829	594,503	39,855	198,119	198,915	580	46,032	61,377
Total	3,206,245	1,750,250	1,877,298	4,057,984	3,158,191	3,417,076	8,252,338	3,981,532	4,621,785	2,606,086

Notes:

Data Provided by ABAG. Note that American Canyon joined ABAG on 7/1/1993; Burlingame and Half Moon Bay on 7/1/1992; Hillsborough on 7/1/1988; Ross on 7/1/1995; Colma on 7/1/1998; and East Palo Alto on 7/1/2000
Brisbane left the program effective 7/1/1996 and Hillsborough on 7/1/2000

ABAG PLAN Corporation

Liability

Summary of Paid Loss and ALAE as of December 31, 2013

Member	1996-1997	1997-1998	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
American Canyon	1,209	3,576	19,560	1,481	92	1,862	91,572	241,441	6,394	11,857
Atherton	49,011	23,137	2,951	4,915	951	46,015	126,291	827	1,200	3,790
Belvedere	26,317	394	0	0	0	0	0	3,696	1,500	0
Benicia	297,007	228,705	326,304	254,844	290,980	2,107,670	661,352	335,662	302,300	291,510
Brisbane	0	0	0	0	0	0	0	0	0	0
Burlingame	215,832	151,922	106,561	70,655	1,057,392	286,419	606,264	371,794	197,141	614,069
Campbell	47,253	139,729	211,223	26,861	88,235	75,994	147,523	105,571	42,985	63,161
Colma	0	0	10,815	0	1,684	171,967	268,022	2,508	34,218	59,101
Cupertino	29,150	86,274	81,801	3,576	6,440	40,837	26,505	413,660	77,586	41,695
Dublin	285	24,581	152,800	0	288	15,096	241,621	5,549	50,068	1,678
East Palo Alto	0	0	0	0	25,052	55,936	103,601	58,042	128,024	405,884
Foster City	19,049	459,263	40,141	3,595	12,172	17,969	13,345	8,840	4,984	86,884
Gilroy	148,651	128,415	112,167	130,185	303,118	73,916	191,233	8,962	130,553	211,006
Half Moon Bay	46,280	200,024	87,025	0	390	86,116	86,404	17,999	5,258	10,000
Hillsborough	132,125	141,110	53,906	10,347	0	0	895,735	115,320	63,208	12,403
Los Altos	66,826	164,154	4,736	4,651	2,234	91,201	380,158	38,347	357,026	218,634
Los Altos Hills	0	66,929	0	0	10,211	0	3,933	0	0	0
Los Gatos, Town Of	96,112	868,308	221,846	59,356	70,021	55,690	180,260	138,377	104,671	74,172
Millbrae	31,207	90,950	1,964,202	290,565	306,697	31,643	3,937,776	59,021	3,629	1,269,757
Milpitas	99,174	599,238	29,041	35,986	99,475	208,862	95,355	452,891	67,680	35,519
Morgan Hill	81,678	112,931	123,496	79,468	100,744	10,905	333,006	1,661,593	171,283	46,927
Newark	74,545	12,016	58,519	32,153	765,773	238,860	50,674	25,260	63,867	26,306
Pacifica	368,794	87,094	76,566	18,080	51,309	1,608,140	855,427	339,257	867,856	150,580
Portola Valley	135,287	0	0	0	0	61,130	138	0	0	0
Ross	13,360	5,222	0	0	0	0	422,184	4,948	2,651	2,445,979
San Bruno	163,407	1,028,176	3,614,523	189,872	186,409	1,031,403	206,442	140,849	309,502	302,939
San Carlos	63,602	43,870	197,670	1,037,598	397,895	797,415	528,081	1,044,786	132,673	592,950
San Mateo	0	0	0	0	0	0	0	0	184,311	714,273
Saratoga	2,886	6,684	11,219	265	48,102	9,297	5,750	35,666	8,446	431,227
South San Francisco	237,845	424,683	186,347	379,034	293,803	222,110	2,436,052	94,116	1,229,795	277,543
Suisun City	378,146	24,888	32,753	91,958	94,913	54,010	111,588	12,588	32,285	7,966
Tiburon	17,703	0	52,712	64,667	0	0	1,246	0	500	0
Woodside	1,750	21,859	0	0	0	2,596	0	28,856	0	2,300
Total	2,844,489	5,144,132	7,778,881	2,790,112	4,214,381	7,403,058	13,007,807	5,766,423	4,581,595	8,410,109

Notes:
Data Provided by ABAG. Note that American Canyon joined ABAG on 7/1/1993; Burlingame and Half Moon Bay on 7/1/1992; Hillsborough on 7/1/1988; Ross on 7/1/1995; Colma on 7/1/1996; and East Palo Alto on 7/1/2000
Brisbane left the program effective 7/1/1996 and Hillsborough on 7/1/2000

ABAG PLAN Corporation

Member	Summary of Paid Loss and ALAE as of December 31, 2013											Total	
	Liability												
	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014					
American Canyon	636,518	2,822	2,706	85,968	2,397	9,708	3,558	916					1,282,064
Atherton	6,640	29,249	1,649,482	3,101	1,857	24,302	10,374	0					2,689,484
Belvedere	0	0	0	0	0	0	0	0					986,821
Benicia	260,877	1,467,931	567,816	83,853	234,850	62,891	650,552	0					10,093,052
Brisbane	0	0	0	0	0	0	0	0					303,840
Burlingame	393,597	532,310	318,717	146,170	317,358	131,934	105,351	10,713					6,664,847
Campbell	54,052	124,857	418,955	29,919	30,254	61,248	19,178	249					2,834,307
Colma	15,463	31,137	0	0	6,036	46,861	0	0					647,811
Cupertino	51,490	12,503	9,496	6,705	2,480	118,153	26,135	7,903					1,675,143
Dublin	17,345	12,360	402,199	3,213	3,883	16,578	3,549	0					1,097,700
East Palo Alto	324,730	294,098	20,184	123,717	30,136	145,748	8,472	0					1,723,621
Foster City	129,962	128,593	3,075	8,073	6,285	791,225	4,240	0					2,391,024
Gilroy	43,194	3,292,051	45,015	753,955	238,871	59,640	55,922	26,440					7,922,277
Half Moon Bay	7,986	83,990	159,894	71,569	3,137	366	0	0					6,039,368
Hillsborough	130,202	112,542	176,744	7,285	136,113	99,124	776	1,605					2,971,061
Los Altos	15,157	372,215	30,836	13,327	155,281	10,076	0	0					2,681,970
Los Altos Hills	12,397	0	0	269,522	0	0	394	0					484,866
Los Gatos, Town Of	209,332	1,209,105	48,545	324,100	364,717	47,829	23,962	0					6,237,739
Millbrae	63,791	41,296	67,790	216,879	35,571	683	19,850	0					9,355,486
Milpitas	602,080	583,895	39,350	57,707	128,744	50,039	63,709	6,117					5,013,716
Morgan Hill	142,339	97,306	143,284	547,696	111,437	400,627	7,333	62,034					5,889,755
Newark	156,550	82,262	187,673	36,512	3,360	102,763	30,803	992					5,822,792
Pacifica	108,635	303,006	18,358	321,055	6,087	18,901	23,561	0					7,130,536
Portola Valley	0	0	0	0	0	0	0	0					341,284
Ross	10,392	81,742	0	8,355	0	306	100	0					3,284,480
San Bruno	149,072	166,738	84,774	377,042	853,050	536,472	40,359	12,187					10,550,676
San Carlos	161,125	205,308	155,906	484,647	2,226	13,670	105,712	660					7,994,809
San Mateo	221,578	752,333	658,581	482,808	89,251	0	0	0					3,103,135
Saratoga	68	201,918	107,999	433	86,200	3,363	0	0					1,522,134
South San Francisco	657,860	95,200	159,144	68,789	26,947	468,910	30,200	150					9,160,364
Suisun City	24,828	16,298	232,104	82,524	94,686	5,856	8,037	494					1,788,223
Tiburon	1,300	29,953	4,774	3,000	164,051	11,803	17,165	0					1,090,789
Woodside	0	5,178	0	359,083	0	0	200	0					1,726,059
Total	4,808,560	10,368,195	5,713,403	4,977,007	3,135,267	3,239,078	1,259,491	130,461					132,501,236

ABAG PLAN Corporation

Liability

Summary of Reported Claim Counts as of December 31, 2013
Total Limits

Member	1986-1987	1987-1988	1988-1989	1989-1990	1990-1991	1991-1992	1992-1993	1993-1994	1994-1995	1995-1996
American Canyon	NA	NA	NA	NA	NA	NA	1	5	6	11
Atherton	2	5	NA	3	14	NA	9	7	11	7
Belvedere	1	2	1	1	3	4	8	7	3	0
Benicia	26	16	20	25	14	34	74	41	43	28
Brisbane	17	8	10	2	5	7	4	8	7	12
Burlingame	NA	NA	NA	NA	NA	NA	60	51	49	56
Campbell	26	16	27	31	24	20	25	21	21	25
Colma	NA	0								
Cupertino	26	30	25	61	51	40	22	15	21	24
Dublin	12	11	10	11	7	12	16	11	5	14
East Palo Alto	NA	0								
Foster City	11	15	18	18	21	23	26	20	27	26
Gilroy	21	28	14	27	32	29	34	35	25	34
Half Moon Bay	NA	NA	NA	NA	NA	NA	9	11	8	10
Hillsborough	NA	1	2	3	10	5	7	14	12	22
Los Altos	12	6	14	18	15	8	10	13	17	11
Los Altos Hills	1	0	5	1	2	1	6	2	10	2
Los Gatos, Town Of	44	46	37	78	83	92	104	71	99	89
Millbrae	28	23	26	28	20	17	28	31	32	38
Milpitas	19	26	32	41	34	47	35	29	43	35
Morgan Hill	17	38	32	32	26	25	25	29	33	26
Newark	38	24	18	20	24	21	22	25	25	31
Pacifica	20	19	29	35	27	39	27	38	37	39
Portola Valley	0	0	1	3	0	0	3	2	3	0
Ross	0	0	0	0	0	0	0	0	1	4
San Bruno	25	14	19	27	12	8	22	41	42	43
San Carlos	31	25	30	36	33	48	29	34	42	33
San Mateo	0	0	0	0	0	0	0	0	0	0
Saratoga	12	8	15	24	15	15	18	14	17	7
South San Francisco	55	37	39	35	35	36	39	54	55	65
Suisun City	23	16	24	17	17	26	17	17	10	12
Tiburon	13	7	3	5	4	6	10	4	9	3
Woodside	4	4	6	4	3	4	3	2	7	3
Total	484	425	462	586	531	570	693	652	720	710

Notes:
Data Provided by ABAG. Note that American Canyon joined ABAG on 7/1/1993; Burlingame and Half Moon Bay on 7/1/1992; Hillsborough on 7/1/1988; Ross on 7/1/1995; Colma on 7/1/1998; and East Palo Alto on 7/1/2000
Brisbane left the program effective 7/1/1996 and Hillsborough on 7/1/2000

ABAG PLAN Corporation

Liability

Summary of Reported Claim Counts as of December 31, 2013
Total Limits

Member	1996-1997	1997-1998	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
American Canyon	6	4	4	7	3	6	9	13	10	33
Atherton	14	12	16	10	4	11	8	4	6	12
Belvedere	6	6	3	2	2	0	1	2	4	3
Benicia	33	36	47	26	28	34	30	39	54	38
Brisbane	0	0	0	0	0	0	0	0	0	0
Burlingame	78	71	80	53	75	71	97	74	55	47
Campbell	25	20	32	19	13	18	22	15	6	14
Colma	0	1	7	3	4	14	15	7	9	5
Cupertino	37	29	24	34	17	34	29	24	11	14
Dublin	5	4	13	11	9	17	13	14	6	24
East Palo Alto	0	0	0	0	37	20	24	16	19	17
Foster City	15	15	21	13	16	9	15	22	10	11
Gilroy	42	39	35	33	35	25	32	23	41	46
Half Moon Bay	7	10	8	3	7	7	3	5	3	4
Hillsborough	15	19	9	5	0	0	17	11	25	12
Los Altos	6	6	4	8	5	20	19	15	10	5
Los Altos Hills	2	7	2	2	2	1	3	2	1	2
Los Gatos, Town Of	75	79	56	73	62	57	51	26	33	47
Millbrae	25	34	41	23	21	28	27	12	13	21
Milpitas	49	53	31	33	27	36	43	29	31	31
Morgan Hill	46	46	34	23	31	37	35	26	20	34
Newark	47	26	47	44	45	42	63	47	46	22
Pacifica	35	40	33	17	11	29	46	36	30	19
Portola Valley	1	2	0	0	0	2	1	0	0	0
Ross	2	2	2	1	3	1	3	2	1	2
San Bruno	41	56	45	70	52	76	61	49	45	43
San Carlos	31	34	48	62	35	42	49	48	40	34
San Mateo	0	0	0	0	0	0	0	0	110	95
Saratoga	15	11	6	8	16	21	11	19	6	11
South San Francisco	58	65	49	36	35	46	56	58	55	44
Suisun City	12	12	5	6	6	10	20	23	20	14
Tiburon	4	7	11	14	6	6	4	3	7	4
Woodside	2	4	1	1	1	3	0	3	3	3
Total	734	750	714	640	608	723	807	667	730	711

Notes:
Data Provided by ABAG. Note that American Canyon joined ABAG on 7/1/1993; Burlingame and Half Moon Bay on 7/1/1992; Hillsborough on 7/1/1988; Ross on 7/1/1995; Colma on 7/1/1998; and East Palo Alto on 7/1/2000
Brisbane left the program effective 7/1/1996 and Hillsborough on 7/1/2000

ABAG PLAN Corporation

Liability

Summary of Reported Claim Counts as of December 31, 2013

Member	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	Total
American Canyon	21	5	14	11	12	11	13	3	208
Atherton	9	7	6	6	6	3	4	1	206
Belvedere	0	0	0	0	0	0	0	0	58
Benicia	36	43	32	27	24	20	32	5	905
Brisbane	0	0	0	0	0	0	0	0	80
Burlingame	42	61	57	49	38	44	44	17	1,269
Campbell	16	14	18	23	28	16	28	8	571
Colma	4	2	0	1	4	4	5	0	85
Cupertino	25	16	30	26	19	20	24	11	739
Dublin	13	8	12	12	10	14	10	5	309
East Palo Alto	36	19	20	14	13	24	16	4	279
Foster City	15	15	8	13	5	9	4	0	421
Gilroy	35	37	22	23	21	30	31	7	836
Half Moon Bay	7	4	8	7	4	3	3	1	132
Hillsborough	21	20	10	9	16	12	6	3	286
Los Altos	11	14	14	17	9	7	0	0	294
Los Altos Hills	1	0	2	4	1	3	1	1	67
Los Gatos, Town Of	38	29	45	28	15	5	9	0	1,471
Millbrae	18	23	13	23	22	12	13	3	643
Milpitas	30	23	20	31	32	33	35	10	918
Morgan Hill	30	29	23	37	23	33	33	13	836
Newark	29	157	108	27	13	21	28	7	1,067
Pacifica	19	21	19	22	12	14	19	1	733
Portola Valley	1	0	0	1	1	0	1	0	22
Ross	1	2	2	2	0	2	3	1	37
San Bruno	37	36	39	49	38	41	44	20	1,095
San Carlos	43	36	35	34	16	24	29	14	995
San Mateo	82	101	98	89	66	0	0	0	641
Saratoga	7	11	8	6	10	6	1	1	319
South San Francisco	50	54	35	36	24	42	43	5	1,241
Suisun City	15	13	24	10	19	8	10	1	407
Tiburon	8	13	2	7	3	2	8	2	175
Woodside	2	1	0	2	2	1	2	0	71
Total	702	814	724	646	506	464	499	144	17,416

ABAG PLAN Corporation

Liability

Summary of Reported Claim Counts as of December 31, 2013
With Incurred Amounts Greater than \$1

Member	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	Total
American Canyon	2	2	5	5	3	17
Atherton	1	2	1	4	1	9
Belvedere	0	0	0	0	0	0
Benicia	16	12	16	20	5	69
Brisbane	0	0	0	0	0	0
Burlingame	23	19	22	31	16	111
Campbell	3	12	4	15	7	41
Colma	0	2	3	1	0	6
Cupertino	3	3	5	12	9	32
Dublin	1	3	5	5	4	18
East Palo Alto	7	3	14	10	3	37
Foster City	5	2	7	3	0	17
Glroy	7	7	11	21	6	52
Half Moon Bay	1	1	1	1	1	5
Hillsborough	5	9	7	5	2	28
Los Altos	4	2	2	0	0	8
Los Altos Hills	1	0	0	1	1	3
Los Gatos, Town Of	9	8	5	8	0	30
Millbrae	7	6	2	10	3	28
Milpitas	15	12	19	27	9	82
Morgan Hill	16	11	12	17	13	69
Newark	8	4	8	20	6	46
Pacifica	11	6	9	8	0	34
Portola Valley	0	0	0	0	0	0
Ross	1	0	2	2	0	5
San Bruno	15	21	18	26	19	99
San Carlos	18	4	8	17	11	58
San Mateo	33	18	0	0	0	51
Saratoga	2	2	3	0	1	8
South San Francisco	9	5	16	24	5	59
Suisun City	6	8	3	8	1	26
Tiburon	1	1	2	5	2	11
Woodside	2	0	0	1	0	3
Total	232	185	210	307	128	1,062

Notes:
Data Provided by ABAG.

ABAG PLAN CORPORATION - Liability

Duration for Outstanding Loss and LAE Liabilities at June 30, 2014

Accident Year	Outstanding as of 6/30/2014	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
2000-2001	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2001-2002	64,665	32,203	16,198	16,263	0	0	0	0	0	0	0	0	0	0	0	0	0
2002-2003	142,355	47,120	47,427	23,856	23,952	0	0	0	0	0	0	0	0	0	0	0	0
2003-2004	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2004-2005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2005-2006	509,155	131,362	103,893	90,113	60,833	61,231	30,800	30,923	0	0	0	0	0	0	0	0	0
2006-2007	83,252	27,890	14,284	11,297	9,798	6,615	6,658	3,349	3,362	0	0	0	0	0	0	0	0
2007-2008	523,702	241,427	94,562	48,430	38,303	33,223	22,428	22,574	11,401	0	0	0	0	0	0	0	0
2008-2009	2,194,349	954,542	571,551	223,866	114,653	90,678	78,651	53,095	53,442	26,882	26,990	0	0	0	0	0	0
2009-2010	1,554,478	615,573	408,424	244,552	95,786	49,057	38,799	33,653	22,718	22,867	11,548	11,548	0	0	0	0	0
2010-2011	6,188,530	2,456,846	1,477,747	980,463	587,072	229,945	117,766	93,140	80,786	54,537	54,893	27,612	27,723	0	0	0	0
2011-2012	7,782,471	2,887,297	1,943,384	1,168,909	775,553	464,378	181,888	93,154	73,675	63,903	43,139	43,421	21,841	21,929	0	0	0
2012-2013	8,491,146	1,918,989	2,438,267	1,641,151	987,121	654,940	392,158	153,601	78,667	62,217	53,985	36,430	36,688	18,444	18,518	0	0
2013-2014	6,199,347	427,755	1,304,380	1,657,336	1,115,521	670,965	445,175	266,557	104,406	53,471	42,290	36,681	24,762	24,924	12,537	12,587	0
Total	33,733,452	9,741,014	8,420,117	6,106,235	3,808,593	2,261,031	1,314,322	750,047	428,411	295,277	232,779	155,692	110,994	65,297	31,055	12,587	0

Reserve Payout % of Total	100.0%	28.9%	25.0%	18.1%	11.3%	6.7%	3.9%	2.2%	1.3%	0.9%	0.7%	0.5%	0.3%	0.2%	0.1%	0.0%	0.0%
Years Since Reserved		0.5	1.5	2.5	3.5	4.5	5.5	6.5	7.5	8.5	9.5	10.5	11.5	12.5	13.5	14.5	15.5
Reserve Payout PV at 3.0%	93.3%	28.5%	23.9%	16.6%	10.2%	5.9%	3.3%	1.8%	1.0%	0.7%	0.5%	0.3%	0.2%	0.1%	0.1%	0.0%	0.0%
Time Weighted Liability Duration	2.27	14.2%	35.8%	42.0%	35.6%	26.4%	18.2%	11.9%	7.6%	5.8%	5.0%	3.6%	2.7%	1.7%	0.8%	0.4%	0.0%

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Friday, April 4, 2014

Mr. James Hill
Risk Manager
Association of Bay Area Governments
101 Eighth Street
Oakland, CA 94607

Re: 2013-14 vs. 2014-15 Premium Calculation Comparison

Dear Mr. Hill:

As you requested, we have completed the comparison of 2013-14 vs. 2014-15 premium calculation for members of ABAG's self-insured liability program (the PLAN). For each member, there are three exhibits attached showing a comparison of key components of premium calculation, 5-year losses and payrolls, large loss listing.

Funding for losses, expenses, and excess insurance are allocated between members using various methods, which are set forth in this document, including an example. Losses are allocated using experience modification factors. The experience modification factor (x-mod) for each member represents the relationship between the loss experience of the member and the loss experience of the pool as a whole. Generally, a factor greater than 1.00 indicates that the members expected loss rate is worse than the pool average. Conversely, a factor less than 1.00 indicates that the members expected loss rate is better than the pool average.

On page "a" of each member exhibit, components of the premium calculation affecting x-mod are compared side-by-side for 2013-14 and 2014-15. Indicated differential shown on row (5) of each page "a" has the biggest affect on premium calculation. It is a relative ratio of each member's losses to their payrolls. The 5-year losses are capped at \$250,000 per claim. Capping losses reduces the impact of single large fortuitous losses, and makes the plan more sensitive to the frequency of claims, a measure that is typically easier for the member to control. Increasing the cap introduces more volatility in the factors from year to year, but encourages the members to contain losses to the extent possible. The annual change in the premium is capped at +/-30% per year. 5-year limited losses and payrolls are shown in details on page "b". A list of claims with greater than \$25,000 incurred losses is shown on page "c".

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The following table shows premium comparison in detail for the City of Dublin. The numbers in parenthesis signify row number from the table below. In the case of Dublin, the 5-year limited losses used in 2014-15 premium calculation were \$410,092 (1). This amount is 1.7% (3) of total limited losses for all PLAN members. Dublin's share of the 5-year payrolls is 2.2% (4). The indicated differential is a ratio of 5-year limited losses to 5-year payrolls (5). The credibility factor (6) is a weight given to each member's own experience. Indicated experience modification factor for Dublin is 88% (7) which is calculated by multiplying the credibility factor of 0.600 (6) by the indicated differential of 0.795 (5) then adding the complement of credibility factor times the average PLAN differential of 1.000. The adjusted experience modification factor for Dublin is 87% (8) after applying an off-balance factor to the indicated experience modification factor. An off-balance factor is often required when there is capping of the experience modification factor and/or premium.

In this case, premium changes are limited to 30% from the prior year's premium. Dublin has a \$50,000 deductible (10) and a 1.190 (11) deductible factor. The deductible factor of 1.190 (11) is multiplied to PLAN's average loss rate for a \$100,000 member deductible. Uncapped indicated loss funding, excess insurance costs, administrative expenses, and loss prevention expenses are \$147,374 (13); \$37,700 (14), \$64,231 (15) and \$0 (16), respectively. The total uncapped premium of \$249,305 (17) is adjusted to \$248,818 (19) based on capping procedures (pages 4-5).

It should be noted that the 2013-14 column for rows (1) through (19) come directly from the prior actuarial report. The 2013-14 premiums in row (20) are those actually charged by ABAG. Rows (19) and (20) may differ as a result of updated payroll or excess insurance information received after the prior actuarial report was completed.

	2012-13	2013-14	% Change
(1) 5-Year Limited Losses	\$401,483	\$410,092	2.1%
(2) 5-Year Payrolls (00)	\$403,790	\$416,165	3.1%
(3) % 5-Year Limited Losses	1.8%	1.7%	-3.2%
(4) % 5-Year Payrolls (00)	2.1%	2.2%	5.1%
(5) Indicated Differential	0.863	0.795	-7.8%
(6) Credibility	0.600	0.600	0.0%
(7) Indicated Ex Mod	92%	88%	-4.4%
(8) Adjusted Ex Mod	93%	87%	-6.2%
(9) Prior Ex Mod	99%	93%	-6.2%
(10) Deductible	\$50,000	\$50,000	0.0%
(11) Deductible Factor	1.192	1.190	-0.2%
(12) Current Year Payroll (00)	\$88,649	\$102,685	15.8%
(13) Indicated Loss Funding	\$136,754	\$147,374	7.8%
(14) Excess Insurance	\$35,706	\$37,700	5.6%
(15) Adjusted Administrative Expense	\$65,675	\$64,231	-2.2%
(16) Loss Prevention Expense	\$11,808	\$0	-100.0%
(17) Uncapped Premium	\$249,943	\$249,305	-0.3%
(18) Prior Capped vs. Current Uncapped	\$263,756	\$249,305	-5.5%
(19) Prior Capped vs. Current Capped	\$263,756	\$248,818	-5.7%
(20) Prior Total vs. Current Total	\$263,756	\$248,818	-5.7%

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The table below summarizes the allocation of deposit premiums by member, which include ultimate loss and ALAE assuming a \$5M retention per occurrence, claims administration, loss prevention, other administration and excess insurance costs from \$5M to \$25M per occurrence at the expected confidence level on a discounted basis (3%). This is shown in further detail on Exhibit 1, page 2.

Member	Loss Funding	Excess Insurance	Admin Expenses	Loss Prevention Expense	Burlingame Hillsborough CCFD Adjustments	Total Deposit
American Canyon	\$72,625	\$15,009	\$65,730	\$0	\$0	\$153,364
Atherton	135,726	5,286	45,737	0	0	186,748
Benicia	563,390	20,526	225,052	0	0	808,967
Burlingame	308,308	21,994	169,611	0	45,947	545,860
Campbell	210,539	30,876	97,008	0	0	338,423
Colma	48,971	1,133	44,808	0	0	94,913
Cupertino	143,326	43,828	83,633	0	0	270,787
Dublin	146,887	37,700	64,231	0	0	248,818
East Palo Alto	131,132	21,669	86,833	0	0	239,634
Foster City	120,715	23,516	121,235	0	0	265,466
Gilroy	609,189	38,684	149,229	0	0	797,102
Half Moon Bay	50,600	8,751	40,849	0	0	100,201
Hillsborough	165,471	8,180	97,601	0	(45,947)	225,305
Los Altos Hills	38,550	6,245	38,276	0	0	83,070
Los Gatos	306,561	22,670	150,745	0	0	479,975
Millbrae	198,570	16,797	59,086	0	0	274,453
Milpitas	189,773	50,989	146,274	0	0	387,036
Morgan Hill	351,103	30,286	155,104	0	0	536,493
Newark	152,777	32,752	103,208	0	0	288,737
Pacifica	174,571	28,676	76,284	0	0	279,531
Portola Valley	17,641	3,287	17,717	0	0	38,645
Ross, Town of	34,456	1,843	36,533	0	0	72,832
San Bruno	494,271	31,862	288,680	0	0	814,813
San Carlos	161,313	21,984	77,675	0	0	260,972
Saratoga	88,316	23,203	66,668	0	0	178,188
South SF	451,924	49,214	159,575	0	0	660,713
Suisun City	138,324	21,142	76,194	0	0	235,660
Tiburon	73,373	6,772	72,700	0	0	152,845
Woodside	41,600	4,126	33,722	0	0	79,448
Total	\$5,620,000	\$629,000	\$2,850,000	\$0	\$0	\$9,099,000

As shown in the previous table, total PLAN contributions are \$9,099,000, and can be broken down into three categories (1) Loss Funding, (2) Fixed Expenses, and (3) Variable Expenses. These costs are allocated to each individual member using the various methods discussed below.

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The loss funding category actually can be broken down into two components: (1) PLAN loss fund contributions and (2) excess insurance. The PLAN loss fund contributions are based on the member's loss experience relative to the overall PLAN average and member's projected exposure (payroll) for 2014-15. The member's loss experience is factored into the allocation by using the experience modification factor developed in Exhibit 1, page 9. The experience modification factor calculation compares the prior five year's loss experience (2008-09 through 2012-13) per \$100 of payroll to the average of all PLAN members. A factor of 100% indicates that the member's loss experience is equal to the PLAN average.

The number of years of loss experience utilized depends on the degree of stability vs. responsiveness desired. Using more years in the calculation may stabilize year-to-year premium changes, but will not be responsive to changes in loss experience. On the other hand, using a limited number of years results in a quick response to changes in loss experience, but changes in year-to-year premiums by member will be dramatic. A five-year time period provides a reasonable balance between stability and responsiveness.

Furthermore, the experience modification factors are developed based on losses limited to \$250,000 per occurrence. Without such a loss limit, a member incurring one catastrophic loss will pay disproportionately higher premiums as long as that loss remains in the experience period. The member will not realize financial benefits from loss control, even though its claim frequency may have decreased.

The experience modification and deductible factors are applied to the selected funding rate to obtain the adjusted rate. The adjusted rate is multiplied by the members' payroll to determine the base deposit.

The excess insurance portion of the loss funding is allocated to each member based upon estimated member population. The assumption here is that losses in excess of the PLAN retention are random, and thus more appropriately related to exposure than loss experience. This calculation is shown on Exhibit 1, Page 6.

Total budgeted administrative costs for 2013-14 are \$2,850,000. Total PLAN administrative expenses of \$2,850,000 are split into \$2,280,000 for general liability and \$570,000 for property coverages then again split into fixed and variable portions. Thirty-three percent of these expenses are assumed to be fixed, and every individual member is initially allocated the same amount of fixed expense regardless of its size. Given total fixed expenses of \$940,500 and 29 members for the 2013-14 fiscal year, this results in an initial charge of \$32,431 per member.

The remaining sixty-seven percent of administrative expenses are assumed to vary by member and are initially allocated based upon one-third weight to reported claims greater than \$1 (i.e. excluding claims closed without payment) and two-thirds weight to paid losses in the period 2009-10 through 2012-13. Liability and Property are treated separately for the allocation, then added into the premium in total.

The loss prevention expenses are assumed to be \$0.

The total expenses (fixed plus variable) are then capped at each member's loss funding (excluding excess insurance). The amount removed by capping expenses at loss

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funding is then allocated back to other members whose expenses were not capped. The allocation of expenses is shown on Exhibit 1, Pages 7, 8 and 9.

In order to prevent extreme year-to-year fluctuations in each member's deposit, there is a limit in the annual change in deposit between the upcoming year and the current year. As directed by PLAN, the annual change in deposit is limited to 30%, assuming the member keeps the same deductible. The net impact of limiting the change in deposit is spread back to all members whose deposits are not already limited so that total deposit collected for the 2014-15 after limiting will be equal to prior deposit.

This report should be viewed as a supplement to our most recent actuarial review of PLAN's self-insured liability program (as documented in our March 31, 2014 report.) As such the limitations and conditions described in that report also apply to the estimates presented in this report.

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

Sincerely,

Bickmore

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

Liability
 Premium Allocation by Member Breakdown
 2013-14 VS. 2014-15 Premiums

City (1)	Current Year		Prior Year		Administrative Expense (5)	Reported Counts (6)	CY Paid Losses (4)	Administrative Expense (8)	Reported Counts (9)	CY Paid Losses (7)	CY Paid Losses (10)
	Administrative Expense (2)	Reported Counts (3)	Administrative Expense (5)	Reported Counts (6)							
American Canyon	\$65,730	15	\$16,579	15	\$65,370	15	\$28,242	1%	0%	\$28,242	-41%
Atherton	45,737	8	36,532	6	50,013	6	6,526	-9%	33%		460%
Benicia	225,052	53	948,293	48	141,073	48	239,300	60%	10%		296%
Burlingame	169,611	88	565,357	92	150,468	92	561,875	13%	-4%		61%
Campbell	97,008	38	110,929	26	77,086	26	56,113	26%	46%		98%
Colma	44,808	6	52,897	7	47,214	7	44,983	-5%	-14%		18%
Cupertino	83,633	29	154,672	18	50,787	18	27,713	65%	61%		581%
Dublin	64,231	17	24,009	16	65,675	16	23,725	-2%	6%		1%
East Palo Alto	86,833	30	184,356	27	78,693	27	147,434	10%	11%		25%
Foster City	121,235	12	801,751	16	57,289	16	32,510	112%	-25%		2366%
Glencoe	149,229	45	380,873	43	246,600	43	981,379	-39%	5%		-61%
Half Moon Bay	40,849	4	3,503	3	39,633	3	75,072	3%	33%		-95%
Hillsborough	97,601	23	237,617	24	79,761	24	60,869	22%	-4%		240%
Los Altos Hills	38,276	2	394	4	47,729	4	286,522	-20%	-50%		-100%
Los Gatos	150,745	21	436,509	22	211,522	22	651,432	-29%	-5%		-33%
Millbrae	59,086	21	56,104	23	96,298	23	257,732	-39%	-9%		-78%
Milpitas	146,274	67	248,609	55	132,181	55	161,390	11%	22%		54%
Morgan Hill	155,104	53	581,430	48	184,053	48	774,605	-16%	10%		-25%
Newark	103,208	38	137,919	32	88,559	32	81,516	17%	19%		69%
Pacifica	76,284	23	48,549	37	100,154	37	196,663	-24%	-38%		-75%
Portola Valley	17,717	0	0	0	18,556	0	0	-5%	0%		0%
Ross, Town of	36,533	4	406	4	23,275	4	8,760	57%	0%		-95%
San Bruno	288,680	84	1,442,067	74	278,465	74	1,308,569	4%	14%		10%
San Carlos	77,675	40	122,268	47	143,295	47	503,797	-46%	-15%		-76%
Saratoga	66,668	6	89,564	7	59,884	7	89,997	11%	-14%		0%
South SF	159,575	50	526,207	49	125,619	49	324,828	27%	2%		62%
Suisun City	76,194	20	109,074	22	81,687	22	97,906	-7%	-9%		11%
Tiburon	72,700	10	193,019	5	63,715	5	140,032	14%	100%		38%
Woodside	33,722	1	200	5	45,347	5	336,561	-26%	-80%		-100%
Total	\$2,850,000	808	\$7,509,689	775	\$2,850,000	775	\$7,283,050	0%	4%	\$7,283,050	3%

Notes:
 (2), (3), and (4) From Bickmore report dated March 31, 2014.
 (5), (6) and (7) From Bickmore report dated May 9, 2013.
 (8) through (10) = [(2) through (4)] / [(5) through (7)] - 1, respectively.
 Variable expenses are based on a function that weights CY paid loss by two-thirds and reported counts by one-third.

Liability

Premium Allocation by Member Breakdown

2013-14 VS. 2014-15 Premiums

City (1)	Current Year				Prior Year							
	Deductible (2)	5-year Incurred Lim. Losses (3)	5-year Projected Payroll (4)	Mod Factor (5)	Loss Funding (6)	Total Premium (7)	Deductible (8)	5-year Incurred Lim. Losses (9)	5-year Projected Payroll (10)	Mod Factor (11)	Loss Funding (12)	Total Premium (13)
American Canyon	25,000	\$131,096	\$293,571	68%	\$72,925	\$153,564	\$25,000	\$101,099	\$295,909	66%	\$68,046	\$165,178
Atherton	25,000	785,170	223,587	173%	136,091	186,748	25,000	793,618	235,179	180%	125,183	190,739
Benicia	25,000	2,278,943	939,520	176%	564,972	808,967	25,000	2,054,017	987,702	167%	547,882	774,447
Burlingame	250,000	1,977,621	1,226,721	123%	309,286	545,860	250,000	2,097,529	1,246,880	139%	348,834	604,664
Campbell	100,000	821,996	869,618	83%	211,201	338,423	100,000	470,348	861,648	64%	159,070	295,004
Colma	50,000	53,462	208,673	68%	49,156	94,913	50,000	324,880	211,045	115%	85,809	104,667
Cupertino	250,000	796,085	704,084	93%	143,856	270,787	250,000	498,727	685,398	75%	118,151	216,993
Dublin	50,000	410,092	416,165	87%	147,374	248,818	50,000	401,483	403,790	93%	136,754	263,756
East Palo Alto	100,000	605,941	532,660	95%	131,601	239,634	100,000	1,081,145	546,218	145%	170,294	297,699
Foster City	100,000	385,997	1,015,851	44%	121,235	265,466	100,000	587,665	1,027,419	61%	154,088	212,506
Gilroy	50,000	2,015,855	1,172,318	130%	610,749	797,102	50,000	1,494,948	1,199,493	108%	464,937	713,191
Half Moon Bay	50,000	274,966	158,718	111%	50,796	100,201	50,000	317,149	202,546	116%	39,633	81,897
Hillsborough	50,000	736,272	627,365	96%	166,002	225,305	50,000	877,418	632,821	116%	198,890	279,633
Los Altos Hills	25,000	250,394	92,320	133%	38,712	83,070	25,000	260,100	89,065	132%	47,729	96,271
Los Gatos	50,000	1,287,837	786,330	122%	307,500	479,975	50,000	1,303,899	788,173	132%	339,624	541,661
Millbrae	100,000	592,486	543,679	92%	199,107	274,453	100,000	415,377	502,950	84%	108,700	245,249
Milpitas	100,000	827,197	1,944,961	41%	190,530	387,036	100,000	699,100	2,044,564	37%	175,419	395,006
Morgan Hill	100,000	1,635,626	905,391	136%	352,153	536,493	100,000	1,502,069	928,781	134%	307,946	552,098
Newark	100,000	702,912	867,665	75%	153,342	288,737	100,000	556,633	989,330	60%	120,517	259,244
Pacifica	50,000	645,023	881,180	71%	175,118	279,531	50,000	662,281	892,946	76%	189,246	349,186
Portola Valley	25,000	0	56,246	80%	17,717	38,645	25,000	0	55,763	81%	18,556	42,910
Ross, Town of	25,000	258,760	115,257	124%	44,058	72,832	25,000	90,402	121,297	91%	23,275	56,025
San Bruno	100,000	2,163,064	1,153,078	140%	495,864	814,813	100,000	2,138,794	1,118,965	155%	505,737	742,109
San Carlos	100,000	922,525	489,472	131%	134,565	260,972	100,000	881,789	509,562	132%	174,295	372,818
Saratoga	25,000	222,796	277,232	82%	88,665	178,188	25,000	400,236	272,673	115%	125,273	229,953
South SF	100,000	1,942,565	2,149,447	75%	453,217	660,713	100,000	1,371,704	2,159,034	60%	363,980	587,044
Suisun City	25,000	604,814	324,404	125%	138,785	235,660	25,000	616,028	325,925	134%	142,734	271,417
Tiburon	50,000	321,759	192,645	113%	73,672	152,845	50,000	402,727	201,075	131%	78,052	141,571
Woodside	25,000	251,500	115,969	122%	41,755	79,448	25,000	256,578	121,383	127%	45,347	102,465
Total		\$23,902,757	\$19,284,147		\$5,620,000	\$9,099,000		\$22,657,743	\$19,657,522		\$5,384,000	\$9,194,400

Notes:

(2) through (7) From Bickmore report dated March 31, 2014

(8) through (13) From Bickmore report dated May 9, 2013.

(14) through (18) = [(3) through (7)] / [(9) through (13)] - 1, respectively.

Mod factors are based on credibility weighting of incurred losses and projected payroll. Credibility is based on payroll. Loss funding is based on deductible, incurred loss, mod factor, and projected payroll.

Liability

Premium Allocation by Member Breakdown

2013-14 VS. 2014-15 Premiums

City (1)	Incurred Lim. Losses (14)	Projected Payroll (15)	Change in		Total Premium (18)
			Mod Factor (16)	Loss Funding (17)	
American Canyon	30%	-1%	3%	7%	-7%
Alberton	-1%	-5%	-4%	9%	-7%
Benicia	11%	-5%	5%	3%	4%
Burlingame	-6%	-2%	-11%	-11%	-10%
Campbell	75%	1%	30%	33%	15%
Colma	-84%	-1%	-4%	-43%	-9%
Cupertino	60%	3%	24%	22%	25%
Dublin	2%	3%	-6%	8%	-6%
East Palo Alto	-44%	-2%	-35%	-23%	-20%
Foster City	-34%	-1%	-27%	-21%	25%
Gilroy	35%	-2%	21%	31%	12%
Half Moon Bay	-13%	-22%	-4%	28%	22%
Hillsborough	-16%	-1%	-17%	-17%	-19%
Los Altos Hills	-4%	4%	-7%	-19%	-14%
Los Gatos	-1%	0%	-8%	-9%	-11%
Millbrae	43%	8%	10%	83%	12%
Milpitas	18%	-5%	9%	9%	-2%
Morgan Hill	9%	-3%	1%	14%	-3%
Newark	26%	-12%	26%	27%	11%
Pacifica	-3%	-1%	-7%	-7%	-20%
Portola Valley	0%	1%	-2%	-5%	-10%
Ross, Town of	186%	-5%	37%	89%	30%
San Bruno	1%	3%	-9%	-2%	10%
San Carlos	5%	-4%	-1%	-23%	-30%
Saratoga	-44%	2%	-28%	-29%	-23%
South SF	42%	0%	25%	25%	13%
Suisun City	-2%	0%	-7%	-3%	-13%
Tiburon	-20%	-4%	-14%	-6%	8%
Woodside	-2%	-4%	-4%	-8%	-22%
Total	5%	-2%	4%	4%	-1%

ABAG PLAN

**Calculation of Experience Modification Factor & Premium
2013-14 VS. 2014-15 Premium Calculation
American Canyon**

	2013-14	2014-15	% Change
(1) 5-Year Limited Losses	\$101,099	\$131,096	29.7%
(2) 5-Year Payrolls (00)	\$295,909	\$293,571	-0.8%
(3) % 5-Year Limited Losses	0.4%	0.5%	22.9%
(4) % 5-Year Payrolls (00)	1.5%	1.5%	1.1%
(5) Indicated Differential	0.296	0.360	21.5%
(6) Credibility	0.500	0.500	0.0%
(7) Indicated Ex Mod	65%	68%	4.9%
(8) Adjusted Ex Mod	66%	68%	3.0%
(9) Prior Ex Mod	76%	66%	-13.6%
(10) Deductible	\$25,000	\$25,000	0.0%
(11) Deductible Factor	1.343	1.342	-0.1%
(12) Current Year Payroll (00)	\$55,420	\$58,098	4.8%
(13) Indicated Loss Funding	\$68,046	\$72,925	7.2%
(14) Excess Insurance	\$14,896	\$15,009	0.8%
(15) Adjusted Admin Expense	\$65,370	\$65,730	0.6%
(16) Loss Prevention Expense	\$8,216	\$0	-100.0%
(17) Uncapped Premium	\$156,527	\$153,664	-1.8%
(18) Prior Capped vs. Current Uncapped	\$165,178	\$153,664	-7.0%
(19) Prior Capped vs. Current Capped	\$165,178	\$153,364	-7.2%
(20) Prior Total vs. Current Total	\$165,178	\$153,364	-7.2%

- (1), (2) The 2013-14 calculation included 2007-08 through 2011-12 years and the 2014-15 calculation, 2008-09 through 2012-13 years.
Losses are capped at \$250,000 per occurrence.
- (3), (4) Percentage of limited losses and payrolls compared to PLAN.
- (5) (3) / (4)
- (6) [(2) / ((2) + 300,000)]. Ltd to minimum of 0.10 and maximum of 1.00, rounded to nearest 0.10.
Assumes that a member with five-year payroll of \$30 million is 50% credible.
- (7) ((5) x (6)) + (1.00 - (6))
- (8) Adjusted for off-balance using payroll as weights.
- (9) Prior Adjusted Ex Mod
- (10) Provided by ABAG.
- (11) \$100K Deductible = 1.000
- (12) Provided by ABAG.
- (13) For 2013-14, {[\$5,384,000 / Total (12)] x [(11) / Weighted Average of (11)] x (8) x (12)}.
\$5,384,000 is the discounted loss & ALAE at 60% Confidence Level. (4% Discount Rate).
- (14) Allocated to member based on population.
- (15) For 2014-15, Total administrative expense of \$2,850,000 is allocated based on the formula.
- (16) For 2014-15, Total Loss Prevention Expense of \$331,400 is allocated based on budgeted loss prevention expense by member.
- (17) (13) + (14) + (15) + (16)
- (18) Prior Capped from Prior Review. Current Uncapped from (16).
Prior Capped from Prior Review. Current Capped is either the change in (17) capped at 30%,
- (19) or (17) adjusted upward to compensate for capping of other members.
- (19) Prior Actual per ABAG PLAN. Current Capped from (18).

ABAG PLAN

**5-Year Loss & Payroll Comparison
2013-14 VS. 2014-15 Premium Calculation
American Canyon**

I. 5-Year Limited Losses

	<u>2013-14</u>		<u>2014-15</u>
2007-2008	\$2,822		
2008-2009	2,706	2008-2009	\$2,706
2009-2010	50,692	2009-2010	85,968
2010-2011	2,397	2010-2011	2,397
2011-2012	42,482	2011-2012	21,467
		2012-2013	18,558
Total	\$101,099	Total	\$131,096

II. 5-Year Payrolls (00)

	<u>2013-14</u>		<u>2014-15</u>
2007-2008	\$5,850,177		
2008-2009	6,343,248	2008-2009	\$6,343,248
2009-2010	6,397,207	2009-2010	6,397,207
2010-2011	5,602,186	2010-2011	5,602,186
2011-2012	5,398,066	2011-2012	5,398,066
		2012-2013	5,616,356
Total	\$29,590,885	Total	\$29,357,064

ABAG PLAN

**Large Claims Greater than \$25,000 in Incurred Losses
2013-14 VS. 2014-15 Premium Calculation
American Canyon**

I. Large Claims for 2014-15 Calculation.

Fiscal Year	Claim Number	Status	Paid Losses As of 12/31/13	Case Reserves As of 12/31/13	Incurred Losses As of 12/31/13	Recovery	Limited Incurred Losses
2009-10	70755	C	75,276	0	75,276	0	75,276
Total			75,276	0	75,276	0	75,276

ABAG PLAN

**Large Claims Greater than \$25,000 in Incurred Losses
2013-14 VS. 2014-15 Premium Calculation
American Canyon**

I. Large Claims for 2013-14 Calculation.

Fiscal Year	Claim Number	Status	Paid Losses As of 12/31/12	Case Reserves As of 12/31/12	Incurred Losses As of 12/31/12	Recovery	Limited Incurred Losses
2009-10	70755	O	5,766	34,234	40,000	0	40,000
Total			5,766	34,234	40,000	0	40,000

ABAG PLAN

Calculation of Experience Modification Factor & Premium
2013-14 VS. 2014-15 Premium Calculation
Atherton

	2013-14	2014-15	% Change
(1) 5-Year Limited Losses	\$793,618	\$785,170	-1.1%
(2) 5-Year Payrolls (00)	\$235,179	\$223,587	-4.9%
(3) % 5-Year Limited Losses	3.5%	3.3%	-6.2%
(4) % 5-Year Payrolls (00)	1.2%	1.2%	-3.1%
(5) Indicated Differential	2.928	2.833	-3.2%
(6) Credibility	0.400	0.400	0.0%
(7) Indicated Ex Mod	177%	173%	-2.1%
(8) Adjusted Ex Mod	180%	173%	-3.9%
(9) Prior Ex Mod	162%	180%	11.0%
(10) Deductible	\$25,000	\$25,000	0.0%
(11) Deductible Factor	1.343	1.342	-0.1%
(12) Current Year Payroll (00)	\$37,315	\$42,545	14.0%
(13) Indicated Loss Funding	\$125,183	\$136,091	8.7%
(14) Excess Insurance	\$5,281	\$5,286	0.1%
(15) Adjusted Admin Expense	\$50,013	\$45,737	-8.5%
(16) Loss Prevention Expense	\$8,801	\$0	-100.0%
(17) Uncapped Premium	\$189,278	\$187,114	-1.1%
(18) Prior Capped vs. Current Uncapped	\$199,739	\$187,114	-6.3%
(19) Prior Capped vs. Current Capped	\$199,739	\$186,748	-6.5%
(20) Prior Total vs. Current Total	\$199,739	\$186,748	-6.5%

- (1), (2) The 2013-14 calculation included 2007-08 through 2011-12 years and the 2014-15 calculation, 2008-09 through 2012-13 years. Losses are capped at \$250,000 per occurrence.
- (3), (4) Percentage of limited losses and payrolls compared to PLAN.
- (5) (3) / (4)
- (6) [(2) / ((2) + 300,000)]. Ltd to minimum of 0.10 and maximum of 1.00, rounded to nearest 0.10. Assumes that a member with five-year payroll of \$30 million is 50% credible.
- (7) ((5) x (6)) + (1.00 - (6))
- (8) Adjusted for off-balance using payroll as weights.
- (9) Prior Adjusted Ex Mod
- (10) Provided by ABAG.
- (11) \$100K Deductible = 1.000
- (12) Provided by ABAG.
- (13) For 2013-14, {[\$0,000 / Total (12)] x [(11) / Weighted Average of (11)] x (8) x (12)}. \$0,000 is the discounted loss & ALAE at 60% Confidence Level. (4% Discount Rate).
- (14) Allocated to member based on population.
- (15) For 2014-15, Total administrative expense of \$2,850,000 is allocated based on the formula.
- (16) For 2014-15, Total Loss Prevention Expense of \$331,400 is allocated based on budgeted loss prevention expense by member.
- (17) (13) + (14) + (15) + (16)
- (18) Prior Capped from Prior Review. Current Uncapped from (16).
Prior Capped from Prior Review. Current Capped is either the change in (17) capped at 30%,
- (19) or (17) adjusted upward to compensate for capping of other members.
- (19) Prior Actual per ABAG PLAN. Current Capped from (18).

ABAG PLAN

5-Year Loss & Payroll Comparison
2013-14 VS. 2014-15 Premium Calculation
Atherton

I. 5-Year Limited Losses

	<u>2013-14</u>		<u>2014-15</u>
2007-2008	\$29,249	2008-2009	\$500,000
2008-2009	500,000	2009-2010	3,101
2009-2010	3,101	2010-2011	1,857
2010-2011	1,857	2011-2012	24,302
2011-2012	259,411	2012-2013	255,911
Total	\$793,618	Total	\$785,170

II. 5-Year Payrolls (00)

	<u>2013-14</u>		<u>2014-15</u>
2007-2008	\$4,713,684	2008-2009	\$5,219,493
2008-2009	5,219,493	2009-2010	5,140,070
2009-2010	5,140,070	2010-2011	4,663,052
2010-2011	4,663,052	2011-2012	3,781,578
2011-2012	3,781,578	2012-2013	3,554,475
Total	\$23,517,877	Total	\$22,358,668

ABAG PLAN

Large Claims Greater than \$25,000 in Incurred Losses
2013-14 VS. 2014-15 Premium Calculation
Atherton

I. Large Claims for 2014-15 Calculation.

Fiscal Year	Claim Number	Status	Paid Losses As of 12/31/13	Case Reserves As of 12/31/13	Incurred Losses As of 12/31/13	Recovery	Limited Incurred Losses
2012-13	72387	O	4,563	595,437	600,000	0	250,000
2008-09	GL060595	C	528,646	0	528,646	0	250,000
2008-09	GL060669	C	1,120,835	0	1,120,835	0	250,000
Total			1,654,045	595,437	2,249,482	0	750,000

ABAG PLAN

**Large Claims Greater than \$25,000 in Incurred Losses
2013-14 VS. 2014-15 Premium Calculation
Atherton**

I. Large Claims for 2013-14 Calculation.

Fiscal Year	Claim Number	Status	Paid Losses As of 12/31/12	Case Reserves As of 12/31/12	Incurred Losses As of 12/31/12	Recovery	Limited Incurred Losses
2007-08	70998	C	27,849	0	27,849	0	27,849
2011-12	71703	O	1,568	348,432	350,000	0	250,000
2008-09	GL060595	C	528,646	0	528,646	0	250,000
2008-09	GL060669	C	1,120,835	0	1,120,835	0	250,000
Total			1,678,898	348,432	2,027,330	0	777,849

ABAG PLAN

**Calculation of Experience Modification Factor & Premium
2013-14 VS. 2014-15 Premium Calculation
Benicia**

	2013-14	2014-15	% Change
(1) 5-Year Limited Losses	\$2,054,017	\$2,278,943	11.0%
(2) 5-Year Payrolls (00)	\$987,702	\$939,520	-4.9%
(3) % 5-Year Limited Losses	9.1%	9.5%	5.2%
(4) % 5-Year Payrolls (00)	5.0%	4.9%	-3.0%
(5) Indicated Differential	1.804	1.957	8.5%
(6) Credibility	0.800	0.800	0.0%
(7) Indicated Ex Mod	164%	177%	7.4%
(8) Adjusted Ex Mod	167%	176%	5.5%
(9) Prior Ex Mod	175%	167%	-4.9%
(10) Deductible	\$25,000	\$25,000	0.0%
(11) Deductible Factor	1.343	1.342	-0.1%
(12) Current Year Payroll (00)	\$176,005	\$173,391	-1.5%
(13) Indicated Loss Funding	\$547,882	\$564,972	3.1%
(14) Excess Insurance	\$20,563	\$20,526	-0.2%
(15) Adjusted Admin Expense	\$141,073	\$225,052	59.5%
(16) Loss Prevention Expense	\$24,370	\$0	-100.0%
(17) Uncapped Premium	\$733,889	\$810,550	10.4%
(18) Prior Capped vs. Current Uncapped	\$774,447	\$810,550	4.7%
(19) Prior Capped vs. Current Capped	\$774,447	\$808,967	4.5%
(20) Prior Total vs. Current Total	\$774,447	\$808,967	4.5%

- (1), (2) The 2013-14 calculation included 2007-08 through 2011-12 years and the 2014-15 calculation, 2008-09 through 2012-13 years. Losses are capped at \$250,000 per occurrence.
- (3), (4) Percentage of limited losses and payrolls compared to PLAN.
- (5) (3) / (4)
- (6) $[(2) / ((2) + 300,000)]$. Ltd to minimum of 0.10 and maximum of 1.00, rounded to nearest 0.10. Assumes that a member with five-year payroll of \$30 million is 50% credible.
- (7) $((5) \times (6)) + (1.00 - (6))$
- (8) Adjusted for off-balance using payroll as weights.
- (9) Prior Adjusted Ex Mod
- (10) Provided by ABAG.
- (11) \$100K Deductible = 1.000
- (12) Provided by ABAG.
- (13) For 2013-14, $\{[\$0,000 / \text{Total (12)}] \times [(11) / \text{Weighted Average of (11)}] \times (8) \times (12)\}$. \$0,000 is the discounted loss & ALAE at 60% Confidence Level. (4% Discount Rate).
- (14) Allocated to member based on population.
- (15) For 2014-15, Total administrative expense of \$2,850,000 is allocated based on the formula.
- (16) For 2014-15, Total Loss Prevention Expense of \$331,400 is allocated based on budgeted loss prevention expense by member.
- (17) (13) + (14) + (15) + (16)
- (18) Prior Capped from Prior Review. Current Uncapped from (16).
Prior Capped from Prior Review. Current Capped is either the change in (17) capped at 30%,
- (19) or (17) adjusted upward to compensate for capping of other members.
- (19) Prior Actual per ABAG PLAN. Current Capped from (18).

ABAG PLAN

5-Year Loss & Payroll Comparison
2013-14 VS. 2014-15 Premium Calculation
Benicia

I. 5-Year Limited Losses

	<u>2013-14</u>		<u>2014-15</u>
2007-2008	\$794,459		
2008-2009	645,971	2008-2009	\$621,021
2009-2010	89,005	2009-2010	224,005
2010-2011	420,954	2010-2011	390,007
2011-2012	103,627	2011-2012	143,847
		2012-2013	900,063
Total	\$2,054,017	Total	\$2,278,943

II. 5-Year Payrolls (00)

	<u>2013-14</u>		<u>2014-15</u>
2007-2008	\$21,637,883		
2008-2009	22,349,165	2008-2009	\$22,349,165
2009-2010	19,676,884	2009-2010	19,676,884
2010-2011	18,117,593	2010-2011	18,117,593
2011-2012	16,988,627	2011-2012	16,988,627
		2012-2013	16,819,769
Total	\$98,770,152	Total	\$93,952,038

ABAG PLAN

**Large Claims Greater than \$25,000 in Incurred Losses
2013-14 VS. 2014-15 Premium Calculation
Benicia**

I. Large Claims for 2014-15 Calculation.

Fiscal Year	Claim Number	Status	Paid Losses As of 12/31/13	Case Reserves As of 12/31/13	Incurred Losses As of 12/31/13	Recovery	Limited Incurred Losses
2009-10	70215	C	43,809	0	43,809	0	43,809
2008-09	70278	O	138,082	11,968	150,050	0	150,050
2011-12	71414	C	39,083	0	39,083	0	39,083
2010-11	71500	O	168,950	141,050	310,000	0	250,000
2010-11	71581	O	894	74,106	75,000	0	75,000
2009-10	72061	O	9,847	140,153	150,000	0	150,000
2011-12	72176	C	0	25,000	25,000	0	25,000
2012-13	72286	O	148,640	30,564	179,203	0	179,203
2012-13	72297	O	294,040	1,222	295,263	0	250,000
2012-13	72304	C	182,504	0	182,504	0	182,504
2012-13	72385	O	1,762	223,238	225,000	0	225,000
2011-12	72646	O	0	48,906	48,906	0	48,906
2008-09	GL059989	C	49,415	0	49,415	0	49,415
2008-09	GL060505	C	218,723	0	218,723	-207	218,516
2008-09	GL060800	O	133,762	41,238	175,000	0	175,000
Total			1,429,511	737,444	2,166,955	-207	2,061,486

ABAG PLAN

**Large Claims Greater than \$25,000 in Incurred Losses
2013-14 VS. 2014-15 Premium Calculation
Benicia**

I. Large Claims for 2013-14 Calculation.

Fiscal Year	Claim Number	Status	Paid Losses As of 12/31/12	Case Reserves As of 12/31/12	Incurred Losses As of 12/31/12	Recovery	Limited Incurred Losses
2010-11	71500	O	21,626	4,978,374	5,000,000	0	250,000
2007-08	70141	C	924,506	0	924,506	-1,035	250,000
2009-10	70215	C	43,809	0	43,809	0	43,809
2008-09	70278	O	135,651	514,349	650,000	0	250,000
2007-08	70868	C	90,824	0	90,824	0	90,824
2011-12	71414	C	39,083	0	39,083	0	39,083
2010-11	71484	O	16,375	83,625	100,000	0	100,000
2007-08	GL059049	C	196,840	0	196,840	0	196,840
2007-08	GL059604	C	84,163	0	84,163	0	84,163
2007-08	GL059690	C	134,062	0	134,062	0	134,062
2008-09	GL059989	C	49,415	0	49,415	0	49,415
2008-09	GL060505	C	218,723	0	218,723	-207	218,723
2008-09	GL060800	O	45,733	54,267	100,000	0	100,000
Total			2,000,810	5,630,614	7,631,424	-1,241	1,806,918

ABAG PLAN

**Calculation of Experience Modification Factor & Premium
2013-14 VS. 2014-15 Premium Calculation
Burlingame**

	2013-14	2014-15	% Change
(1) 5-Year Limited Losses	\$2,097,529	\$1,977,621	-5.7%
(2) 5-Year Payrolls (00)	\$1,246,880	\$1,226,721	-1.6%
(3) % 5-Year Limited Losses	9.3%	8.3%	-10.6%
(4) % 5-Year Payrolls (00)	6.3%	6.4%	0.3%
(5) Indicated Differential	1.459	1.301	-10.9%
(6) Credibility	0.800	0.800	0.0%
(7) Indicated Ex Mod	137%	124%	-9.3%
(8) Adjusted Ex Mod	139%	123%	-10.9%
(9) Prior Ex Mod	117%	139%	18.3%
(10) Deductible	\$250,000	\$250,000	0.0%
(11) Deductible Factor	0.721	0.724	0.4%
(12) Current Year Payroll (00)	\$250,833	\$250,416	-0.2%
(13) Indicated Loss Funding	\$348,834	\$309,286	-11.3%
(14) Excess Insurance	\$22,234	\$21,994	-1.1%
(15) Adjusted Admin Expense	\$150,468	\$169,611	12.7%
(16) Loss Prevention Expense	\$18,210	\$0	-100.0%
(17) Uncapped Premium	\$539,746	\$500,891	-7.2%
(18) Prior Capped vs. Current Uncapped	\$569,575	\$500,891	-12.1%
(19) Prior Capped vs. Current Capped	\$569,575	\$499,913	-12.2%
(20) Prior Total vs. Current Total	\$604,664	\$545,860	-9.7% *

* 2013-14 premium includes CCFD adjustment of \$35,088.

* 2014-15 premium includes CCFD adjustment of \$45,947.

- (1), (2) The 2013-14 calculation included 2007-08 through 2011-12 years and the 2014-15 calculation, 2008-09 through 2012-13 years. Losses are capped at \$250,000 per occurrence.
- (3), (4) Percentage of limited losses and payrolls compared to PLAN.
- (5) (3) / (4)
- (6) [(2) / ((2) + 300,000)]. Ltd to minimum of 0.10 and maximum of 1.00, rounded to nearest 0.10. Assumes that a member with five-year payroll of \$30 million is 50% credible.
- (7) ((5) x (6)) + (1.00 - (6))
- (8) Adjusted for off-balance using payroll as weights.
- (9) Prior Adjusted Ex Mod
- (10) Provided by ABAG.
- (11) \$100K Deductible = 1.000
- (12) Provided by ABAG.
- (13) For 2013-14, {[\$0,000 / Total (12)] x [(11) / Weighted Average of (11)] x (8) x (12)}. \$0,000 is the discounted loss & ALAE at 60% Confidence Level. (4% Discount Rate).
- (14) Allocated to member based on population.
- (15) For 2014-15, Total administrative expense of \$2,850,000 is allocated based on the formula.
- (16) For 2014-15, Total Loss Prevention Expense of \$331,400 is allocated based on budgeted loss prevention expense by member.
- (17) (13) + (14) + (15) + (16)
- (18) Prior Capped from Prior Review. Current Uncapped from (16).
Prior Capped from Prior Review. Current Capped is either the change in (17) capped at 30%,
- (19) or (17) adjusted upward to compensate for capping of other members.
- (19) Prior Actual per ABAG PLAN. Current Capped from (18).

ABAG PLAN

**5-Year Loss & Payroll Comparison
2013-14 VS. 2014-15 Premium Calculation
Burlingame**

I. 5-Year Limited Losses

	<u>2013-14</u>		<u>2014-15</u>
2007-2008	\$532,310		
2008-2009	318,717	2008-2009	\$318,717
2009-2010	335,664	2009-2010	210,664
2010-2011	408,434	2010-2011	354,934
2011-2012	502,404	2011-2012	606,168
		2012-2013	487,138
Total	\$2,097,529	Total	\$1,977,621

II. 5-Year Payrolls (00)

	<u>2013-14</u>		<u>2014-15</u>
2007-2008	\$26,041,419		
2008-2009	26,314,038	2008-2009	\$26,314,038
2009-2010	24,944,595	2009-2010	24,944,595
2010-2011	22,193,328	2010-2011	22,193,328
2011-2012	25,194,611	2011-2012	25,194,611
		2012-2013	24,025,510
Total	\$124,687,990	Total	\$122,672,081

ABAG PLAN

**Large Claims Greater than \$25,000 in Incurred Losses
2013-14 VS. 2014-15 Premium Calculation
Burlingame**

I. Large Claims for 2014-15 Calculation.

Fiscal Year	Claim Number	Status	Paid Losses As of 12/31/13	Case Reserves As of 12/31/13	Incurred Losses As of 12/31/13	Recovery	Limited Incurred Losses
2010-11	70726	C	93,417	0	93,417	0	93,417
2009-10	70819	O	60,506	64,494	125,000	0	125,000
2011-12	71738	C	38,296	0	38,296	0	38,296
2010-11	71896	O	161,424	37,576	199,000	0	199,000
2011-12	71952	O	0	50,000	50,000	0	50,000
2012-13	72048	O	44,723	0	44,723	0	44,723
2011-12	72064	O	41,982	40,518	82,500	0	82,500
2011-12	72108	O	8,784	126,216	135,000	0	135,000
2011-12	72161	O	0	3,250,000	3,250,000	0	250,000
2012-13	72532	O	4,715	75,285	80,000	0	80,000
2012-13	72603	O	4,272	320,728	325,000	0	250,000
2012-13	72977	O	0	50,000	50,000	0	50,000
2008-09	GL060443	C	125,658	0	125,658	0	125,658
2008-09	GL060470	C	58,195	0	58,195	-1,831	56,365
2008-09	GL060708	C	51,043	0	51,043	0	51,043
Total			693,015	4,014,818	4,707,833	-1,831	1,631,002

ABAG PLAN

**Large Claims Greater than \$25,000 in Incurred Losses
2013-14 VS. 2014-15 Premium Calculation
Burlingame**

I. Large Claims for 2013-14 Calculation.

Fiscal Year	Claim Number	Status	Paid Losses As of 12/31/12	Case Reserves As of 12/31/12	Incurred Losses As of 12/31/12	Recovery	Limited Incurred Losses
2010-11	70726	C	93,417	0	93,417	0	93,417
2011-12	71738	O	0	50,000	50,000	0	50,000
2009-10	70819	O	10,948	414,052	425,000	0	250,000
2011-12	71952	O	0	50,000	50,000	0	50,000
2011-12	72064	O	3,107	271,893	275,000	0	250,000
2007-08	GL059047	C	36,774	0	36,774	0	36,774
2007-08	GL059230	C	25,569	0	25,569	0	25,569
2007-08	GL059583	C	45,000	0	45,000	0	45,000
2007-08	GL059735	C	129,830	0	129,830	0	129,830
2007-08	GL059807	C	215,133	0	215,133	0	215,133
2008-09	GL060443	C	125,658	0	125,658	0	125,658
2008-09	GL060470	C	58,195	0	58,195	-1,831	58,195
2008-09	GL060708	C	51,043	0	51,043	0	51,043
2010-11	71896	O	21,100	328,900	350,000	0	250,000
Total			815,775	1,114,845	1,930,619	-1,831	1,630,619

ABAG PLAN

**Calculation of Experience Modification Factor & Premium
2013-14 VS. 2014-15 Premium Calculation
Campbell**

	2013-14	2014-15	% Change
(1) 5-Year Limited Losses	\$470,348	\$821,996	74.8%
(2) 5-Year Payrolls (00)	\$861,648	\$869,618	0.9%
(3) % 5-Year Limited Losses	2.1%	3.4%	65.7%
(4) % 5-Year Payrolls (00)	4.4%	4.5%	2.9%
(5) Indicated Differential	0.474	0.763	61.0%
(6) Credibility	0.700	0.700	0.0%
(7) Indicated Ex Mod	63%	83%	32.0%
(8) Adjusted Ex Mod	64%	83%	29.6%
(9) Prior Ex Mod	78%	64%	-17.6%
(10) Deductible	\$100,000	\$100,000	0.0%
(11) Deductible Factor	1.000	1.000	0.0%
(12) Current Year Payroll (00)	\$178,590	\$184,188	3.1%
(13) Indicated Loss Funding	\$159,070	\$211,201	32.8%
(14) Excess Insurance	\$30,465	\$30,876	1.3%
(15) Adjusted Admin Expense	\$77,086	\$97,008	25.8%
(16) Loss Prevention Expense	\$12,934	\$0	-100.0%
(17) Uncapped Premium	\$279,554	\$339,085	21.3%
(18) Prior Capped vs. Current Uncapped	\$295,004	\$339,085	14.9%
(19) Prior Capped vs. Current Capped	\$295,004	\$338,423	14.7%
(20) Prior Total vs. Current Total	\$295,004	\$338,423	14.7%

- (1), (2) The 2013-14 calculation included 2007-08 through 2011-12 years and the 2014-15 calculation, 2008-09 through 2012-13 years. Losses are capped at \$250,000 per occurrence.
- (3), (4) Percentage of limited losses and payrolls compared to PLAN.
- (5) (3) / (4)
- (6) [(2) / ((2) + 300,000)]. Ltd to minimum of 0.10 and maximum of 1.00, rounded to nearest 0.10. Assumes that a member with five-year payroll of \$30 million is 50% credible.
- (7) ((5) x (6)) + (1.00 - (6))
- (8) Adjusted for off-balance using payroll as weights.
- (9) Prior Adjusted Ex Mod
- (10) Provided by ABAG.
- (11) \$100K Deductible = 1.000
- (12) Provided by ABAG.
- (13) For 2013-14, {[\$0,000 / Total (12)] x [(11) / Weighted Average of (11)] x (8) x (12)}. \$0,000 is the discounted loss & ALAE at 60% Confidence Level. (4% Discount Rate).
- (14) Allocated to member based on population.
- (15) For 2014-15, Total administrative expense of \$2,850,000 is allocated based on the formula.
- (16) For 2014-15, Total Loss Prevention Expense of \$331,400 is allocated based on budgeted loss prevention expense by member.
- (17) (13) + (14) + (15) + (16)
- (18) Prior Capped from Prior Review. Current Uncapped from (16).
Prior Capped from Prior Review. Current Capped is either the change in (17) capped at 30%,
- (19) or (17) adjusted upward to compensate for capping of other members.
- (19) Prior Actual per ABAG PLAN. Current Capped from (18).

ABAG PLAN

**5-Year Loss & Payroll Comparison
2013-14 VS. 2014-15 Premium Calculation
Campbell**

I. 5-Year Limited Losses

	<u>2013-14</u>		<u>2014-15</u>
2007-2008	\$124,857	2008-2009	\$256,337
2008-2009	256,337	2009-2010	29,919
2009-2010	29,919	2010-2011	270,279
2010-2011	42,779	2011-2012	90,915
2011-2012	16,456	2012-2013	174,546
Total	\$470,348	Total	\$821,996

II. 5-Year Payrolls (00)

	<u>2013-14</u>		<u>2014-15</u>
2007-2008	\$17,048,462	2008-2009	\$17,565,879
2008-2009	17,565,879	2009-2010	17,903,631
2009-2010	17,903,631	2010-2011	16,585,526
2010-2011	16,585,526	2011-2012	17,061,309
2011-2012	17,061,309	2012-2013	17,845,470
Total	\$86,164,807	Total	\$86,961,815

ABAG PLAN

**Large Claims Greater than \$25,000 in Incurred Losses
2013-14 VS. 2014-15 Premium Calculation
Campbell**

I. Large Claims for 2014-15 Calculation.

Fiscal Year	Claim Number	Status	Paid Losses As of 12/31/13	Case Reserves As of 12/31/13	Incurred Losses As of 12/31/13	Recovery	Limited Incurred Losses
2010-11	71640	O	9,975	240,025	250,000	0	250,000
2011-12	72276	O	55,333	29,667	85,000	0	85,000
2012-13	72443	O	0	50,000	50,000	0	50,000
2012-13	72881	O	0	25,000	25,000	0	25,000
2012-13	72893	O	0	25,000	25,000	0	25,000
2012-13	72973	O	0	35,000	35,000	0	35,000
2008-09	GL060427	C	412,618	0	412,618	0	250,000
Total			477,926	404,692	882,618	0	720,000

ABAG PLAN

**Large Claims Greater than \$25,000 in Incurred Losses
2013-14 VS. 2014-15 Premium Calculation
Campbell**

I. Large Claims for 2013-14 Calculation.

Fiscal Year	Claim Number	Status	Paid Losses As of 12/31/12	Case Reserves As of 12/31/12	Incurred Losses As of 12/31/12	Recovery	Limited Incurred Losses
2007-08	AL059766	C	121,353	0	121,353	0	121,353
2008-09	GL060427	C	411,902	0	411,902	0	250,000
Total			533,255	0	533,255	0	371,353

ABAG PLAN

Calculation of Experience Modification Factor & Premium
2013-14 VS. 2014-15 Premium Calculation
Colma

	2013-14	2014-15	% Change
(1) 5-Year Limited Losses	\$324,880	\$53,462	-83.5%
(2) 5-Year Payrolls (00)	\$211,045	\$208,673	-1.1%
(3) % 5-Year Limited Losses	1.4%	0.2%	-84.4%
(4) % 5-Year Payrolls (00)	1.1%	1.1%	0.8%
(5) Indicated Differential	1.336	0.207	-84.5%
(6) Credibility	0.400	0.400	0.0%
(7) Indicated Ex Mod	113%	68%	-39.8%
(8) Adjusted Ex Mod	115%	68%	-40.9%
(9) Prior Ex Mod	72%	115%	59.1%
(10) Deductible	\$50,000	\$50,000	0.0%
(11) Deductible Factor	1.192	1.190	-0.2%
(12) Current Year Payroll (00)	\$45,000	\$44,000	-2.2%
(13) Indicated Loss Funding	\$85,809	\$49,156	-42.7%
(14) Excess Insurance	\$1,127	\$1,133	0.6%
(15) Adjusted Admin Expense	\$47,214	\$44,808	-5.1%
(16) Loss Prevention Expense	\$5,082	\$0	-100.0%
(17) Uncapped Premium	\$139,232	\$95,098	-31.7%
(18) Prior Capped vs. Current Uncapped	\$104,667	\$95,098	-9.1%
(19) Prior Capped vs. Current Capped	\$104,667	\$94,913	-9.3%
(20) Prior Total vs. Current Total	\$104,667	\$94,913	-9.3%

- (1), (2) The 2013-14 calculation included 2007-08 through 2011-12 years and the 2014-15 calculation, 2008-09 through 2012-13 years. Losses are capped at \$250,000 per occurrence.
- (3), (4) Percentage of limited losses and payrolls compared to PLAN.
- (5) (3) / (4)
- (6) [(2) / ((2) + 300,000)]. Ltd to minimum of 0.10 and maximum of 1.00, rounded to nearest 0.10. Assumes that a member with five-year payroll of \$30 million is 50% credible.
- (7) ((5) x (6)) + (1.00 - (6))
- (8) Adjusted for off-balance using payroll as weights.
- (9) Prior Adjusted Ex Mod
- (10) Provided by ABAG.
- (11) \$100K Deductible = 1.000
- (12) Provided by ABAG.
- (13) For 2013-14, {[\$0,000 / Total (12)] x [(11) / Weighted Average of (11)] x (8) x (12)}. \$0,000 is the discounted loss & ALAE at 60% Confidence Level. (4% Discount Rate).
- (14) Allocated to member based on population.
- (15) For 2014-15, Total administrative expense of \$2,850,000 is allocated based on the formula.
- (16) For 2014-15, Total Loss Prevention Expense of \$331,400 is allocated based on budgeted loss prevention expense by member.
- (17) (13) + (14) + (15) + (16)
- (18) Prior Capped from Prior Review. Current Uncapped from (16).
Prior Capped from Prior Review. Current Capped is either the change in (17) capped at 30%,
- (19) or (17) adjusted upward to compensate for capping of other members.
- (19) Prior Actual per ABAG PLAN. Current Capped from (18).

ABAG PLAN

**5-Year Loss & Payroll Comparison
2013-14 VS. 2014-15 Premium Calculation
Colma**

I. 5-Year Limited Losses

	<u>2013-14</u>		<u>2014-15</u>
2007-2008	\$31,137	2008-2009	\$0
2008-2009	0	2009-2010	0
2009-2010	0	2010-2011	6,536
2010-2011	6,536	2011-2012	46,861
2011-2012	287,208	2012-2013	65
Total	\$324,880	Total	\$53,462

II. 5-Year Payrolls (00)

	<u>2013-14</u>		<u>2014-15</u>
2007-2008	\$4,281,575	2008-2009	\$4,243,349
2008-2009	4,243,349	2009-2010	4,037,441
2009-2010	4,037,441	2010-2011	4,175,455
2010-2011	4,175,455	2011-2012	4,366,710
2011-2012	4,366,710	2012-2013	4,044,352
Total	\$21,104,529	Total	\$20,867,307

ABAG PLAN

**Large Claims Greater than \$25,000 in Incurred Losses
2013-14 VS. 2014-15 Premium Calculation
Colma**

I. Large Claims for 2014-15 Calculation.

Fiscal Year	Claim Number	Status	Paid Losses As of 12/31/13	Case Reserves As of 12/31/13	Incurred Losses As of 12/31/13	Recovery	Limited Incurred Losses
2011-12	71580	C	36,092	0	36,092	0	36,092
Total			36,092	0	36,092	0	36,092

ABAG PLAN

**Large Claims Greater than \$25,000 in Incurred Losses
2013-14 VS. 2014-15 Premium Calculation
Colma**

I. Large Claims for 2013-14 Calculation.

Fiscal Year	Claim Number	Status	Paid Losses As of 12/31/12	Case Reserves As of 12/31/12	Incurred Losses As of 12/31/12	Recovery	Limited Incurred Losses
2011-12	71580	C	36,092	0	36,092	0	36,092
2011-12	72060	O	1,740	273,260	275,000	0	250,000
2007-08	GL058946	C	31,281	0	31,281	-144	31,281
Total			69,113	273,260	342,373	-144	317,373

ABAG PLAN

**Calculation of Experience Modification Factor & Premium
2013-14 VS. 2014-15 Premium Calculation
Cupertino**

	2013-14	2014-15	% Change
(1) 5-Year Limited Losses	\$498,727	\$796,085	59.6%
(2) 5-Year Payrolls (00)	\$685,398	\$704,084	2.7%
(3) % 5-Year Limited Losses	2.2%	3.3%	51.3%
(4) % 5-Year Payrolls (00)	3.5%	3.7%	4.7%
(5) Indicated Differential	0.631	0.912	44.5%
(6) Credibility	0.700	0.700	0.0%
(7) Indicated Ex Mod	74%	94%	26.5%
(8) Adjusted Ex Mod	75%	93%	24.2%
(9) Prior Ex Mod	54%	75%	40.3%
(10) Deductible	\$250,000	\$250,000	0.0%
(11) Deductible Factor	0.721	0.724	0.4%
(12) Current Year Payroll (00)	\$156,605	\$153,947	-1.7%
(13) Indicated Loss Funding	\$118,151	\$143,856	21.8%
(14) Excess Insurance	\$44,305	\$43,828	-1.1%
(15) Adjusted Admin Expense	\$50,787	\$83,633	64.7%
(16) Loss Prevention Expense	\$8,846	\$0	-100.0%
(17) Uncapped Premium	\$222,089	\$271,317	22.2%
(18) Prior Capped vs. Current Uncapped	\$216,993	\$271,317	25.0%
(19) Prior Capped vs. Current Capped	\$216,993	\$270,787	24.8%
(20) Prior Total vs. Current Total	\$216,993	\$270,787	24.8%

- (1), (2) The 2013-14 calculation included 2007-08 through 2011-12 years and the 2014-15 calculation, 2008-09 through 2012-13 years. Losses are capped at \$250,000 per occurrence.
- (3), (4) Percentage of limited losses and payrolls compared to PLAN.
- (5) (3) / (4)
- (6) $[(2) / ((2) + 300,000)]$. Ltd to minimum of 0.10 and maximum of 1.00, rounded to nearest 0.10. Assumes that a member with five-year payroll of \$30 million is 50% credible.
- (7) $((5) \times (6)) + (1.00 - (6))$
- (8) Adjusted for off-balance using payroll as weights.
- (9) Prior Adjusted Ex Mod
- (10) Provided by ABAG.
- (11) \$100K Deductible = 1.000
- (12) Provided by ABAG.
- (13) For 2013-14, $\{[\$0,000 / \text{Total (12)}] \times [(11) / \text{Weighted Average of (11)}] \times (8) \times (12)\}$. \$0,000 is the discounted loss & ALAE at 60% Confidence Level. (4% Discount Rate).
- (14) Allocated to member based on population.
- (15) For 2014-15, Total administrative expense of \$2,850,000 is allocated based on the formula.
- (16) For 2014-15, Total Loss Prevention Expense of \$331,400 is allocated based on budgeted loss prevention expense by member.
- (17) (13) + (14) + (15) + (16)
- (18) Prior Capped from Prior Review. Current Uncapped from (16).
Prior Capped from Prior Review. Current Capped is either the change in (17) capped at 30%,
- (19) or (17) adjusted upward to compensate for capping of other members.
- (19) Prior Actual per ABAG PLAN. Current Capped from (18).

ABAG PLAN

**5-Year Loss & Payroll Comparison
2013-14 VS. 2014-15 Premium Calculation
Cupertino**

I. 5-Year Limited Losses

	<u>2013-14</u>		<u>2014-15</u>
2007-2008	\$12,503		
2008-2009	9,496	2008-2009	\$9,496
2009-2010	6,705	2009-2010	6,705
2010-2011	2,480	2010-2011	2,480
2011-2012	467,543	2011-2012	509,279
		2012-2013	268,125
Total	\$498,727	Total	\$796,085

II. 5-Year Payrolls (00)

	<u>2013-14</u>		<u>2014-15</u>
2007-2008	\$12,834,667		
2008-2009	13,528,079	2008-2009	\$13,528,079
2009-2010	14,014,735	2009-2010	14,014,735
2010-2011	14,071,922	2010-2011	14,071,922
2011-2012	14,090,429	2011-2012	14,090,429
		2012-2013	14,703,232
Total	\$68,539,832	Total	\$70,408,397

ABAG PLAN

Large Claims Greater than \$25,000 in Incurred Losses
2013-14 VS. 2014-15 Premium Calculation
Cupertino

I. Large Claims for 2014-15 Calculation.

Fiscal Year	Claim Number	Status	Paid Losses As of 12/31/13	Case Reserves As of 12/31/13	Incurred Losses As of 12/31/13	Recovery	Limited Incurred Losses
2011-12	71562	O	73,638	476,362	550,000	0	250,000
2011-12	71785	O	35,236	464,764	500,000	0	250,000
2012-13	72383	O	13,735	286,265	300,000	0	250,000
Total			122,610	1,227,390	1,350,000	0	750,000

ABAG PLAN

**Large Claims Greater than \$25,000 in Incurred Losses
2013-14 VS. 2014-15 Premium Calculation
Cupertino**

I. Large Claims for 2013-14 Calculation.

Fiscal Year	Claim Number	Status	Paid Losses As of 12/31/12	Case Reserves As of 12/31/12	Incurred Losses As of 12/31/12	Recovery	Limited Incurred Losses
2011-12	71785	O	470	199,530	200,000	0	200,000
2011-12	71562	O	3,779	396,221	400,000	0	250,000
Total			4,250	595,750	600,000	0	450,000

ABAG PLAN

**Calculation of Experience Modification Factor & Premium
2013-14 VS. 2014-15 Premium Calculation
Dublin**

	2013-14	2014-15	% Change
(1) 5-Year Limited Losses	\$401,483	\$410,092	2.1%
(2) 5-Year Payrolls (00)	\$403,790	\$416,165	3.1%
(3) % 5-Year Limited Losses	1.8%	1.7%	-3.2%
(4) % 5-Year Payrolls (00)	2.1%	2.2%	5.1%
(5) Indicated Differential	0.863	0.795	-7.8%
(6) Credibility	0.600	0.600	0.0%
(7) Indicated Ex Mod	92%	88%	-4.4%
(8) Adjusted Ex Mod	93%	87%	-6.2%
(9) Prior Ex Mod	99%	93%	-6.2%
(10) Deductible	\$50,000	\$50,000	0.0%
(11) Deductible Factor	1.192	1.190	-0.2%
(12) Current Year Payroll (00)	\$88,649	\$102,685	15.8%
(13) Indicated Loss Funding	\$136,754	\$147,374	7.8%
(14) Excess Insurance	\$35,706	\$37,700	5.6%
(15) Adjusted Admin Expense	\$65,675	\$64,231	-2.2%
(16) Loss Prevention Expense	\$11,808	\$0	-100.0%
(17) Uncapped Premium	\$249,943	\$249,305	-0.3%
(18) Prior Capped vs. Current Uncapped	\$263,756	\$249,305	-5.5%
(19) Prior Capped vs. Current Capped	\$263,756	\$248,818	-5.7%
(20) Prior Total vs. Current Total	\$263,756	\$248,818	-5.7%

- (1), (2) The 2013-14 calculation included 2007-08 through 2011-12 years and the 2014-15 calculation, 2008-09 through 2012-13 years. Losses are capped at \$250,000 per occurrence.
- (3), (4) Percentage of limited losses and payrolls compared to PLAN.
- (5) (3) / (4)
- (6) [(2) / ((2) + 300,000)]. Ltd to minimum of 0.10 and maximum of 1.00, rounded to nearest 0.10. Assumes that a member with five-year payroll of \$30 million is 50% credible.
- (7) ((5) x (6)) + (1.00 - (6))
- (8) Adjusted for off-balance using payroll as weights.
- (9) Prior Adjusted Ex Mod
- (10) Provided by ABAG.
- (11) \$100K Deductible = 1.000
- (12) Provided by ABAG.
- (13) For 2013-14, {[\$0,000 / Total (12)] x [(11) / Weighted Average of (11)] x (8) x (12)}. \$0,000 is the discounted loss & ALAE at 60% Confidence Level. (4% Discount Rate).
- (14) Allocated to member based on population.
- (15) For 2014-15, Total administrative expense of \$2,850,000 is allocated based on the formula.
- (16) For 2014-15, Total Loss Prevention Expense of \$331,400 is allocated based on budgeted loss prevention expense by member.
- (17) (13) + (14) + (15) + (16)
- (18) Prior Capped from Prior Review. Current Uncapped from (16).
Prior Capped from Prior Review. Current Capped is either the change in (17) capped at 30%,
- (19) or (17) adjusted upward to compensate for capping of other members.
- (19) Prior Actual per ABAG PLAN. Current Capped from (18).

ABAG PLAN**5-Year Loss & Payroll Comparison
2013-14 VS. 2014-15 Premium Calculation
Dublin****I. 5-Year Limited Losses**

	<u>2013-14</u>		<u>2014-15</u>
2007-2008	\$12,360		
2008-2009	342,869	2008-2009	\$342,869
2009-2010	3,213	2009-2010	3,213
2010-2011	3,933	2010-2011	3,883
2011-2012	39,107	2011-2012	16,578
		2012-2013	43,549
Total	\$401,483	Total	\$410,092

II. 5-Year Payrolls (00)

	<u>2013-14</u>		<u>2014-15</u>
2007-2008	\$8,097,498		
2008-2009	8,300,251	2008-2009	\$8,300,251
2009-2010	8,042,597	2009-2010	8,042,597
2010-2011	7,128,821	2010-2011	7,128,821
2011-2012	8,809,808	2011-2012	8,809,808
		2012-2013	9,335,014
Total	\$40,378,974	Total	\$41,616,490

ABAG PLAN

**Large Claims Greater than \$25,000 in Incurred Losses
2013-14 VS. 2014-15 Premium Calculation
Dublin**

I. Large Claims for 2014-15 Calculation.

Fiscal Year	Claim Number	Status	Paid Losses As of 12/31/13	Case Reserves As of 12/31/13	Incurred Losses As of 12/31/13	Recovery	Limited Incurred Losses
2008-09	70110	O	308,809	2,191,191	2,500,000	521	250,000
2012-13	72967	O	0	25,000	25,000	0	25,000
2008-09	AL059878	C	48,306	0	48,306	0	48,306
2008-09	GL060253	C	42,515	0	42,515	0	42,515
Total			399,631	2,216,191	2,615,821	521	365,821

ABAG PLAN

**Large Claims Greater than \$25,000 in Incurred Losses
2013-14 VS. 2014-15 Premium Calculation
Dublin**

I. Large Claims for 2013-14 Calculation.

Fiscal Year	Claim Number	Status	Paid Losses As of 12/31/12	Case Reserves As of 12/31/12	Incurred Losses As of 12/31/12	Recovery	Limited Incurred Losses
2008-09	70110	O	236,786	2,113,214	2,350,000	521	250,000
2008-09	AL059878	C	48,306	0	48,306	0	48,306
2008-09	GL060253	C	42,515	0	42,515	0	42,515
Total			327,607	2,113,214	2,440,821	521	340,821

ABAG PLAN

**Calculation of Experience Modification Factor & Premium
2013-14 VS. 2014-15 Premium Calculation
East Palo Alto**

	2013-14	2014-15	% Change
(1) 5-Year Limited Losses	\$1,081,145	\$605,941	-44.0%
(2) 5-Year Payrolls (00)	\$546,218	\$532,660	-2.5%
(3) % 5-Year Limited Losses	4.8%	2.5%	-46.9%
(4) % 5-Year Payrolls (00)	2.8%	2.8%	-0.6%
(5) Indicated Differential	1.717	0.918	-46.6%
(6) Credibility	0.600	0.600	0.0%
(7) Indicated Ex Mod	143%	95%	-33.5%
(8) Adjusted Ex Mod	145%	95%	-34.7%
(9) Prior Ex Mod	152%	145%	-4.4%
(10) Deductible	\$100,000	\$100,000	0.0%
(11) Deductible Factor	1.000	1.000	0.0%
(12) Current Year Payroll (00)	\$84,413	\$100,663	19.2%
(13) Indicated Loss Funding	\$170,294	\$131,601	-22.7%
(14) Excess Insurance	\$21,745	\$21,669	-0.4%
(15) Adjusted Admin Expense	\$78,693	\$86,833	10.3%
(16) Loss Prevention Expense	\$11,375	\$0	-100.0%
(17) Uncapped Premium	\$282,108	\$240,103	-14.9%
(18) Prior Capped vs. Current Uncapped	\$297,699	\$240,103	-19.3%
(19) Prior Capped vs. Current Capped	\$297,699	\$239,634	-19.5%
(20) Prior Total vs. Current Total	\$297,699	\$239,634	-19.5%

- (1), (2) The 2013-14 calculation included 2007-08 through 2011-12 years and the 2014-15 calculation, 2008-09 through 2012-13 years. Losses are capped at \$250,000 per occurrence.
- (3), (4) Percentage of limited losses and payrolls compared to PLAN.
- (5) (3) / (4)
- (6) [(2) / ((2) + 300,000)]. Ltd to minimum of 0.10 and maximum of 1.00, rounded to nearest 0.10. Assumes that a member with five-year payroll of \$30 million is 50% credible.
- (7) ((5) x (6)) + (1.00 - (6))
- (8) Adjusted for off-balance using payroll as weights.
- (9) Prior Adjusted Ex Mod
- (10) Provided by ABAG.
- (11) \$100K Deductible = 1.000
- (12) Provided by ABAG.
- (13) For 2013-14, {[\$0,000 / Total (12)] x [(11) / Weighted Average of (11)] x (8) x (12)}. \$0,000 is the discounted loss & ALAE at 60% Confidence Level. (4% Discount Rate).
- (14) Allocated to member based on population.
- (15) For 2014-15, Total administrative expense of \$2,850,000 is allocated based on the formula.
- (16) For 2014-15, Total Loss Prevention Expense of \$331,400 is allocated based on budgeted loss prevention expense by member.
- (17) (13) + (14) + (15) + (16)
- (18) Prior Capped from Prior Review. Current Uncapped from (16).
Prior Capped from Prior Review. Current Capped is either the change in (17) capped at 30%,
- (19) or (17) adjusted upward to compensate for capping of other members.
- (19) Prior Actual per ABAG PLAN. Current Capped from (18).

ABAG PLAN

**5-Year Loss & Payroll Comparison
2013-14 VS. 2014-15 Premium Calculation
East Palo Alto**

I. 5-Year Limited Losses

	<u>2013-14</u>		<u>2014-15</u>
2007-2008	\$400,174		
2008-2009	21,343	2008-2009	\$21,343
2009-2010	159,429	2009-2010	123,717
2010-2011	208,433	2010-2011	30,136
2011-2012	291,766	2011-2012	376,074
		2012-2013	54,672
Total	\$1,081,145	Total	\$605,941

II. 5-Year Payrolls (00)

	<u>2013-14</u>		<u>2014-15</u>
2007-2008	\$10,919,928		
2008-2009	12,404,602	2008-2009	\$12,404,602
2009-2010	10,557,148	2009-2010	10,557,148
2010-2011	10,879,890	2010-2011	10,879,890
2011-2012	9,860,210	2011-2012	9,860,210
		2012-2013	9,564,100
Total	\$54,621,778	Total	\$53,265,950

ABAG PLAN

**Large Claims Greater than \$25,000 in Incurred Losses
2013-14 VS. 2014-15 Premium Calculation
East Palo Alto**

I. Large Claims for 2014-15 Calculation.

Fiscal Year	Claim Number	Status	Paid Losses As of 12/31/13	Case Reserves As of 12/31/13	Incurred Losses As of 12/31/13	Recovery	Limited Incurred Losses
2009-10	70744	C	39,338	0	39,338	0	39,338
2009-10	70791	C	40,051	0	40,051	0	40,051
2011-12	71523	O	78,704	196,296	275,000	0	250,000
2011-12	71851	O	57,620	37,380	95,000	0	95,000
2012-13	72866	O	0	28,000	28,000	0	28,000
Total			215,713	261,676	477,389	0	452,389

ABAG PLAN

**Large Claims Greater than \$25,000 in Incurred Losses
2013-14 VS. 2014-15 Premium Calculation
East Palo Alto**

I. Large Claims for 2013-14 Calculation.

Fiscal Year	Claim Number	Status	Paid Losses As of 12/31/12	Case Reserves As of 12/31/12	Incurred Losses As of 12/31/12	Recovery	Limited Incurred Losses
2007-08	70185	O	143,946	106,055	250,001	0	250,000
2009-10	70744	O	21,570	53,480	75,050	0	75,050
2009-10	70791	C	40,051	0	40,051	0	40,051
2011-12	71523	O	9,808	1,600,192	1,610,000	0	250,000
2010-11	71127	O	12,943	182,057	195,000	0	195,000
2007-08	GL059146	C	48,661	0	48,661	0	48,661
2007-08	GL059819	C	68,419	0	68,419	0	68,419
Total			345,399	1,941,783	2,287,182	0	927,181

ABAG PLAN

**Calculation of Experience Modification Factor & Premium
2013-14 VS. 2014-15 Premium Calculation
Foster City**

	2013-14	2014-15	% Change
(1) 5-Year Limited Losses	\$587,665	\$385,997	-34.3%
(2) 5-Year Payrolls (00)	\$1,027,419	\$1,015,851	-1.1%
(3) % 5-Year Limited Losses	2.6%	1.6%	-37.7%
(4) % 5-Year Payrolls (00)	5.2%	5.3%	0.8%
(5) Indicated Differential	0.496	0.307	-38.2%
(6) Credibility	0.800	0.800	0.0%
(7) Indicated Ex Mod	60%	45%	-25.4%
(8) Adjusted Ex Mod	61%	44%	-26.8%
(9) Prior Ex Mod	40%	61%	52.8%
(10) Deductible	\$100,000	\$100,000	0.0%
(11) Deductible Factor	1.000	1.000	0.0%
(12) Current Year Payroll (00)	\$183,000	\$198,000	8.2%
(13) Indicated Loss Funding	\$154,088	\$121,235	-21.3%
(14) Excess Insurance	\$23,600	\$23,516	-0.4%
(15) Adjusted Admin Expense	\$57,289	\$121,235	111.6%
(16) Loss Prevention Expense	\$8,743	\$0	-100.0%
(17) Uncapped Premium	\$243,721	\$265,985	9.1%
(18) Prior Capped vs. Current Uncapped	\$212,506	\$265,985	25.2%
(19) Prior Capped vs. Current Capped	\$212,506	\$265,466	24.9%
(20) Prior Total vs. Current Total	\$212,506	\$265,466	24.9%

- (1), (2) The 2013-14 calculation included 2007-08 through 2011-12 years and the 2014-15 calculation, 2008-09 through 2012-13 years. Losses are capped at \$250,000 per occurrence.
- (3), (4) Percentage of limited losses and payrolls compared to PLAN.
- (5) (3) / (4)
- (6) $[(2) / ((2) + 300,000)]$. Ltd to minimum of 0.10 and maximum of 1.00, rounded to nearest 0.10. Assumes that a member with five-year payroll of \$30 million is 50% credible.
- (7) $((5) \times (6)) + (1.00 - (6))$
- (8) Adjusted for off-balance using payroll as weights.
- (9) Prior Adjusted Ex Mod
- (10) Provided by ABAG.
- (11) \$100K Deductible = 1.000
- (12) Provided by ABAG.
- (13) For 2013-14, $\{[\$0,000 / \text{Total (12)}] \times [(11) / \text{Weighted Average of (11)}] \times (8) \times (12)\}$. \$0,000 is the discounted loss & ALAE at 60% Confidence Level. (4% Discount Rate).
- (14) Allocated to member based on population.
- (15) For 2014-15, Total administrative expense of \$2,850,000 is allocated based on the formula.
- (16) For 2014-15, Total Loss Prevention Expense of \$331,400 is allocated based on budgeted loss prevention expense by member.
- (17) (13) + (14) + (15) + (16)
- (18) Prior Capped from Prior Review. Current Uncapped from (16).
Prior Capped from Prior Review. Current Capped is either the change in (17) capped at 30%,
- (19) or (17) adjusted upward to compensate for capping of other members.
- (19) Prior Actual per ABAG PLAN. Current Capped from (18).

ABAG PLAN

5-Year Loss & Payroll Comparison
2013-14 VS. 2014-15 Premium Calculation
Foster City

I. 5-Year Limited Losses

	<u>2013-14</u>		<u>2014-15</u>
2007-2008	\$140,135		
2008-2009	3,075	2008-2009	\$3,075
2009-2010	8,073	2009-2010	8,073
2010-2011	6,285	2010-2011	6,285
2011-2012	430,097	2011-2012	362,597
		2012-2013	5,966
Total	\$587,665	Total	\$385,997

II. 5-Year Payrolls (00)

	<u>2013-14</u>		<u>2014-15</u>
2007-2008	\$20,781,425		
2008-2009	21,570,970	2008-2009	\$21,570,970
2009-2010	23,527,810	2009-2010	23,527,810
2010-2011	19,034,412	2010-2011	19,034,412
2011-2012	17,827,241	2011-2012	17,827,241
		2012-2013	19,624,715
Total	\$102,741,858	Total	\$101,585,148

ABAG PLAN

**Large Claims Greater than \$25,000 in Incurred Losses
2013-14 VS. 2014-15 Premium Calculation
Foster City**

I. Large Claims for 2014-15 Calculation.

Fiscal Year	Claim Number	Status	Paid Losses As of 12/31/13	Case Reserves As of 12/31/13	Incurred Losses As of 12/31/13	Recovery	Limited Incurred Losses
2011-12	71947	O	0	100,000	100,000	0	100,000
2011-12	72072	O	778,628	421,372	1,200,000	0	250,000
Total			778,628	521,372	1,300,000	0	350,000

ABAG PLAN

**Large Claims Greater than \$25,000 in Incurred Losses
2013-14 VS. 2014-15 Premium Calculation
Foster City**

I. Large Claims for 2013-14 Calculation.

Fiscal Year	Claim Number	Status	Paid Losses As of 12/31/12	Case Reserves As of 12/31/12	Incurred Losses As of 12/31/12	Recovery	Limited Incurred Losses
2011-12	71743	O	0	150,000	150,000	0	150,000
2011-12	72072	O	1,314	298,686	300,000	0	250,000
2007-08	GL059279	O	54,217	21,784	76,001	0	76,001
2007-08	GL059873	C	50,354	0	50,354	0	50,354
Total			105,885	470,470	576,355	0	526,355

ABAG PLAN

**Calculation of Experience Modification Factor & Premium
2013-14 VS. 2014-15 Premium Calculation
Gilroy**

	2013-14	2014-15	% Change
(1) 5-Year Limited Losses	\$1,494,948	\$2,015,855	34.8%
(2) 5-Year Payrolls (00)	\$1,199,493	\$1,172,318	-2.3%
(3) % 5-Year Limited Losses	6.6%	8.4%	27.8%
(4) % 5-Year Payrolls (00)	6.1%	6.1%	-0.4%
(5) Indicated Differential	1.081	1.387	28.3%
(6) Credibility	0.800	0.800	0.0%
(7) Indicated Ex Mod	107%	131%	23.0%
(8) Adjusted Ex Mod	108%	130%	20.8%
(9) Prior Ex Mod	108%	108%	-0.1%
(10) Deductible	\$50,000	\$50,000	0.0%
(11) Deductible Factor	1.192	1.190	-0.2%
(12) Current Year Payroll (00)	\$259,662	\$284,929	9.7%
(13) Indicated Loss Funding	\$464,937	\$610,749	31.4%
(14) Excess Insurance	\$38,330	\$38,684	0.9%
(15) Adjusted Admin Expense	\$246,600	\$149,229	-39.5%
(16) Loss Prevention Expense	\$20,223	\$0	-100.0%
(17) Uncapped Premium	\$770,089	\$798,661	3.7%
(18) Prior Capped vs. Current Uncapped	\$713,191	\$798,661	12.0%
(19) Prior Capped vs. Current Capped	\$713,191	\$797,102	11.8%
(20) Prior Total vs. Current Total	\$713,191	\$797,102	11.8%

- (1), (2) The 2013-14 calculation included 2007-08 through 2011-12 years and the 2014-15 calculation, 2008-09 through 2012-13 years.
Losses are capped at \$250,000 per occurrence.
- (3), (4) Percentage of limited losses and payrolls compared to PLAN.
- (5) (3) / (4)
- (6) [(2) / ((2) + 300,000)]. Ltd to minimum of 0.10 and maximum of 1.00, rounded to nearest 0.10.
Assumes that a member with five-year payroll of \$30 million is 50% credible.
- (7) ((5) x (6)) + (1.00 - (6))
- (8) Adjusted for off-balance using payroll as weights.
- (9) Prior Adjusted Ex Mod
- (10) Provided by ABAG.
- (11) \$100K Deductible = 1.000
- (12) Provided by ABAG.
- (13) For 2013-14, {[\$0,000 / Total (12)] x [(11) / Weighted Average of (11)] x (8) x (12)}.
\$0,000 is the discounted loss & ALAE at 60% Confidence Level. (4% Discount Rate).
- (14) Allocated to member based on population.
- (15) For 2014-15, Total administrative expense of \$2,850,000 is allocated based on the formula.
- (16) For 2014-15, Total Loss Prevention Expense of \$331,400 is allocated based on budgeted loss prevention expense by member.
- (17) (13) + (14) + (15) + (16)
- (18) Prior Capped from Prior Review. Current Uncapped from (16).
Prior Capped from Prior Review. Current Capped is either the change in (17) capped at 30%,
- (19) or (17) adjusted upward to compensate for capping of other members.
- (19) Prior Actual per ABAG PLAN. Current Capped from (18).

ABAG PLAN

5-Year Loss & Payroll Comparison
2013-14 VS. 2014-15 Premium Calculation
Gilroy

I. 5-Year Limited Losses

	<u>2013-14</u>		<u>2014-15</u>
2007-2008	\$751,478		
2008-2009	45,015	2008-2009	\$45,015
2009-2010	359,320	2009-2010	359,473
2010-2011	246,003	2010-2011	239,823
2011-2012	93,132	2011-2012	411,948
		2012-2013	959,597
Total	\$1,494,948	Total	\$2,015,855

II. 5-Year Payrolls (00)

	<u>2013-14</u>		<u>2014-15</u>
2007-2008	\$26,984,829		
2008-2009	25,871,775	2008-2009	\$25,871,775
2009-2010	21,132,740	2009-2010	21,132,740
2010-2011	22,200,692	2010-2011	22,200,692
2011-2012	23,759,275	2011-2012	23,759,275
		2012-2013	24,267,328
Total	\$119,949,311	Total	\$117,231,810

ABAG PLAN

**Large Claims Greater than \$25,000 in Incurred Losses
2013-14 VS. 2014-15 Premium Calculation
Gilroy**

I. Large Claims for 2014-15 Calculation.

Fiscal Year	Claim Number	Status	Paid Losses As of 12/31/13	Case Reserves As of 12/31/13	Incurred Losses As of 12/31/13	Recovery	Limited Incurred Losses
2009-10	70429	C	99,537	0	99,537	0	99,537
2009-10	70802	C	645,023	0	645,023	-541	250,000
2010-11	71297	C	201,048	952	202,000	0	202,000
2011-12	71886	O	39,671	195,329	235,000	0	235,000
2012-13	72137	O	13,156	636,844	650,000	0	250,000
2011-12	72319	O	3,802	146,198	150,000	0	150,000
2012-13	72426	O	4,165	295,835	300,000	0	250,000
2012-13	72608	O	7,804	292,196	300,000	0	250,000
2012-13	72626	O	280	94,720	95,000	0	95,000
2012-13	72807	O	0	25,000	25,000	0	25,000
2012-13	72968	O	605	39,396	40,000	0	40,000
Total			1,015,092	1,726,468	2,741,560	-541	1,846,537

ABAG PLAN

**Large Claims Greater than \$25,000 in Incurred Losses
2013-14 VS. 2014-15 Premium Calculation
Gilroy**

I. Large Claims for 2013-14 Calculation.

Fiscal Year	Claim Number	Status	Paid Losses As of 12/31/12	Case Reserves As of 12/31/12	Incurred Losses As of 12/31/12	Recovery	Limited Incurred Losses
2009-10	70429	C	99,537	0	99,537	0	99,537
2010-11	70735	O	10,820	21,180	32,000	0	32,000
2007-08	GL059451	C	2,752,297	0	2,752,297	0	250,000
2010-11	71297	O	181,052	5,948	187,000	0	187,000
2009-10	70802	C	645,023	0	645,023	-541	250,000
2007-08	GL058998	C	30,720	0	30,720	0	30,720
2007-08	GL059481	C	81,466	0	81,466	0	81,466
2007-08	GL060194	C	104,720	0	104,720	0	104,720
2007-08	GL060280	C	288,277	0	288,277	0	250,000
Total			4,193,912	27,129	4,221,040	-541	1,285,444

ABAG PLAN

**Calculation of Experience Modification Factor & Premium
2013-14 VS. 2014-15 Premium Calculation
Half Moon Bay**

	2013-14	2014-15	% Change
(1) 5-Year Limited Losses	\$317,149	\$274,966	-13.3%
(2) 5-Year Payrolls (00)	\$202,546	\$158,718	-21.6%
(3) % 5-Year Limited Losses	1.4%	1.2%	-17.8%
(4) % 5-Year Payrolls (00)	1.0%	0.8%	-20.1%
(5) Indicated Differential	1.358	1.398	2.9%
(6) Credibility	0.400	0.300	-25.0%
(7) Indicated Ex Mod	114%	112%	-2.1%
(8) Adjusted Ex Mod	116%	111%	-3.9%
(9) Prior Ex Mod	89%	116%	29.7%
(10) Deductible	\$50,000	\$50,000	0.0%
(11) Deductible Factor	1.192	1.190	-0.2%
(12) Current Year Payroll (00)	\$20,618	\$27,732	34.5%
(13) Indicated Loss Funding	\$39,633	\$50,796	28.2%
(14) Excess Insurance	\$8,757	\$8,751	-0.1%
(15) Adjusted Admin Expense	\$39,633	\$40,849	3.1%
(16) Loss Prevention Expense	\$4,187	\$0	-100.0%
(17) Uncapped Premium	\$92,210	\$100,397	8.9%
(18) Prior Capped vs. Current Uncapped	\$81,897	\$100,397	22.6%
(19) Prior Capped vs. Current Capped	\$81,897	\$100,201	22.3%
(20) Prior Total vs. Current Total	\$81,897	\$100,201	22.3%

- (1), (2) The 2013-14 calculation included 2007-08 through 2011-12 years and the 2014-15 calculation, 2008-09 through 2012-13 years. Losses are capped at \$250,000 per occurrence.
- (3), (4) Percentage of limited losses and payrolls compared to PLAN.
- (5) (3) / (4)
- (6) $[(2) / ((2) + 300,000)]$. Ltd to minimum of 0.10 and maximum of 1.00, rounded to nearest 0.10. Assumes that a member with five-year payroll of \$30 million is 50% credible.
- (7) $((5) \times (6)) + (1.00 - (6))$
- (8) Adjusted for off-balance using payroll as weights.
- (9) Prior Adjusted Ex Mod
- (10) Provided by ABAG.
- (11) \$100K Deductible = 1.000
- (12) Provided by ABAG.
- (13) For 2013-14, $\{[\$0,000 / \text{Total (12)}] \times [(11) / \text{Weighted Average of (11)}] \times (8) \times (12)\}$. \$0,000 is the discounted loss & ALAE at 60% Confidence Level. (4% Discount Rate).
- (14) Allocated to member based on population.
- (15) For 2014-15, Total administrative expense of \$2,850,000 is allocated based on the formula.
- (16) For 2014-15, Total Loss Prevention Expense of \$331,400 is allocated based on budgeted loss prevention expense by member.
- (17) (13) + (14) + (15) + (16)
- (18) Prior Capped from Prior Review. Current Uncapped from (16).
Prior Capped from Prior Review. Current Capped is either the change in (17) capped at 30%,
- (19) or (17) adjusted upward to compensate for capping of other members.
- (19) Prior Actual per ABAG PLAN. Current Capped from (18).

ABAG PLAN

**5-Year Loss & Payroll Comparison
2013-14 VS. 2014-15 Premium Calculation
Half Moon Bay**

I. 5-Year Limited Losses

	<u>2013-14</u>		<u>2014-15</u>
2007-2008	\$83,990		
2008-2009	158,088	2008-2009	\$159,894
2009-2010	71,569	2009-2010	71,569
2010-2011	3,137	2010-2011	3,137
2011-2012	366	2011-2012	366
		2012-2013	40,000
Total	\$317,149	Total	\$274,966

II. 5-Year Payrolls (00)

	<u>2013-14</u>		<u>2014-15</u>
2007-2008	\$5,839,796		
2008-2009	5,155,635	2008-2009	\$5,155,635
2009-2010	4,341,619	2009-2010	4,341,619
2010-2011	3,414,769	2010-2011	3,414,769
2011-2012	1,502,769	2011-2012	1,502,769
		2012-2013	1,457,054
Total	\$20,254,587	Total	\$15,871,845

ABAG PLAN

**Large Claims Greater than \$25,000 in Incurred Losses
2013-14 VS. 2014-15 Premium Calculation
Half Moon Bay**

I. Large Claims for 2014-15 Calculation.

Fiscal Year	Claim Number	Status	Paid Losses As of 12/31/13	Case Reserves As of 12/31/13	Incurred Losses As of 12/31/13	Recovery	Limited Incurred Losses
2009-10	70472	C	71,569	0	71,569	0	71,569
2012-13	72825	O	0	40,000	40,000	0	40,000
2008-09	GL060911	C	151,856	0	151,856	0	151,856
Total			223,425	40,000	263,425	0	263,425

ABAG PLAN

**Large Claims Greater than \$25,000 in Incurred Losses
2013-14 VS. 2014-15 Premium Calculation
Half Moon Bay**

I. Large Claims for 2013-14 Calculation.

Fiscal Year	Claim Number	Status	Paid Losses As of 12/31/12	Case Reserves As of 12/31/12	Incurred Losses As of 12/31/12	Recovery	Limited Incurred Losses
2009-10	70472	C	71,569	0	71,569	0	71,569
2007-08	GL060227	C	83,990	0	83,990	0	83,990
2008-09	GL060911	O	0	150,050	150,050	0	150,050
Total			155,559	150,050	305,609	0	305,609

ABAG PLAN

**Calculation of Experience Modification Factor & Premium
2013-14 VS. 2014-15 Premium Calculation
Hillsborough**

	2013-14	2014-15	% Change
(1) 5-Year Limited Losses	\$877,418	\$736,272	-16.1%
(2) 5-Year Payrolls (00)	\$632,821	\$627,365	-0.9%
(3) % 5-Year Limited Losses	3.9%	3.1%	-20.5%
(4) % 5-Year Payrolls (00)	3.2%	3.3%	1.1%
(5) Indicated Differential	1.203	0.947	-21.3%
(6) Credibility	0.700	0.700	0.0%
(7) Indicated Ex Mod	114%	96%	-15.7%
(8) Adjusted Ex Mod	116%	96%	-17.2%
(9) Prior Ex Mod	93%	116%	24.4%
(10) Deductible	\$50,000	\$50,000	0.0%
(11) Deductible Factor	1.053	1.055	0.2%
(12) Current Year Payroll (00)	\$117,316	\$118,869	1.3%
(13) Indicated Loss Funding	\$198,890	\$166,002	-16.5%
(14) Excess Insurance	\$9,426	\$8,180	-13.2%
(15) Adjusted Admin Expense	\$79,761	\$97,601	22.4%
(16) Loss Prevention Expense	\$10,163	\$0	-100.0%
(17) Uncapped Premium	\$298,239	\$271,783	-8.9%
(18) Prior Capped vs. Current Uncapped	\$314,721	\$271,783	-13.6%
(19) Prior Capped vs. Current Capped	\$314,721	\$271,252	-13.8%
(20) Prior Total vs. Current Total	\$279,633	\$225,305	-19.4% *

* 2013-14 premium includes CCFD adjustment of -\$35,088.

* 2014-15 premium includes CCFD adjustment of -\$45,947.

- (1), (2) The 2013-14 calculation included 2007-08 through 2011-12 years and the 2014-15 calculation, 2008-09 through 2012-13 years.
Losses are capped at \$250,000 per occurrence.
- (3), (4) Percentage of limited losses and payrolls compared to PLAN.
- (5) (3) / (4)
- (6) [(2) / ((2) + 300,000)]. Ltd to minimum of 0.10 and maximum of 1.00, rounded to nearest 0.10.
Assumes that a member with five-year payroll of \$30 million is 50% credible.
- (7) ((5) x (6)) + (1.00 - (6))
- (8) Adjusted for off-balance using payroll as weights.
- (9) Prior Adjusted Ex Mod
- (10) Provided by ABAG.
- (11) \$100K Deductible = 1.000
- (12) Provided by ABAG.
- (13) For 2013-14, {[\$0,000 / Total (12)] x [(11) / Weighted Average of (11)] x (8) x (12)}.
\$0,000 is the discounted loss & ALAE at 60% Confidence Level. (4% Discount Rate).
- (14) Allocated to member based on population.
- (15) For 2014-15, Total administrative expense of \$2,850,000 is allocated based on the formula.
- (16) For 2014-15, Total Loss Prevention Expense of \$331,400 is allocated based on budgeted loss prevention expense by member.
- (17) (13) + (14) + (15) + (16)
- (18) Prior Capped from Prior Review. Current Uncapped from (16).
Prior Capped from Prior Review. Current Capped is either the change in (17) capped at 30%,
- (19) or (17) adjusted upward to compensate for capping of other members.
- (19) Prior Actual per ABAG PLAN. Current Capped from (18).

ABAG PLAN

**5-Year Loss & Payroll Comparison
2013-14 VS. 2014-15 Premium Calculation
Hillsborough**

I. 5-Year Limited Losses

	<u>2013-14</u>		<u>2014-15</u>
2007-2008	\$112,542		
2008-2009	176,744	2008-2009	\$176,744
2009-2010	7,285	2009-2010	7,285
2010-2011	139,326	2010-2011	136,113
2011-2012	441,520	2011-2012	406,470
		2012-2013	9,659
Total	\$877,418	Total	\$736,272

II. 5-Year Payrolls (00)

	<u>2013-14</u>		<u>2014-15</u>
2007-2008	\$12,487,148		
2008-2009	13,308,106	2008-2009	\$13,308,106
2009-2010	13,204,000	2009-2010	13,204,000
2010-2011	12,749,366	2010-2011	12,749,366
2011-2012	11,533,432	2011-2012	11,533,432
		2012-2013	11,941,575
Total	\$63,282,053	Total	\$62,736,479

ABAG PLAN

**Large Claims Greater than \$25,000 in Incurred Losses
2013-14 VS. 2014-15 Premium Calculation
Hillsborough**

I. Large Claims for 2014-15 Calculation.

Fiscal Year	Claim Number	Status	Paid Losses As of 12/31/13	Case Reserves As of 12/31/13	Incurred Losses As of 12/31/13	Recovery	Limited Incurred Losses
2010-11	71170	C	116,723	0	116,723	0	116,723
2011-12	71744	O	92,653	417,347	510,000	0	250,000
2008-09	GL060511	C	71,500	0	71,500	0	71,500
2008-09	GL060733	C	101,498	0	101,498	0	101,498
2011-12	72318	O	0	0	150,000	0	150,000
Total			382,374	417,347	949,721	0	689,721

ABAG PLAN

**Large Claims Greater than \$25,000 in Incurred Losses
2013-14 VS. 2014-15 Premium Calculation
Hillsborough**

I. Large Claims for 2013-14 Calculation.

Fiscal Year	Claim Number	Status	Paid Losses As of 12/31/12	Case Reserves As of 12/31/12	Incurred Losses As of 12/31/12	Recovery	Limited Incurred Losses
2010-11	71170	O	36,723	80,000	116,723	0	116,723
2011-12	72318	O	0	300,000	300,000	0	250,000
2011-12	71744	O	0	185,000	185,000	0	185,000
2007-08	GL058954	C	88,328	0	88,328	0	88,328
2008-09	GL060511	C	71,500	0	71,500	0	71,500
2008-09	GL060733	C	101,498	0	101,498	0	101,498
Total			298,049	565,000	863,049	0	813,049

ABAG PLAN

**Calculation of Experience Modification Factor & Premium
2013-14 VS. 2014-15 Premium Calculation
Los Altos Hills**

	2013-14	2014-15	% Change
(1) 5-Year Limited Losses	\$260,100	\$250,394	-3.7%
(2) 5-Year Payrolls (00)	\$89,065	\$92,320	3.7%
(3) % 5-Year Limited Losses	1.1%	1.0%	-8.7%
(4) % 5-Year Payrolls (00)	0.5%	0.5%	5.7%
(5) Indicated Differential	2.534	2.188	-13.6%
(6) Credibility	0.200	0.200	0.0%
(7) Indicated Ex Mod	131%	124%	-5.3%
(8) Adjusted Ex Mod	132%	123%	-7.0%
(9) Prior Ex Mod	141%	132%	-5.9%
(10) Deductible	\$25,000	\$25,000	0.0%
(11) Deductible Factor	1.343	1.342	-0.1%
(12) Current Year Payroll (00)	\$19,283	\$16,949	-12.1%
(13) Indicated Loss Funding	\$47,729	\$38,712	-18.9%
(14) Excess Insurance	\$6,087	\$6,245	2.6%
(15) Adjusted Admin Expense	\$47,729	\$38,276	-19.8%
(16) Loss Prevention Expense	\$4,752	\$0	-100.0%
(17) Uncapped Premium	\$106,298	\$83,232	-21.7%
(18) Prior Capped vs. Current Uncapped	\$96,271	\$83,232	-13.5%
(19) Prior Capped vs. Current Capped	\$96,271	\$83,070	-13.7%
(20) Prior Total vs. Current Total	\$96,271	\$83,070	-13.7%

- (1), (2) The 2013-14 calculation included 2007-08 through 2011-12 years and the 2014-15 calculation, 2008-09 through 2012-13 years.
Losses are capped at \$250,000 per occurrence.
- (3), (4) Percentage of limited losses and payrolls compared to PLAN.
- (5) (3) / (4)
- (6) [(2) / ((2) + 300,000)]. Ltd to minimum of 0.10 and maximum of 1.00, rounded to nearest 0.10.
Assumes that a member with five-year payroll of \$30 million is 50% credible.
- (7) ((5) x (6)) + (1.00 - (6))
- (8) Adjusted for off-balance using payroll as weights.
- (9) Prior Adjusted Ex Mod
- (10) Provided by ABAG.
- (11) \$100K Deductible = 1.000
- (12) Provided by ABAG.
- (13) For 2013-14, {[\$0,000 / Total (12)] x [(11) / Weighted Average of (11)] x (8) x (12)}.
\$0,000 is the discounted loss & ALAE at 60% Confidence Level. (4% Discount Rate).
- (14) Allocated to member based on population.
- (15) For 2014-15, Total administrative expense of \$2,850,000 is allocated based on the formula.
- (16) For 2014-15, Total Loss Prevention Expense of \$331,400 is allocated based on budgeted loss prevention expense by member.
- (17) (13) + (14) + (15) + (16)
- (18) Prior Capped from Prior Review. Current Uncapped from (16).
Prior Capped from Prior Review. Current Capped is either the change in (17) capped at 30%,
- (19) or (17) adjusted upward to compensate for capping of other members.
- (19) Prior Actual per ABAG PLAN. Current Capped from (18).

ABAG PLAN

**5-Year Loss & Payroll Comparison
2013-14 VS. 2014-15 Premium Calculation
Los Altos Hills**

I. 5-Year Limited Losses

	<u>2013-14</u>		<u>2014-15</u>
2007-2008	\$0		
2008-2009	0	2008-2009	\$0
2009-2010	260,000	2009-2010	250,000
2010-2011	0	2010-2011	0
2011-2012	100	2011-2012	0
		2012-2013	394
Total	\$260,100	Total	\$250,394

II. 5-Year Payrolls (00)

	<u>2013-14</u>		<u>2014-15</u>
2007-2008	\$1,604,518		
2008-2009	1,716,783	2008-2009	\$1,716,783
2009-2010	1,895,177	2009-2010	1,895,177
2010-2011	1,857,913	2010-2011	1,857,913
2011-2012	1,832,097	2011-2012	1,832,097
		2012-2013	1,930,000
Total	\$8,906,488	Total	\$9,231,970

ABAG PLAN

**Large Claims Greater than \$25,000 in Incurred Losses
2013-14 VS. 2014-15 Premium Calculation
Los Altos Hills**

I. Large Claims for 2014-15 Calculation.

Fiscal Year	Claim Number	Status	Paid Losses As of 12/31/13	Case Reserves As of 12/31/13	Incurred Losses As of 12/31/13	Recovery	Limited Incurred Losses
2009-10	70838	C	269,522	0	269,522	0	250,000
Total			269,522	0	269,522	0	250,000

ABAG PLAN

**Large Claims Greater than \$25,000 in Incurred Losses
2013-14 VS. 2014-15 Premium Calculation
Los Altos Hills**

I. Large Claims for 2013-14 Calculation.

Fiscal Year	Claim Number	Status	Paid Losses As of 12/31/12	Case Reserves As of 12/31/12	Incurred Losses As of 12/31/12	Recovery	Limited Incurred Losses
2009-10	70838	C	269,522	0	269,522	0	250,000
Total			269,522	0	269,522	0	250,000

ABAG PLAN

**Calculation of Experience Modification Factor & Premium
2013-14 VS. 2014-15 Premium Calculation
Los Gatos**

	2013-14	2014-15	% Change
(1) 5-Year Limited Losses	\$1,303,899	\$1,287,837	-1.2%
(2) 5-Year Payrolls (00)	\$788,173	\$786,330	-0.2%
(3) % 5-Year Limited Losses	5.8%	5.4%	-6.4%
(4) % 5-Year Payrolls (00)	4.0%	4.1%	1.7%
(5) Indicated Differential	1.435	1.321	-7.9%
(6) Credibility	0.700	0.700	0.0%
(7) Indicated Ex Mod	130%	122%	-6.1%
(8) Adjusted Ex Mod	132%	122%	-7.8%
(9) Prior Ex Mod	120%	132%	9.8%
(10) Deductible	\$50,000	\$50,000	0.0%
(11) Deductible Factor	1.192	1.190	-0.2%
(12) Current Year Payroll (00)	\$154,834	\$153,399	-0.9%
(13) Indicated Loss Funding	\$339,624	\$307,500	-9.5%
(14) Excess Insurance	\$22,917	\$22,670	-1.1%
(15) Adjusted Admin Expense	\$211,522	\$150,745	-28.7%
(16) Loss Prevention Expense	\$16,290	\$0	-100.0%
(17) Uncapped Premium	\$590,353	\$480,914	-18.5%
(18) Prior Capped vs. Current Uncapped	\$541,661	\$480,914	-11.2%
(19) Prior Capped vs. Current Capped	\$541,661	\$479,975	-11.4%
(20) Prior Total vs. Current Total	\$541,661	\$479,975	-11.4%

- (1), (2) The 2013-14 calculation included 2007-08 through 2011-12 years and the 2014-15 calculation, 2008-09 through 2012-13 years. Losses are capped at \$250,000 per occurrence.
- (3), (4) Percentage of limited losses and payrolls compared to PLAN.
- (5) (3) / (4)
- (6) $[(2) / ((2) + 300,000)]$. Ltd to minimum of 0.10 and maximum of 1.00, rounded to nearest 0.10. Assumes that a member with five-year payroll of \$30 million is 50% credible.
- (7) $((5) \times (6)) + (1.00 - (6))$
- (8) Adjusted for off-balance using payroll as weights.
- (9) Prior Adjusted Ex Mod
- (10) Provided by ABAG.
- (11) \$100K Deductible = 1.000
- (12) Provided by ABAG.
- (13) For 2013-14, $[(\$0,000 / \text{Total (12)}) \times ((11) / \text{Weighted Average of (11)}) \times (8) \times (12)]$. \$0,000 is the discounted loss & ALAE at 60% Confidence Level. (4% Discount Rate).
- (14) Allocated to member based on population.
- (15) For 2014-15, Total administrative expense of \$2,850,000 is allocated based on the formula.
- (16) For 2014-15, Total Loss Prevention Expense of \$331,400 is allocated based on budgeted loss prevention expense by member.
- (17) (13) + (14) + (15) + (16)
- (18) Prior Capped from Prior Review. Current Uncapped from (16).
Prior Capped from Prior Review. Current Capped is either the change in (17) capped at 30%,
- (19) or (17) adjusted upward to compensate for capping of other members.
- (19) Prior Actual per ABAG PLAN. Current Capped from (18).

ABAG PLAN

**5-Year Loss & Payroll Comparison
2013-14 VS. 2014-15 Premium Calculation
Los Gatos**

I. 5-Year Limited Losses

	<u>2013-14</u>		<u>2014-15</u>
2007-2008	\$275,627		
2008-2009	48,545	2008-2009	\$48,545
2009-2010	278,533	2009-2010	278,533
2010-2011	522,883	2010-2011	519,799
2011-2012	178,311	2011-2012	47,829
		2012-2013	393,131
Total	\$1,303,899	Total	\$1,287,837

II. 5-Year Payrolls (00)

	<u>2013-14</u>		<u>2014-15</u>
2007-2008	\$15,750,794		
2008-2009	16,539,906	2008-2009	\$16,539,906
2009-2010	15,511,895	2009-2010	15,511,895
2010-2011	15,267,887	2010-2011	15,267,887
2011-2012	15,746,832	2011-2012	15,746,832
		2012-2013	15,566,505
Total	\$78,817,314	Total	\$78,633,024

ABAG PLAN

**Large Claims Greater than \$25,000 in Incurred Losses
2013-14 VS. 2014-15 Premium Calculation
Los Gatos**

I. Large Claims for 2014-15 Calculation.

Fiscal Year	Claim Number	Status	Paid Losses As of 12/31/13	Case Reserves As of 12/31/13	Incurred Losses As of 12/31/13	Recovery	Limited Incurred Losses
2009-10	70978	C	295,567	0	295,567	0	250,000
2010-11	71077	C	248,210	0	248,210	-1,294	246,916
2010-11	71649	O	94,919	5,155,081	5,250,000	0	250,000
2011-12	71866	C	44,518	0	44,518	0	44,518
2012-13	72607	O	8,058	291,942	300,000	0	250,000
2012-13	72771	O	6,323	123,677	130,000	0	130,000
Total			697,595	5,570,700	6,268,295	-1,294	1,171,434

ABAG PLAN

**Large Claims Greater than \$25,000 in Incurred Losses
2013-14 VS. 2014-15 Premium Calculation
Los Gatos**

I. Large Claims for 2013-14 Calculation.

Fiscal Year	Claim Number	Status	Paid Losses As of 12/31/12	Case Reserves As of 12/31/12	Incurred Losses As of 12/31/12	Recovery	Limited Incurred Losses
2010-11	71649	O	43,184	5,206,816	5,250,000	0	250,000
2009-10	70978	C	295,567	0	295,567	0	250,000
2007-08	GL058939	O	220,983	1,082,017	1,303,000	-52	250,000
2011-12	71866	O	12,910	162,090	175,000	0	175,000
2010-11	71077	O	246,337	63,663	310,000	-1,294	250,000
Total			818,981	6,514,586	7,333,567	-1,346	1,175,000

ABAG PLAN

Calculation of Experience Modification Factor & Premium
2013-14 VS. 2014-15 Premium Calculation
Millbrae

	2013-14	2014-15	% Change
(1) 5-Year Limited Losses	\$415,377	\$592,486	42.6%
(2) 5-Year Payrolls (00)	\$502,950	\$543,679	8.1%
(3) % 5-Year Limited Losses	1.8%	2.5%	35.2%
(4) % 5-Year Payrolls (00)	2.6%	2.8%	10.2%
(5) Indicated Differential	0.717	0.879	22.7%
(6) Credibility	0.600	0.600	0.0%
(7) Indicated Ex Mod	83%	93%	11.8%
(8) Adjusted Ex Mod	84%	92%	9.7%
(9) Prior Ex Mod	107%	84%	-21.4%
(10) Deductible	\$100,000	\$100,000	0.0%
(11) Deductible Factor	1.000	1.000	0.0%
(12) Current Year Payroll (00)	\$92,864	\$156,098	68.1%
(13) Indicated Loss Funding	\$108,700	\$199,107	83.2%
(14) Excess Insurance	\$16,858	\$16,797	-0.4%
(15) Adjusted Admin Expense	\$96,298	\$59,086	-38.6%
(16) Loss Prevention Expense	\$10,549	\$0	-100.0%
(17) Uncapped Premium	\$232,405	\$274,990	18.3%
(18) Prior Capped vs. Current Uncapped	\$245,249	\$274,990	12.1%
(19) Prior Capped vs. Current Capped	\$245,249	\$274,453	11.9%
(20) Prior Total vs. Current Total	\$245,249	\$274,453	11.9%

- (1), (2) The 2013-14 calculation included 2007-08 through 2011-12 years and the 2014-15 calculation, 2008-09 through 2012-13 years. Losses are capped at \$250,000 per occurrence.
- (3), (4) Percentage of limited losses and payrolls compared to PLAN.
- (5) (3) / (4)
- (6) [(2) / ((2) + 300,000)]. Ltd to minimum of 0.10 and maximum of 1.00, rounded to nearest 0.10. Assumes that a member with five-year payroll of \$30 million is 50% credible.
- (7) ((5) x (6)) + (1.00 - (6))
- (8) Adjusted for off-balance using payroll as weights.
- (9) Prior Adjusted Ex Mod
- (10) Provided by ABAG.
- (11) \$100K Deductible = 1.000
- (12) Provided by ABAG.
- (13) For 2013-14, {[\$0,000 / Total (12)] x [(11) / Weighted Average of (11)] x (8) x (12)}. \$0,000 is the discounted loss & ALAE at 60% Confidence Level. (4% Discount Rate).
- (14) Allocated to member based on population.
- (15) For 2014-15, Total administrative expense of \$2,850,000 is allocated based on the formula.
- (16) For 2014-15, Total Loss Prevention Expense of \$331,400 is allocated based on budgeted loss prevention expense by member.
- (17) (13) + (14) + (15) + (16)
- (18) Prior Capped from Prior Review. Current Uncapped from (16).
Prior Capped from Prior Review. Current Capped is either the change in (17) capped at 30%,
- (19) or (17) adjusted upward to compensate for capping of other members.
- (19) Prior Actual per ABAG PLAN. Current Capped from (18).

ABAG PLAN

**5-Year Loss & Payroll Comparison
2013-14 VS. 2014-15 Premium Calculation
Millbrae**

I. 5-Year Limited Losses

	<u>2013-14</u>		<u>2014-15</u>
2007-2008	\$41,296		
2008-2009	67,790	2008-2009	\$67,790
2009-2010	246,784	2009-2010	216,879
2010-2011	40,571	2010-2011	35,571
2011-2012	18,936	2011-2012	683
		2012-2013	271,563
Total	\$415,377	Total	\$592,486

II. 5-Year Payrolls (00)

	<u>2013-14</u>		<u>2014-15</u>
2007-2008	\$9,264,492		
2008-2009	9,424,684	2008-2009	\$9,424,684
2009-2010	9,414,495	2009-2010	9,414,495
2010-2011	12,687,008	2010-2011	12,687,008
2011-2012	9,504,323	2011-2012	9,504,323
		2012-2013	13,337,415
Total	\$50,295,003	Total	\$54,367,926

ABAG PLAN

**Large Claims Greater than \$25,000 in Incurred Losses
2013-14 VS. 2014-15 Premium Calculation
Millbrae**

I. Large Claims for 2014-15 Calculation.

Fiscal Year	Claim Number	Status	Paid Losses As of 12/31/13	Case Reserves As of 12/31/13	Incurred Losses As of 12/31/13	Recovery	Limited Incurred Losses
2009-10	70142	C	102,111	0	102,111	0	102,111
2009-10	70556	C	37,095	0	37,095	0	37,095
2009-10	70561	C	60,337	0	60,337	-6,453	53,884
2012-13	72425	O	0	75,000	75,000	0	75,000
2012-13	72604	O	3,337	146,663	150,000	0	150,000
2008-09	GL060504	C	45,662	0	45,662	0	45,662
Total			248,541	221,663	470,205	-6,453	463,752

ABAG PLAN

**Large Claims Greater than \$25,000 in Incurred Losses
2013-14 VS. 2014-15 Premium Calculation
Millbrae**

I. Large Claims for 2013-14 Calculation.

Fiscal Year	Claim Number	Status	Paid Losses As of 12/31/12	Case Reserves As of 12/31/12	Incurred Losses As of 12/31/12	Recovery	Limited Incurred Losses
2009-10	70142	C	102,111	0	102,111	0	102,111
2009-10	70556	O	37,095	19,905	57,000	0	57,000
2009-10	70561	C	60,337	0	60,337	-6,453	60,337
2008-09	GL060504	C	45,662	0	45,662	0	45,662
Total			245,205	19,905	265,109	-6,453	265,109

ABAG PLAN

**Calculation of Experience Modification Factor & Premium
2013-14 VS. 2014-15 Premium Calculation
Milpitas**

	2013-14	2014-15	% Change
(1) 5-Year Limited Losses	\$699,100	\$827,197	18.3%
(2) 5-Year Payrolls (00)	\$2,044,564	\$1,944,961	-4.9%
(3) % 5-Year Limited Losses	3.1%	3.5%	12.2%
(4) % 5-Year Payrolls (00)	10.4%	10.1%	-3.0%
(5) Indicated Differential	0.297	0.343	15.7%
(6) Credibility	0.900	0.900	0.0%
(7) Indicated Ex Mod	37%	41%	11.4%
(8) Adjusted Ex Mod	37%	41%	9.4%
(9) Prior Ex Mod	49%	37%	-24.2%
(10) Deductible	\$100,000	\$100,000	0.0%
(11) Deductible Factor	1.000	1.000	0.0%
(12) Current Year Payroll (00)	\$338,903	\$338,903	0.0%
(13) Indicated Loss Funding	\$175,419	\$190,530	8.6%
(14) Excess Insurance	\$51,544	\$50,989	-1.1%
(15) Adjusted Admin Expense	\$132,181	\$146,274	10.7%
(16) Loss Prevention Expense	\$15,176	\$0	-100.0%
(17) Uncapped Premium	\$374,320	\$387,793	3.6%
(18) Prior Capped vs. Current Uncapped	\$395,006	\$387,793	-1.8%
(19) Prior Capped vs. Current Capped	\$395,006	\$387,036	-2.0%
(20) Prior Total vs. Current Total	\$395,006	\$387,036	-2.0%

- (1), (2) The 2013-14 calculation included 2007-08 through 2011-12 years and the 2014-15 calculation, 2008-09 through 2012-13 years. Losses are capped at \$250,000 per occurrence.
- (3), (4) Percentage of limited losses and payrolls compared to PLAN.
- (5) (3) / (4)
- (6) [(2) / ((2) + 300,000)]. Ltd to minimum of 0.10 and maximum of 1.00, rounded to nearest 0.10. Assumes that a member with five-year payroll of \$30 million is 50% credible.
- (7) ((5) x (6)) + (1.00 - (6))
- (8) Adjusted for off-balance using payroll as weights.
- (9) Prior Adjusted Ex Mod
- (10) Provided by ABAG.
- (11) \$100K Deductible = 1.000
- (12) Provided by ABAG.
- (13) For 2013-14, {[\$0,000 / Total (12)] x [(11) / Weighted Average of (11)] x (8) x (12)}. \$0,000 is the discounted loss & ALAE at 60% Confidence Level. (4% Discount Rate).
- (14) Allocated to member based on population.
- (15) For 2014-15, Total administrative expense of \$2,850,000 is allocated based on the formula.
- (16) For 2014-15, Total Loss Prevention Expense of \$331,400 is allocated based on budgeted loss prevention expense by member.
- (17) (13) + (14) + (15) + (16)
- (18) Prior Capped from Prior Review. Current Uncapped from (16).
Prior Capped from Prior Review. Current Capped is either the change in (17) capped at 30%,
- (19) or (17) adjusted upward to compensate for capping of other members.
- (19) Prior Actual per ABAG PLAN. Current Capped from (18).

ABAG PLAN

**5-Year Loss & Payroll Comparison
2013-14 VS. 2014-15 Premium Calculation
Milpitas**

I. 5-Year Limited Losses

	<u>2013-14</u>		<u>2014-15</u>
2007-2008	\$309,136	2008-2009	\$39,350
2008-2009	39,350	2009-2010	57,707
2009-2010	57,707	2010-2011	257,683
2010-2011	257,076	2011-2012	61,737
2011-2012	35,830	2012-2013	410,720
Total	\$699,100	Total	\$827,197

II. 5-Year Payrolls (00)

	<u>2013-14</u>		<u>2014-15</u>
2007-2008	\$44,409,293	2008-2009	\$44,888,875
2008-2009	44,888,875	2009-2010	44,105,390
2009-2010	44,105,390	2010-2011	36,603,771
2010-2011	36,603,771	2011-2012	34,449,054
2011-2012	34,449,054	2012-2013	34,449,054
Total	\$204,456,383	Total	\$194,496,144

ABAG PLAN

**Large Claims Greater than \$25,000 in Incurred Losses
2013-14 VS. 2014-15 Premium Calculation
Milpitas**

I. Large Claims for 2014-15 Calculation.

Fiscal Year	Claim Number	Status	Paid Losses As of 12/31/13	Case Reserves As of 12/31/13	Incurred Losses As of 12/31/13	Recovery	Limited Incurred Losses
2010-11	70982	C	80,819	0	80,819	0	80,819
2010-11	71976	O	21,061	128,939	150,000	0	150,000
2012-13	72422	O	4,922	195,079	200,000	0	200,000
2012-13	72614	O	0	125,500	125,500	0	125,500
2012-13	72719	O	3,848	21,152	25,000	0	25,000
2011-12	72786	O	18,302	11,698	30,000	0	30,000
Total			128,952	482,367	611,319	0	611,319

ABAG PLAN

**Large Claims Greater than \$25,000 in Incurred Losses
2013-14 VS. 2014-15 Premium Calculation
Milpitas**

I. Large Claims for 2013-14 Calculation.

Fiscal Year	Claim Number	Status	Paid Losses As of 12/31/12	Case Reserves As of 12/31/12	Incurred Losses As of 12/31/12	Recovery	Limited Incurred Losses
2010-11	70982	O	37,921	42,291	80,212	0	80,212
2010-11	71976	O	0	150,000	150,000	0	150,000
2007-08	GL059723	C	524,758	0	524,758	0	250,000
Total			562,680	192,291	754,970	0	480,212

ABAG PLAN

Calculation of Experience Modification Factor & Premium
2013-14 VS. 2014-15 Premium Calculation
Morgan Hill

	2013-14	2014-15	% Change
(1) 5-Year Limited Losses	\$1,502,069	\$1,635,626	8.9%
(2) 5-Year Payrolls (00)	\$928,781	\$905,391	-2.5%
(3) % 5-Year Limited Losses	6.6%	6.8%	3.2%
(4) % 5-Year Payrolls (00)	4.7%	4.7%	-0.6%
(5) Indicated Differential	1.403	1.457	3.9%
(6) Credibility	0.800	0.800	0.0%
(7) Indicated Ex Mod	132%	137%	3.3%
(8) Adjusted Ex Mod	134%	136%	1.4%
(9) Prior Ex Mod	137%	134%	-2.1%
(10) Deductible	\$100,000	\$100,000	0.0%
(11) Deductible Factor	1.000	1.000	0.0%
(12) Current Year Payroll (00)	\$165,096	\$187,466	13.5%
(13) Indicated Loss Funding	\$307,946	\$352,153	14.4%
(14) Excess Insurance	\$30,743	\$30,286	-1.5%
(15) Adjusted Admin Expense	\$184,053	\$155,104	-15.7%
(16) Loss Prevention Expense	\$16,529	\$0	-100.0%
(17) Uncapped Premium	\$539,271	\$537,543	-0.3%
(18) Prior Capped vs. Current Uncapped	\$552,098	\$537,543	-2.6%
(19) Prior Capped vs. Current Capped	\$552,098	\$536,493	-2.8%
(20) Prior Total vs. Current Total	\$552,098	\$536,493	-2.8%

- (1), (2) The 2013-14 calculation included 2007-08 through 2011-12 years and the 2014-15 calculation, 2008-09 through 2012-13 years. Losses are capped at \$250,000 per occurrence.
- (3), (4) Percentage of limited losses and payrolls compared to PLAN.
- (5) (3) / (4)
- (6) [(2) / ((2) + 300,000)]. Ltd to minimum of 0.10 and maximum of 1.00, rounded to nearest 0.10. Assumes that a member with five-year payroll of \$30 million is 50% credible.
- (7) ((5) x (6)) + (1.00 - (6))
- (8) Adjusted for off-balance using payroll as weights.
- (9) Prior Adjusted Ex Mod
- (10) Provided by ABAG.
- (11) \$100K Deductible = 1.000
- (12) Provided by ABAG.
- (13) For 2013-14, {[\$0,000 / Total (12)] x [(11) / Weighted Average of (11)] x (8) x (12)}. \$0,000 is the discounted loss & ALAE at 60% Confidence Level. (4% Discount Rate).
- (14) Allocated to member based on population.
- (15) For 2014-15, Total administrative expense of \$2,850,000 is allocated based on the formula.
- (16) For 2014-15, Total Loss Prevention Expense of \$331,400 is allocated based on budgeted loss prevention expense by member.
- (17) (13) + (14) + (15) + (16)
- (18) Prior Capped from Prior Review. Current Uncapped from (16).
Prior Capped from Prior Review. Current Capped is either the change in (17) capped at 30%,
- (19) or (17) adjusted upward to compensate for capping of other members.
- (19) Prior Actual per ABAG PLAN. Current Capped from (18).

ABAG PLAN

**5-Year Loss & Payroll Comparison
2013-14 VS. 2014-15 Premium Calculation
Morgan Hill**

I. 5-Year Limited Losses

	<u>2013-14</u>		<u>2014-15</u>
2007-2008	\$172,375	2008-2009	\$143,284
2008-2009	208,090	2009-2010	547,696
2009-2010	549,696	2010-2011	111,437
2010-2011	170,554	2011-2012	397,805
2011-2012	401,353	2012-2013	435,404
Total	\$1,502,069	Total	\$1,635,626

II. 5-Year Payrolls (00)

	<u>2013-14</u>		<u>2014-15</u>
2007-2008	\$19,053,040	2008-2009	\$20,479,594
2008-2009	20,479,594	2009-2010	20,053,566
2009-2010	20,053,566	2010-2011	16,704,415
2010-2011	16,704,415	2011-2012	16,587,463
2011-2012	16,587,463	2012-2013	16,714,039
Total	\$92,878,078	Total	\$90,539,076

ABAG PLAN

**Large Claims Greater than \$25,000 in Incurred Losses
2013-14 VS. 2014-15 Premium Calculation
Morgan Hill**

I. Large Claims for 2014-15 Calculation.

Fiscal Year	Claim Number	Status	Paid Losses As of 12/31/13	Case Reserves As of 12/31/13	Incurred Losses As of 12/31/13	Recovery	Limited Incurred Losses
2009-10	70259	C	107,394	0	107,394	0	107,394
2009-10	70389	C	230,373	0	230,373	0	230,373
2008-09	70481	C	135,194	0	135,194	0	135,194
2009-10	70644	C	31,413	0	31,413	0	31,413
2010-11	70894	C	65,883	0	65,883	0	65,883
2011-12	71502	C	84,912	0	84,912	0	84,912
2011-12	71558	O	265,314	49,686	315,000	0	250,000
2011-12	71849	O	43,413	4,587	48,000	0	48,000
2012-13	72464	O	753	199,247	200,000	0	200,000
2012-13	72465	O	753	149,247	150,000	0	150,000
2012-13	73007	O	0	65,000	65,000	0	65,000
2009-10	GL061002	C	151,301	0	151,301	0	151,301
Total			1,116,703	467,767	1,584,470	0	1,519,470

ABAG PLAN

**Large Claims Greater than \$25,000 in Incurred Losses
2013-14 VS. 2014-15 Premium Calculation
Morgan Hill**

I. Large Claims for 2013-14 Calculation.

Fiscal Year	Claim Number	Status	Paid Losses As of 12/31/12	Case Reserves As of 12/31/12	Incurred Losses As of 12/31/12	Recovery	Limited Incurred Losses
2009-10	70259	C	107,394	0	107,394	0	107,394
2009-10	70389	C	230,373	0	230,373	0	230,373
2008-09	70481	O	89,969	110,031	200,000	0	200,000
2009-10	70644	C	31,413	0	31,413	0	31,413
2010-11	70894	O	65,883	59,117	125,000	0	125,000
2007-08	70971	O	65,582	84,468	150,050	0	150,050
2011-12	71558	O	23,017	1,096,983	1,120,000	0	250,000
2011-12	71502	C	84,912	0	84,912	0	84,912
2011-12	71849	O	0	50,000	50,000	0	50,000
2009-10	GL061002	O	151,301	2,000	153,301	0	153,301
Total			849,844	1,402,599	2,252,443	0	1,382,443

ABAG PLAN

**Calculation of Experience Modification Factor & Premium
2013-14 VS. 2014-15 Premium Calculation
Newark**

	2013-14	2014-15	% Change
(1) 5-Year Limited Losses	\$556,633	\$702,912	26.3%
(2) 5-Year Payrolls (00)	\$989,330	\$867,665	-12.3%
(3) % 5-Year Limited Losses	2.5%	2.9%	19.7%
(4) % 5-Year Payrolls (00)	5.0%	4.5%	-10.6%
(5) Indicated Differential	0.488	0.654	33.9%
(6) Credibility	0.800	0.700	-12.5%
(7) Indicated Ex Mod	59%	76%	28.3%
(8) Adjusted Ex Mod	60%	75%	26.0%
(9) Prior Ex Mod	54%	60%	10.2%
(10) Deductible	\$100,000	\$100,000	0.0%
(11) Deductible Factor	1.000	1.000	0.0%
(12) Current Year Payroll (00)	\$144,702	\$147,200	1.7%
(13) Indicated Loss Funding	\$120,517	\$153,342	27.2%
(14) Excess Insurance	\$32,878	\$32,752	-0.4%
(15) Adjusted Admin Expense	\$88,559	\$103,208	16.5%
(16) Loss Prevention Expense	\$9,815	\$0	-100.0%
(17) Uncapped Premium	\$251,770	\$289,302	14.9%
(18) Prior Capped vs. Current Uncapped	\$259,244	\$289,302	11.6%
(19) Prior Capped vs. Current Capped	\$259,244	\$288,737	11.4%
(20) Prior Total vs. Current Total	\$259,244	\$288,737	11.4%

- (1), (2) The 2013-14 calculation included 2007-08 through 2011-12 years and the 2014-15 calculation, 2008-09 through 2012-13 years. Losses are capped at \$250,000 per occurrence.
- (3), (4) Percentage of limited losses and payrolls compared to PLAN.
- (5) (3) / (4)
- (6) [(2) / ((2) + 300,000)]. Ltd to minimum of 0.10 and maximum of 1.00, rounded to nearest 0.10. Assumes that a member with five-year payroll of \$30 million is 50% credible.
- (7) ((5) x (6)) + (1.00 - (6))
- (8) Adjusted for off-balance using payroll as weights.
- (9) Prior Adjusted Ex Mod
- (10) Provided by ABAG.
- (11) \$100K Deductible = 1.000
- (12) Provided by ABAG.
- (13) For 2013-14, {[\$0,000 / Total (12)] x [(11) / Weighted Average of (11)] x (8) x (12)}. \$0,000 is the discounted loss & ALAE at 60% Confidence Level. (4% Discount Rate).
- (14) Allocated to member based on population.
- (15) For 2014-15, Total administrative expense of \$2,850,000 is allocated based on the formula.
- (16) For 2014-15, Total Loss Prevention Expense of \$331,400 is allocated based on budgeted loss prevention expense by member.
- (17) (13) + (14) + (15) + (16)
- (18) Prior Capped from Prior Review. Current Uncapped from (16).
Prior Capped from Prior Review. Current Capped is either the change in (17) capped at 30%,
- (19) or (17) adjusted upward to compensate for capping of other members.
- (19) Prior Actual per ABAG PLAN. Current Capped from (18).

ABAG PLAN

**5-Year Loss & Payroll Comparison
2013-14 VS. 2014-15 Premium Calculation
Newark**

I. 5-Year Limited Losses

	<u>2013-14</u>		<u>2014-15</u>
2007-2008	\$82,262		
2008-2009	187,673	2008-2009	\$187,673
2009-2010	40,490	2009-2010	40,490
2010-2011	7,360	2010-2011	7,360
2011-2012	238,847	2011-2012	211,386
		2012-2013	256,003
Total	\$556,633	Total	\$702,912

II. 5-Year Payrolls (00)

	<u>2013-14</u>		<u>2014-15</u>
2007-2008	\$25,603,512		
2008-2009	24,993,474	2008-2009	\$24,993,474
2009-2010	21,735,112	2009-2010	21,735,112
2010-2011	12,981,307	2010-2011	12,981,307
2011-2012	13,619,608	2011-2012	13,619,608
		2012-2013	13,436,999
Total	\$98,933,012	Total	\$86,766,500

ABAG PLAN

**Large Claims Greater than \$25,000 in Incurred Losses
2013-14 VS. 2014-15 Premium Calculation
Newark**

I. Large Claims for 2014-15 Calculation.

Fiscal Year	Claim Number	Status	Paid Losses As of 12/31/13	Case Reserves As of 12/31/13	Incurred Losses As of 12/31/13	Recovery	Limited Incurred Losses
2008-09	70225	C	29,502	0	29,502	0	29,502
2011-12	71634	O	32,070	19,029	51,099	0	51,099
2011-12	71931	O	11,406	88,594	100,000	0	100,000
2011-12	71949	C	27,812	0	27,812	0	27,812
2012-13	72399	O	15,033	120,466	135,498	0	135,498
2012-13	72595	O	0	25,000	25,000	0	25,000
2012-13	72795	O	9,416	16,084	25,500	0	25,500
2008-09	GL060301	C	49,391	0	49,391	0	49,391
2008-09	GL060817	C	74,719	0	74,719	0	74,719
Total			249,349	269,172	518,521	0	518,521

ABAG PLAN

**Large Claims Greater than \$25,000 in Incurred Losses
2013-14 VS. 2014-15 Premium Calculation
Newark**

I. Large Claims for 2013-14 Calculation.

Fiscal Year	Claim Number	Status	Paid Losses As of 12/31/12	Case Reserves As of 12/31/12	Incurred Losses As of 12/31/12	Recovery	Limited Incurred Losses
2008-09	70225	C	29,502	0	29,502	0	29,502
2011-12	71634	O	9,978	31,121	41,099	0	41,099
2011-12	71701	O	10,633	65,184	75,817	0	75,817
2011-12	71949	O	1,230	59,433	60,663	0	60,663
2007-08	GL059772	C	66,700	0	66,700	0	66,700
2008-09	GL060301	C	49,391	0	49,391	0	49,391
2008-09	GL060817	C	74,719	0	74,719	0	74,719
Total			242,152	155,739	397,891	0	397,891

ABAG PLAN

Calculation of Experience Modification Factor & Premium
2013-14 VS. 2014-15 Premium Calculation
Portola Valley

	2013-14	2014-15	% Change
(1) 5-Year Limited Losses	\$0	\$0	N/A
(2) 5-Year Payrolls (00)	\$55,763	\$56,246	0.9%
(3) % 5-Year Limited Losses	0.0%	0.0%	N/A
(4) % 5-Year Payrolls (00)	0.3%	0.3%	2.8%
(5) Indicated Differential	0.000	0.000	N/A
(6) Credibility	0.200	0.200	0.0%
(7) Indicated Ex Mod	80%	80%	0.0%
(8) Adjusted Ex Mod	81%	80%	-1.8%
(9) Prior Ex Mod	80%	81%	0.7%
(10) Deductible	\$25,000	\$25,000	0.0%
(11) Deductible Factor	1.343	1.342	-0.1%
(12) Current Year Payroll (00)	\$12,245	\$12,000	-2.0%
(13) Indicated Loss Funding	\$18,556	\$17,717	-4.5%
(14) Excess Insurance	\$3,323	\$3,287	-1.1%
(15) Adjusted Admin Expense	\$18,556	\$17,717	-4.5%
(16) Loss Prevention Expense	\$2,872	\$0	-100.0%
(17) Uncapped Premium	\$43,306	\$38,721	-10.6%
(18) Prior Capped vs. Current Uncapped	\$42,910	\$38,721	-9.8%
(19) Prior Capped vs. Current Capped	\$42,910	\$38,645	-9.9%
(20) Prior Total vs. Current Total	\$42,910	\$38,645	-9.9%

- (1), (2) The 2013-14 calculation included 2007-08 through 2011-12 years and the 2014-15 calculation, 2008-09 through 2012-13 years. Losses are capped at \$250,000 per occurrence.
- (3), (4) Percentage of limited losses and payrolls compared to PLAN.
- (5) (3) / (4)
- (6) [(2) / ((2) + 300,000)]. Ltd to minimum of 0.10 and maximum of 1.00, rounded to nearest 0.10. Assumes that a member with five-year payroll of \$30 million is 50% credible.
- (7) ((5) x (6)) + (1.00 - (6))
- (8) Adjusted for off-balance using payroll as weights.
- (9) Prior Adjusted Ex Mod
- (10) Provided by ABAG.
- (11) \$100K Deductible = 1.000
- (12) Provided by ABAG.
- (13) For 2013-14, {[\$0,000 / Total (12)] x [(11) / Weighted Average of (11)] x (8) x (12)}. \$0,000 is the discounted loss & ALAE at 60% Confidence Level. (4% Discount Rate).
- (14) Allocated to member based on population.
- (15) For 2014-15, Total administrative expense of \$2,850,000 is allocated based on the formula.
- (16) For 2014-15, Total Loss Prevention Expense of \$331,400 is allocated based on budgeted loss prevention expense by member.
- (17) (13) + (14) + (15) + (16)
- (18) Prior Capped from Prior Review. Current Uncapped from (16).
Prior Capped from Prior Review. Current Capped is either the change in (17) capped at 30%,
- (19) or (17) adjusted upward to compensate for capping of other members.
- (19) Prior Actual per ABAG PLAN. Current Capped from (18).

ABAG PLAN

**5-Year Loss & Payroll Comparison
2013-14 VS. 2014-15 Premium Calculation
Portola Valley**

I. 5-Year Limited Losses

	<u>2013-14</u>		<u>2014-15</u>
2007-2008	\$0	2008-2009	\$0
2008-2009	0	2009-2010	0
2009-2010	0	2010-2011	0
2010-2011	0	2011-2012	0
2011-2012	0	2012-2013	0
Total	\$0	Total	\$0

II. 5-Year Payrolls (00)

	<u>2013-14</u>		<u>2014-15</u>
2007-2008	\$997,158	2008-2009	\$1,089,689
2008-2009	1,089,689	2009-2010	1,150,444
2009-2010	1,150,444	2010-2011	1,182,619
2010-2011	1,182,619	2011-2012	1,156,406
2011-2012	1,156,406	2012-2013	1,045,449
Total	\$5,576,315	Total	\$5,624,607

ABAG PLAN

**Large Claims Greater than \$25,000 in Incurred Losses
2013-14 VS. 2014-15 Premium Calculation
Portola Valley**

I. Large Claims for 2014-15 Calculation.

Fiscal Year	Claim Number	Status	Paid Losses As of 12/31/13	Case Reserves As of 12/31/13	Incurred Losses As of 12/31/13	Recovery	Limited Incurred Losses
Total			0	0	0	0	0

ABAG PLAN

**Large Claims Greater than \$25,000 in Incurred Losses
2013-14 VS. 2014-15 Premium Calculation
Portola Valley**

I. Large Claims for 2013-14 Calculation.

Fiscal Year	Claim Number	Status	Paid Losses As of 12/31/12	Case Reserves As of 12/31/12	Incurred Losses As of 12/31/12	Recovery	Limited Incurred Losses
Total			0	0	0	0	0

ABAG PLAN

**Calculation of Experience Modification Factor & Premium
2013-14 VS. 2014-15 Premium Calculation
Ross**

	2013-14	2014-15	% Change
(1) 5-Year Limited Losses	\$90,402	\$258,760	186.2%
(2) 5-Year Payrolls (00)	\$121,297	\$115,257	-5.0%
(3) % 5-Year Limited Losses	0.4%	1.1%	171.3%
(4) % 5-Year Payrolls (00)	0.6%	0.6%	-3.1%
(5) Indicated Differential	0.647	1.811	180.1%
(6) Credibility	0.300	0.300	0.0%
(7) Indicated Ex Mod	89%	124%	39.1%
(8) Adjusted Ex Mod	91%	124%	36.6%
(9) Prior Ex Mod	96%	91%	-5.2%
(10) Deductible	\$25,000	\$25,000	0.0%
(11) Deductible Factor	1.343	1.342	-0.1%
(12) Current Year Payroll (00)	\$13,745	\$19,200	39.7%
(13) Indicated Loss Funding	\$23,275	\$44,058	89.3%
(14) Excess Insurance	\$1,866	\$1,843	-1.2%
(15) Adjusted Admin Expense	\$23,275	\$36,533	57.0%
(16) Loss Prevention Expense	\$4,675	\$0	-100.0%
(17) Uncapped Premium	\$53,091	\$82,434	55.3%
(18) Prior Capped vs. Current Uncapped	\$56,025	\$82,434	47.1%
(19) Prior Capped vs. Current Capped	\$56,025	\$72,832	30.0%
(20) Prior Total vs. Current Total	\$56,025	\$72,832	30.0%

- (1), (2) The 2013-14 calculation included 2007-08 through 2011-12 years and the 2014-15 calculation, 2008-09 through 2012-13 years.
Losses are capped at \$250,000 per occurrence.
- (3), (4) Percentage of limited losses and payrolls compared to PLAN.
- (5) (3) / (4)
- (6) [(2) / ((2) + 300,000)]. Ltd to minimum of 0.10 and maximum of 1.00, rounded to nearest 0.10.
Assumes that a member with five-year payroll of \$30 million is 50% credible.
- (7) ((5) x (6)) + (1.00 - (6))
- (8) Adjusted for off-balance using payroll as weights.
- (9) Prior Adjusted Ex Mod
- (10) Provided by ABAG.
- (11) \$100K Deductible = 1.000
- (12) Provided by ABAG.
- (13) For 2013-14, {[\$0,000 / Total (12)] x [(11) / Weighted Average of (11)] x (8) x (12)}.
\$0,000 is the discounted loss & ALAE at 60% Confidence Level. (4% Discount Rate).
- (14) Allocated to member based on population.
- (15) For 2014-15, Total administrative expense of \$2,850,000 is allocated based on the formula.
- (16) For 2014-15, Total Loss Prevention Expense of \$331,400 is allocated based on budgeted loss prevention expense by member.
- (17) (13) + (14) + (15) + (16)
- (18) Prior Capped from Prior Review. Current Uncapped from (16).
Prior Capped from Prior Review. Current Capped is either the change in (17) capped at 30%,
- (19) or (17) adjusted upward to compensate for capping of other members.
- (19) Prior Actual per ABAG PLAN. Current Capped from (18).

ABAG PLAN

**5-Year Loss & Payroll Comparison
2013-14 VS. 2014-15 Premium Calculation
Ross**

I. 5-Year Limited Losses

	<u>2013-14</u>		<u>2014-15</u>
2007-2008	\$81,742	2008-2009	\$0
2008-2009	0	2009-2010	8,355
2009-2010	8,355	2010-2011	0
2010-2011	0	2011-2012	306
2011-2012	306	2012-2013	250,100
Total	\$90,402	Total	\$258,760

II. 5-Year Payrolls (00)

	<u>2013-14</u>		<u>2014-15</u>
2007-2008	\$2,110,679	2008-2009	\$2,490,185
2008-2009	2,490,185	2009-2010	2,478,202
2009-2010	2,478,202	2010-2011	2,526,954
2010-2011	2,526,954	2011-2012	2,523,692
2011-2012	2,523,692	2012-2013	1,506,636
Total	\$12,129,713	Total	\$11,525,669

ABAG PLAN

**Large Claims Greater than \$25,000 in Incurred Losses
2013-14 VS. 2014-15 Premium Calculation
Ross**

I. Large Claims for 2014-15 Calculation.

Fiscal Year	Claim Number	Status	Paid Losses As of 12/31/13	Case Reserves As of 12/31/13	Incurred Losses As of 12/31/13	Recovery	Limited Incurred Losses
2012-13	72662	O	0	600,000	600,000	0	250,000
Total			0	600,000	600,000	0	250,000

ABAG PLAN

**Large Claims Greater than \$25,000 in Incurred Losses
2013-14 VS. 2014-15 Premium Calculation
Ross**

I. Large Claims for 2013-14 Calculation.

Fiscal Year	Claim Number	Status	Paid Losses As of 12/31/12	Case Reserves As of 12/31/12	Incurred Losses As of 12/31/12	Recovery	Limited Incurred Losses
2007-08	AL059901	C	81,742	0	81,742	0	81,742
Total			81,742	0	81,742	0	81,742

ABAG PLAN

**Calculation of Experience Modification Factor & Premium
2013-14 VS. 2014-15 Premium Calculation
San Bruno**

	2013-14	2014-15	% Change
(1) 5-Year Limited Losses	\$2,138,794	\$2,163,064	1.1%
(2) 5-Year Payrolls (00)	\$1,118,965	\$1,153,078	3.0%
(3) % 5-Year Limited Losses	9.4%	9.0%	-4.1%
(4) % 5-Year Payrolls (00)	5.7%	6.0%	5.0%
(5) Indicated Differential	1.658	1.513	-8.7%
(6) Credibility	0.800	0.800	0.0%
(7) Indicated Ex Mod	153%	141%	-7.6%
(8) Adjusted Ex Mod	155%	140%	-9.3%
(9) Prior Ex Mod	126%	155%	22.5%
(10) Deductible	\$100,000	\$100,000	0.0%
(11) Deductible Factor	1.000	1.000	0.0%
(12) Current Year Payroll (00)	\$234,876	\$255,593	8.8%
(13) Indicated Loss Funding	\$505,737	\$495,864	-2.0%
(14) Excess Insurance	\$31,319	\$31,862	1.7%
(15) Adjusted Admin Expense	\$278,465	\$288,680	3.7%
(16) Loss Prevention Expense	\$20,886	\$0	-100.0%
(17) Uncapped Premium	\$836,407	\$816,407	-2.4%
(18) Prior Capped vs. Current Uncapped	\$742,109	\$816,407	10.0%
(19) Prior Capped vs. Current Capped	\$742,109	\$814,813	9.8%
(20) Prior Total vs. Current Total	\$742,109	\$814,813	9.8%

- (1), (2) The 2013-14 calculation included 2007-08 through 2011-12 years and the 2014-15 calculation, 2008-09 through 2012-13 years. Losses are capped at \$250,000 per occurrence.
- (3), (4) Percentage of limited losses and payrolls compared to PLAN.
- (5) (3) / (4)
- (6) [(2) / ((2) + 300,000)]. Ltd to minimum of 0.10 and maximum of 1.00, rounded to nearest 0.10. Assumes that a member with five-year payroll of \$30 million is 50% credible.
- (7) ((5) x (6)) + (1.00 - (6))
- (8) Adjusted for off-balance using payroll as weights.
- (9) Prior Adjusted Ex Mod
- (10) Provided by ABAG.
- (11) \$100K Deductible = 1.000
- (12) Provided by ABAG.
- (13) For 2013-14, {[\$0,000 / Total (12)] x [(11) / Weighted Average of (11)] x (8) x (12)}. \$0,000 is the discounted loss & ALAE at 60% Confidence Level. (4% Discount Rate).
- (14) Allocated to member based on population.
- (15) For 2014-15, Total administrative expense of \$2,850,000 is allocated based on the formula.
- (16) For 2014-15, Total Loss Prevention Expense of \$331,400 is allocated based on budgeted loss prevention expense by member.
- (17) (13) + (14) + (15) + (16)
- (18) Prior Capped from Prior Review. Current Uncapped from (16).
Prior Capped from Prior Review. Current Capped is either the change in (17) capped at 30%,
- (19) or (17) adjusted upward to compensate for capping of other members.
- (19) Prior Actual per ABAG PLAN. Current Capped from (18).

ABAG PLAN

**5-Year Loss & Payroll Comparison
2013-14 VS. 2014-15 Premium Calculation
San Bruno**

I. 5-Year Limited Losses

	<u>2013-14</u>		<u>2014-15</u>
2007-2008	\$166,738		
2008-2009	85,774	2008-2009	\$84,774
2009-2010	340,624	2009-2010	324,774
2010-2011	773,418	2010-2011	798,368
2011-2012	772,240	2011-2012	703,983
		2012-2013	251,165
Total	\$2,138,794	Total	\$2,163,064

II. 5-Year Payrolls (00)

	<u>2013-14</u>		<u>2014-15</u>
2007-2008	\$20,285,714		
2008-2009	22,077,875	2008-2009	\$22,077,875
2009-2010	23,371,414	2009-2010	23,371,414
2010-2011	23,092,486	2010-2011	23,092,486
2011-2012	23,068,991	2011-2012	23,068,991
		2012-2013	23,697,005
Total	\$111,896,480	Total	\$115,307,771

ABAG PLAN

**Large Claims Greater than \$25,000 in Incurred Losses
2013-14 VS. 2014-15 Premium Calculation
San Bruno**

I. Large Claims for 2014-15 Calculation.

Fiscal Year	Claim Number	Status	Paid Losses As of 12/31/13	Case Reserves As of 12/31/13	Incurred Losses As of 12/31/13	Recovery	Limited Incurred Losses
2010-11	70777	C	82,105	0	82,105	0	82,105
2010-11	70844	C	132,246	0	132,246	0	132,246
2010-11	70925	C	304,682	0	304,682	0	250,000
2010-11	70932	C	32,495	0	32,495	0	32,495
2010-11	70957	C	200,000	0	200,000	0	200,000
2010-11	71265	C	27,466	0	27,466	0	27,466
2010-11	71362	C	35,183	0	35,183	0	35,183
2011-12	71433	C	45,734	0	45,734	0	45,734
2011-12	71672	O	70,167	164,833	235,000	0	235,000
2011-12	71687	O	247,322	235,398	482,719	0	250,000
2011-12	71874	C	148,783	0	148,783	0	148,783
2012-13	72497	O	6,560	93,440	100,000	0	100,000
2012-13	72612	O	0	25,000	25,000	0	25,000
2012-13	72770	O	53	39,947	40,000	0	40,000
2008-09	GL060694	C	31,473	0	31,473	0	31,473
2009-10	GL060954	C	302,268	0	302,268	0	250,000
Total			1,666,537	558,618	2,225,155	0	1,885,486

ABAG PLAN

**Large Claims Greater than \$25,000 in Incurred Losses
2013-14 VS. 2014-15 Premium Calculation
San Bruno**

I. Large Claims for 2013-14 Calculation.

Fiscal Year	Claim Number	Status	Paid Losses As of 12/31/12	Case Reserves As of 12/31/12	Incurred Losses As of 12/31/12	Recovery	Limited Incurred Losses
2009-10	70379	O	19,251	15,849	35,100	0	35,100
2010-11	70777	C	82,105	0	82,105	0	82,105
2010-11	70844	C	132,246	0	132,246	0	132,246
2010-11	70925	C	304,682	0	304,682	0	250,000
2010-11	70932	C	32,495	0	32,495	0	32,495
2010-11	70957	O	0	175,000	175,000	0	175,000
2010-11	71265	C	27,466	0	27,466	0	27,466
2010-11	71362	O	0	35,183	35,183	0	35,183
2011-12	71433	O	29,234	33,555	62,789	0	62,789
2011-12	71672	O	9,269	150,731	160,000	0	160,000
2011-12	71687	O	247,322	136,264	383,586	0	250,000
2011-12	71874	O	0	185,000	185,000	0	185,000
2011-12	72156	O	0	40,000	40,000	0	40,000
2007-08	GL058822	C	31,618	0	31,618	0	31,618
2007-08	GL058951	C	32,201	0	32,201	0	32,201
2007-08	GL059648	C	43,814	0	43,814	0	43,814
2007-08	GL059998	C	50,219	0	50,219	-2,500	50,219
2008-09	GL060694	O	31,473	1,000	32,473	0	32,473
2009-10	GL060954	C	302,268	0	302,268	0	250,000
Total			1,375,662	772,583	2,148,245	-2,500	1,907,710

ABAG PLAN

**Calculation of Experience Modification Factor & Premium
2013-14 VS. 2014-15 Premium Calculation
San Carlos**

	2013-14	2014-15	% Change
(1) 5-Year Limited Losses	\$881,789	\$922,525	4.6%
(2) 5-Year Payrolls (00)	\$509,562	\$489,472	-3.9%
(3) % 5-Year Limited Losses	3.9%	3.9%	-0.8%
(4) % 5-Year Payrolls (00)	2.6%	2.5%	-2.1%
(5) Indicated Differential	1.501	1.521	1.3%
(6) Credibility	0.600	0.600	0.0%
(7) Indicated Ex Mod	130%	131%	0.9%
(8) Adjusted Ex Mod	132%	131%	-0.9%
(9) Prior Ex Mod	166%	132%	-20.4%
(10) Deductible	\$100,000	\$100,000	0.0%
(11) Deductible Factor	1.000	1.000	0.0%
(12) Current Year Payroll (00)	\$95,000	\$74,563	-21.5%
(13) Indicated Loss Funding	\$174,295	\$134,565	-22.8%
(14) Excess Insurance	\$21,847	\$21,984	0.6%
(15) Adjusted Admin Expense	\$143,295	\$77,675	-45.8%
(16) Loss Prevention Expense	\$13,856	\$0	-100.0%
(17) Uncapped Premium	\$353,293	\$234,225	-33.7%
(18) Prior Capped vs. Current Uncapped	\$372,818	\$234,225	-37.2%
(19) Prior Capped vs. Current Capped	\$372,818	\$260,972	-30.0%
(20) Prior Total vs. Current Total	\$372,818	\$260,972	-30.0%

- (1), (2) The 2013-14 calculation included 2007-08 through 2011-12 years and the 2014-15 calculation, 2008-09 through 2012-13 years. Losses are capped at \$250,000 per occurrence.
- (3), (4) Percentage of limited losses and payrolls compared to PLAN.
- (5) (3) / (4)
- (6) [(2) / ((2) + 300,000)]. Ltd to minimum of 0.10 and maximum of 1.00, rounded to nearest 0.10. Assumes that a member with five-year payroll of \$30 million is 50% credible.
- (7) ((5) x (6)) + (1.00 - (6))
- (8) Adjusted for off-balance using payroll as weights.
- (9) Prior Adjusted Ex Mod
- (10) Provided by ABAG.
- (11) \$100K Deductible = 1.000
- (12) Provided by ABAG.
- (13) For 2013-14, {[\$0,000 / Total (12)] x [(11) / Weighted Average of (11)] x (8) x (12)}. \$0,000 is the discounted loss & ALAE at 60% Confidence Level. (4% Discount Rate).
- (14) Allocated to member based on population.
- (15) For 2014-15, Total administrative expense of \$2,850,000 is allocated based on the formula.
- (16) For 2014-15, Total Loss Prevention Expense of \$331,400 is allocated based on budgeted loss prevention expense by member.
- (17) (13) + (14) + (15) + (16)
- (18) Prior Capped from Prior Review. Current Uncapped from (16).
Prior Capped from Prior Review. Current Capped is either the change in (17) capped at 30%,
- (19) or (17) adjusted upward to compensate for capping of other members.
- (19) Prior Actual per ABAG PLAN. Current Capped from (18).

ABAG PLAN

**5-Year Loss & Payroll Comparison
2013-14 VS. 2014-15 Premium Calculation
San Carlos**

I. 5-Year Limited Losses

	<u>2013-14</u>		<u>2014-15</u>
2007-2008	\$205,308		
2008-2009	155,956	2008-2009	\$155,956
2009-2010	484,647	2009-2010	484,647
2010-2011	2,976	2010-2011	2,226
2011-2012	32,902	2011-2012	14,670
		2012-2013	265,026
Total	\$881,789	Total	\$922,525

II. 5-Year Payrolls (00)

	<u>2013-14</u>		<u>2014-15</u>
2007-2008	\$11,284,242		
2008-2009	11,605,617	2008-2009	\$11,605,617
2009-2010	12,176,574	2009-2010	12,176,574
2010-2011	8,221,334	2010-2011	8,221,334
2011-2012	7,668,389	2011-2012	7,668,389
		2012-2013	9,275,254
Total	\$50,956,156	Total	\$48,947,168

ABAG PLAN

**Large Claims Greater than \$25,000 in Incurred Losses
2013-14 VS. 2014-15 Premium Calculation
San Carlos**

I. Large Claims for 2014-15 Calculation.

Fiscal Year	Claim Number	Status	Paid Losses As of 12/31/13	Case Reserves As of 12/31/13	Incurred Losses As of 12/31/13	Recovery	Limited Incurred Losses
2009-10	70871	C	135,275	0	135,275	0	135,275
2012-13	72275	O	45,731	734	46,465	0	46,465
2012-13	72494	O	18,328	156,672	175,000	0	175,000
2008-09	GL060572	C	37,108	0	37,108	0	37,108
2008-09	GL060833	C	81,314	0	81,314	0	81,314
2009-10	GL060858	C	142,266	0	142,266	0	142,266
2009-10	GL060955	C	144,056	0	144,056	0	144,056
Total			604,078	157,406	761,484	0	761,484

ABAG PLAN

**Large Claims Greater than \$25,000 in Incurred Losses
2013-14 VS. 2014-15 Premium Calculation
San Carlos**

I. Large Claims for 2013-14 Calculation.

Fiscal Year	Claim Number	Status	Paid Losses As of 12/31/12	Case Reserves As of 12/31/12	Incurred Losses As of 12/31/12	Recovery	Limited Incurred Losses
2009-10	70871	C	135,275	0	135,275	0	135,275
2007-08	GL059406	C	154,284	0	154,284	0	154,284
2008-09	GL060572	O	37,108	0	37,108	0	37,108
2008-09	GL060833	C	81,314	0	81,314	0	81,314
2009-10	GL060858	C	142,266	0	142,266	0	142,266
2009-10	GL060955	C	144,056	0	144,056	0	144,056
Total			694,303	0	694,303	0	694,303

ABAG PLAN

**Calculation of Experience Modification Factor & Premium
2013-14 VS. 2014-15 Premium Calculation
Saratoga**

	2013-14	2014-15	% Change
(1) 5-Year Limited Losses	\$400,236	\$222,796	-44.3%
(2) 5-Year Payrolls (00)	\$272,673	\$277,252	1.7%
(3) % 5-Year Limited Losses	1.8%	0.9%	-47.2%
(4) % 5-Year Payrolls (00)	1.4%	1.4%	3.6%
(5) Indicated Differential	1.273	0.648	-49.1%
(6) Credibility	0.500	0.500	0.0%
(7) Indicated Ex Mod	114%	82%	-27.5%
(8) Adjusted Ex Mod	115%	82%	-28.8%
(9) Prior Ex Mod	134%	115%	-13.7%
(10) Deductible	\$25,000	\$25,000	0.0%
(11) Deductible Factor	1.343	1.342	-0.1%
(12) Current Year Payroll (00)	\$58,180	\$58,294	0.2%
(13) Indicated Loss Funding	\$125,273	\$88,665	-29.2%
(14) Excess Insurance	\$23,194	\$23,203	0.0%
(15) Adjusted Admin Expense	\$59,884	\$66,668	11.3%
(16) Loss Prevention Expense	\$9,560	\$0	-100.0%
(17) Uncapped Premium	\$217,910	\$178,537	-18.1%
(18) Prior Capped vs. Current Uncapped	\$229,953	\$178,537	-22.4%
(19) Prior Capped vs. Current Capped	\$229,953	\$178,188	-22.5%
(20) Prior Total vs. Current Total	\$229,953	\$178,188	-22.5%

- (1), (2) The 2013-14 calculation included 2007-08 through 2011-12 years and the 2014-15 calculation, 2008-09 through 2012-13 years. Losses are capped at \$250,000 per occurrence.
- (3), (4) Percentage of limited losses and payrolls compared to PLAN.
- (5) (3) / (4)
- (6) $[(2) / ((2) + 300,000)]$. Ltd to minimum of 0.10 and maximum of 1.00, rounded to nearest 0.10. Assumes that a member with five-year payroll of \$30 million is 50% credible.
- (7) $((5) \times (6)) + (1.00 - (6))$
- (8) Adjusted for off-balance using payroll as weights.
- (9) Prior Adjusted Ex Mod
- (10) Provided by ABAG.
- (11) \$100K Deductible = 1.000
- (12) Provided by ABAG.
- (13) For 2013-14, $\{[\$0,000 / \text{Total (12)}] \times [(11) / \text{Weighted Average of (11)}] \times (8) \times (12)\}$. \$0,000 is the discounted loss & ALAE at 60% Confidence Level. (4% Discount Rate).
- (14) Allocated to member based on population.
- (15) For 2014-15, Total administrative expense of \$2,850,000 is allocated based on the formula.
- (16) For 2014-15, Total Loss Prevention Expense of \$331,400 is allocated based on budgeted loss prevention expense by member.
- (17) (13) + (14) + (15) + (16)
- (18) Prior Capped from Prior Review. Current Uncapped from (16).
Prior Capped from Prior Review. Current Capped is either the change in (17) capped at 30%,
- (19) or (17) adjusted upward to compensate for capping of other members.
- (19) Prior Actual per ABAG PLAN. Current Capped from (18).

ABAG PLAN

**5-Year Loss & Payroll Comparison
2013-14 VS. 2014-15 Premium Calculation
Saratoga**

I. 5-Year Limited Losses

	<u>2013-14</u>		<u>2014-15</u>
2007-2008	\$201,918		
2008-2009	107,999	2008-2009	\$107,999
2009-2010	433	2009-2010	433
2010-2011	86,200	2010-2011	86,200
2011-2012	3,685	2011-2012	28,163
		2012-2013	0
Total	\$400,236	Total	\$222,796

II. 5-Year Payrolls (00)

	<u>2013-14</u>		<u>2014-15</u>
2007-2008	\$4,994,789		
2008-2009	5,371,124	2008-2009	\$5,371,124
2009-2010	6,275,864	2009-2010	6,275,864
2010-2011	5,306,020	2010-2011	5,306,020
2011-2012	5,319,467	2011-2012	5,319,467
		2012-2013	5,452,737
Total	\$27,267,264	Total	\$27,725,212

ABAG PLAN

**Large Claims Greater than \$25,000 in Incurred Losses
2013-14 VS. 2014-15 Premium Calculation
Saratoga**

I. Large Claims for 2014-15 Calculation.

Fiscal Year	Claim Number	Status	Paid Losses As of 12/31/13	Case Reserves As of 12/31/13	Incurred Losses As of 12/31/13	Recovery	Limited Incurred Losses
2010-11	71461	C	80,765	0	80,765	-16,153	64,612
2008-09	GL060696	C	56,159	0	56,159	0	56,159
2008-09	GL060810	C	51,840	0	51,840	0	51,840
Total			188,764	0	188,764	-16,153	172,611

ABAG PLAN

**Large Claims Greater than \$25,000 in Incurred Losses
2013-14 VS. 2014-15 Premium Calculation
Saratoga**

I. Large Claims for 2013-14 Calculation.

Fiscal Year	Claim Number	Status	Paid Losses As of 12/31/12	Case Reserves As of 12/31/12	Incurred Losses As of 12/31/12	Recovery	Limited Incurred Losses
2010-11	71461	C	80,765	0	80,765	-16,153	80,765
2007-08	GL059226	C	101,070	0	101,070	0	101,070
2007-08	GL059453	C	97,541	0	97,541	0	97,541
2008-09	GL060696	C	56,159	0	56,159	0	56,159
2008-09	GL060810	C	51,840	0	51,840	0	51,840
Total			387,375	0	387,375	-16,153	387,375

ABAG PLAN

Calculation of Experience Modification Factor & Premium
2013-14 VS. 2014-15 Premium Calculation
South SF

	2013-14	2014-15	% Change
(1) 5-Year Limited Losses	\$1,371,704	\$1,942,565	41.6%
(2) 5-Year Payrolls (00)	\$2,159,024	\$2,149,447	-0.4%
(3) % 5-Year Limited Losses	6.1%	8.1%	34.2%
(4) % 5-Year Payrolls (00)	11.0%	11.1%	1.5%
(5) Indicated Differential	0.551	0.729	32.3%
(6) Credibility	0.900	0.900	0.0%
(7) Indicated Ex Mod	60%	76%	26.9%
(8) Adjusted Ex Mod	60%	75%	24.6%
(9) Prior Ex Mod	68%	60%	-10.9%
(10) Deductible	\$100,000	\$100,000	0.0%
(11) Deductible Factor	1.000	1.000	0.0%
(12) Current Year Payroll (00)	\$432,932	\$435,811	0.7%
(13) Indicated Loss Funding	\$363,980	\$453,217	24.5%
(14) Excess Insurance	\$48,889	\$49,214	0.7%
(15) Adjusted Admin Expense	\$125,619	\$159,575	27.0%
(16) Loss Prevention Expense	\$17,813	\$0	-100.0%
(17) Uncapped Premium	\$556,301	\$662,005	19.0%
(18) Prior Capped vs. Current Uncapped	\$587,044	\$662,005	12.8%
(19) Prior Capped vs. Current Capped	\$587,044	\$660,713	12.5%
(20) Prior Total vs. Current Total	\$587,044	\$660,713	12.5%

- (1), (2) The 2013-14 calculation included 2007-08 through 2011-12 years and the 2014-15 calculation, 2008-09 through 2012-13 years. Losses are capped at \$250,000 per occurrence.
- (3), (4) Percentage of limited losses and payrolls compared to PLAN.
 - (5) (3) / (4)
 - (6) [(2) / ((2) + 300,000)]. Ltd to minimum of 0.10 and maximum of 1.00, rounded to nearest 0.10. Assumes that a member with five-year payroll of \$30 million is 50% credible.
 - (7) ((5) x (6)) + (1.00 - (6))
 - (8) Adjusted for off-balance using payroll as weights.
 - (9) Prior Adjusted Ex Mod
 - (10) Provided by ABAG.
 - (11) \$100K Deductible = 1.000
 - (12) Provided by ABAG.
 - (13) For 2013-14, {[\$0,000 / Total (12)] x [(11) / Weighted Average of (11)] x (8) x (12)}. \$0,000 is the discounted loss & ALAE at 60% Confidence Level. (4% Discount Rate).
 - (14) Allocated to member based on population.
 - (15) For 2014-15, Total administrative expense of \$2,850,000 is allocated based on the formula.
 - (16) For 2014-15, Total Loss Prevention Expense of \$331,400 is allocated based on budgeted loss prevention expense by member.
 - (17) (13) + (14) + (15) + (16)
 - (18) Prior Capped from Prior Review. Current Uncapped from (16).
Prior Capped from Prior Review. Current Capped is either the change in (17) capped at 30%,
 - (19) or (17) adjusted upward to compensate for capping of other members.
 - (19) Prior Actual per ABAG PLAN. Current Capped from (18).

ABAG PLAN

**5-Year Loss & Payroll Comparison
2013-14 VS. 2014-15 Premium Calculation
South SF**

I. 5-Year Limited Losses

	<u>2013-14</u>		<u>2014-15</u>
2007-2008	\$211,325	2008-2009	\$231,998
2008-2009	231,998	2009-2010	68,789
2009-2010	68,789	2010-2011	26,947
2010-2011	28,222	2011-2012	1,090,351
2011-2012	831,369	2012-2013	524,480
Total	\$1,371,704	Total	\$1,942,565

II. 5-Year Payrolls (00)

	<u>2013-14</u>		<u>2014-15</u>
2007-2008	\$43,420,258	2008-2009	\$44,962,478
2008-2009	44,962,478	2009-2010	42,935,157
2009-2010	42,935,157	2010-2011	42,301,003
2010-2011	42,301,003	2011-2012	42,283,545
2011-2012	42,283,545	2012-2013	42,462,500
Total	\$215,902,441	Total	\$214,944,684

ABAG PLAN

Large Claims Greater than \$25,000 in Incurred Losses
2013-14 VS. 2014-15 Premium Calculation
South SF

I. Large Claims for 2014-15 Calculation.

Fiscal Year	Claim Number	Status	Paid Losses As of 12/31/13	Case Reserves As of 12/31/13	Incurred Losses As of 12/31/13	Recovery	Limited Incurred Losses
2009-10	70421	C	26,863	0	26,863	0	26,863
2008-09	70798	O	55,737	39,263	95,000	0	95,000
2011-12	71398	C	53,632	0	53,632	0	53,632
2008-09	71432	O	16,409	33,591	50,000	0	50,000
2011-12	71839	C	136,246	0	136,246	0	136,246
2011-12	71841	O	48,756	801,244	850,000	0	250,000
2011-12	71907	O	16,481	108,519	125,000	0	125,000
2011-12	71926	O	11,697	43,303	55,000	0	55,000
2011-12	71960	O	150,405	288,751	439,156	0	250,000
2011-12	71979	O	13,805	86,195	100,000	0	100,000
2011-12	71993	O	17,415	82,585	100,000	0	100,000
2012-13	72260	O	651	802,649	803,300	0	250,000
2012-13	72449	O	10,942	89,058	100,000	0	100,000
2012-13	72559	O	0	50,000	50,000	0	50,000
2012-13	72788	O	0	25,000	25,000	0	25,000
2012-13	72992	O	0	25,000	25,000	0	25,000
2008-09	GL060737	C	37,755	0	37,755	0	37,755
Total			596,793	2,475,159	3,071,952	0	1,729,496

ABAG PLAN

**Large Claims Greater than \$25,000 in Incurred Losses
2013-14 VS. 2014-15 Premium Calculation
South SF**

I. Large Claims for 2013-14 Calculation.

Fiscal Year	Claim Number	Status	Paid Losses As of 12/31/12	Case Reserves As of 12/31/12	Incurred Losses As of 12/31/12	Recovery	Limited Incurred Losses
2009-10	70421	C	26,863	0	26,863	0	26,863
2008-09	70798	O	55,477	39,523	95,000	0	95,000
2007-08	70927	O	6,338	93,662	100,000	0	100,000
2011-12	71398	C	53,632	0	53,632	0	53,632
2008-09	71432	O	1,741	48,259	50,000	0	50,000
2011-12	71960	O	13,761	840,004	853,765	0	250,000
2011-12	71841	O	2,427	847,573	850,000	0	250,000
2007-08	GL059370	O	45,539	22,464	68,002	0	68,002
2008-09	GL060737	C	37,755	0	37,755	0	37,755
2011-12	71839	O	136,246	63,755	200,000	0	200,000
Total			379,779	1,955,238	2,335,018	0	1,131,252

ABAG PLAN

**Calculation of Experience Modification Factor & Premium
2013-14 VS. 2014-15 Premium Calculation
Suisun City**

	2013-14	2014-15	% Change
(1) 5-Year Limited Losses	\$616,028	\$604,814	-1.8%
(2) 5-Year Payrolls (00)	\$325,925	\$324,404	-0.5%
(3) % 5-Year Limited Losses	2.7%	2.5%	-6.9%
(4) % 5-Year Payrolls (00)	1.7%	1.7%	1.5%
(5) Indicated Differential	1.640	1.504	-8.3%
(6) Credibility	0.500	0.500	0.0%
(7) Indicated Ex Mod	132%	125%	-5.1%
(8) Adjusted Ex Mod	134%	125%	-6.9%
(9) Prior Ex Mod	178%	134%	-24.9%
(10) Deductible	\$25,000	\$25,000	0.0%
(11) Deductible Factor	1.343	1.342	-0.1%
(12) Current Year Payroll (00)	\$57,090	\$60,062	5.2%
(13) Indicated Loss Funding	\$142,734	\$138,785	-2.8%
(14) Excess Insurance	\$21,372	\$21,142	-1.1%
(15) Adjusted Admin Expense	\$81,687	\$76,194	-6.7%
(16) Loss Prevention Expense	\$11,411	\$0	-100.0%
(17) Uncapped Premium	\$257,203	\$236,121	-8.2%
(18) Prior Capped vs. Current Uncapped	\$271,417	\$236,121	-13.0%
(19) Prior Capped vs. Current Capped	\$271,417	\$235,660	-13.2%
(20) Prior Total vs. Current Total	\$271,417	\$235,660	-13.2%

- (1), (2) The 2013-14 calculation included 2007-08 through 2011-12 years and the 2014-15 calculation, 2008-09 through 2012-13 years. Losses are capped at \$250,000 per occurrence.
- (3), (4) Percentage of limited losses and payrolls compared to PLAN.
- (5) (3) / (4)
- (6) [(2) / ((2) + 300,000)]. Ltd to minimum of 0.10 and maximum of 1.00, rounded to nearest 0.10. Assumes that a member with five-year payroll of \$30 million is 50% credible.
- (7) ((5) x (6)) + (1.00 - (6))
- (8) Adjusted for off-balance using payroll as weights.
- (9) Prior Adjusted Ex Mod
- (10) Provided by ABAG.
- (11) \$100K Deductible = 1.000
- (12) Provided by ABAG.
- (13) For 2013-14, {[\$0,000 / Total (12)] x [(11) / Weighted Average of (11)] x (8) x (12)}. \$0,000 is the discounted loss & ALAE at 60% Confidence Level. (4% Discount Rate).
- (14) Allocated to member based on population.
- (15) For 2014-15, Total administrative expense of \$2,850,000 is allocated based on the formula.
- (16) For 2014-15, Total Loss Prevention Expense of \$331,400 is allocated based on budgeted loss prevention expense by member.
- (17) (13) + (14) + (15) + (16)
- (18) Prior Capped from Prior Review. Current Uncapped from (16).
Prior Capped from Prior Review. Current Capped is either the change in (17) capped at 30%,
- (19) or (17) adjusted upward to compensate for capping of other members.
- (19) Prior Actual per ABAG PLAN. Current Capped from (18).

ABAG PLAN

**5-Year Loss & Payroll Comparison
2013-14 VS. 2014-15 Premium Calculation
Suisun City**

I. 5-Year Limited Losses

	<u>2013-14</u>		<u>2014-15</u>
2007-2008	\$16,298		
2008-2009	206,869	2008-2009	\$276,869
2009-2010	67,288	2009-2010	82,524
2010-2011	298,774	2010-2011	195,802
2011-2012	26,799	2011-2012	26,482
		2012-2013	23,137
Total	\$616,028	Total	\$604,814

II. 5-Year Payrolls (00)

	<u>2013-14</u>		<u>2014-15</u>
2007-2008	\$5,919,993		
2008-2009	6,861,666	2007-2008	\$6,861,666
2009-2010	6,515,837	2009-2010	6,515,837
2010-2011	6,725,036	2010-2011	6,725,036
2011-2012	6,569,921	2011-2012	6,569,921
		2012-2013	5,767,922
Total	\$32,592,452	Total	\$32,440,382

ABAG PLAN

**Large Claims Greater than \$25,000 in Incurred Losses
2013-14 VS. 2014-15 Premium Calculation
Suisun City**

I. Large Claims for 2014-15 Calculation.

Fiscal Year	Claim Number	Status	Paid Losses As of 12/31/13	Case Reserves As of 12/31/13	Incurred Losses As of 12/31/13	Recovery	Limited Incurred Losses
2008-09	70146	C	68,861	0	68,861	0	68,861
2010-11	70849	C	27,073	0	27,073	0	27,073
2009-10	71298	C	75,236	0	75,236	0	75,236
2010-11	71622	O	53,412	101,116	154,528	0	154,528
2008-09	71730	O	90,235	44,765	135,000	0	135,000
2011-12	72213	O	4,375	20,625	25,000	0	25,000
2008-09	AL060385	C	67,292	0	67,292	0	67,292
Total			386,484	166,506	552,990	0	552,990

ABAG PLAN

**Large Claims Greater than \$25,000 in Incurred Losses
2013-14 VS. 2014-15 Premium Calculation
Suisun City**

I. Large Claims for 2013-14 Calculation.

Fiscal Year	Claim Number	Status	Paid Losses As of 12/31/12	Case Reserves As of 12/31/12	Incurred Losses As of 12/31/12	Recovery	Limited Incurred Losses
2008-09	70146	C	68,861	0	68,861	0	68,861
2010-11	70849	C	27,073	0	27,073	0	27,073
2009-10	71298	O	40,736	19,264	60,000	0	60,000
2010-11	71622	O	4,159	648,841	653,000	0	250,000
2008-09	71730	O	40,939	24,061	65,000	0	65,000
2008-09	AL060385	C	67,292	0	67,292	0	67,292
Total			249,060	692,166	941,226	0	538,226

ABAG PLAN

Calculation of Experience Modification Factor & Premium
2013-14 VS. 2014-15 Premium Calculation
Tiburon

	2013-14	2014-15	% Change
(1) 5-Year Limited Losses	\$402,727	\$321,759	-20.1%
(2) 5-Year Payrolls (00)	\$201,075	\$192,645	-4.2%
(3) % 5-Year Limited Losses	1.8%	1.3%	-24.3%
(4) % 5-Year Payrolls (00)	1.0%	1.0%	-2.3%
(5) Indicated Differential	1.738	1.347	-22.5%
(6) Credibility	0.400	0.400	0.0%
(7) Indicated Ex Mod	130%	114%	-12.1%
(8) Adjusted Ex Mod	131%	113%	-13.6%
(9) Prior Ex Mod	103%	131%	27.8%
(10) Deductible	\$50,000	\$50,000	0.0%
(11) Deductible Factor	1.192	1.190	-0.2%
(12) Current Year Payroll (00)	\$35,848	\$39,525	10.3%
(13) Indicated Loss Funding	\$78,052	\$73,672	-5.6%
(14) Excess Insurance	\$6,846	\$6,772	-1.1%
(15) Adjusted Admin Expense	\$63,715	\$72,700	14.1%
(16) Loss Prevention Expense	\$6,532	\$0	-100.0%
(17) Uncapped Premium	\$155,145	\$153,144	-1.3%
(18) Prior Capped vs. Current Uncapped	\$141,571	\$153,144	8.2%
(19) Prior Capped vs. Current Capped	\$141,571	\$152,845	8.0%
(20) Prior Total vs. Current Total	\$141,571	\$152,845	8.0%

- (1), (2) The 2013-14 calculation included 2007-08 through 2011-12 years and the 2014-15 calculation, 2008-09 through 2012-13 years. Losses are capped at \$250,000 per occurrence.
- (3), (4) Percentage of limited losses and payrolls compared to PLAN.
 - (5) (3) / (4)
 - (6) [(2) / ((2) + 300,000)]. Ltd to minimum of 0.10 and maximum of 1.00, rounded to nearest 0.10. Assumes that a member with five-year payroll of \$30 million is 50% credible.
 - (7) ((5) x (6)) + (1.00 - (6))
 - (8) Adjusted for off-balance using payroll as weights.
 - (9) Prior Adjusted Ex Mod
 - (10) Provided by ABAG.
 - (11) \$100K Deductible = 1.000
 - (12) Provided by ABAG.
 - (13) For 2013-14, {[\$0,000 / Total (12)] x [(11) / Weighted Average of (11)] x (8) x (12)}. \$0,000 is the discounted loss & ALAE at 60% Confidence Level. (4% Discount Rate).
 - (14) Allocated to member based on population.
 - (15) For 2014-15, Total administrative expense of \$2,850,000 is allocated based on the formula.
 - (16) For 2014-15, Total Loss Prevention Expense of \$331,400 is allocated based on budgeted loss prevention expense by member.
 - (17) (13) + (14) + (15) + (16)
 - (18) Prior Capped from Prior Review. Current Uncapped from (16). Prior Capped from Prior Review. Current Capped is either the change in (17) capped at 30%,
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 - (19) Prior Actual per ABAG PLAN. Current Capped from (18).

ABAG PLAN

5-Year Loss & Payroll Comparison
2013-14 VS. 2014-15 Premium Calculation
Tiburon

I. 5-Year Limited Losses

	<u>2013-14</u>		<u>2014-15</u>
2007-2008	\$29,953		
2008-2009	4,774	2008-2009	\$4,774
2009-2010	3,000	2009-2010	3,000
2010-2011	235,000	2010-2011	250,000
2011-2012	130,000	2011-2012	16,803
		2012-2013	47,181
Total	\$402,727	Total	\$321,759

II. 5-Year Payrolls (00)

	<u>2013-14</u>		<u>2014-15</u>
2007-2008	\$4,029,626		
2008-2009	4,223,506	2008-2009	\$4,223,506
2009-2010	4,913,403	2009-2010	4,913,403
2010-2011	3,736,134	2010-2011	3,736,134
2011-2012	3,204,841	2011-2012	3,204,841
		2012-2013	3,186,653
Total	\$20,107,510	Total	\$19,264,537

ABAG PLAN

**Large Claims Greater than \$25,000 in Incurred Losses
2013-14 VS. 2014-15 Premium Calculation
Tiburon**

I. Large Claims for 2014-15 Calculation.

Fiscal Year	Claim Number	Status	Paid Losses As of 12/31/13	Case Reserves As of 12/31/13	Incurred Losses As of 12/31/13	Recovery	Limited Incurred Losses
2010-11	71420	O	164,051	85,949	250,000	0	250,000
2012-13	72419	O	5,621	25,000	30,621	0	30,621
Total			169,672	110,949	280,621	0	280,621

ABAG PLAN

**Large Claims Greater than \$25,000 in Incurred Losses
2013-14 VS. 2014-15 Premium Calculation
Tiburon**

I. Large Claims for 2013-14 Calculation.

Fiscal Year	Claim Number	Status	Paid Losses As of 12/31/12	Case Reserves As of 12/31/12	Incurred Losses As of 12/31/12	Recovery	Limited Incurred Losses
2010-11	71420	O	129,973	105,027	235,000	0	235,000
2011-12	71550	O	7,059	117,941	125,000	0	125,000
Total			137,032	222,968	360,000	0	360,000

ABAG PLAN

Calculation of Experience Modification Factor & Premium
2013-14 VS. 2014-15 Premium Calculation
Woodside

	2013-14	2014-15	% Change
(1) 5-Year Limited Losses	\$256,578	\$251,500	-2.0%
(2) 5-Year Payrolls (00)	\$121,383	\$115,969	-4.5%
(3) % 5-Year Limited Losses	1.1%	1.1%	-7.1%
(4) % 5-Year Payrolls (00)	0.6%	0.6%	-2.6%
(5) Indicated Differential	1.834	1.750	-4.6%
(6) Credibility	0.300	0.300	0.0%
(7) Indicated Ex Mod	125%	122%	-2.0%
(8) Adjusted Ex Mod	127%	122%	-3.8%
(9) Prior Ex Mod	133%	127%	-5.0%
(10) Deductible	\$25,000	\$25,000	0.0%
(11) Deductible Factor	1.343	1.342	-0.1%
(12) Current Year Payroll (00)	\$19,149	\$18,471	-3.5%
(13) Indicated Loss Funding	\$45,347	\$41,755	-7.9%
(14) Excess Insurance	\$4,114	\$4,126	0.3%
(15) Adjusted Admin Expense	\$45,347	\$33,722	-25.6%
(16) Loss Prevention Expense	\$4,995	\$0	-100.0%
(17) Uncapped Premium	\$99,802	\$79,604	-20.2%
(18) Prior Capped vs. Current Uncapped	\$102,465	\$79,604	-22.3%
(19) Prior Capped vs. Current Capped	\$102,465	\$79,448	-22.5%
(20) Prior Total vs. Current Total	\$102,465	\$79,448	-22.5%

- (1), (2) The 2013-14 calculation included 2007-08 through 2011-12 years and the 2014-15 calculation, 2008-09 through 2012-13 years. Losses are capped at \$250,000 per occurrence.
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- (5) (3) / (4)
- (6) [(2) / ((2) + 300,000)]. Ltd to minimum of 0.10 and maximum of 1.00, rounded to nearest 0.10. Assumes that a member with five-year payroll of \$30 million is 50% credible.
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- (9) Prior Adjusted Ex Mod
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- (11) \$100K Deductible = 1.000
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- (19) Prior Actual per ABAG PLAN. Current Capped from (18).

ABAG PLAN

**5-Year Loss & Payroll Comparison
2013-14 VS. 2014-15 Premium Calculation
Woodside**

I. 5-Year Limited Losses

	<u>2013-14</u>		<u>2014-15</u>
2007-2008	\$5,178		
2008-2009	0	2008-2009	\$0
2009-2010	251,300	2009-2010	251,300
2010-2011	50	2010-2011	0
2011-2012	50	2011-2012	0
		2012-2013	200
Total	\$256,578	Total	\$251,500

II. 5-Year Payrolls (00)

	<u>2013-14</u>		<u>2014-15</u>
2007-2008	\$2,492,169		
2008-2009	2,690,895	2008-2009	\$2,690,895
2009-2010	2,346,474	2009-2010	2,346,474
2010-2011	2,385,546	2010-2011	2,385,546
2011-2012	2,223,190	2011-2012	2,223,190
		2012-2013	1,950,844
Total	\$12,138,273	Total	\$11,596,949

ABAG PLAN

**Large Claims Greater than \$25,000 in Incurred Losses
2013-14 VS. 2014-15 Premium Calculation
Woodside**

I. Large Claims for 2014-15 Calculation.

Fiscal Year	Claim Number	Status	Paid Losses As of 12/31/13	Case Reserves As of 12/31/13	Incurred Losses As of 12/31/13	Recovery	Limited Incurred Losses
2009-10	70959	C	357,783	0	357,783	0	250,000
Total			357,783	0	357,783	0	250,000

ABAG PLAN

**Large Claims Greater than \$25,000 in Incurred Losses
2013-14 VS. 2014-15 Premium Calculation
Woodside**

I. Large Claims for 2013-14 Calculation.

Fiscal Year	Claim Number	Status	Paid Losses As of 12/31/12	Case Reserves As of 12/31/12	Incurred Losses As of 12/31/12	Recovery	Limited Incurred Losses
2009-10	70959	O	335,261	39,789	375,050	0	250,000
Total			335,261	39,789	375,050	0	250,000

Agenda Item # 5a

**Excess Liability and
Property Insurance Coverage**



Association of Bay Area Governments

Date: April 9, 2014
To: ABAG PLAN Actuary Committee
From: James Hill, PLAN Risk Management Officer
Subject: Insurance Program Review – PLAN Program Enhancement Options

Action Required

None. For information and discussion only. This report was also provided to the Risk Management Committee.

Overview

Staff will provide Actuary Committee members with a brief update on the status of PLAN Liability program renewal, notably Liability SIR reduction options.

Highlights

ABAG PLAN has historically retained \$5 million in program self-insured losses per occurrence for the Liability program. PLAN purchases XS insurance of \$20 million with an option to procure an additional \$25 million XS coverage for members on a voluntary basis. In accordance with our funding policy, PLAN staff, at the direction of the Board, is reviewing program SIR options to ensure the program meets our current funding objectives.

Current activity includes requesting PLAN insurance broker to provide quotes for reducing program retention and to evaluate the cost/benefits of doing so. In addition, staff is exploring a pooled excess option (CJPRMA) to evaluate the benefits associated with utilizing a pool solution for the excess layer (rather than traditional XS insurance). ABAG SHARP currently utilizes an XS pool solution (LAWCX) to manage XS WC risk over the SHARP program retention.

Our broker (Alliant) and the CJPRMA program underwriters have been provided all data necessary to accomplish our objectives (required due diligence). The underwriting reviews have been favorable; however, we are still awaiting the pricing implications.

Summary

A high program SIR requires maintenance of sufficient assets to pay expected losses at the highest level of program credibility (90%).

As noted in our last annual Actuarial report, actual losses have exceeded expected losses for the past three years. This has had a dramatic impact on program surplus and PLAN funding ratios. Our goal is to evaluate ways to ensure that PLAN has sufficient assets to pay expected losses and maintain stability in funding to avoid substantial fluctuations in deposits or program assets.

Variable retention scenarios will be reviewed by both the Actuary and Finance Committees to analyze the impact on program funding, as well as, any financial savings which can be achieved by reducing program retention.