



# JUDICIAL COUNCIL OF CALIFORNIA

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## JUDICIAL BRANCH WORKERS' COMPENSATION PROGRAM ADVISORY COMMITTEE

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**TAB 1**



# JUDICIAL COUNCIL OF CALIFORNIA

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JUDICIAL BRANCH WORKERS'  
COMPENSATION PROGRAM  
ADVISORY COMMITTEE

[www.courts.ca.gov/jbwcp.htm](http://www.courts.ca.gov/jbwcp.htm)  
[jbwcp@jud.ca.gov](mailto:jbwcp@jud.ca.gov)

## MINUTES OF ACTION BY EMAIL BETWEEN MEETINGS APRIL 13, 2018

### **Email Proposal**

The Judicial Branch Workers' Compensation Program Advisory Committee was asked to take action on the 2018 Annual Agenda and the Meeting Minutes from the February 23 Advisory Committee for inclusion in the May 24, 2018 Judicial Council meeting.

### **Notice**

On April 6, 2018, a notice was posted advising that the Judicial Branch Workers' Compensation Program Advisory Committee was proposing to act by email between meetings under California Rules of Court, rule 10.75(o)(1)(B).

### **Public Comment**

In accordance with California Rules of Court, rule 10.75(o)(2), written comments pertaining to the proposed action were accepted before the committee acted on the proposal. The written comment period began on April 6, 2018, and ended on April 12, 2018. No comments were received.

### **Action Taken**

After the public comment period ended, and on April 12, 2018, committee members were asked to submit their votes on the proposal by April 13, 2018. The majority of voting members approved the proposal to include the 2018 Annual Agenda and the Meeting Minutes from the February 23 Advisory Committee in the May 24, 2018, Judicial Council meeting.

**TAB 2**



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JUDICIAL BRANCH WORKERS'  
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## JUDICIAL BRANCH WORKERS' COMPENSATION PROGRAM ADVISORY COMMITTEE

### OPEN MEETING WITH CLOSED SESSION AGENDA

Open to the Public Unless Indicated as Closed (Cal. Rules of Court, rule 10.75(c) and (d))

OPEN PORTION OF THIS MEETING IS BEING RECORDED

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**Date:** February 22, 2019  
**Time:** (8:30 a.m. registration & check-in) 9:00 a.m. to 3:30 p.m.  
**Location:** Judicial Council of California, Sacramento  
**Public Call-in Number:** 1-877-820-7831, Listen-Only Code: 6896609

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Meeting materials for open portions of the meeting will be posted on the advisory body web page on the California Courts website at least three business days before the meeting.

Agenda items are numbered for identification purposes only and will not necessarily be considered in the indicated order.

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#### I. OPEN MEETING (CAL. RULES OF COURT, RULE 10.75(C)(1))

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##### **Call to Order and Roll Call**

##### **Approval of Minutes**

Approve minutes of the April 13, 2018, Judicial Branch Workers' Compensation Program Advisory Committee meeting.

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#### II. PUBLIC COMMENT (CAL. RULES OF COURT, RULE 10.75(K)(1)-(2))

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##### **In-Person Public Comment**

Members of the public requesting to speak during the public comment portion of the meeting must place the speaker's name, the name of the organization that the speaker represents if any, and the agenda item that the public comment will address, on the public comment sign-up sheet. The sign-up sheet will be available at the meeting location at least one hour prior to the meeting start time. The Chair will establish speaking limits at the beginning of the public comment session. While the advisory body welcomes and encourages public comment, time may not permit all persons requesting to speak to be heard at this meeting.

**Written Comment**

In accordance with California Rules of Court, rule 10.75(k)(1), written comments pertaining to any agenda item of a regularly noticed open meeting can be submitted up to one complete business day before the meeting. For this specific meeting, comments should be e-mailed to [jbwcp@jud.ca.gov](mailto:jbwcp@jud.ca.gov) or mailed or delivered to Judicial Council of California, 455 Golden Gate Avenue, San Francisco, CA 94102, attention: Mr. Patrick Farrales. Only written comments received by 10:00 a.m. on February 21, 2019 will be provided to advisory body members prior to the start of the meeting.

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**III. INFORMATION ONLY AND POSSIBLE ACTION ITEMS (ITEMS 1 – 8)**

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**Item 1**

**JBWCP Advisory Committee Meeting Agenda (No Action Required)**

Overview of the agenda topics for this meeting.

Presenter: *Ms. Tania Ugrin-Capobianco, Chair*

**Item 2**

**Judicial Branch Workers' Compensation Program Updates (No Action Required)**

Discussion of program activities in the second half of fiscal year 2017-2018 and the first half of fiscal year 2018-2019.

Presenter: *Ms. Tania Ugrin-Capobianco, Chair*

**Item 3**

**Recommendations from the Deficit Reduction Alternatives Working Group (Action Required)**

Consideration of recommendations regarding the implementation of initiatives aimed at reducing the program's deficit.

Presenters: *Ms. Tania Ugrin-Capobianco, Chair*

*Ms. Maria Kato, Judicial Council, Human Resources*

*Ms. Jade Vu, Judicial Council, Human Resources*

**BREAK**            **10:30 a.m. to 10:45 a.m.**

**Item 4**

**Workers' Compensation Metrics & Performance Indicators (No Action Required)**

Review of the JBWCP (Trial Courts and Judiciary) metrics.

Presenters: *Ms. Becky Richard, Manager, York*  
*Ms. Beth Harville, Program Manager, AIMS*

**LUNCH BREAK**            **12:00 p.m. to 1:00 p.m.**

**Item 5**

**Presentation of Draft Actuarial Report and Allocation Results for Fiscal Year 2019-2020  
(Action Required)**

Review of the Outstanding Liabilities and Allocation Report for FY 2019-2020.

Presenter: *Ms. Becky Richard, Manager, York*

**Item 6**

**Review of Options to Reduce the Deficit via Amortization or Increased Confidence Levels  
(Action Required)**

Discuss and develop recommendations for funding methodologies to reduce the program's deficit.

Presenter: *Ms. Becky Richard, Manager, York*

**Item 7**

**Workers' Compensation Oversight (Action Required)**

Review the results of the AIMS Quarterly Spot Checks for FY 2017-2018 and the Annual Audit for FY 2018-2019

Presenter: *Ms. Jacquelyn Miller, Program Manager, York*  
*Ms. Beth Harville, Program Manager, AIMS*

**Item 8**

**Presentation of the Draft Annual Agenda (No Action Required)**

Discuss and propose annual agenda items for FY 2019-2020

Presenter: *Ms. Tania Ugrin-Capobianco, Chair*

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**IV. ADJOURNMENT**

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**Adjourn to Closed Session**

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**V. CLOSED SESSION (CAL. RULES OF COURT, RULE 10.75(D))**

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**Item 9**

**This portion of the meeting is closed as it relates to Rule 10.75(d)(6)**

*Meetings or portions of meetings to discuss content and responses to audit reports that are not yet final. Confidentiality is maintained at these meetings, until an audit is completed and the auditor's report becomes final, to ensure that the auditor's investigation is conducted as efficiently and effectively as possible.*

Discussion regarding the fiscal year 2017-2018 and 2018-2019 third party administrator audit.

**Item 10**

**This portion of the meeting is closed as it relates to Rule 10.75(d)(3)**

*Meetings or portions of meetings to discuss negotiations concerning a contract, labor issue or legislation.*

Discussion regarding the workers' compensation brokerage/risk consulting contract.

**Adjourn Closed Session**



**TAB 3**

# Judicial Branch Workers' Compensation Program

**Advisory Committee Meeting**

**February 22, 2019**



JUDICIAL COUNCIL  
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# Call to Order & Roll Call

9:00 a.m.



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# JBWCP Advisory Committee Roster

**Tania Ugrin-Capobianco, Chair**, Court Executive Officer, Superior Court of California, County of El Dorado

**Kim Bartleson**, Court Executive Officer, Superior Court of California, County of Humboldt

**Colette M. Bruggman**, Assistant Clerk/ Executive Officer, Court of Appeal, Third Appellate District

**Heather Capps**, Benefits and Disability Programs Officer, Superior Court of California, County of Orange

**Joseph Carruesco**, Human Resources Director, Superior Court of California, County of Sacramento

**Stephanie Cvitkovich**, Senior Human Resources Analyst, Superior Court of California, County of San Diego

**Kevin Harrigan**, Court Executive Officer, Superior Court of California, County of Tehama

**Krista LeVier**, Court Executive Officer, Superior Court of California, County of Lake

**Cindia Martinez**, Interim Court Executive Officer, Superior Court of California, County of Glenn

**James Owen**, Director of Finance and Human Resources, Superior Court of California, County of Santa Cruz

**Bryna Smith**, Human Resources Director, Superior Court of California, County of Butte

**Shannon Stone**, Human Resources Director, Superior Court of California, County of Contra Costa

**Hugh K. Swift**, Court Executive Officer, Superior Court of California, County of Stanislaus

**Brian Taylor**, Court Executive Officer, Superior Court of California, County of Solano

**Kimberlie Turner**, Deputy Court Executive Officer, Human Resources & Training, Superior Court of California, County of San Bernardino

**T. Michael Yuen**, Court Executive Officer, Superior Court of California, County of San Francisco



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# Approval of Minutes

**Approve minutes of the April 13, 2018,  
Judicial Branch Workers' Compensation  
Program Advisory Committee meeting**

**(See Tab 1 of Meeting Materials)**



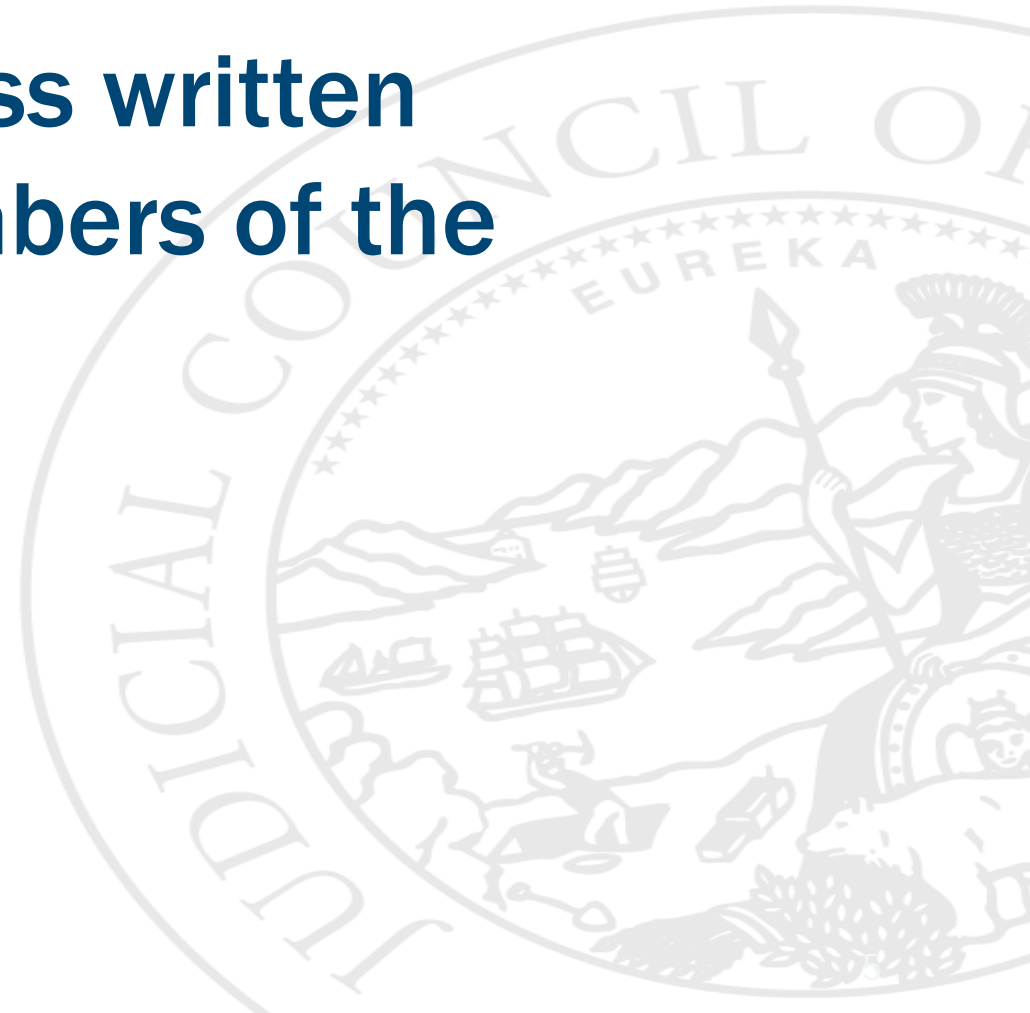
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# Written Comment

**This time is reserved to address written comments submitted by members of the public to the Committee.**



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# Agenda Review

- a. Program Updates
- b. Recommendations from the Deficit Reduction Alternatives Working Group
- c. Workers' Compensation Metrics & Performance Indicators
- d. Presentation of Draft Actuarial Report and Allocation Results for Fiscal Year 2019-2020
- e. Deficit Reduction via Amortization or Increased Confidence Levels
- f. Workers' Compensation Oversight
- g. Annual Agenda
- h. Closed Session



# Program Updates

- **2018 Annual Survey**
- **Workers' Compensation Forums**
- **Revised Service Guidelines & Settlement Authority Policy**
- **State of the Workers' Compensation Fund**
- **Future Medical Claims Closure**





# 2018 Annual Survey

**Participants – Approx. 40 respondents representing 35 courts**

- **22.5 % Executive-level respondents**
- **72.5 % Human Resources respondents**
- **5.0 % Other**



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# 2018 Annual Survey

## Types of Communications

What types of JBWCP communications would interest your court? Please provide the corresponding level of interest for the below:

|   | Very Interested |    | Somewhat Interested |    | Not Interested |   | Unsure |   |
|---|-----------------|----|---------------------|----|----------------|---|--------|---|
| Annual Program Goals  | 30.00%          | 12 | 60.00%              | 24 | 2.50%          | 1 | 7.50%  | 3 |
| Program Updates   | 62.50%          | 25 | 37.50%              | 15 | 0.00%          | 0 | 0.00%  | 0 |
| Legislative Updates   | 70.00%          | 28 | 27.50%              | 11 | 0.00%          | 0 | 2.50%  | 1 |
| Program Performance Metrics (Supplements to AIMS Monthly Reporting) | 22.50%          | 9  | 62.50%              | 25 | 15.00%         | 6 | 0.00%  | 0 |
| Training Resources Available to Members                             | 80.00%          | 32 | 20.00%              | 8  | 0.00%          | 0 | 0.00%  | 0 |

## Settlement Authority Policy Feedback

**The Committee is interested in hearing your feedback regarding the policy and process for settlements at this level.**

Process seems efficient

SAR forms were helpful. Like the flow and well defined steps.

would be nice if local HR could approve settlements <50,000

It was fairly straightforward to authorize a settlement of outstanding claims. I do not believe the settlement was accepted by the claimant however.

We had one claim in this range. We were satisfied with the process and outcome. The ultimate settlement was for less than the authority given.



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# 2018 Annual Survey

## Training

Please rate presentation and content:

|  | Excellent |   | Good   |    | Fair   |   | Poor  |   | Did Not Attend |    |
|--|-----------|---|--------|----|--------|---|-------|---|----------------|----|
| Webinar - WC Settlement Authority Process                        | 8.33%     | 3 | 44.44% | 16 | 5.56%  | 2 | 0.00% | 0 | 41.67%         | 15 |
| Webinar - Claims Service Guidelines                              | 5.56%     | 2 | 47.22% | 17 | 5.56%  | 2 | 0.00% | 0 | 41.67%         | 15 |
| Webinar - How to Use the MPN                                     | 2.78%     | 1 | 36.11% | 13 | 8.33%  | 3 | 0.00% | 0 | 52.78%         | 19 |
| Webinar - Claims Scenario Training                               | 11.11%    | 4 | 27.78% | 10 | 5.56%  | 2 | 0.00% | 0 | 55.56%         | 20 |
| Webinar - Premium Allocation Methodology for 2018                | 8.33%     | 3 | 30.56% | 11 | 16.67% | 6 | 2.78% | 1 | 41.67%         | 15 |
| Webinar - Risk Control Ergonomics                                | 11.11%    | 4 | 41.67% | 15 | 11.11% | 4 | 0.00% | 0 | 36.11%         | 13 |
| Webinar - Appellate Court - General Workers' Compensation Topics | 2.78%     | 1 | 8.33%  | 3  | 2.78%  | 1 | 0.00% | 0 | 86.11%         | 31 |

What information is the most useful and relevant to the court?

Training

Workers Compensation and Ergonomics

Safety and ergonomics training for employees

Ergonomics, safety

I haven't been able to get around the portal that easily.

eRGONOMICS

Ergonomics training

I like the ability to access information on the general safety-related topics on the portal



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# 2018 Annual Survey

## Describe what sort of workers' compensation-related safety resources would be beneficial to your court?

Items for our facility staff

anything on ergonomics of CTIs

Ergonomics

ergonomic training for management and staff. Prevention training and information for staff, specifically for Courtroom Clerks to reduce repetitive stress/strain type of injuries. Basic everyday stretching and methods to avoid, reduce or minimize such injuries.

Ergonomics updates/support

Ergonomic Tip Sheets for staff to be used when I am helping an employee with discomfort. I have been trained by an ergonomist to provide evaluations and have been doing so for years at our Court. Sometimes, it is difficult to find current ergonomic tip sheets that can be provided to an employee to review and start thinking differently about how they are using equipment throughout the day. I have created some tip sheets, but I would find it useful to have sheets about various common ergonomic related issues. It would help me continue being proactive with staff throughout the year.

Training webinars

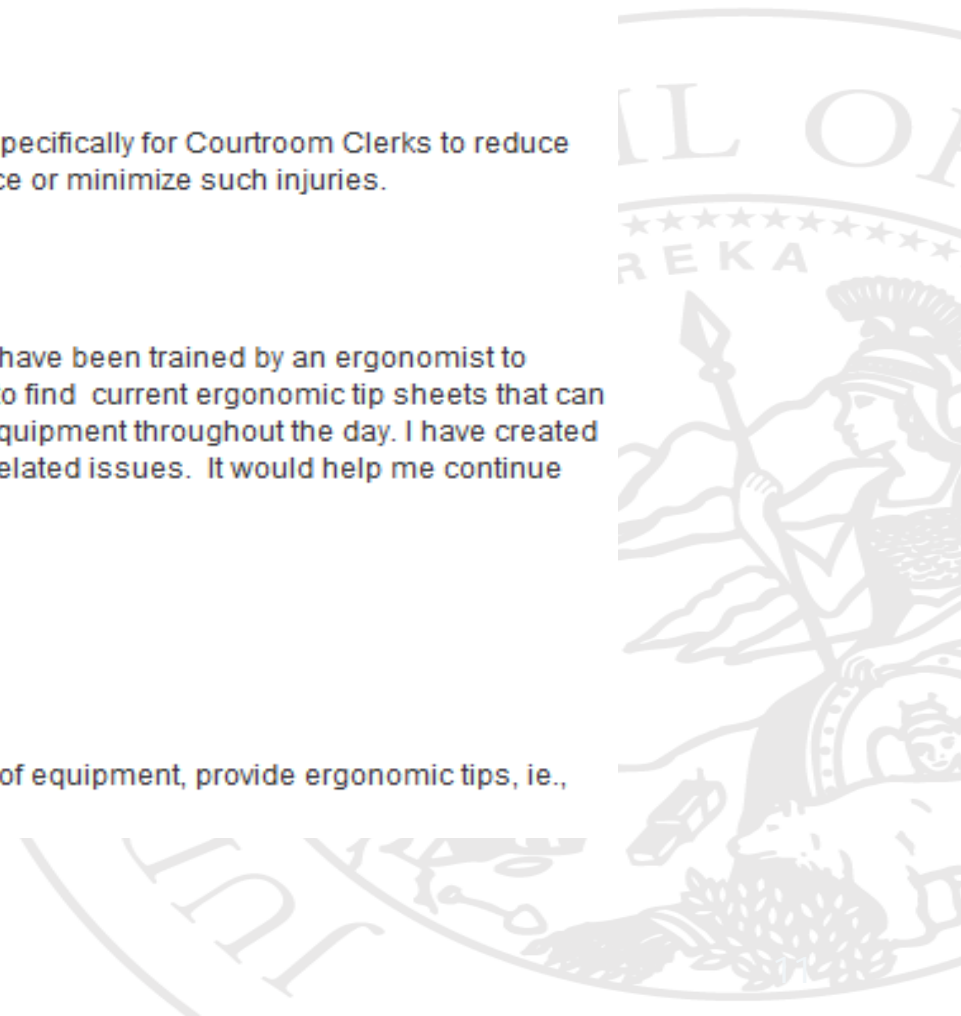
Informative handouts

stretch break vidoes

1 hour webinars or perhaps 1/2 hour DVD's that could be used to train staff in the proper use of equipment, provide ergonomic tips, ie., use of correct posture, keyboard and monitor heights, proper chair and chair adjustments.



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# Workers' Compensation Forums

## 2018

Northern California – 21 participants (Sacramento)

Southern California – 10 participants (Santa Ana)

## 2019

Northern California (Sacramento)

Southern California (Rancho Cucamonga)



# Revised Service Guidelines

## 2017

### JBWCP – TPA: AIMS SERVICE GUIDELINES

NOTICE – CLIENT INSTRUCTIONS ARE TO BE FOLLOWED BY ALL CLAIMS ADMINISTRATION STAFF.

Any deviation from the Client Instructions (Guidelines) must be pre-authorized by the JBWCP Program Administration and the authorization clearly documented in the claims file.

#### **Future Medical Files:**

With the exception of claims for Hearing Loss that include a requirement to provide Hearing Aids, claims awarded future medical care, in which there has been no medical care or benefits provided in the last 12 months can be administratively closed unless there is documentation of upcoming medical care expected within the next 12 months.

Claims for Hearing Loss in which there is a future medical award requiring provision of Hearing Aids may be administratively closed if there are no medical care provided or benefits paid in the last 24 months unless there is documentation of upcoming medical care or benefits expected within the next 12 months.

All future medical files must remain readily accessible and cannot be destroyed or deleted from the claims system.

#### **Closures:**

Supervisors will review the following claim files prior to closure: Where a SAR has been submitted and the injured worker has been non-responsive. The Supervisor shall ensure that the appropriate Reynold's language has been served upon the IW prior to consideration of case closure. All claims not administered by a Sr. Examiner shall be reviewed by the Claims Supervisor prior to closure to assure all issues have been resolved and appropriately documented. The review process will document the decision to either administratively close a file, or alternatively, proceed with an unsigned submission of settlement documents to the WCAB.

#### **Claim Review Protocols:**

Per contractual agreement, the TPA must conduct, at a minimum, one annual on-site claims file review with each Member provided the Member has open claims. Open claims, in this case are only those that are active indemnity claims. It is recognized that an in person file review may not be desired or necessary based on open claim volume or Members ability to participate. The TPA shall escalate any concerns regarding the scheduling of file reviews with the Members and the JBWCP Program Administrator if necessary.

Claim Review Schedules will be confirmed with each Program Member.

- Supervisors are expected to schedule claim reviews directly with the respective member in accordance with the required Claim Review Schedule and the member's schedule.
- The Supervisor is required to inform the JBWCP Program Administrator via calendar invite of all claim reviews. It is recommended that the JBWCP Program Administrator should be advised in of claims that also entail 132(a) issues, ADA, FMLA, good faith personnel actions,

JBWCP Guidelines effective 11.28.2017

3

## 2018

### JUDICIAL BRANCH WORKERS' COMPENSATION PROGRAM AIMS SERVICE GUIDELINES

(EFFECTIVE NOVEMBER 1, 2018)

This document is a guideline for claims management staff at AIMS. It outlines specific claims administration expectations and requirements for the program's third party administrator. AIMS' level of compliance with these guidelines is determined through the program's annual claims technical administration audit and quarterly spot checks.

#### **132a, Serious and Willful, ADA, FMLA, and Good Faith Personnel Actions**

The Judicial Branch Workers' Compensation Program (JBWCP) Administrator should be advised of claims that also entail 132a issues, Americans with Disabilities Act (ADA), Family and Medical Leave Act (FMLA), good faith personnel actions, and/or terminations.

As stated in the JBWCP Memorandum of Coverage:

The JBWCP has the right and duty to defend at its expense any claim, proceeding or suit against the **Covered Party** for liabilities payable by [JBWCP] coverage. The JBWCP has the right to investigate and settle these claims, proceedings or suits.

The JBWCP shall provide for the defense of, but not the indemnity for, serious and willful misconduct pursuant to Labor Code (LC) 4553, or discrimination or any other actions pursuant to LC 132a brought before the Workers' Compensation Appeals Board (WCAB). The JBWCP's duty to defend such claims shall cease upon the resolution of the underlying claim for disability.

#### **Caseload**

The third party administrator (TPA) shall provide qualified staff such that those working with JBWCP claims will have manageable caseloads. To achieve this, the average monthly caseload of 130 claims per Claims Examiner is desired. At no time shall the average caseload exceed 130 claims, unless requested by the Judicial Council and agreed upon by the TPA.

The Claim Supervisor shall not carry a caseload.



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# Workers' Compensation Fund

## Funding Levels

|                      | FY 2015-2016 | FY 2016-2017 | FY 2017 -2018 |
|----------------------|--------------|--------------|---------------|
| Balance (Year End)   | \$12.1M      | \$39.7M      | \$60.5M       |
| SMIF Interest Income | \$164,985.90 | \$184,447.87 | \$607,626.67  |



# Future Medical Claims Closure Updates

As of May 2018, Future Medical (FM) cases had a total of **\$5.36 million outstanding reserves on 203 claims**

- 61 not interested and 2 administratively closed = Total 63
- No responses received = Total 26

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**114 remaining claims**





# Future Medical Claims Closure Updates

## **Remaining 114 cases identified by members for consideration of Compromise & Release (\$3.313 million)**

- Claims closed (3) and closed administratively (3) prior to project = Total 6
  - Employees not interested in a C&R = Total 46
  - Claims closed administratively = Total 19
  - Claims removed from consideration = Total 6
  - Possible pending settlements and/or administrative closure in 2019 = Total 28
- 
- Claims settled as of Jan. 2019 = Total 9 (net savings -\$3,459.30)



# Updates from the Deficit Reduction Alternatives Working Group

- **Buddy Program implementation**
- **Return to Work Pilot Program results**



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# Buddy Program Implementation

The “Buddy Program” was suggested during the last JBWCP Advisory Committee meeting in February 2018

- Pair courts, who may not have a full human resource (HR) office, with other courts, and assist with workers’ compensation-related issues

Survey was conducted regarding the Buddy Program, and the following are the results:

- 8 – Courts volunteered and were interested in serving as a Buddy Court
- 15 – Courts would benefit (a few additional courts responded and only needed assistance with how to report a new claims)
- 11 – Not interested



# Buddy Program Implementation

## Methods of sharing information results:

- **Email Communication or bulletins – 62% (18 respondents)**
- **1-on-1 (via web-based conferencing, phone, or in-person – 62% (18))**
- **Online Access to Other Court’s Policies, Procedures, and Materials – 55% (16)**
- **Online Blogs with Q&A – 52% (15)**
- **Group Forum – 52% (15)**



# Buddy Program Implementation

**Top types of WC or related issues courts anticipate discussing with one another:**

- **WC – 83% (24 respondents)**
- **Return-to-Work Issues – 83% (24)**
- **Ergonomics – 69% (20)**
- **Accident Investigation – 38% (11)**
- **Other: Managing claims, subrogation, interactive process, how and when to communicate and work with AIMS**



# Buddy Program Implementation

## Purpose

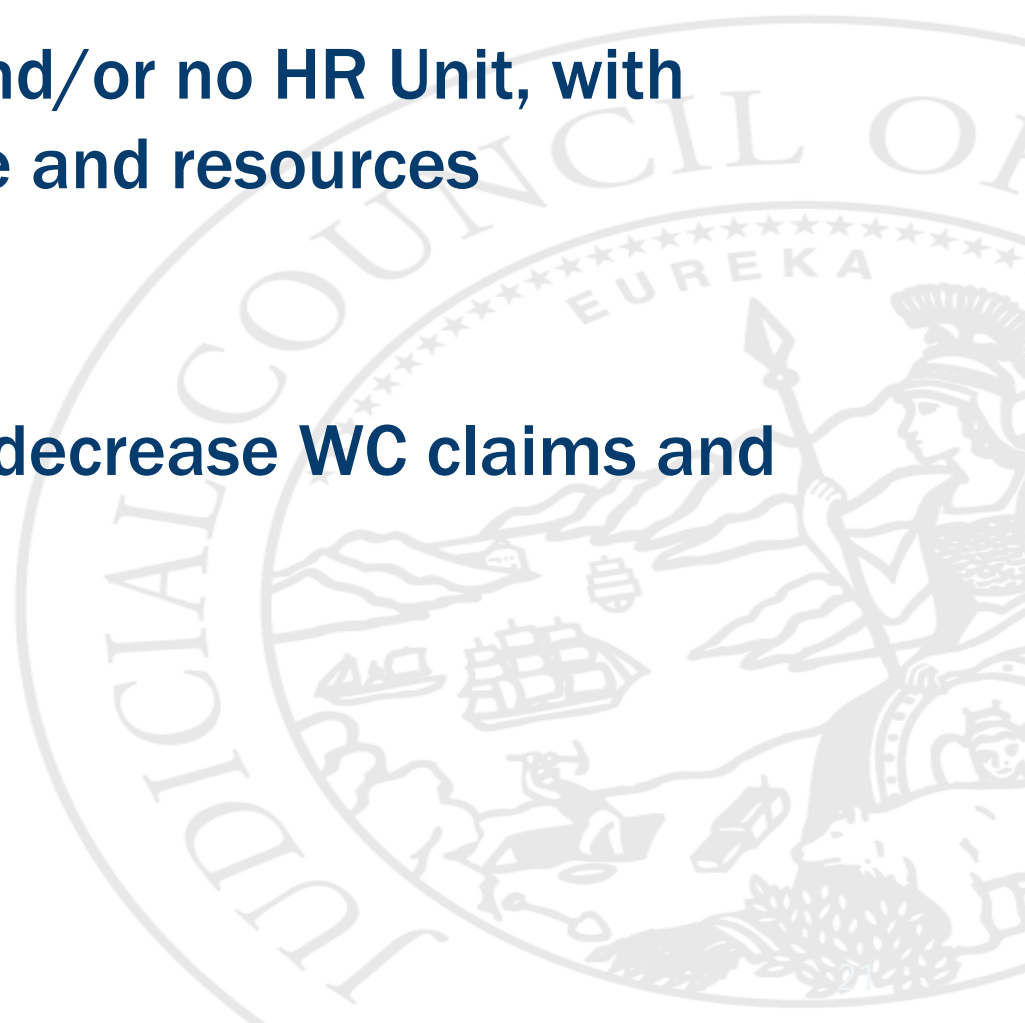
- Team courts with less experience and/or no HR Unit, with partner courts with more experience and resources

## Objective

- Utilize as a preventive measures to decrease WC claims and costs

## Goal

- To save money to reduce the deficit



# Buddy Program Implementation

## JBWCP Responsibilities

- JBWCP will facilitate the Buddy Program

## Buddy Assignments

- How courts are assigned

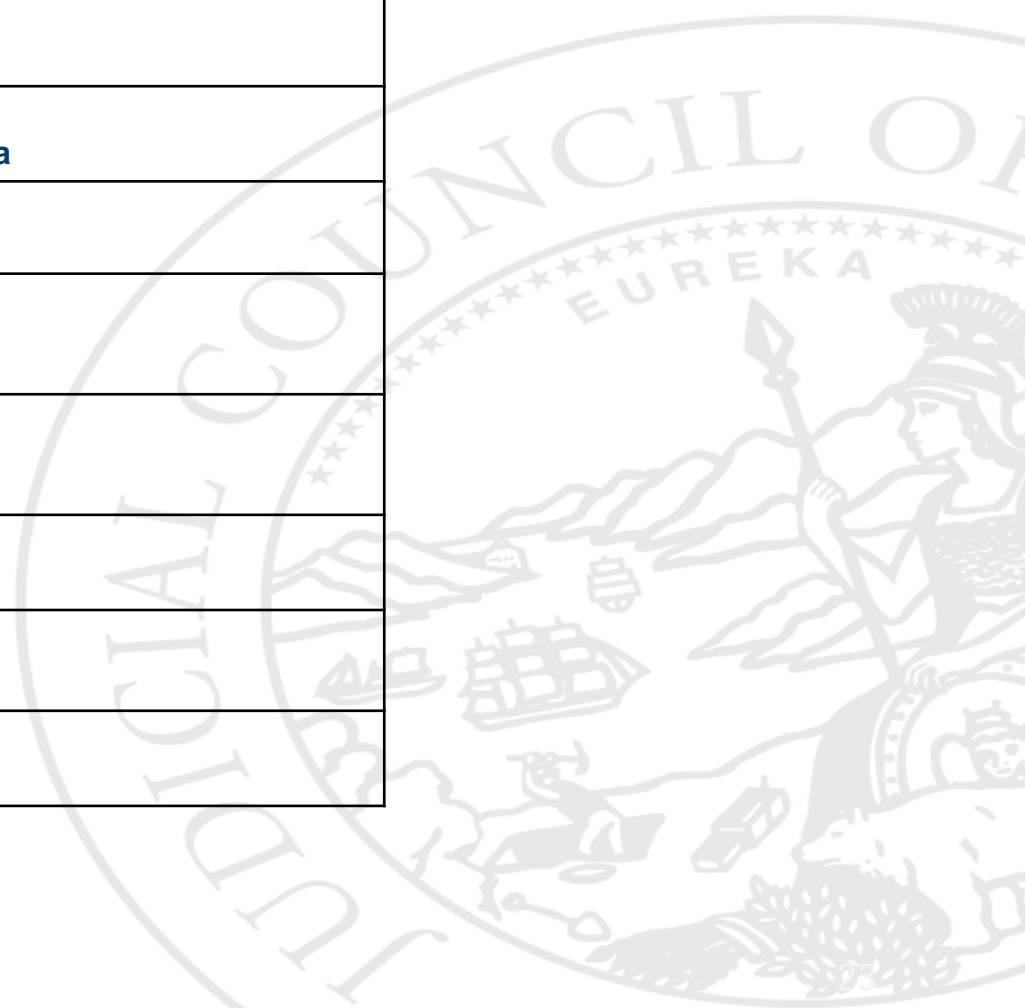


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# Buddy Program Implementation

| <b>Partner Court and Point of Contact</b>   | <b>Assigned Court</b>                |
|---|--------------------------------------|
| <b>Alameda</b> <ul style="list-style-type: none"><li>• Victoria Ramos, HR Analyst II</li></ul>                          | <b>Butte</b><br><b>Calaveras</b>     |
| <b>El Dorado</b> <ul style="list-style-type: none"><li>• Tania Ugrin-Capobianco, Court Executive Officer</li></ul>      | <b>Colusa</b><br><b>Contra Costa</b> |
| <b>Nevada</b> <ul style="list-style-type: none"><li>• Nancy Nardini-Hanson, Director of HR and Administration</li></ul> | <b>Kings</b><br><b>Marin</b>         |
| <b>Orange</b> <ul style="list-style-type: none"><li>• Heather Capps, Benefits and Disability Programs Officer</li></ul> | <b>Merced</b><br><b>Modoc</b>        |
| <b>San Bernardino</b> <ul style="list-style-type: none"><li>• Jenny Thomas, HR Technician III</li></ul>                 | <b>Mono</b><br><b>Plumas</b>         |
| <b>San Diego</b> <ul style="list-style-type: none"><li>• Stephanie Cvitkovich, Sr. HR Analyst</li></ul>                 | <b>San Joaquin</b><br><b>Sutter</b>  |
| <b>Solano</b> <ul style="list-style-type: none"><li>• Arline Lisinski, HR Manager</li></ul>                             | <b>Tehama</b><br><b>Trinity</b>      |
| <b>Ventura</b> <ul style="list-style-type: none"><li>• Bernedette Terry, Sr. HR Generalist</li></ul>                    | <b>Tulare</b>                        |





# Buddy Program Implementation

- Partner Courts
- Assigned Courts



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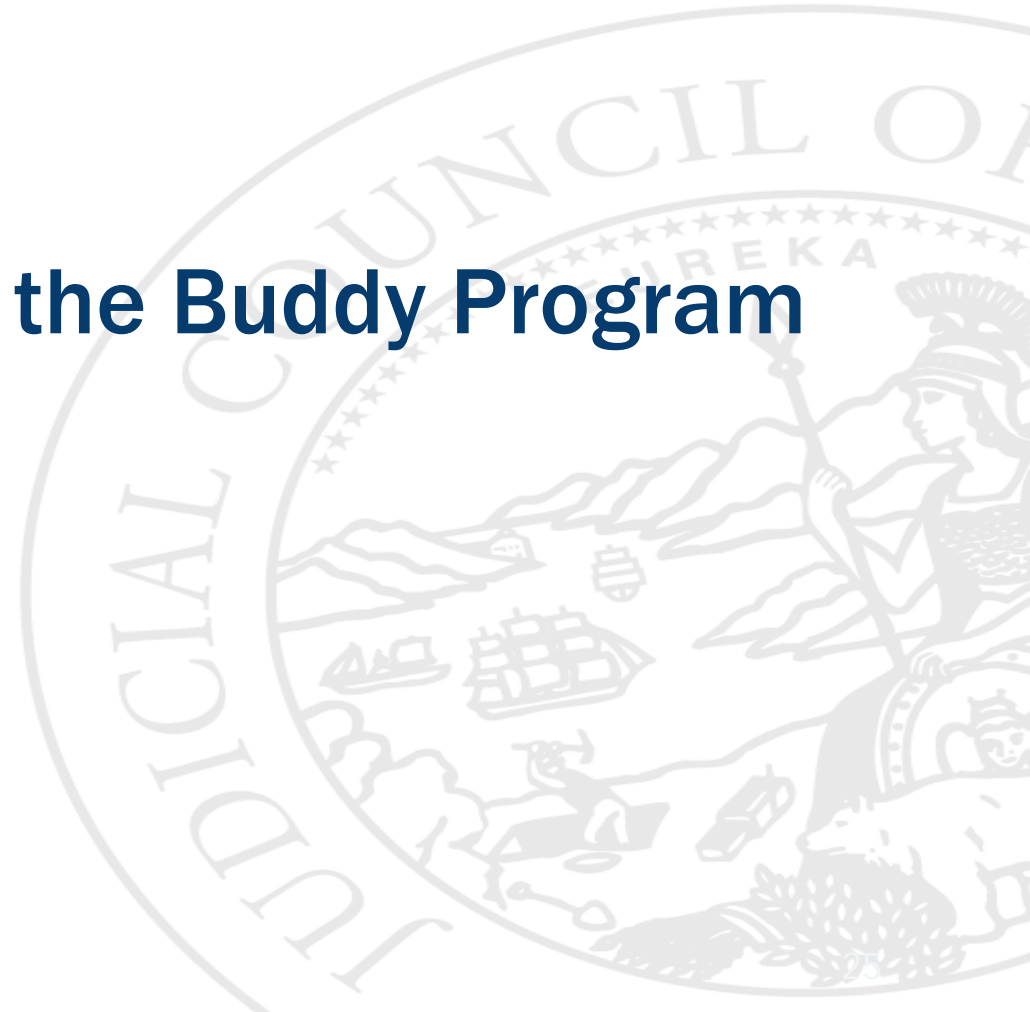


# Buddy Program Implementation

- **Technology**
- **Other Training to Supplement the Buddy Program**



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# Buddy Program Implementation

## Next Steps

If the JBWCP Advisory Committee approves the Buddy Program, the JBWCP will:

- Send an email with a memo to all participating Buddy Program courts
- Send a general information email to all members regarding the Buddy Program
- Check-in quarterly
- Obtain feedback



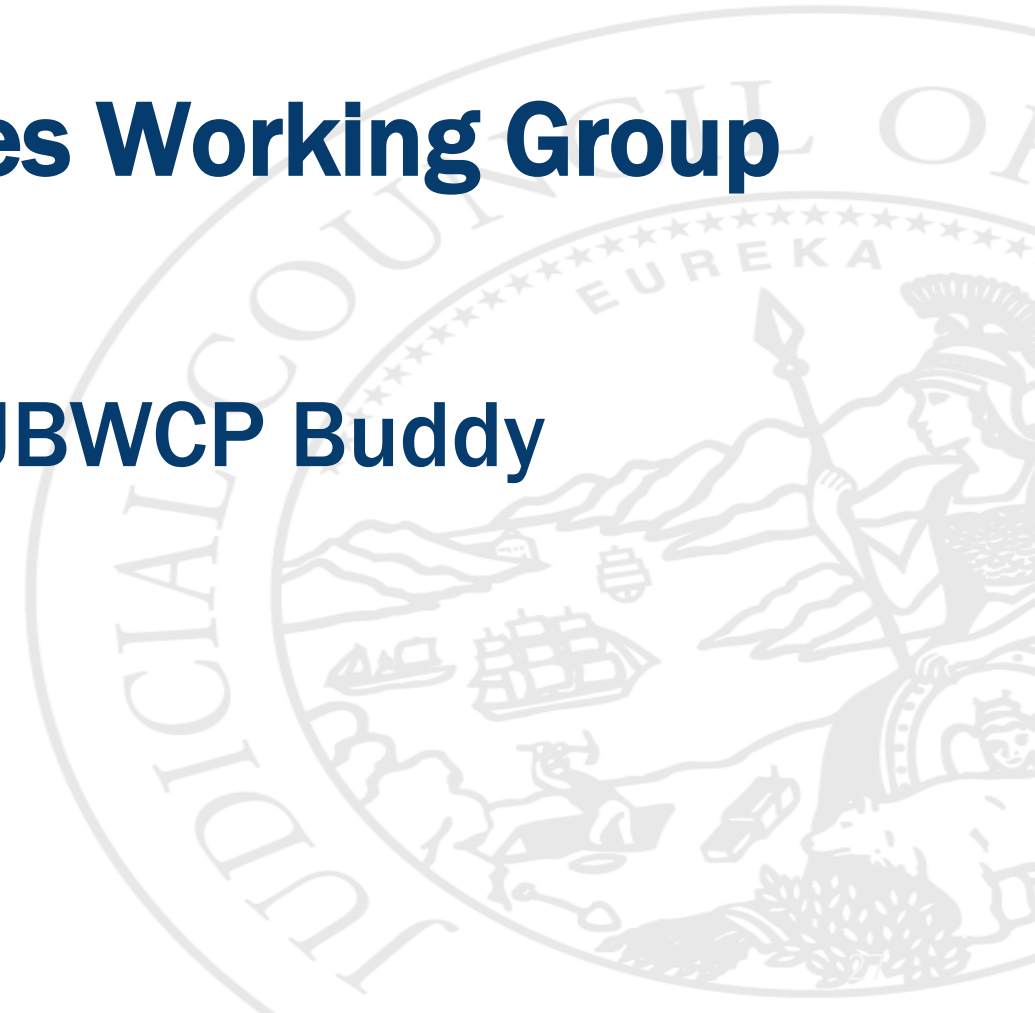
# Buddy Program Implementation (Action Needed)

## Deficit Reduction Alternatives Working Group Recommendation

- Recommend approval of the JBWCP Buddy Program



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# Return to Work Pilot Program Results

## Purpose

- To reduce workers' compensation and related disability costs
- To decrease negative impact on members' experience modifiers
- To help employees stay motivated during recovery
- To improve communication between employee/employer
- To improve compliance with ADA/FEHA



# Return to Work Pilot Program Results

## Pilot Courts

- San Francisco participated as Large trial court
- Solano participated as Medium trial court
- Sutter participated as Small trial court

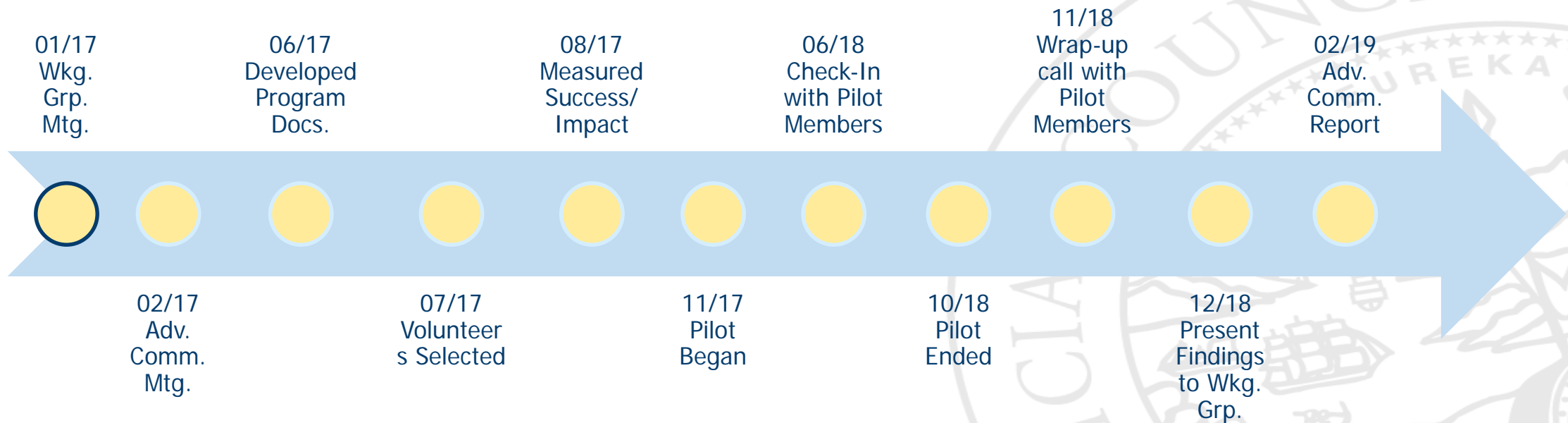


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# Return to Work Pilot Program Results

## Pilot Timeline



# Return to Work Pilot Program Results

## Findings

- Value in utilizing program handbook and aids
- Pilot courts already have *informal* return-to-work practices
  - One court considered pilot program too formal
- Documentation and reporting of transitional work are straight forward
- Incorporating program into current practices is not complex
- Statewide, five courts have *formal* return-to-work program





# Return to Work Pilot Program Results

## Cost Savings

|               | Number of Modified Duty Claims | Number of Modified Duty Days | Temporary Disability Cost Savings |
|---------------|--------------------------------|------------------------------|-----------------------------------|
| San Francisco | 12                             | 709.50                       | \$104,344                         |
| Solano        | 17                             | 880                          | \$111,582                         |
| Sutter        | 0                              | 0                            | \$0                               |
| Total         | 29                             | 1,589.50                     | \$215,926                         |

- **Average Temporary Disability cost savings per modified duty claim was \$7,446**
- **Average Modified Duty Days per claim was 55 days**



# Return to Work Pilot Program Results

## Recommended Options

**Option 1:** Implement a formal return-to-work program for all members to save JBWCP dollars

- a. Provide webinar training through York
- b. Rely on “Buddy” Program as an additional resource

**Option 2:** Increase awareness of return-to-work resources

- a. Provide program handbook and aids to all members for use as *guidelines* only



# Return to Work Pilot Program Results (Action Needed)

## Deficit Reduction Alternatives Working Group Recommendation

### Modified Option 2: Increase awareness of return-to-work resources

- a. Provide program handbook and aids to all members for use as *guidelines* only
- b. Provide webinar training through Bickmore
- c. Rely on “Buddy” Program as an additional resource



# Judicial Branch Workers' Compensation Program Advisory Committee

**Break**



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# Workers' Compensation Metrics & Performance Indicators

## Program Metrics



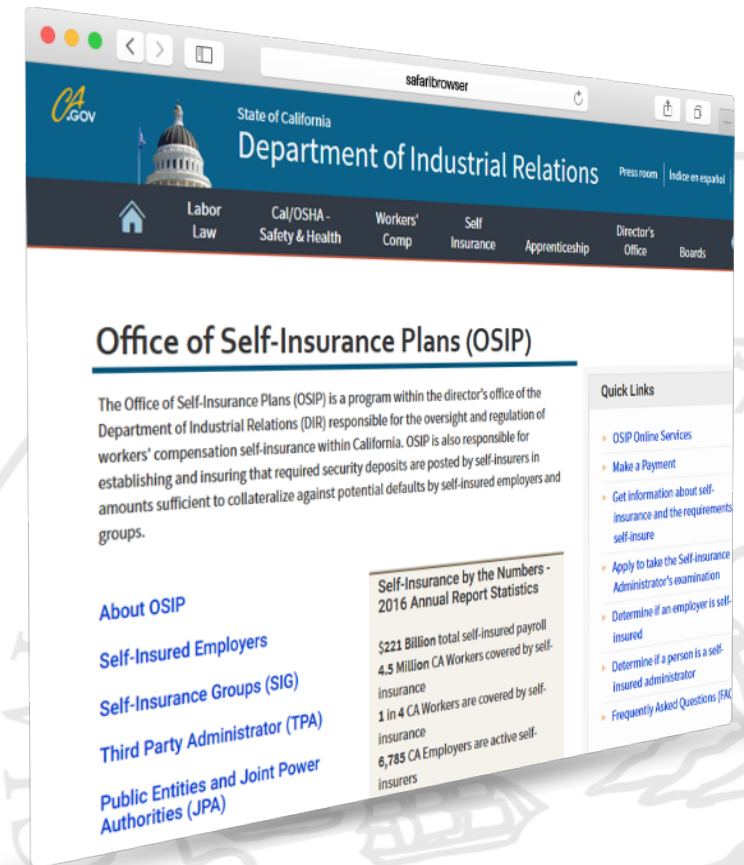
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# Office of Self-Insurance Plans

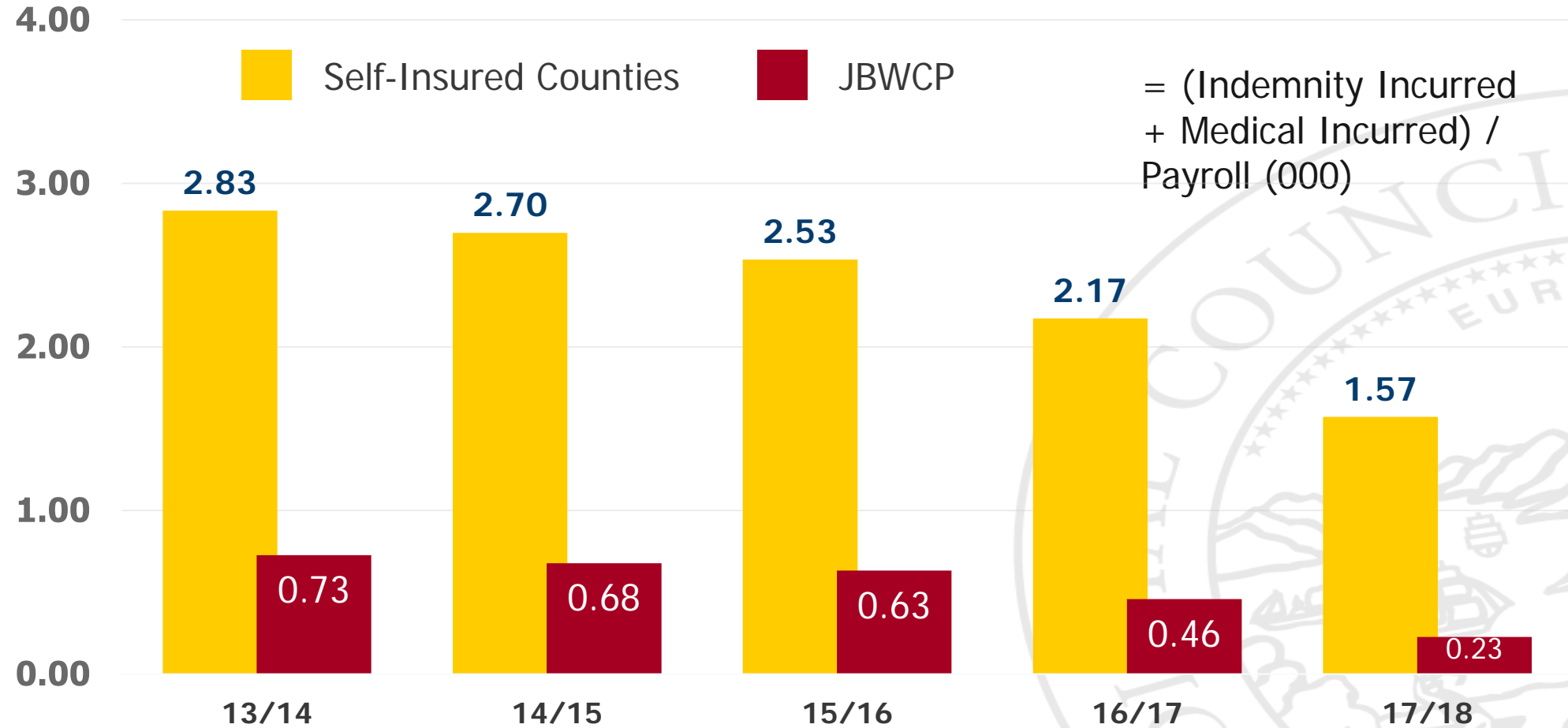
- 550 self-insured public entities
- 35 counties
- <http://www.dir.ca.gov/osip/PublicEntitiesAndJPA.htm>

SELF-INSURED COUNTIES COMPARED TO JBWCP



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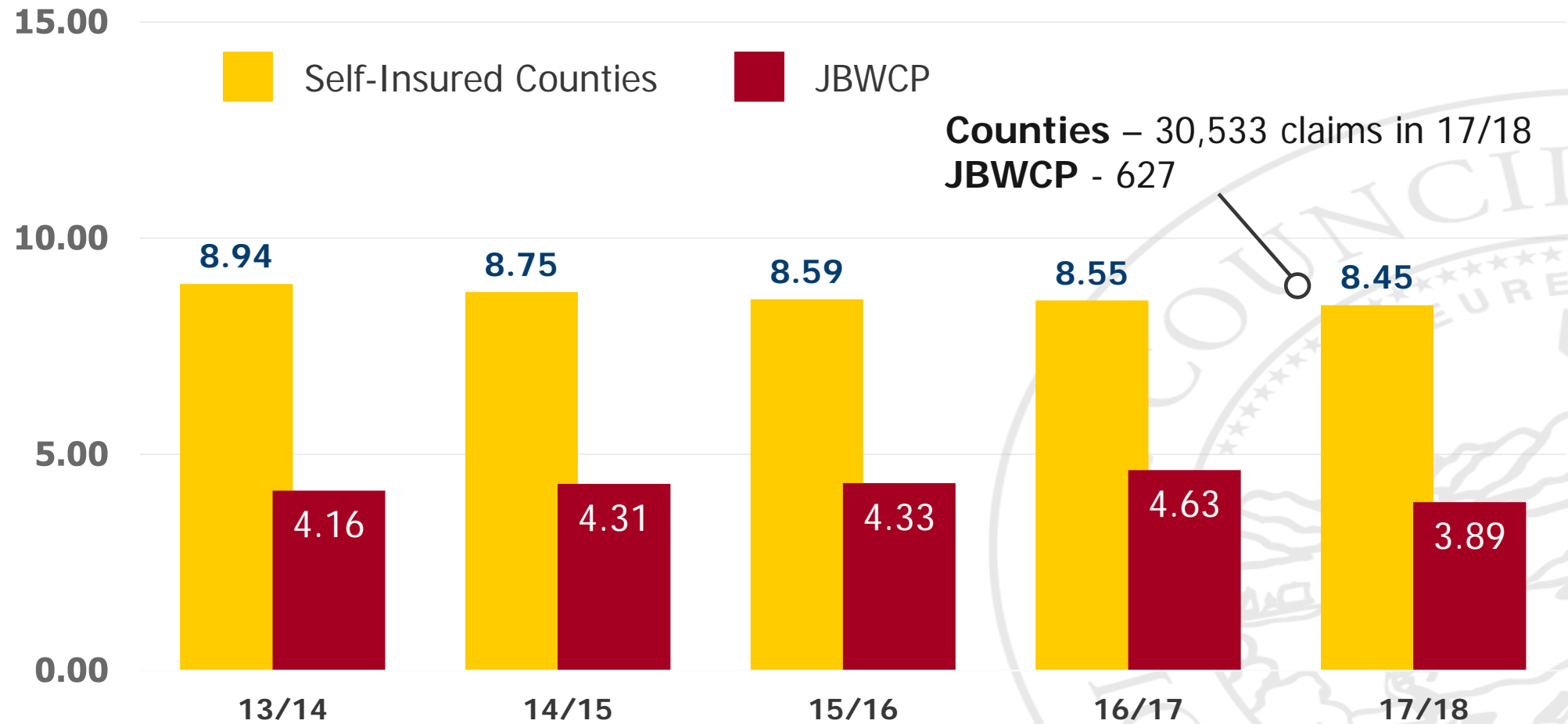
# Cost per \$100 Payroll (Incurred Basis)



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SOURCE: CA Dept. of Industrial Relations' Office of Self-Insurance Plans (OSIP) and JBWCP.

# Number of Claims per 100 Employees

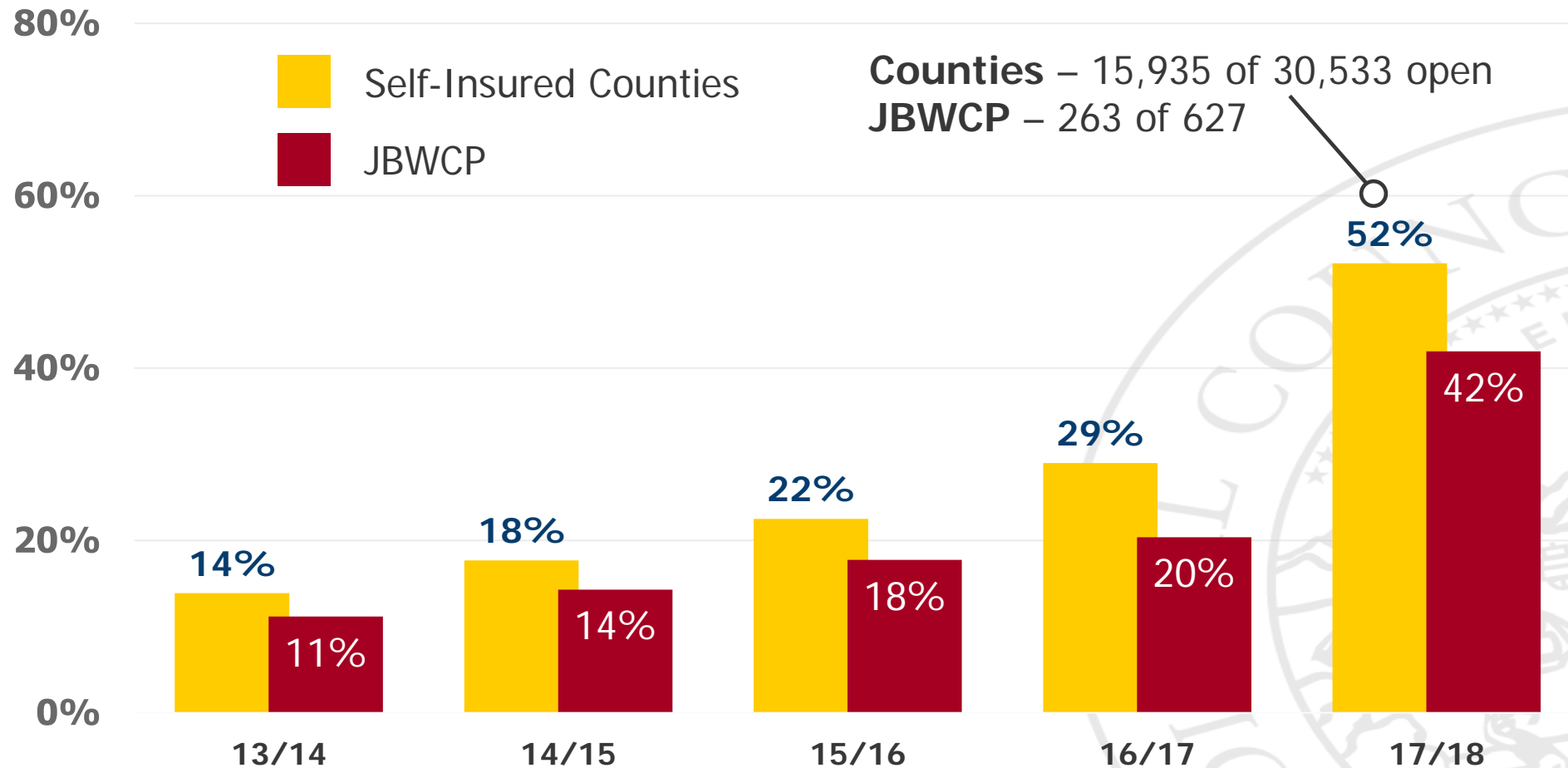


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SOURCE: CA Dept. of Industrial Relations' Office of Self-Insurance Plans (OSIP) and JBWCP.



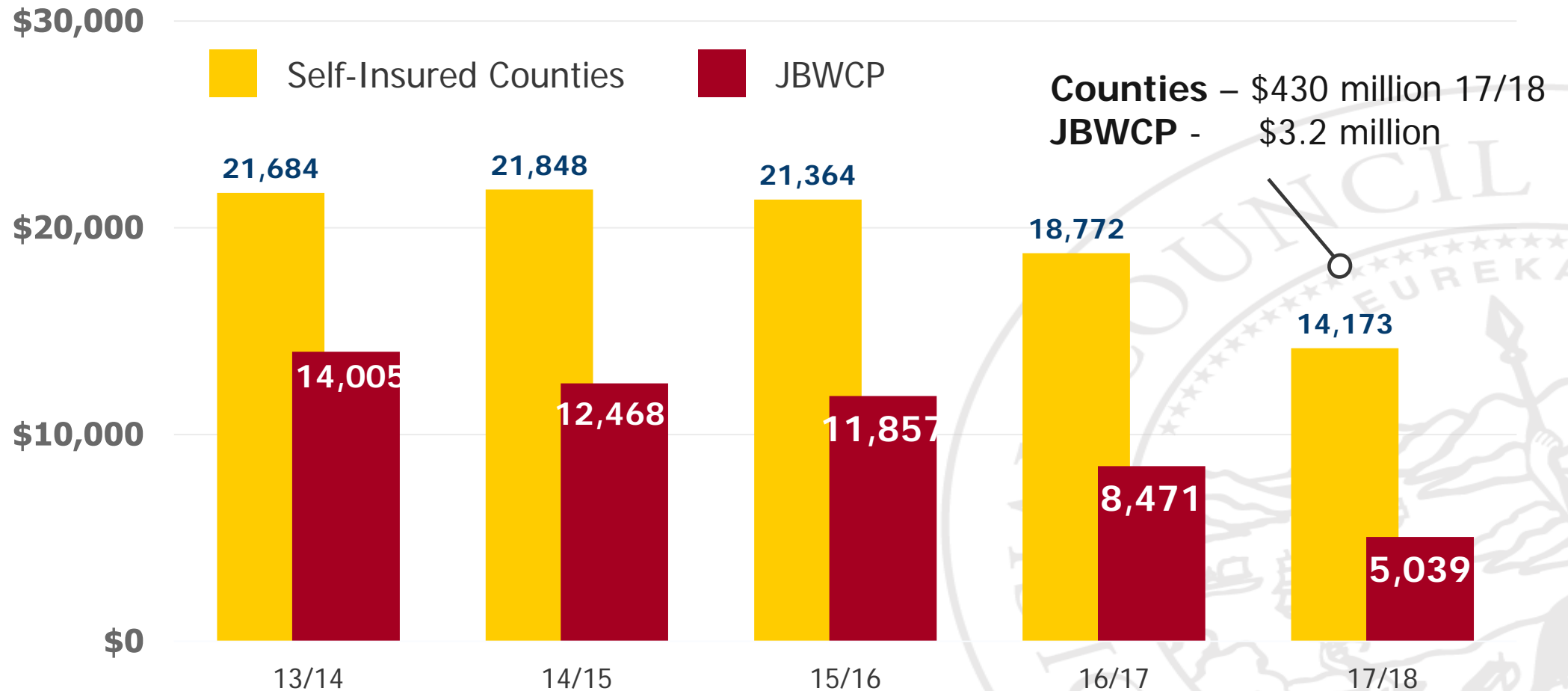
# Percent of Open Claims Inventory



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SOURCE: CA Dept. of Industrial Relations' Office of Self-Insurance Plans (OSIP) and JBWCP.

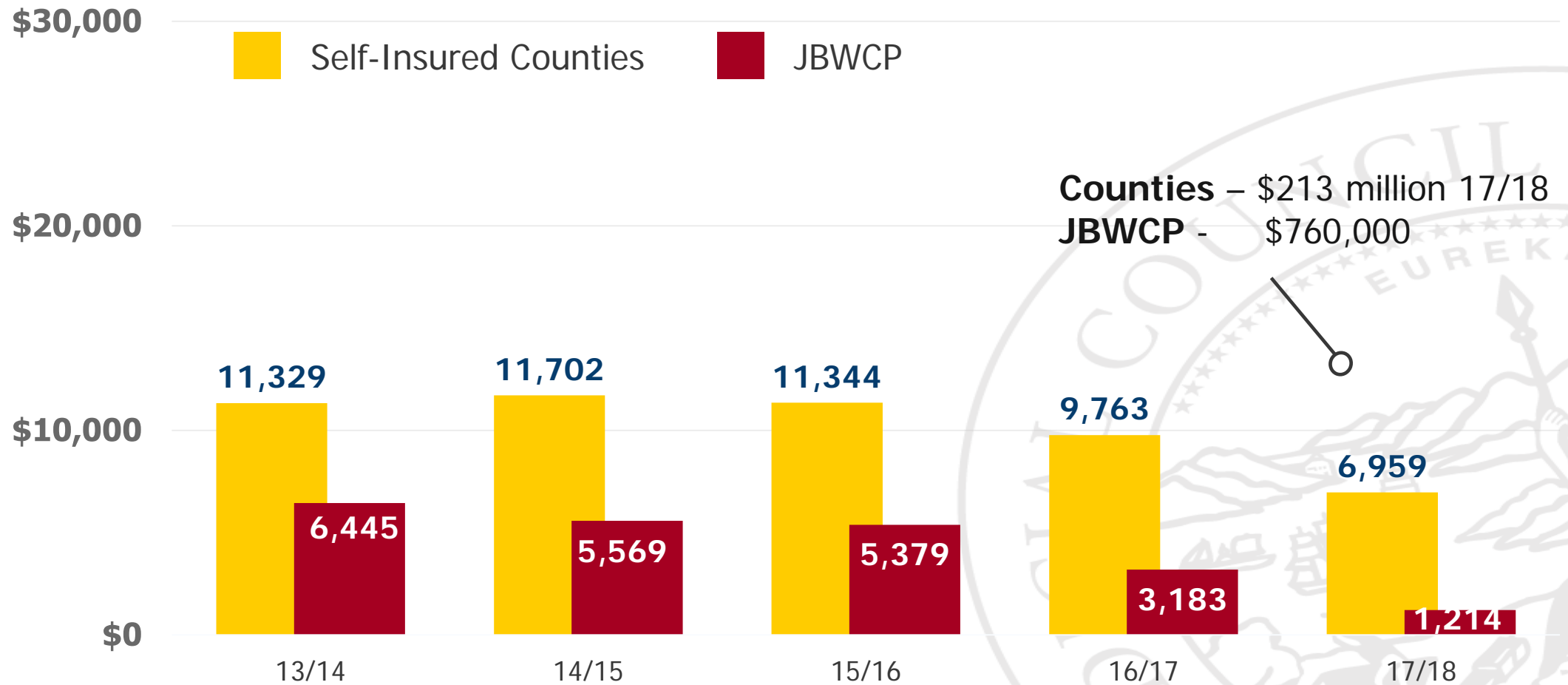
# Average Cost per Claim – Total Incurred Costs



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SOURCE: CA Dept. of Industrial Relations' Office of Self-Insurance Plans (OSIP) and JBWCP.

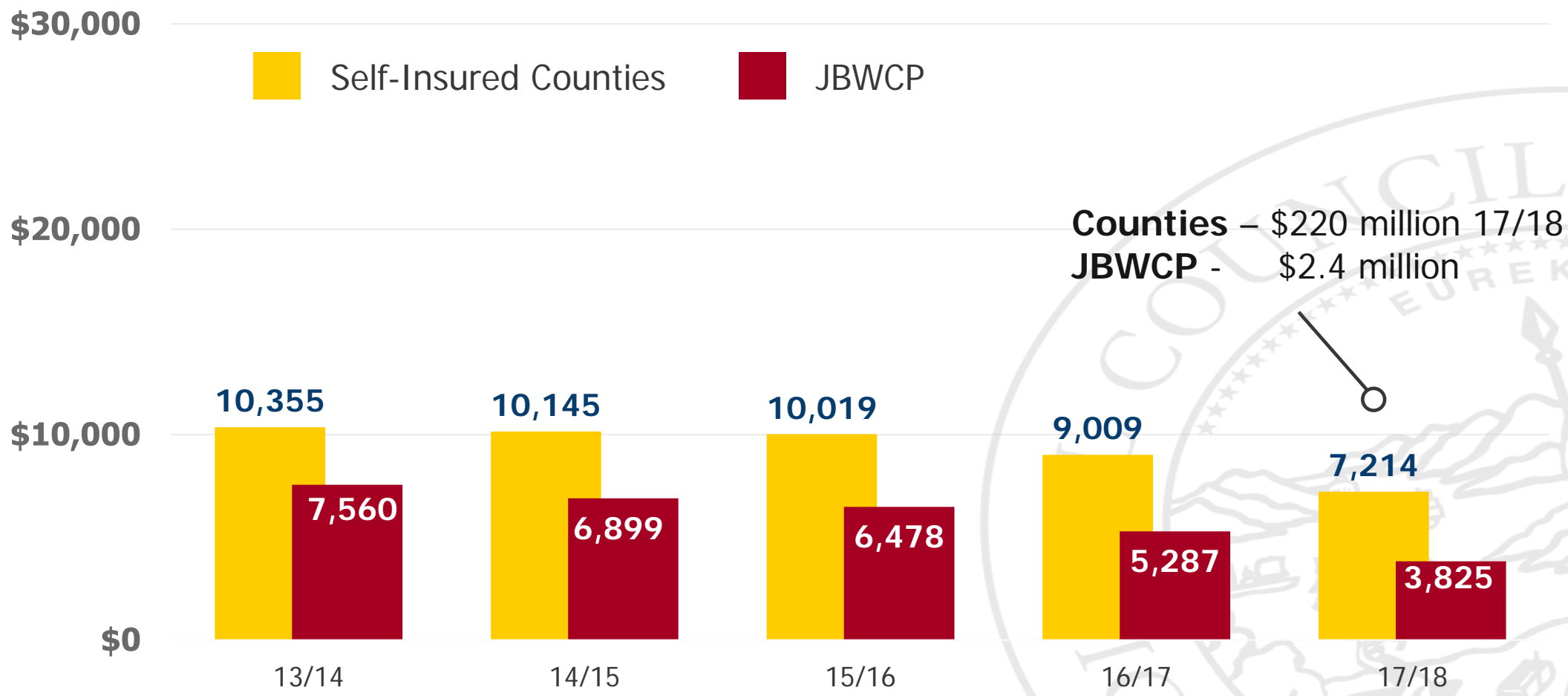
# Average Cost per Claim – Indemnity Costs



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SOURCE: CA Dept. of Industrial Relations' Office of Self-Insurance Plans (OSIP) and JBWCP.

# Average Cost Per Claims – Medical Costs



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SOURCE: CA Dept. of Industrial Relations' Office of Self-Insurance Plans (OSIP) and JBWCP.

# Workers' Compensation Metrics & Performance Indicators

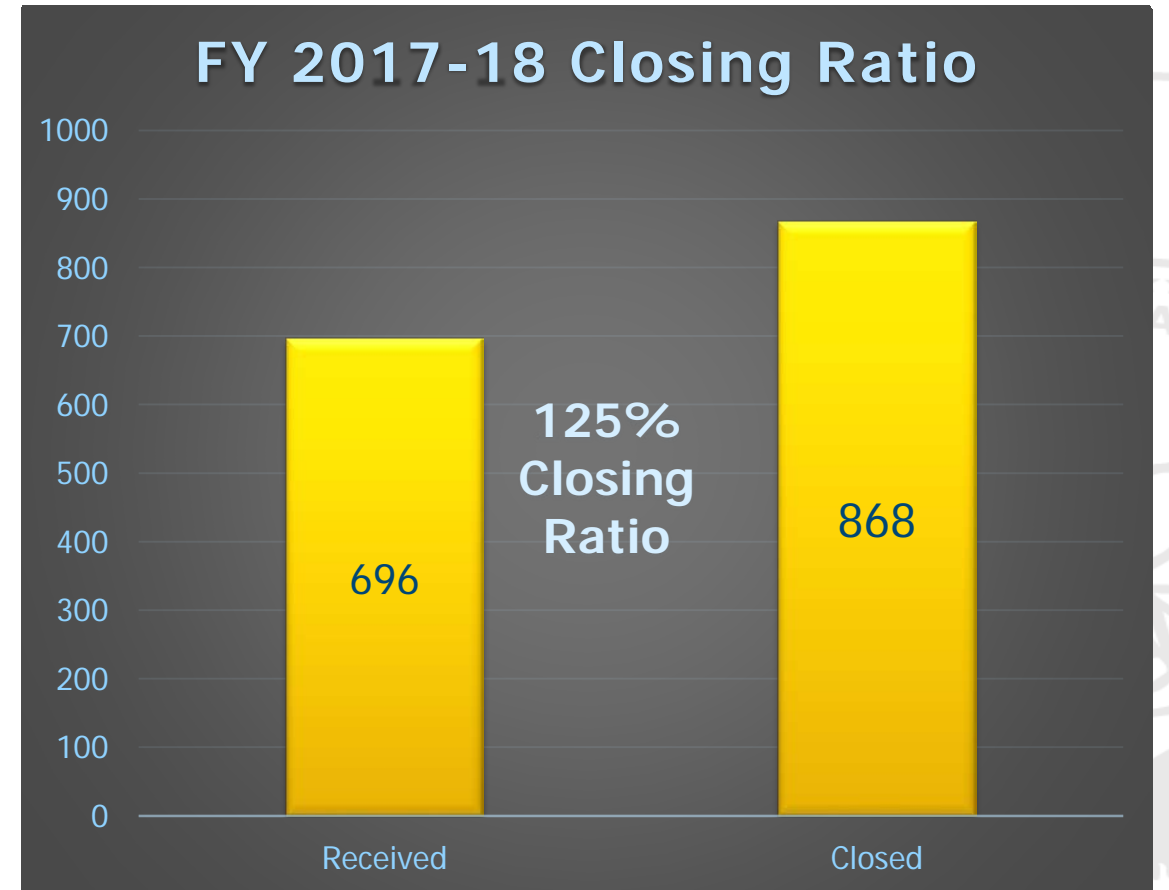
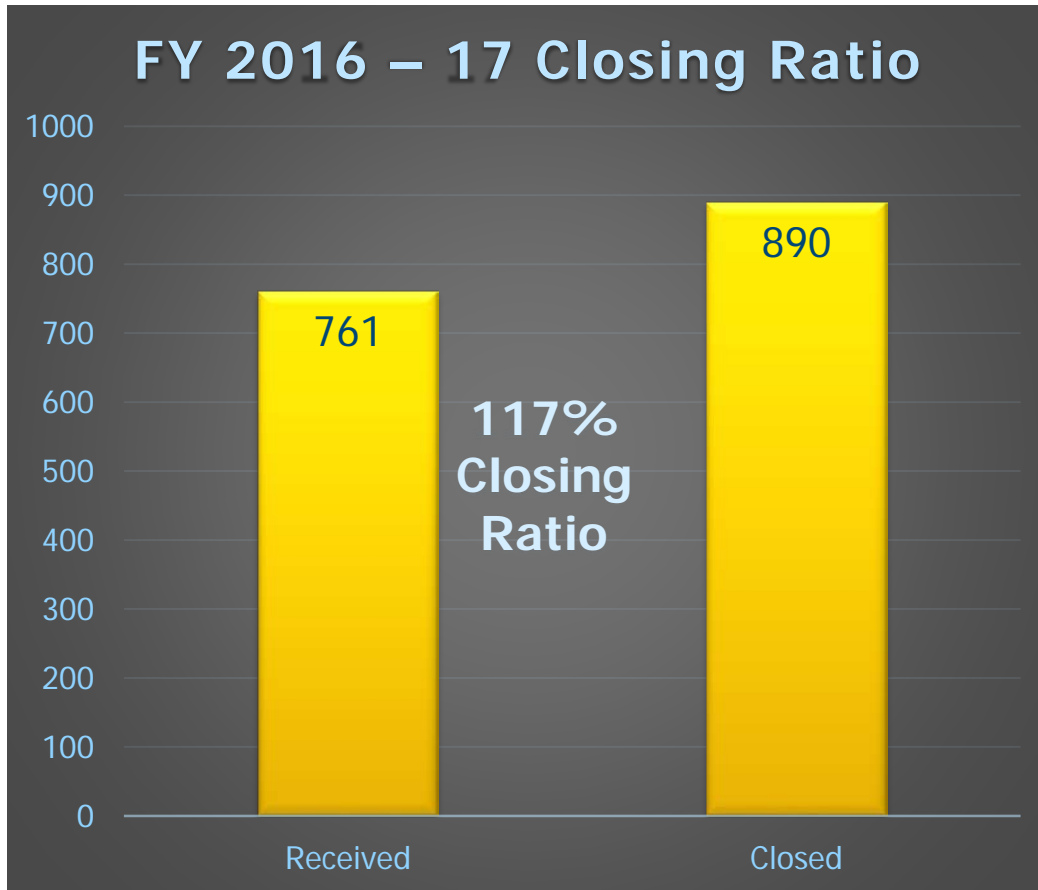
## TPA Metrics



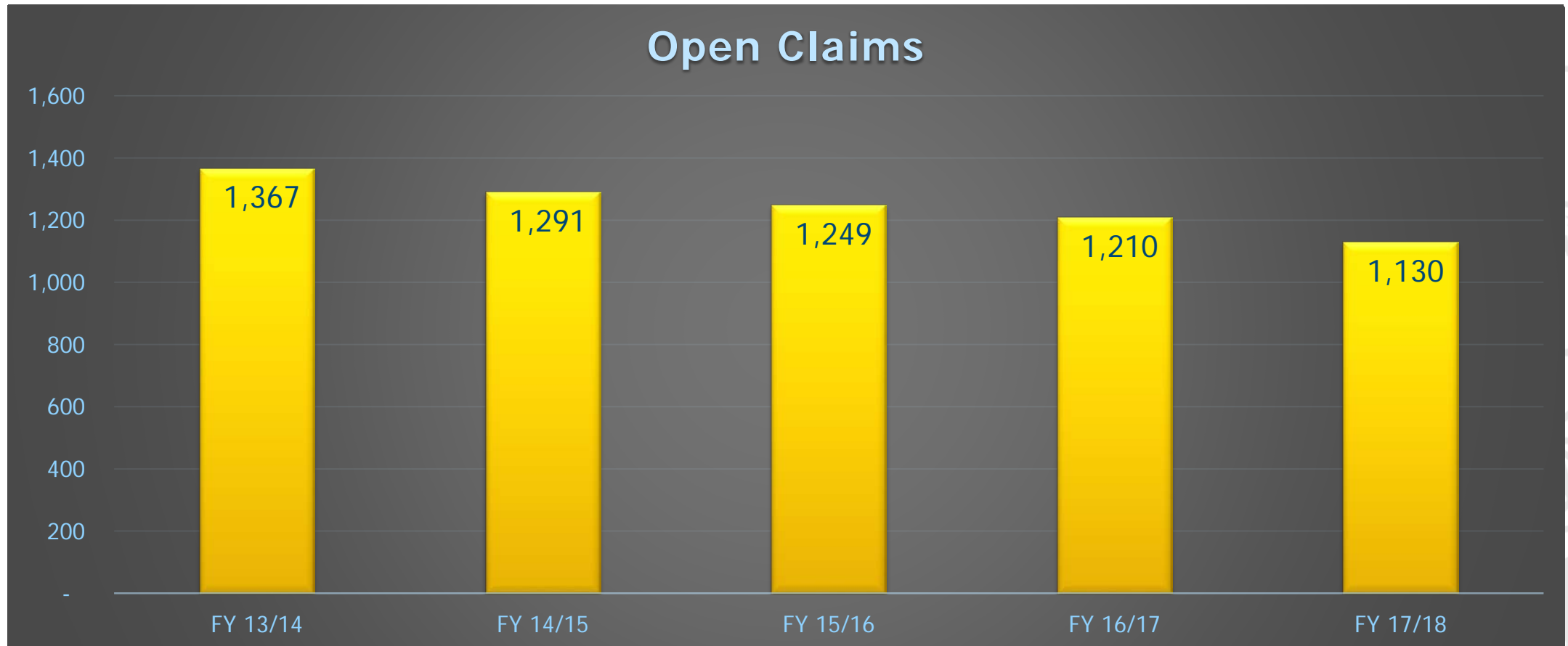
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# Closing Ratio

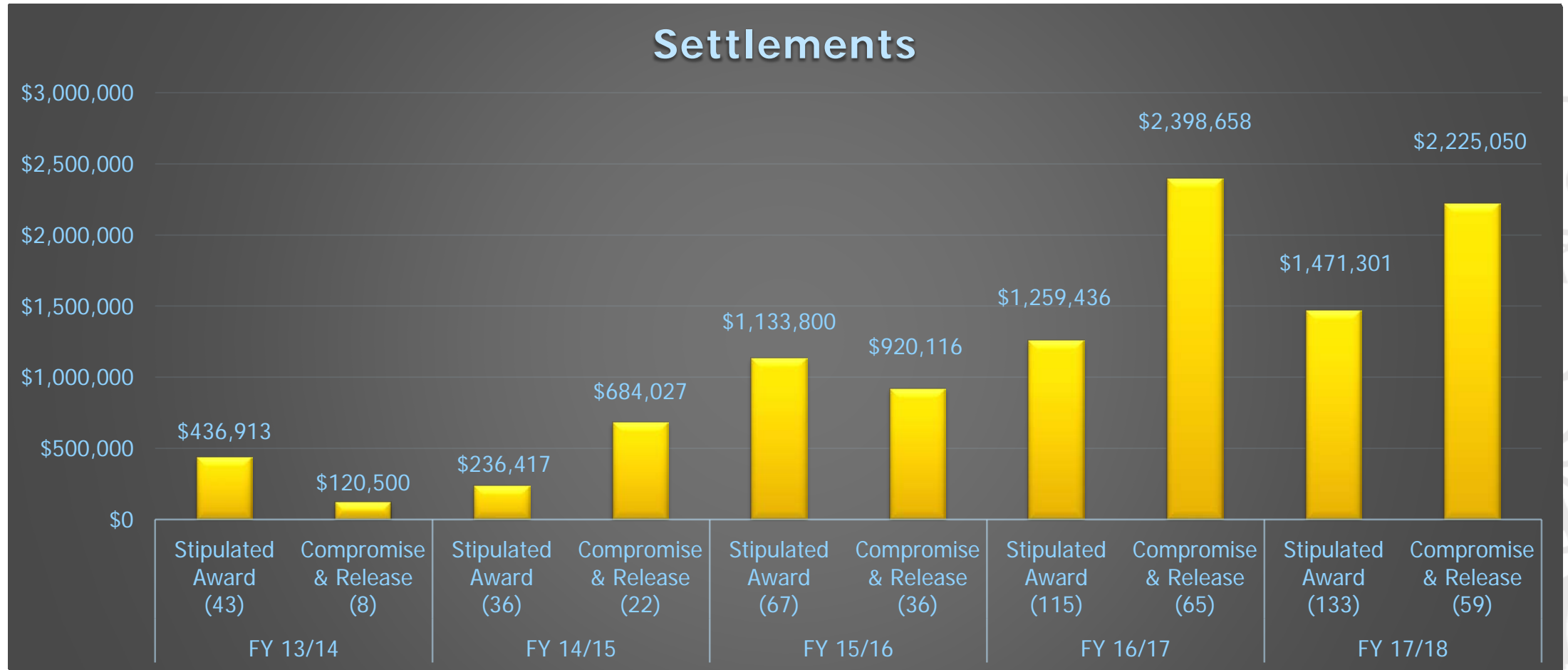


# 5 Year History of Open Claims at FY End



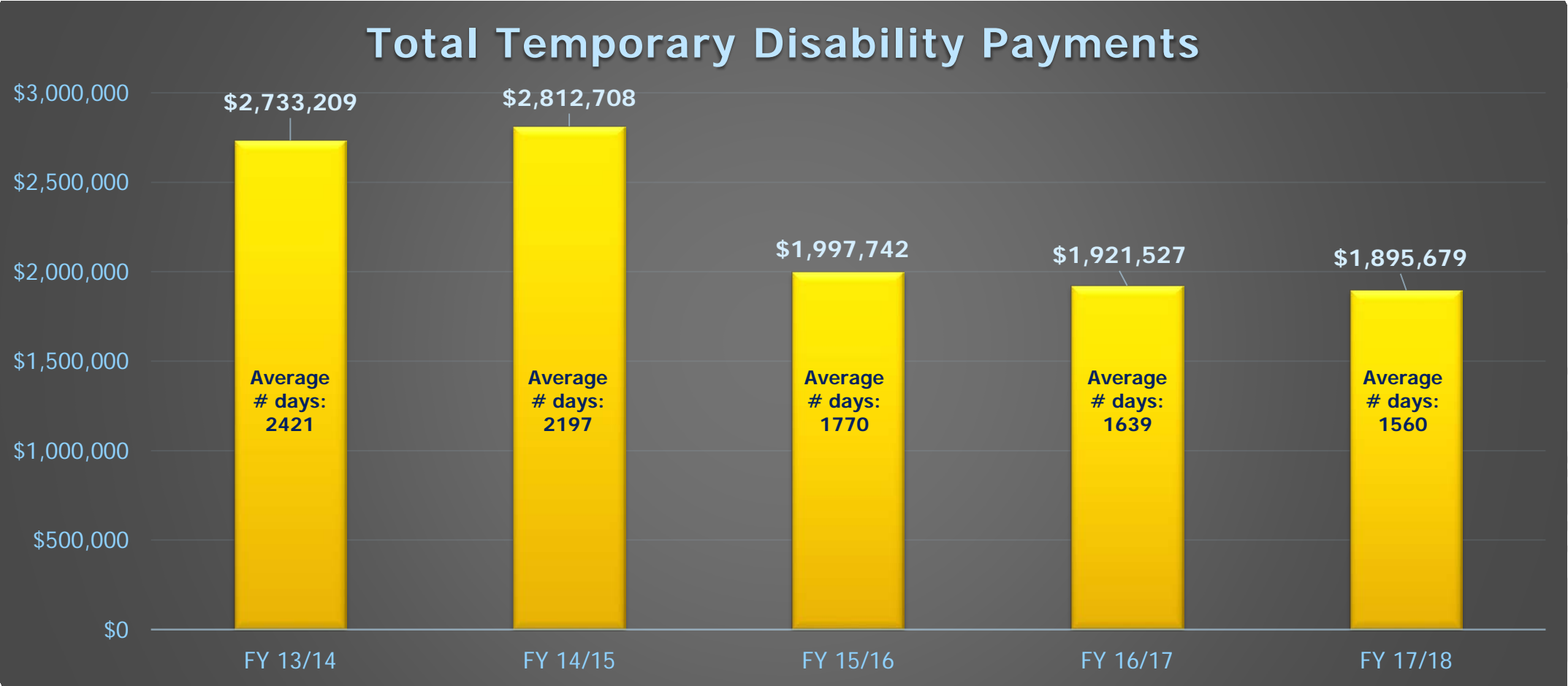
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# 5 Year History of Settlements Finalized at FY End

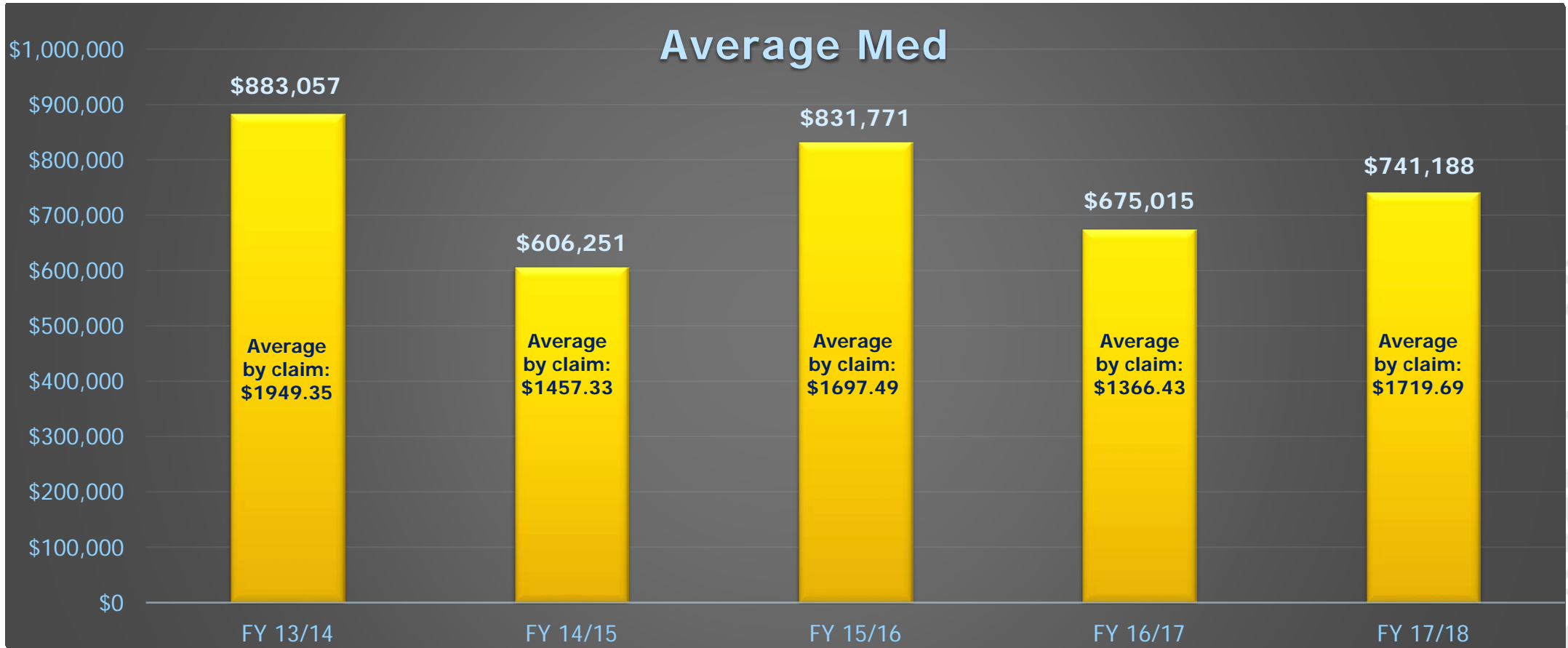




# 5 Year History of Total TD Benefits Paid

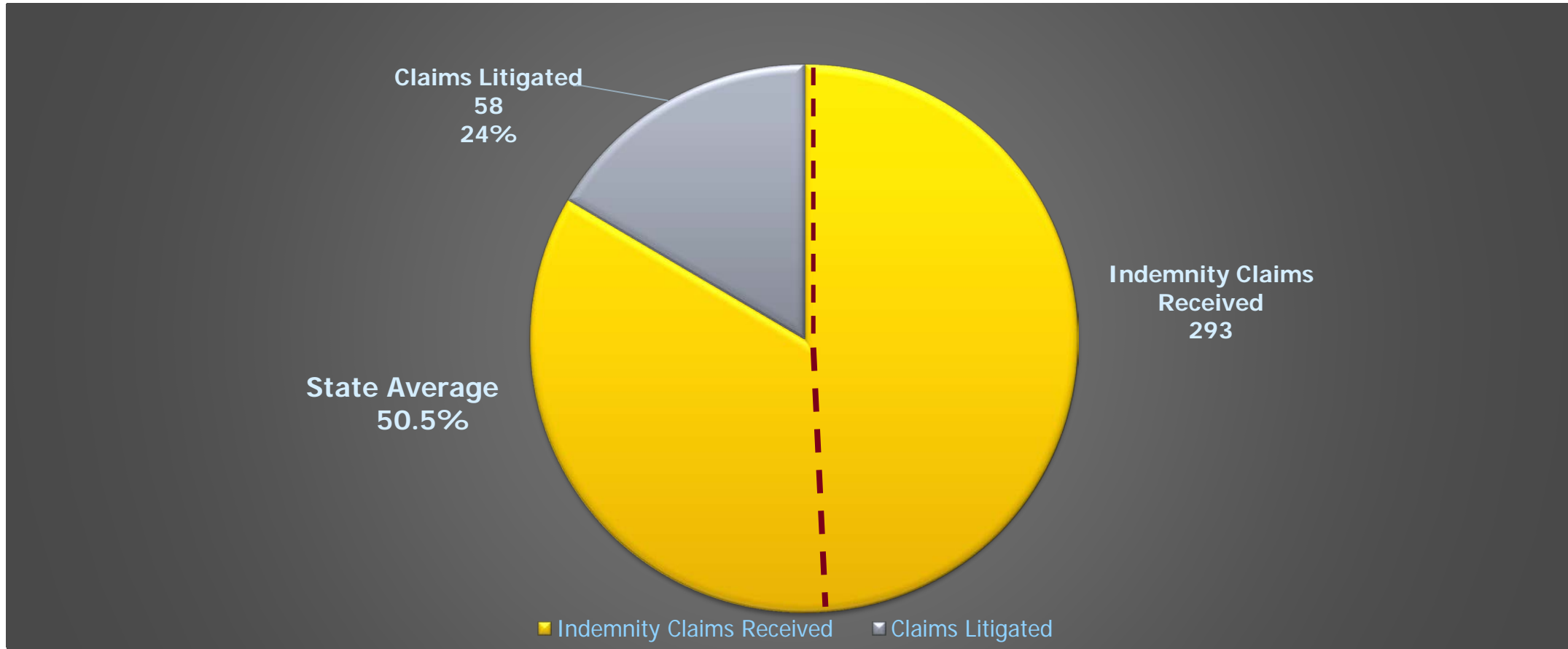


# 5 Year History of Total & Average Medical Paid Per Claim

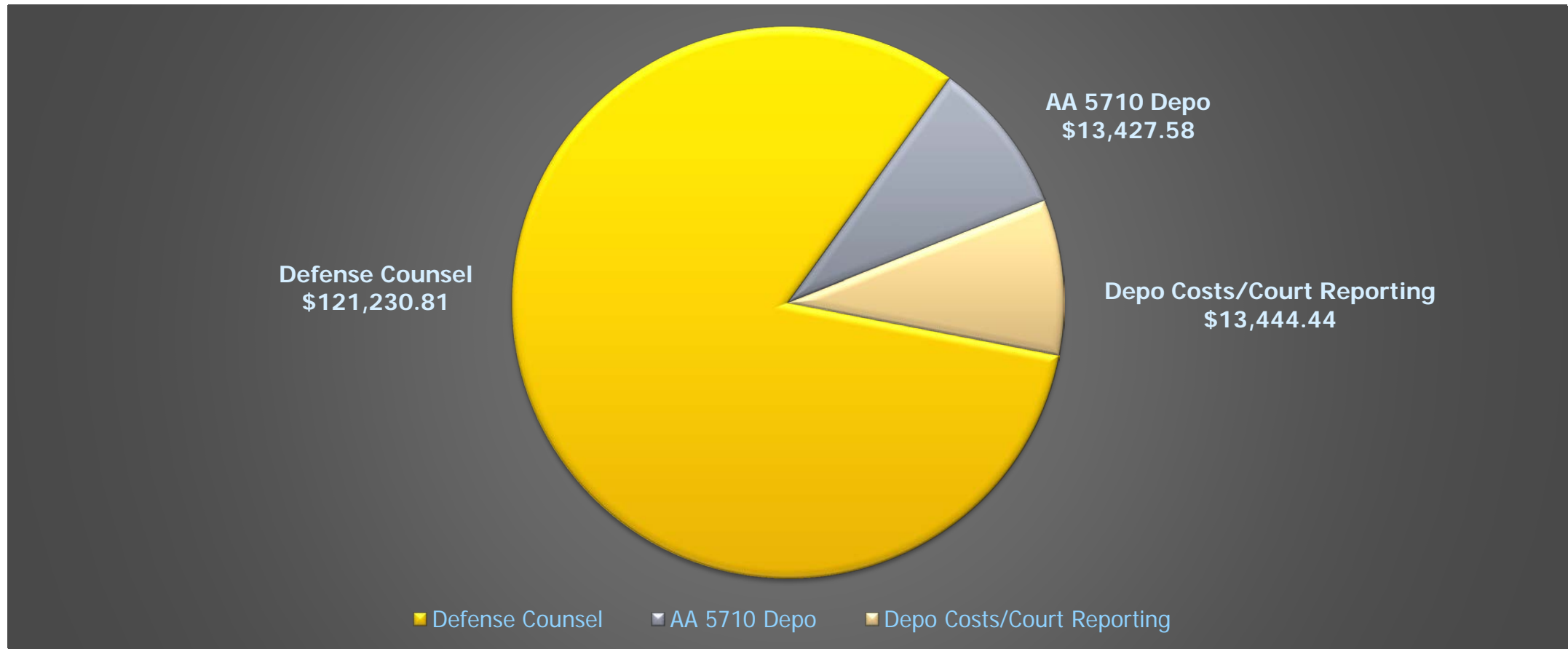


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# Litigation Ratio – FY 2017-18



# Legal Costs – FY 2017 - 18



# Settlement Authority Annual Figures

## Total Number of SARs by level:

| Settlement Level | Amount                | 2018 Number of SARs |
|------------------|-----------------------|---------------------|
| Level 1          | \$0 - \$10,000        | 111                 |
| Level 2          | \$10,001 - \$75,000   | 124                 |
| Level 3          | \$75,001 - \$100,000  | 4                   |
| Level 4          | \$100,001 - \$150,000 | 3                   |
| Level 5          | Above \$150,001       | 1                   |

- Total Numbers of SARs in 2018: 243

## Average New Money Requested:

- \$18,748 (Total Average)
- \$3,914 (Level I)
- \$26,013 (Level II)



# Judicial Branch Workers' Compensation Program Advisory Committee

**Lunch Break**



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# Presentation of Draft Actuarial Report and Allocation Results for Fiscal Year 2019-2020



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# Presentation of Draft Actuarial Report

Becky Richard

Senior Manager, Actuarial Consulting, Bickmore



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# 2019-20 Actuarial Report

- Brief Review of Terminology
- Outstanding Liabilities at June 30, 2019
  - a.k.a. Reserves
- 2019-20 Funding Guidelines
  - a.k.a. Rates



# The Lingo

- **Loss – Medical/Indemnity for WC**
- **ALAE – Allocated Loss Adjustment Expenses, which consist primarily of legal fees, usually analyzed together with loss**
- **ULAE – Unallocated Loss Adjustment Expenses, which consist primarily of claims administration expenses (in-house or TPA), usually analyzed separately from loss**



# Ultimate Loss

- Ultimate Loss is the total cost of claims occurring in a given year
- Components of Ultimate Loss
  - = Paid Loss
    - The Accountant's Number
  - + Case Reserves
    - The Claim Adjuster's Number
  - + IBNR (Incurred But Not Reported) Reserves
    - The Actuary's Number



# Reserves

- Reserves are the amounts remaining to be paid on claims occurring in a given year
- Also called outstanding liabilities

So,

- Reserves = Case Reserves + IBNR Reserves

Or...

**Reserves = Ultimate Losses – Paid Losses**



# Paid Loss Development – Trial Courts

| Accident Year | Expected            | Actual              | Difference         |
|---------------|---------------------|---------------------|--------------------|
| 2000-2001     | \$0                 | \$47,134            | \$47,134           |
| 2001-2002     | 53,000              | 83,910              | 30,910             |
| 2002-2003     | 119,000             | 143,089             | 24,089             |
| 2003-2004     | 448,000             | 178,522             | (269,478)          |
| 2004-2005     | 182,000             | 228,164             | 46,164             |
| 2005-2006     | 236,000             | 100,939             | (135,061)          |
| 2006-2007     | 255,000             | 264,968             | 9,968              |
| 2007-2008     | 298,000             | 285,962             | (12,038)           |
| 2008-2009     | 270,000             | 161,793             | (108,207)          |
| 2009-2010     | 471,000             | 619,783             | 148,783            |
| 2010-2011     | 605,000             | 454,745             | (150,255)          |
| 2011-2012     | 641,000             | 935,759             | 294,759            |
| 2012-2013     | 762,000             | 882,362             | 120,362            |
| 2013-2014     | 877,000             | 894,896             | 17,896             |
| 2014-2015     | 1,378,000           | 1,511,712           | 133,712            |
| 2015-2016     | 1,908,000           | 1,805,571           | (102,429)          |
| 2016-2017     | 2,548,000           | 2,416,190           | (131,810)          |
| 2017-2018     | 2,840,000           | 2,498,936           | (341,064)          |
| <b>Total</b>  | <b>\$13,891,000</b> | <b>\$13,514,435</b> | <b>(\$376,565)</b> |

**Paid Losses**

**Development from 12/31/17 to 12/31/18**



# Incurring Loss Development – Trial Courts

| Accident Year | Expected            | Actual             | Difference           |
|---------------|---------------------|--------------------|----------------------|
| 2000-2001     | \$10,000            | \$51,884           | \$41,884             |
| 2001-2002     | 41,000              | 40,318             | (682)                |
| 2002-2003     | 53,000              | (40,084)           | (93,084)             |
| 2003-2004     | 101,000             | (160,905)          | (261,905)            |
| 2004-2005     | 97,000              | (153,738)          | (250,738)            |
| 2005-2006     | 151,000             | 6,951              | (144,049)            |
| 2006-2007     | 186,000             | 264,104            | 78,104               |
| 2007-2008     | 257,000             | (92,987)           | (349,987)            |
| 2008-2009     | 284,000             | 65,424             | (218,576)            |
| 2009-2010     | 361,000             | (153,450)          | (514,450)            |
| 2010-2011     | 290,000             | (486,915)          | (776,915)            |
| 2011-2012     | 327,000             | 142,559            | (184,441)            |
| 2012-2013     | 364,000             | (129,211)          | (493,211)            |
| 2013-2014     | 366,000             | (260,526)          | (626,526)            |
| 2014-2015     | 564,000             | (272,425)          | (836,425)            |
| 2015-2016     | 1,553,000           | 631,930            | (921,070)            |
| 2016-2017     | 2,619,000           | 2,125,701          | (493,299)            |
| 2017-2018     | 5,250,000           | 3,685,564          | (1,564,436)          |
| <b>Total</b>  | <b>\$12,874,000</b> | <b>\$5,264,194</b> | <b>(\$7,609,806)</b> |

**Incurring Losses**

**Development from 12/31/17 to 12/31/18**

**Average Case Reserve decreased 23%**

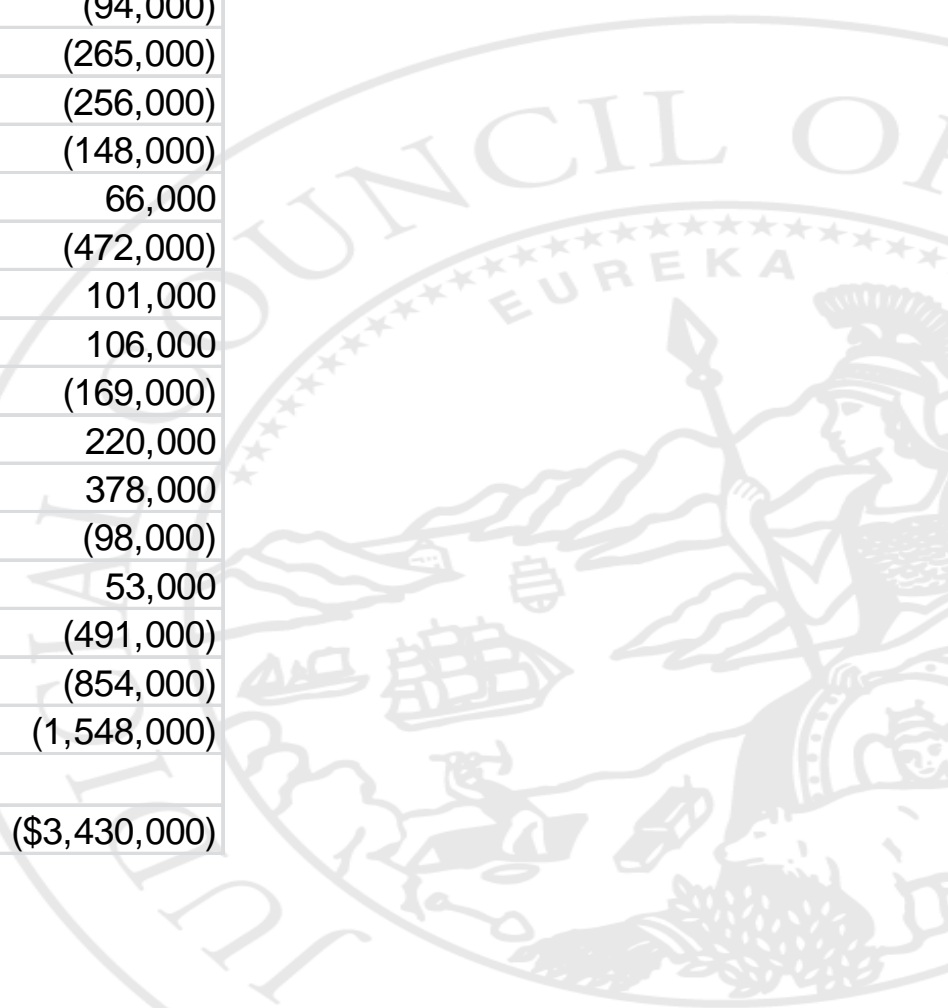


# Ultimate Loss – Trial Courts

| Accident Year | Prior                | Current              | Change               |
|---------------|----------------------|----------------------|----------------------|
| 2000-2001     | \$9,841,000          | \$9,883,000          | \$42,000             |
| 2001-2002     | 13,946,000           | 13,945,000           | (1,000)              |
| 2002-2003     | 18,194,000           | 18,100,000           | (94,000)             |
| 2003-2004     | 20,938,000           | 20,673,000           | (265,000)            |
| 2004-2005     | 14,566,000           | 14,310,000           | (256,000)            |
| 2005-2006     | 14,606,000           | 14,458,000           | (148,000)            |
| 2006-2007     | 14,482,000           | 14,548,000           | 66,000               |
| 2007-2008     | 14,280,000           | 13,808,000           | (472,000)            |
| 2008-2009     | 12,319,000           | 12,420,000           | 101,000              |
| 2009-2010     | 17,778,000           | 17,884,000           | 106,000              |
| 2010-2011     | 16,901,000           | 16,732,000           | (169,000)            |
| 2011-2012     | 15,634,000           | 15,854,000           | 220,000              |
| 2012-2013     | 17,059,000           | 17,437,000           | 378,000              |
| 2013-2014     | 14,148,000           | 14,050,000           | (98,000)             |
| 2014-2015     | 13,803,000           | 13,856,000           | 53,000               |
| 2015-2016     | 15,084,000           | 14,593,000           | (491,000)            |
| 2016-2017     | 14,684,000           | 13,830,000           | (854,000)            |
| 2017-2018     | 15,426,000           | 13,878,000           | (1,548,000)          |
|               |                      |                      |                      |
| <b>Total</b>  | <b>\$273,689,000</b> | <b>\$270,259,000</b> | <b>(\$3,430,000)</b> |



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# Liabilities – Trial Courts

## Comparison of June 30 Projections...

|                | Prior Report<br>June 30, 2018 | Current Report<br>June 30, 2019 | Change        |
|----------------|-------------------------------|---------------------------------|---------------|
| Case Reserves  | \$33,187,000                  | \$26,501,000                    | (\$6,686,000) |
| IBNR Reserves  | 38,625,000                    | 42,700,000                      | 4,075,000     |
| ULAE Reserves  | 6,093,000                     | 5,967,000                       | (126,000)     |
| Total Reserves | \$77,905,000                  | \$75,168,000                    | (\$2,737,000) |





# Paid Loss Development – Judiciary

| Accident Year | Expected         | Actual           | Difference      |
|---------------|------------------|------------------|-----------------|
| Prior         | \$87,000         | \$59,180         | (\$27,820)      |
| 1998-1999     | 20,000           | 21,915           | 1,915           |
| 1999-2000     | 4,000            | 11,306           | 7,306           |
| 2000-2001     | 11,000           | 155              | (10,845)        |
| 2001-2002     | 13,000           | 18,618           | 5,618           |
| 2002-2003     | 0                | 0                | 0               |
| 2003-2004     | 0                | 0                | 0               |
| 2004-2005     | 0                | 0                | 0               |
| 2005-2006     | 0                | 1,942            | 1,942           |
| 2006-2007     | 12,000           | 8,778            | (3,222)         |
| 2007-2008     | 9,000            | 27,535           | 18,535          |
| 2008-2009     | 26,000           | 14,278           | (11,722)        |
| 2009-2010     | 15,000           | 2,502            | (12,498)        |
| 2010-2011     | 12,000           | 9,239            | (2,761)         |
| 2011-2012     | 25,000           | 40,579           | 15,579          |
| 2012-2013     | 26,000           | 263              | (25,737)        |
| 2013-2014     | 45,000           | 1,069            | (43,931)        |
| 2014-2015     | 49,000           | 32,865           | (16,135)        |
| 2015-2016     | 68,000           | 122,868          | 54,868          |
| 2016-2017     | 85,000           | 151,505          | 66,505          |
| 2017-2018     | 40,000           | 43,755           | 3,755           |
|               |                  |                  |                 |
| <b>Total</b>  | <b>\$547,000</b> | <b>\$568,352</b> | <b>\$21,352</b> |

**Paid Losses**

**Development from 12/31/17 to 12/31/18**



# Incurring Loss Development – Judiciary

| Accident Year | Expected         | Actual           | Difference         |
|---------------|------------------|------------------|--------------------|
| Prior         | \$13,000         | \$24,183         | \$11,183           |
| 1998-1999     | 3,000            | 0                | (3,000)            |
| 1999-2000     | 3,000            | 0                | (3,000)            |
| 2000-2001     | 5,000            | (54,952)         | (59,952)           |
| 2001-2002     | 5,000            | (32,547)         | (37,547)           |
| 2002-2003     | 0                | 0                | 0                  |
| 2003-2004     | 0                | 0                | 0                  |
| 2004-2005     | 0                | 0                | 0                  |
| 2005-2006     | 0                | 8,096            | 8,096              |
| 2006-2007     | 10,000           | (23,271)         | (33,271)           |
| 2007-2008     | 5,000            | (8,075)          | (13,075)           |
| 2008-2009     | 19,000           | 4,457            | (14,543)           |
| 2009-2010     | 18,000           | 0                | (18,000)           |
| 2010-2011     | 10,000           | 19,096           | 9,096              |
| 2011-2012     | 23,000           | 29,885           | 6,885              |
| 2012-2013     | 24,000           | 0                | (24,000)           |
| 2013-2014     | 45,000           | 0                | (45,000)           |
| 2014-2015     | 46,000           | 40,846           | (5,154)            |
| 2015-2016     | 58,000           | 153,271          | 95,271             |
| 2016-2017     | 115,000          | 178,008          | 63,008             |
| 2017-2018     | 177,000          | 46,025           | (130,975)          |
| <b>Total</b>  | <b>\$579,000</b> | <b>\$385,022</b> | <b>(\$193,978)</b> |

**Incurring  
Losses**

**Development  
from  
12/31/17  
to  
12/31/18**

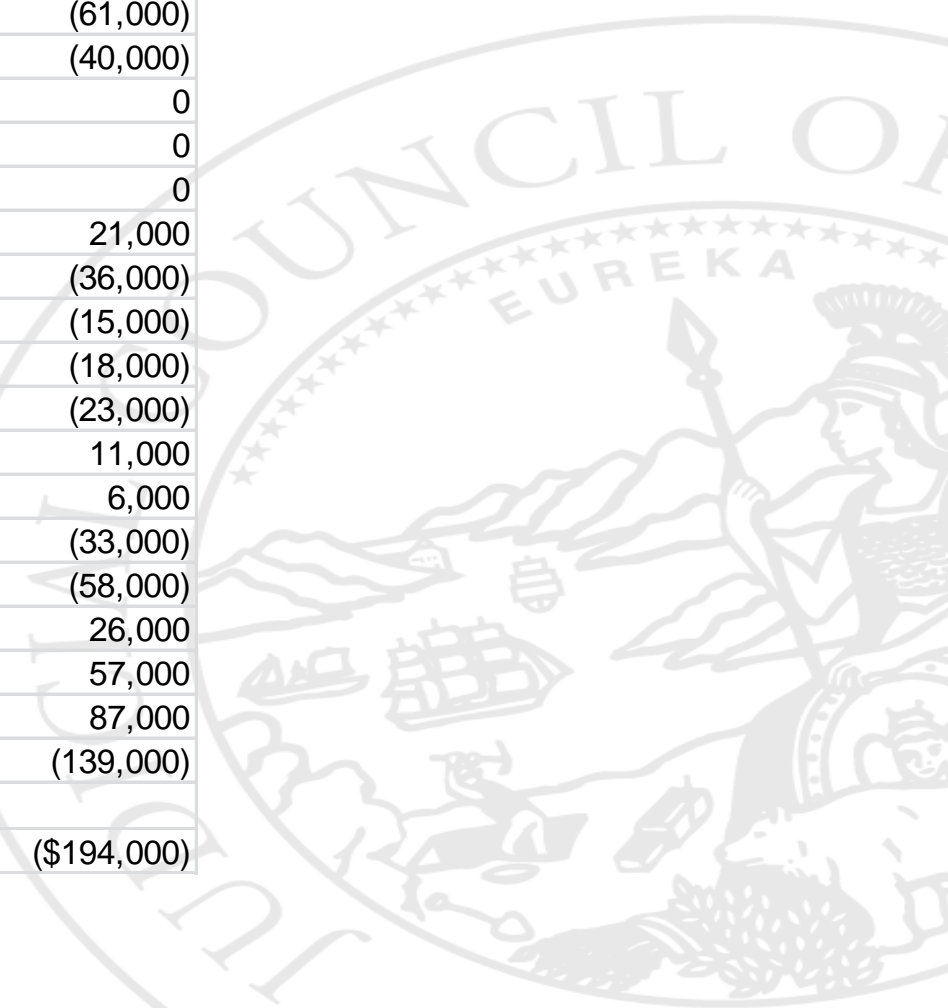


# Ultimate Loss – Judiciary

| Accident Year | Prior        | Current      | Change      |
|---------------|--------------|--------------|-------------|
| Prior         | \$9,322,000  | \$9,349,000  | \$27,000    |
| 1998-1999     | 1,528,000    | 1,525,000    | (3,000)     |
| 1999-2000     | 677,000      | 674,000      | (3,000)     |
| 2000-2001     | 1,081,000    | 1,020,000    | (61,000)    |
| 2001-2002     | 1,087,000    | 1,047,000    | (40,000)    |
| 2002-2003     | 172,000      | 172,000      | 0           |
| 2003-2004     | 289,000      | 289,000      | 0           |
| 2004-2005     | 366,000      | 366,000      | 0           |
| 2005-2006     | 227,000      | 248,000      | 21,000      |
| 2006-2007     | 681,000      | 645,000      | (36,000)    |
| 2007-2008     | 305,000      | 290,000      | (15,000)    |
| 2008-2009     | 920,000      | 902,000      | (18,000)    |
| 2009-2010     | 799,000      | 776,000      | (23,000)    |
| 2010-2011     | 335,000      | 346,000      | 11,000      |
| 2011-2012     | 687,000      | 693,000      | 6,000       |
| 2012-2013     | 598,000      | 565,000      | (33,000)    |
| 2013-2014     | 328,000      | 270,000      | (58,000)    |
| 2014-2015     | 475,000      | 501,000      | 26,000      |
| 2015-2016     | 625,000      | 682,000      | 57,000      |
| 2016-2017     | 592,000      | 679,000      | 87,000      |
| 2017-2018     | 669,000      | 530,000      | (139,000)   |
|               |              |              |             |
| Total         | \$21,763,000 | \$21,569,000 | (\$194,000) |



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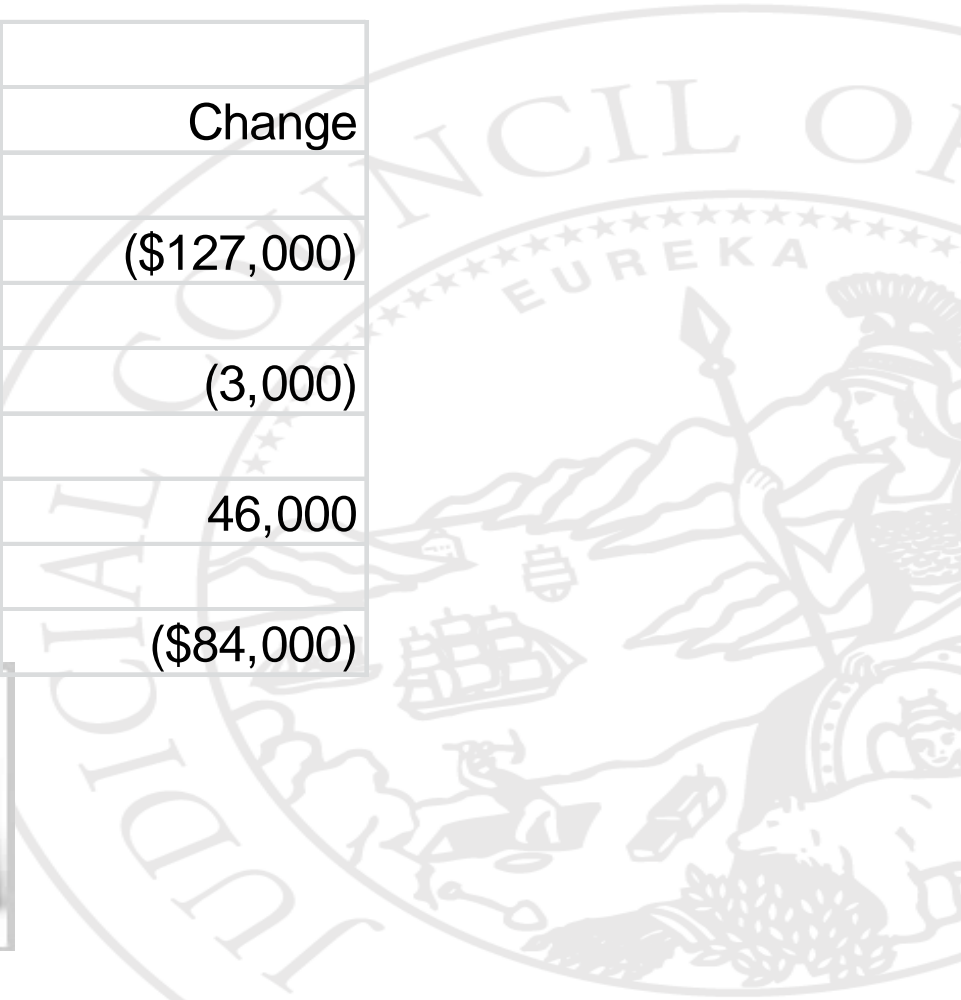
# Liabilities – Judiciary

## Comparison of June 30 Projections...

|                | Prior Report<br>June 30, 2018 | Current Report<br>June 30, 2019 | Change      |
|----------------|-------------------------------|---------------------------------|-------------|
| Case Reserves  | \$1,547,000                   | \$1,420,000                     | (\$127,000) |
| IBNR Reserves  | 2,353,000                     | 2,350,000                       | (3,000)     |
| ULAE Reserves  | 840,000                       | 886,000                         | 46,000      |
| Total Reserves | \$4,740,000                   | \$4,656,000                     | (\$84,000)  |



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# Liabilities – Total Trial Courts and Judiciary

Comparison of June 30 Projections...

|                | Prior Report<br>June 30, 2018 | Current Report<br>June 30, 2019 | Change        |
|----------------|-------------------------------|---------------------------------|---------------|
| Case Reserves  | \$34,734,000                  | \$27,921,000                    | (\$6,813,000) |
| IBNR Reserves  | 40,978,000                    | 45,050,000                      | 4,072,000     |
| ULAE Reserves  | 6,933,000                     | 6,852,000                       | (81,000)      |
| Total Reserves | \$82,645,000                  | \$79,823,000                    | (\$2,822,000) |



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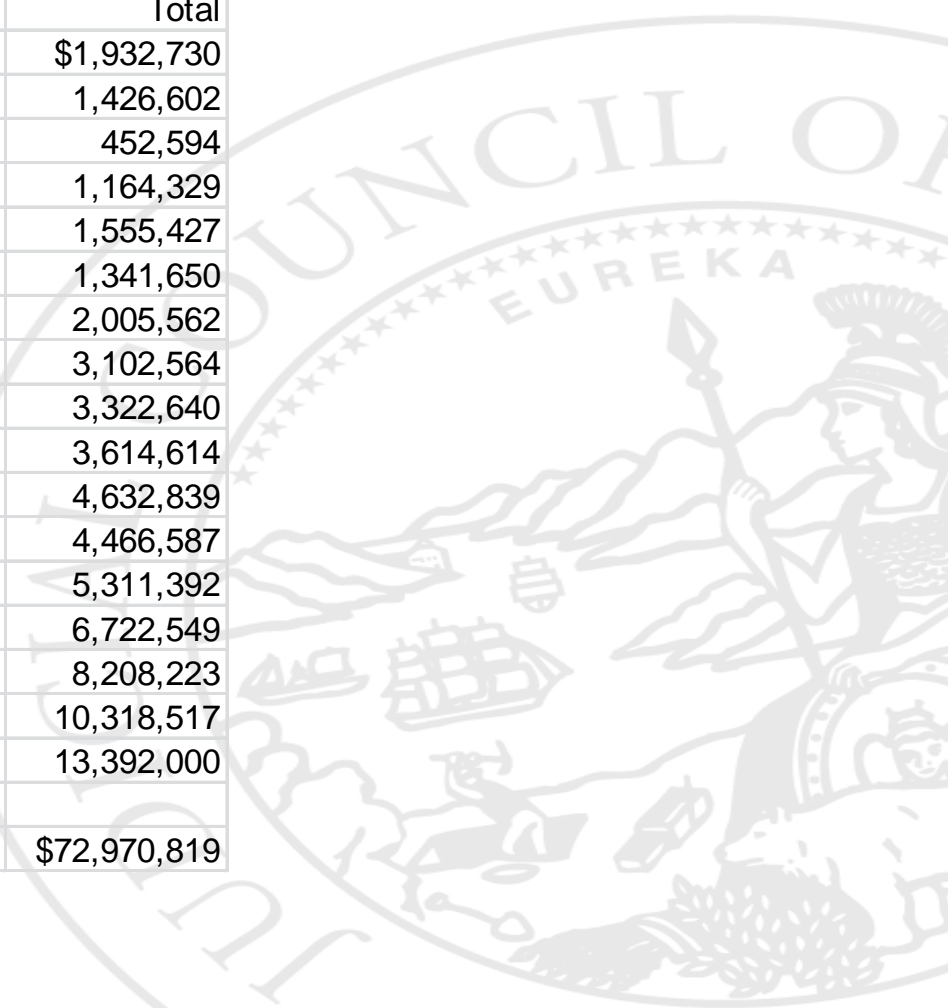
# Outstanding Liabilities at 6/30/19

As of June 30, loss and ALAE by year...

| Accident Year          | Trial Courts | Judiciary   | Total        |
|------------------------|--------------|-------------|--------------|
| Prior                  | \$1,265,534  | \$667,196   | \$1,932,730  |
| 2003-2004              | 1,426,602    | 0           | 1,426,602    |
| 2004-2005              | 452,594      | 0           | 452,594      |
| 2005-2006              | 1,146,338    | 17,991      | 1,164,329    |
| 2006-2007              | 1,488,991    | 66,436      | 1,555,427    |
| 2007-2008              | 1,296,102    | 45,548      | 1,341,650    |
| 2008-2009              | 1,805,537    | 200,025     | 2,005,562    |
| 2009-2010              | 3,005,658    | 96,906      | 3,102,564    |
| 2010-2011              | 3,238,120    | 84,520      | 3,322,640    |
| 2011-2012              | 3,481,067    | 133,547     | 3,614,614    |
| 2012-2013              | 4,507,378    | 125,461     | 4,632,839    |
| 2013-2014              | 4,288,788    | 177,799     | 4,466,587    |
| 2014-2015              | 5,003,616    | 307,776     | 5,311,392    |
| 2015-2016              | 6,349,507    | 373,042     | 6,722,549    |
| 2016-2017              | 7,805,403    | 402,820     | 8,208,223    |
| 2017-2018              | 9,875,327    | 443,190     | 10,318,517   |
| 2018-2019              | 12,764,028   | 627,972     | 13,392,000   |
|                        |              |             |              |
| Loss and ALAE Reserves | \$69,200,590 | \$3,770,229 | \$72,970,819 |



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# Outstanding Liabilities at 6/30/19

As of June 30, Adding ULAE and Confidence Levels...

|                        | Trial Courts | Judiciary   | Total        |
|------------------------|--------------|-------------|--------------|
| Loss and ALAE Reserves | \$69,200,590 | \$3,770,229 | \$72,970,819 |
| ULAE Reserves          | 5,966,689    | 885,758     | 6,852,447    |
| Total Reserves         |              |             |              |
| Expected               | \$75,168,000 | \$4,656,000 | \$79,823,000 |
| 70%                    | 81,106,000   | 5,238,000   | 86,344,000   |
| 75%                    | 83,436,000   | 5,494,000   | 88,930,000   |
| 85%                    | 89,450,000   | 6,174,000   | 95,624,000   |
| 90%                    | 93,810,000   | 6,672,000   | 100,482,000  |

**Confidence levels reflect variability of outstanding liabilities**



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# Funding Margin at 6/30/19

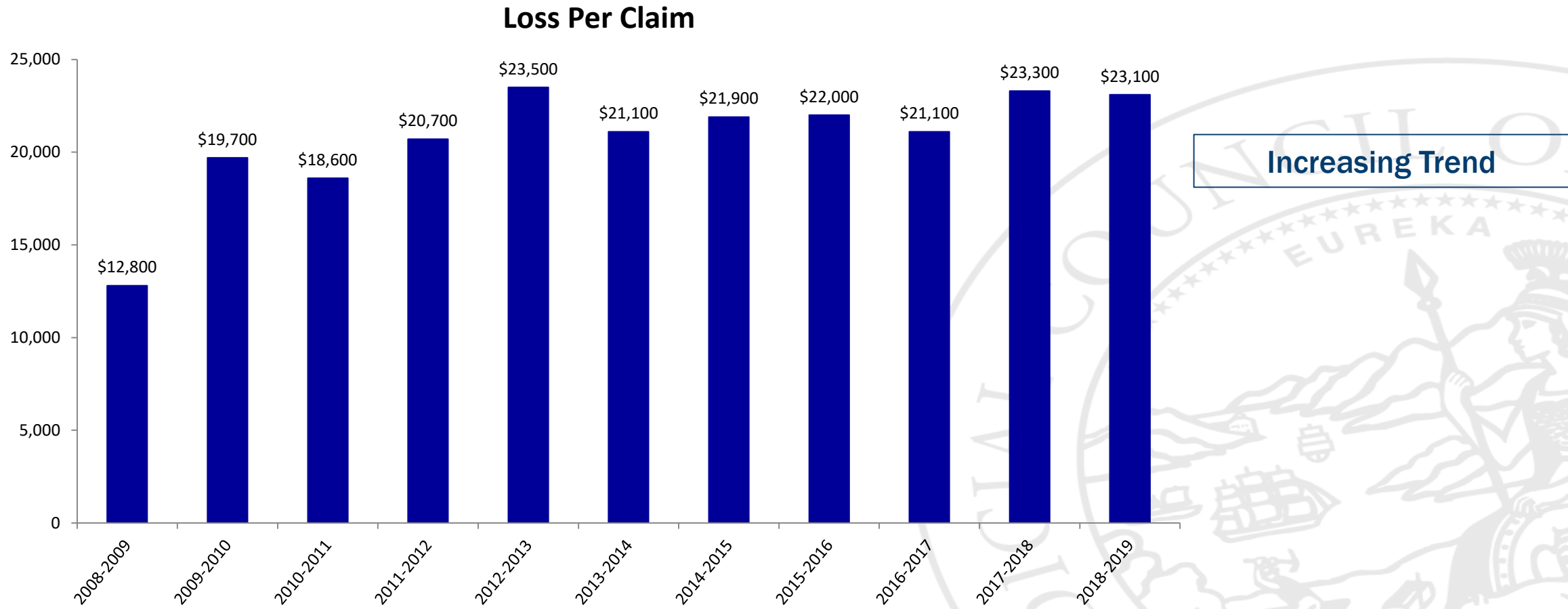
As of June 30, Outstanding Liability minus Available Assets

|                | Prior Report<br>June 30, 2018 | Current Report<br>June 30, 2019 | Change        |
|----------------|-------------------------------|---------------------------------|---------------|
| Total Reserves | \$82,645,000                  | \$79,823,000                    | (\$2,822,000) |
| Assets         | 60,268,000                    | 61,699,000                      | 1,431,000     |
| Deficit        | (\$22,377,000)                | (\$18,124,000)                  | \$4,253,000   |





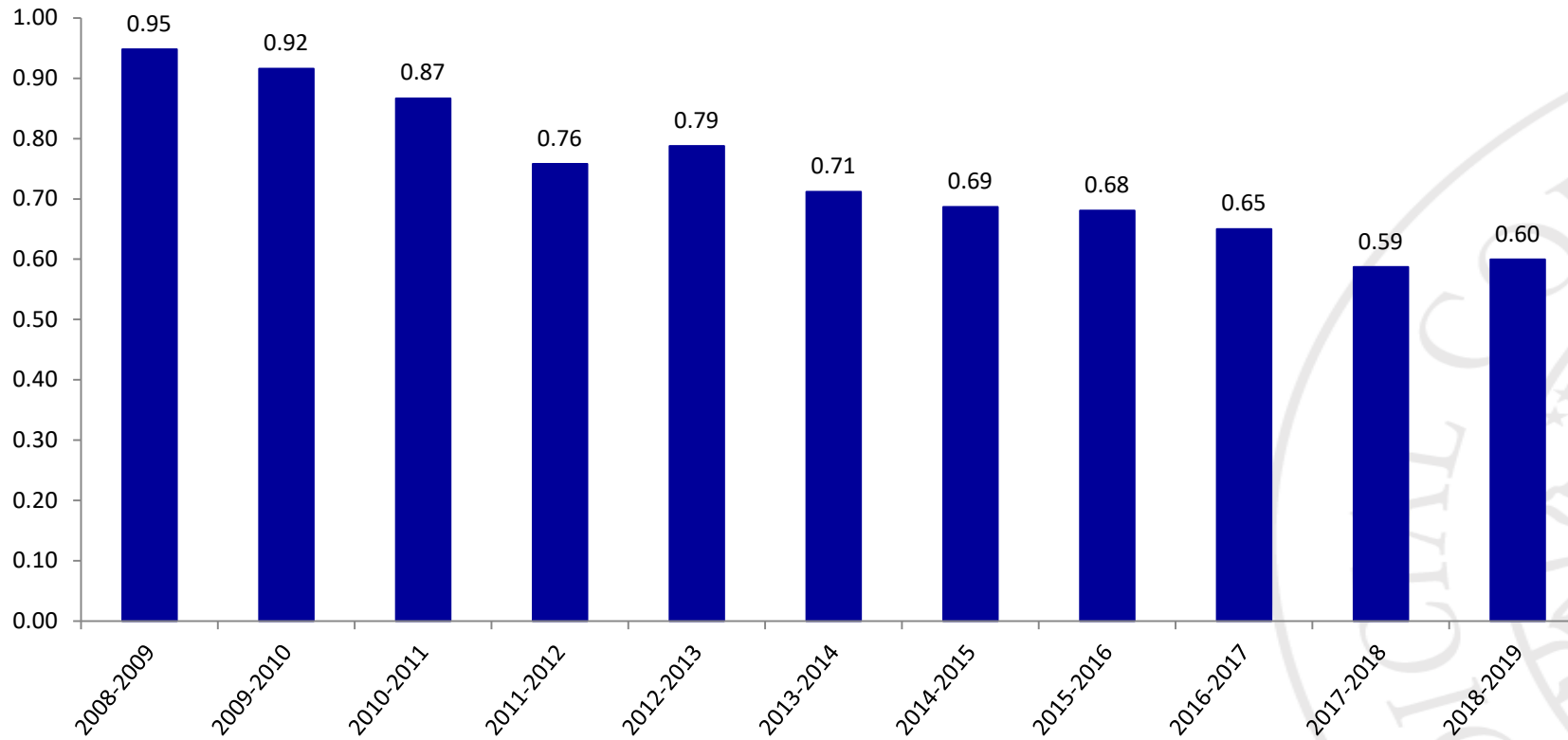
# Severity Trends – Trial Courts



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# Frequency Trends – Trial Courts

Claims per \$1M Payroll



Decreasing Trend



# Loss Rate Trends – Trial Courts

Loss Rate per \$1M of Payroll



Flattening Trend



# Severity Trends – State Judiciary

Loss per Claim

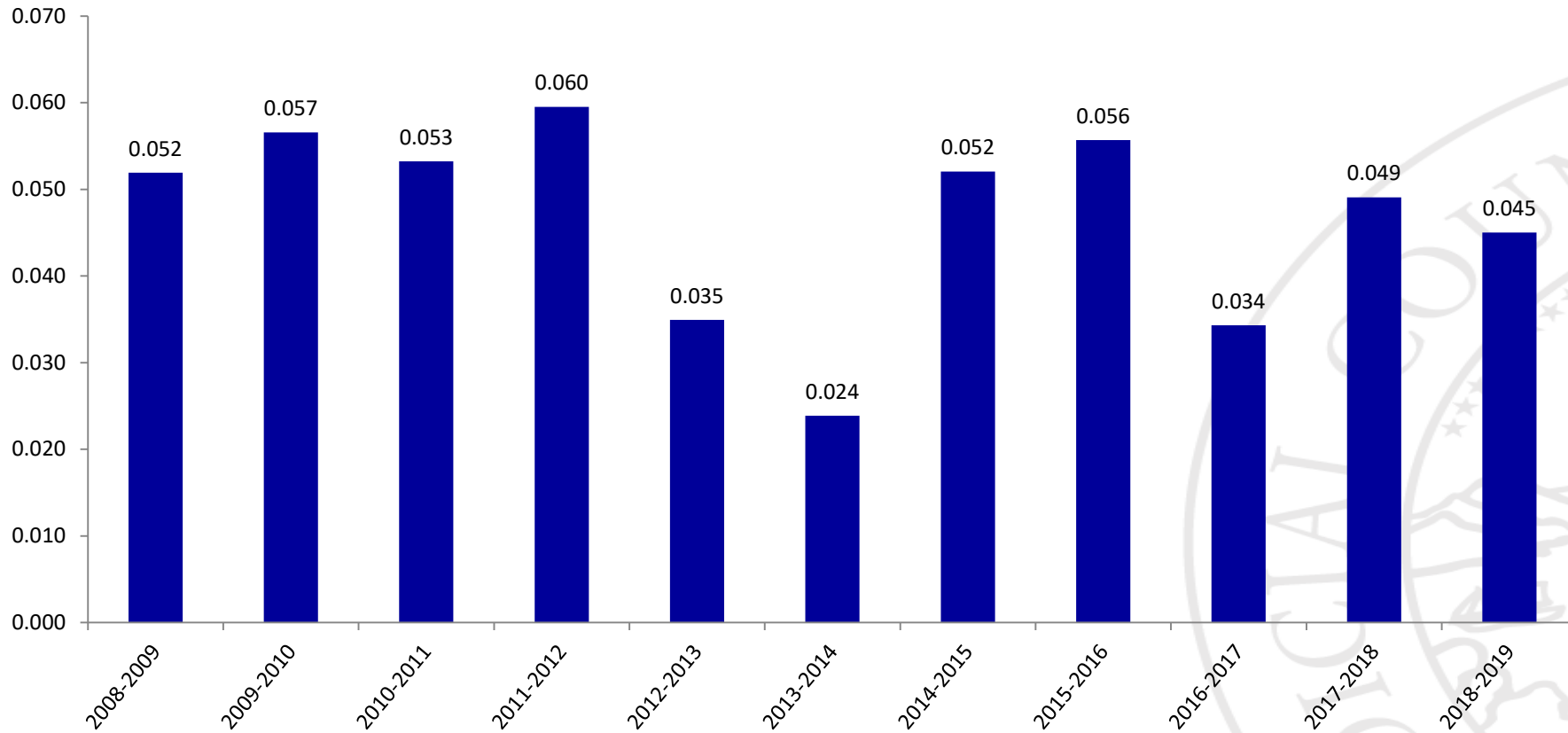


Volatility due to small program

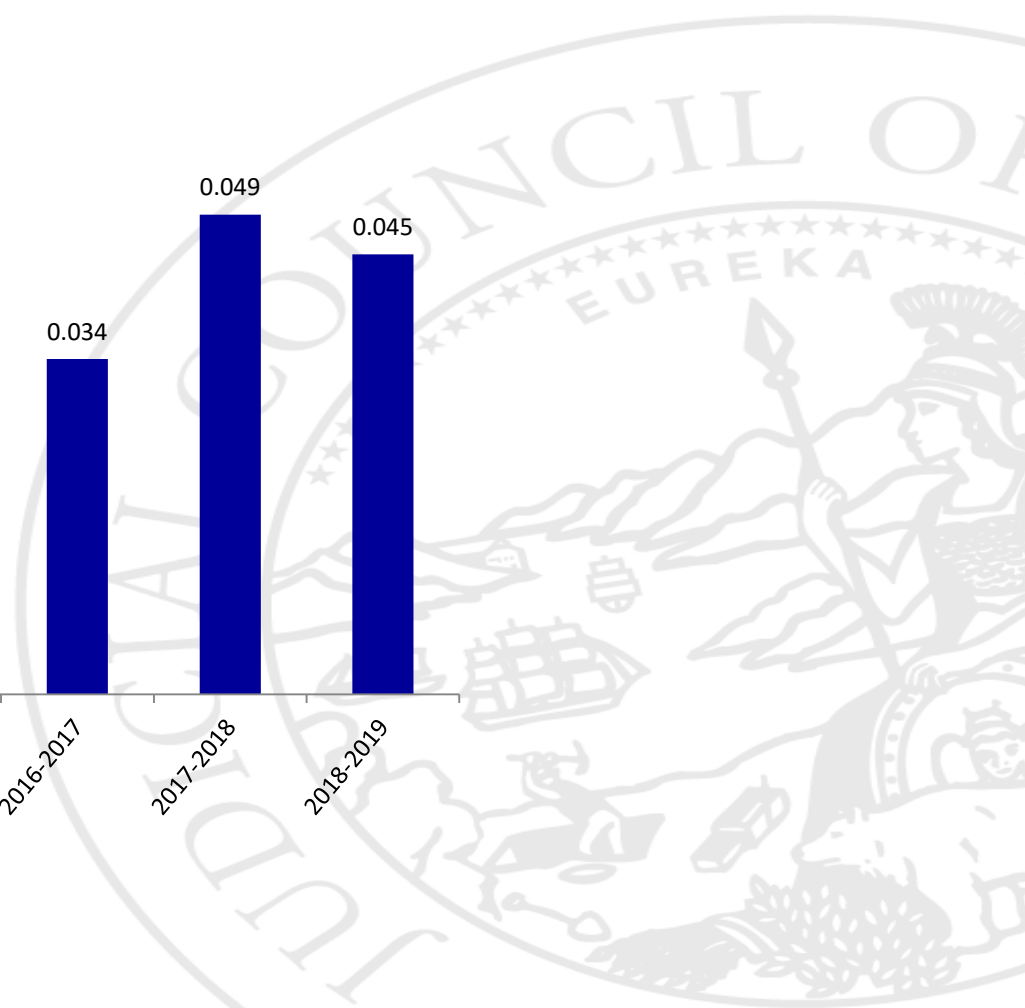


# Frequency Trends – State Judiciary

Claims per \$1M of Payroll

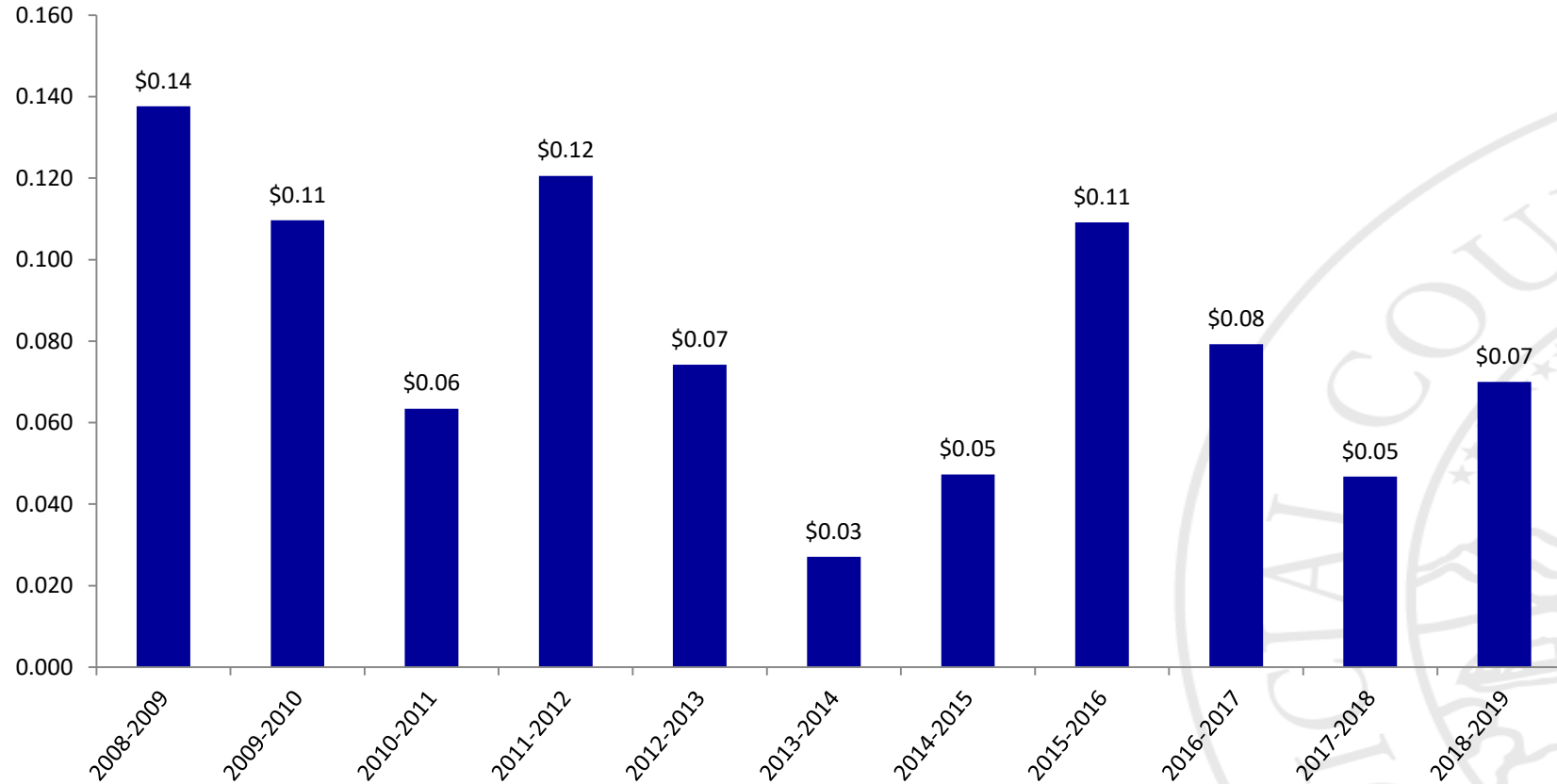


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# Loss Rate Trends – State Judiciary

Loss Rate per \$1M of Payroll



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# Projected Ultimate Loss & ALAE For 2019-20

Ultimate Loss and ALAE for claims occurring between 7/1/19 and 6/30/20

|                 | Prior Report<br>2018-2019<br>Self-Funded<br>Retention = \$2M | Current Report<br>2019-2020<br>Self-Funded<br>Retention = \$2M | Change      |
|-----------------|--|--|-------------|
| Trial Courts    | \$15,820,000   | \$14,999,000   | (\$821,000) |
| State Judiciary | 682,000  | 681,000  | (\$1,000)   |
| Total           | \$16,502,000   | \$15,680,000   | (\$822,000) |

**Note: On a loss/ALAE rate basis, Trial Courts -6.7%, Judiciary -4.0%**

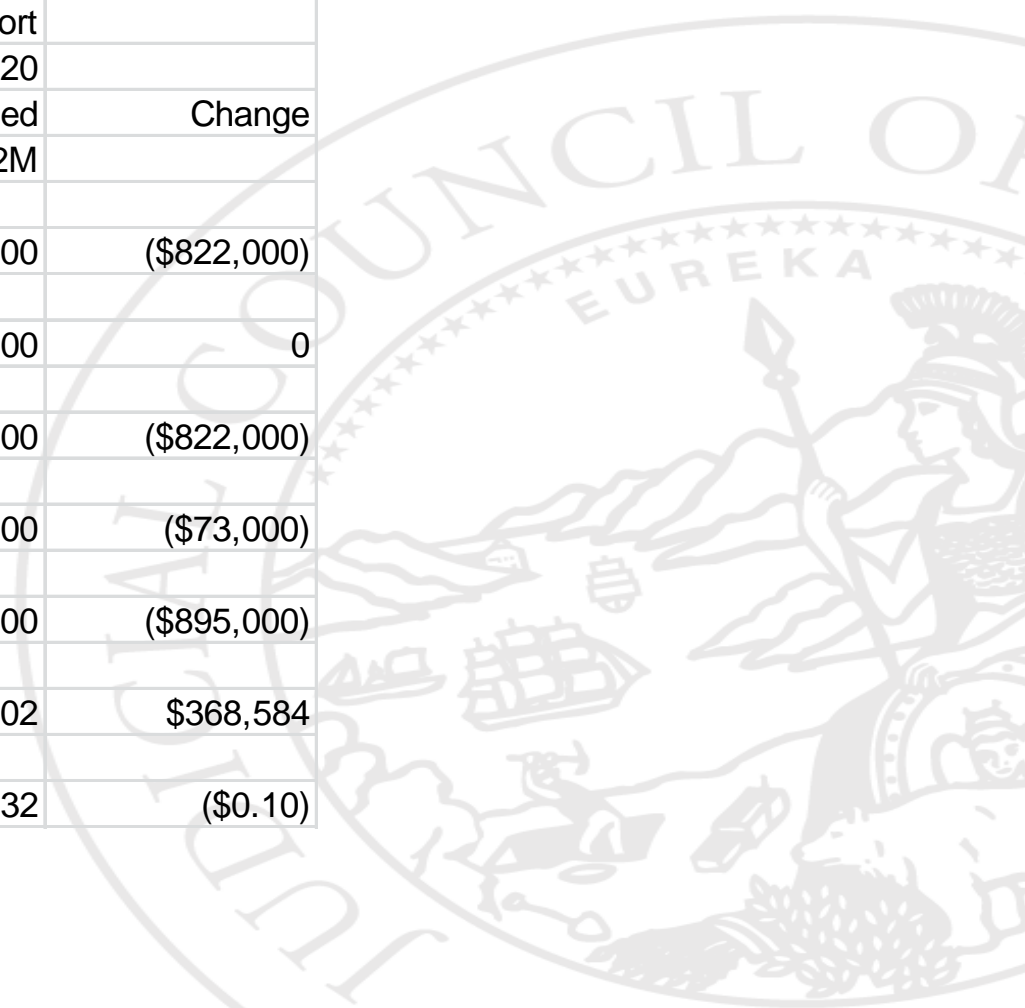


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# Projected Total Funding For 2019-20

## Total Required Funding for Claims Between 7/1/19 and 6/30/20

|                    | Prior Report<br>2018-2019<br>Self-Funded<br>Retention = \$2M | Current Report<br>2019-2020<br>Self-Funded<br>Retention = \$2M | Change      |
|--------------------|--|--|-------------|
| Loss and ALAE      | \$16,502,000   | \$15,680,000   | (\$822,000) |
| ULAE               | 2,682,000  | 2,682,000  | 0           |
| Total Claims       | 19,184,000   | 18,362,000   | (\$822,000) |
| Non Claim Expenses | 1,273,000  | 1,200,000  | (\$73,000)  |
| Total Funding      | \$20,457,000   | \$19,562,000   | (\$895,000) |
| Payroll            | \$14,498,818   | \$14,867,402   | \$368,584   |
| Total Rate         | \$1.41   | \$1.32   | (\$0.10)    |





# Actuarial Analysis

## Allocation Report for FY 2019-2020



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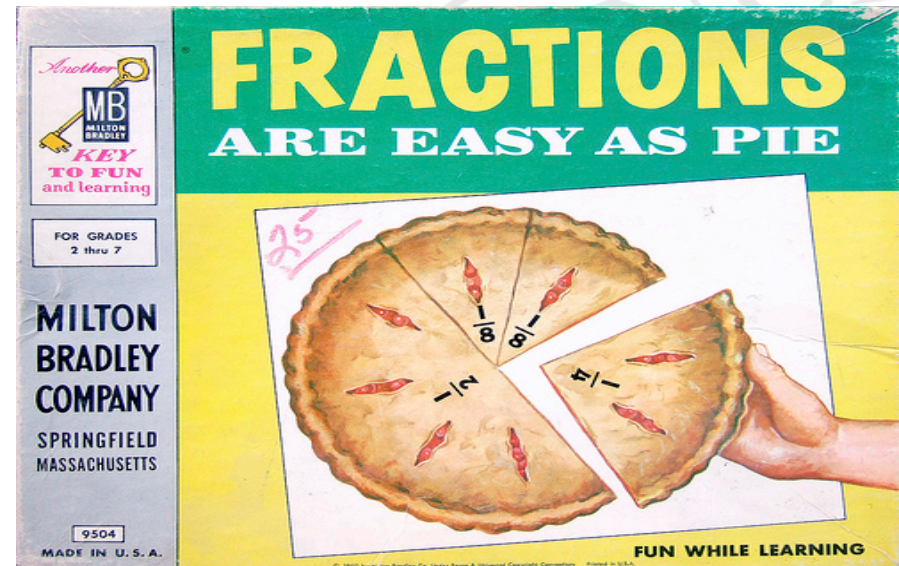


# 2019-20 Allocation

How do we divide up the program cost between courts?

- % of Total Losses
- % of Total Payrolls

$$\frac{3}{4} = .75$$



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# Costs To Allocate - Total

- **Ultimate Loss and ALAE**
  - **\$15,680,000 (-5.0%)**
- **Third-Party Claims Administration Fees**
  - **\$2,682,000 (0.0%)**
- **Excess Insurance Premiums**
  - **\$616,000 (-12.4%)**
- **Consulting and Brokerage Expenses**
  - **\$584,000 (2.5%)**
- **Total**
  - **\$19,562,000 (-4.4%)**



# Costs To Allocate – Trial Courts

- **Ultimate Loss and ALAE**
  - **\$14,999,000 (-5.2%)**
- **Third-Party Claims Administration Fees**
  - **\$2,408,000 (-0.6%)**
- **Excess Insurance Premiums**
  - **\$446,000 (-7.1%)**
- **Consulting and Brokerage Expenses**
  - **\$370,000 (+2.2%)**
- **Total**
  - **\$18,223,000 (-4.5%)**



# Costs To Allocate – Judiciary

- **Ultimate Loss and ALAE**
  - **\$681,000 (-0.1%)**
- **Third-Party Claims Administration Fees**
  - **\$274,000 (+5.4%)**
- **Excess Insurance Premiums**
  - **\$170,000 (-23.8%)**
- **Consulting and Brokerage Expenses**
  - **\$214,000 (+2.9%)**
- **Total**
  - **\$1,339,000 (-2.5%)**



# Loss Allocation Methodology

For each court...

- **Determine 3-Year Incurred Losses % of Total**
  - **Losses capped at \$75,000 per claim**
- **Determine 3-Year Payroll % of Total**
- **Determine Loss Weight**
  - **80% to Largest Court**
  - **Smaller Courts receive less weight**
- **% Allocation = (% Capped Losses) x (Loss Weight) + (% Payroll) x (1.0 – Loss Weight)**



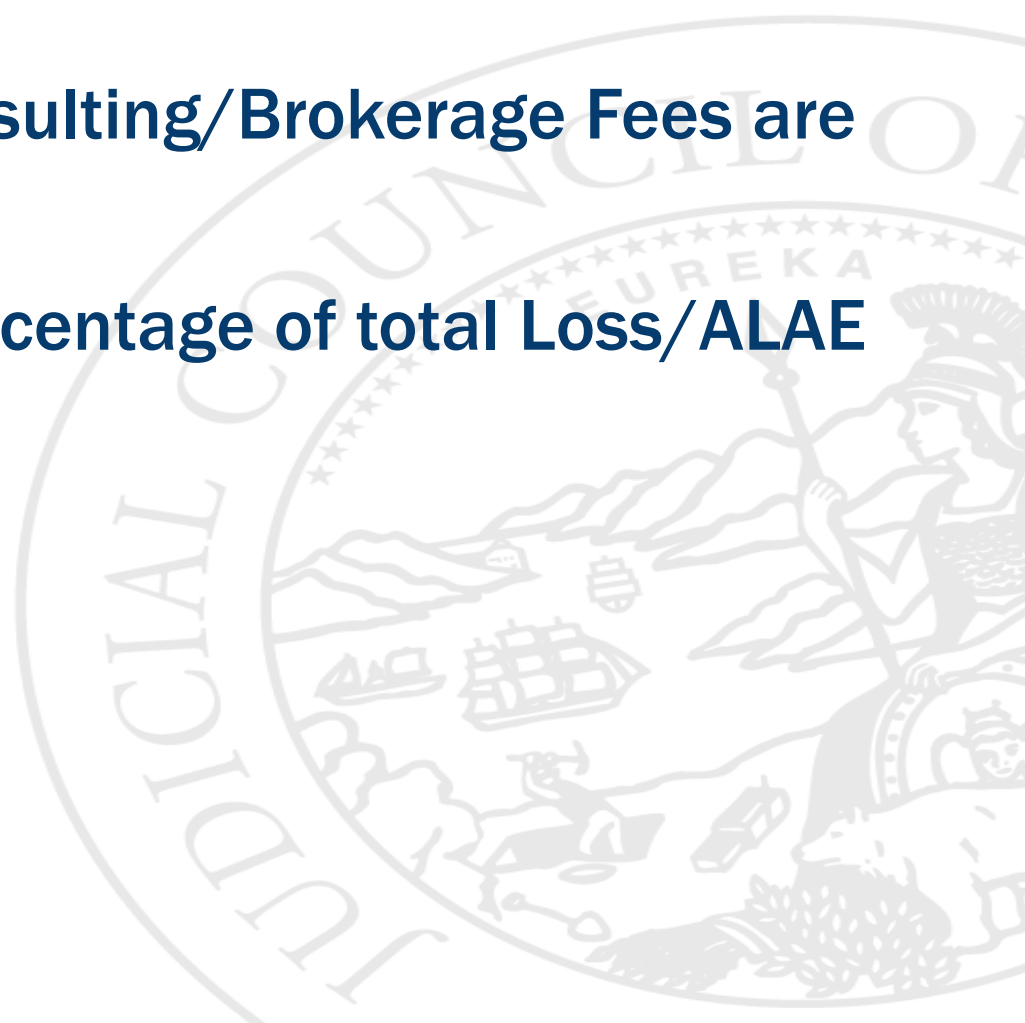
# Expense Allocation Methodology

For each court...

- Both Excess Insurance Premiums and Consulting/Brokerage Fees are allocated based upon % of Total Payroll
- TPA Fees are allocated based on courts percentage of total Loss/ALAE funding



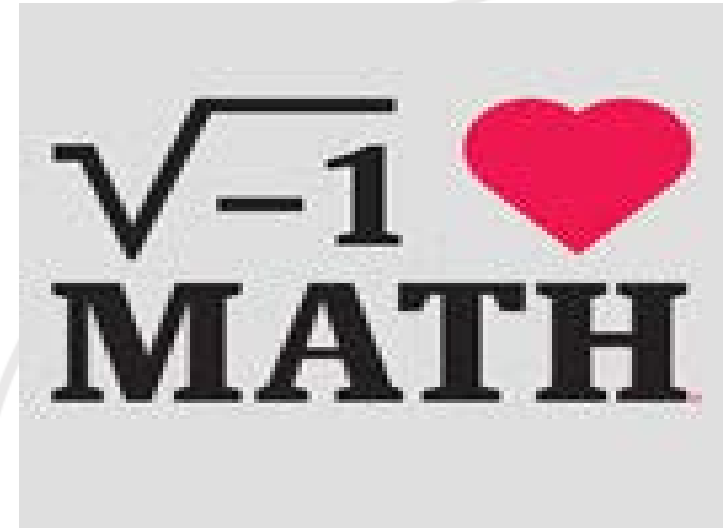
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# Questions ??

Ask an Actuary !

Call 1-800-[(10x)<sup>2</sup>-2x+34]



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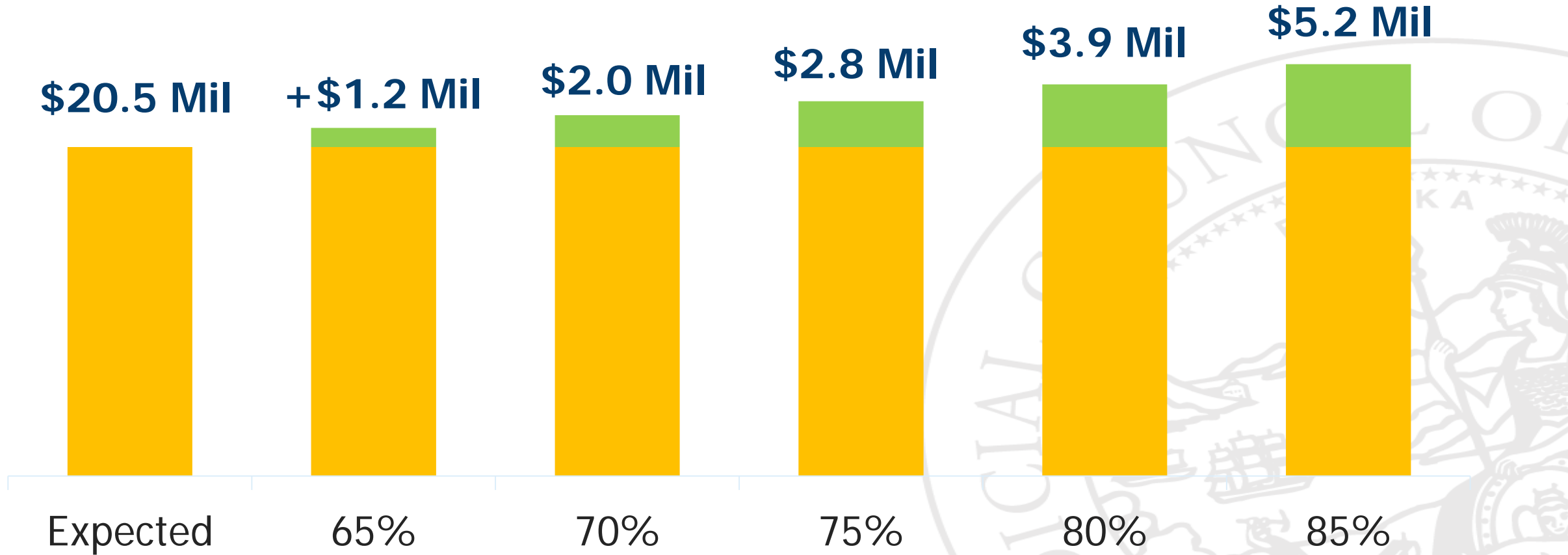
# Deficit Reduction via Amortization or Increased Confidence Levels

- **Funding at higher confidence levels**
- **Projected deficit with higher confidence level funding**
- **Assessment plans**
- **Projected deficit with 10 year assessment plan**



# Funding at Higher Confidence Levels

2018-2019 Program Year Funding at Various Confidence Levels

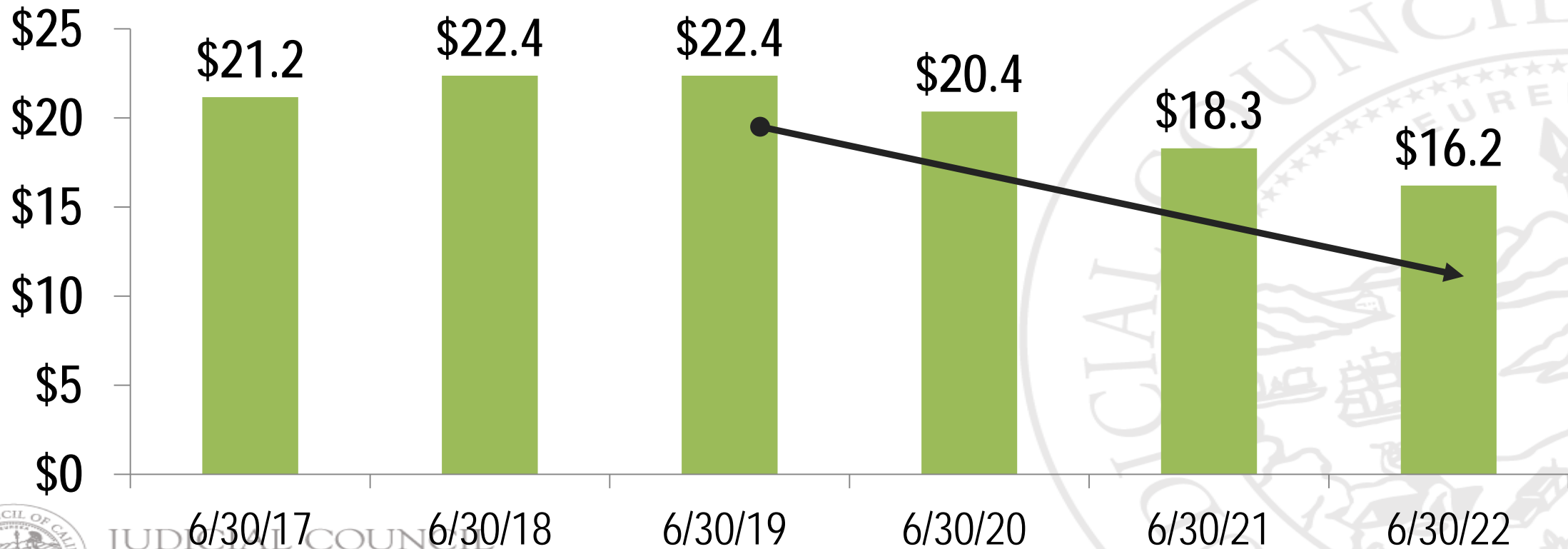


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Note: The 70% Confidence Level is the average utilized by the public sector for self-insured WC programs

# Projected Deficit With Higher Confidence Level Funding

Example of Impact on Deficit  
Funding at a 70% Confidence Level Beginning 2019-2020  
(Shown in Millions)



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*Assumes stable loss development of 2.5% per year.*

# Assessment Plans

## Key Elements for Assessment Plans

- How to Structure Assessments (Methodology)?
- How Long to Amortize?

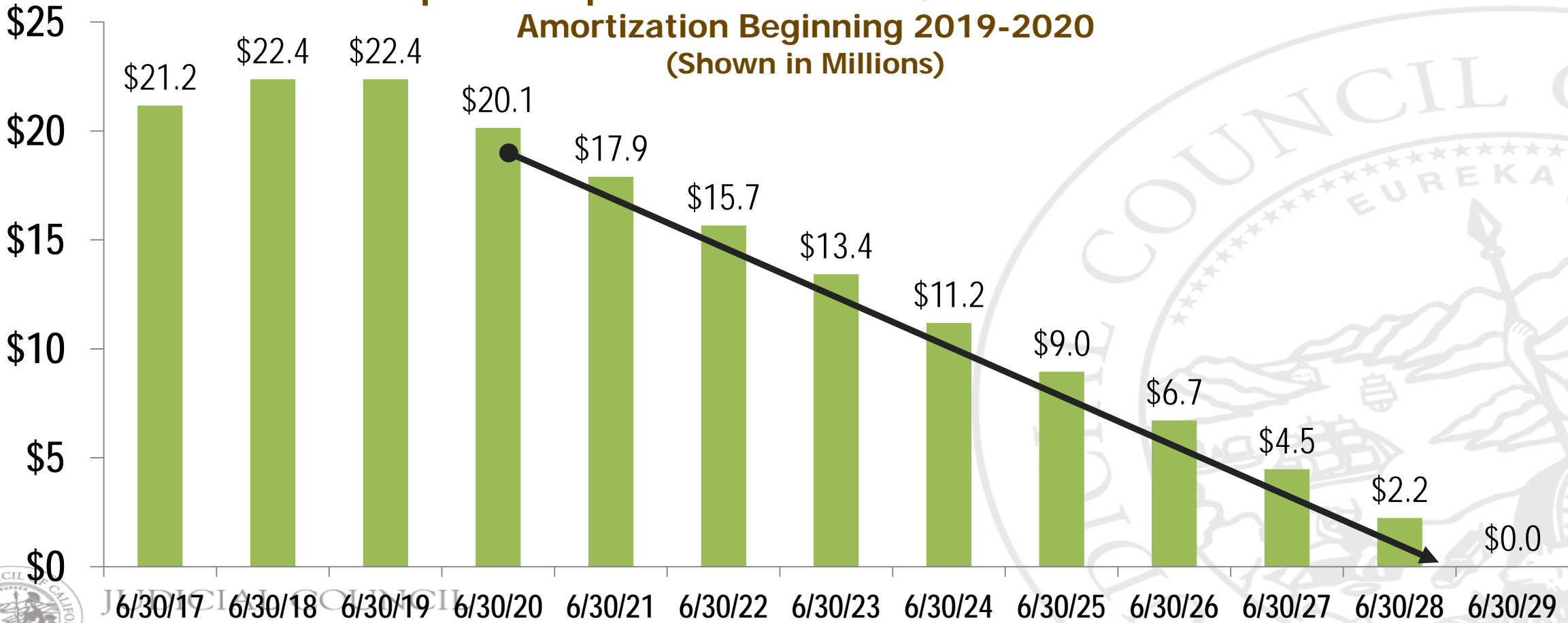


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# Projected Deficit With 10 Year Assessment Plan

**Example of Impact on Deficit - - \$2.2 Million Per Year Amortization Beginning 2019-2020 (Shown in Millions)**



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*Assumes stable loss development of 2.5% per year.*

# Addressing the Deficit (Action Needed)

**Option 1: Convene Working Group to develop recommendation based on:**

- a. **Feasibility**
- b. **How costs will be allocated to members**
- c. **Timing**

**Option 2: Continue to focus on alternative deficit reduction measures**



# Workers' Compensation Oversight

- **2018 Spot Check Review Update**
- **2018 Annual Audit Results**



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# Spot Check Review Update

- **Conduct scheduled Spot Check Reviews**
- **Increase # of files reviewed to 30**
- **Match review criteria to Audit criteria**
- **Increased Annual Audit by 30 files to accommodate 3<sup>rd</sup> Spot Check**





# Spot Check Review Results

- **April 2018 Review – Overall Score 82%**
  - **Members Score 87%**
  - **AIMS Overall 81%**
    - **Technical 81%**
    - **Diary/Contract Compliance 82%**



# Spot Check Review Results

- **July 2018 Review – Overall Score 84%**
  - **Members Score 93%**
  - **AIMS Overall 83%**
    - **Technical 82%**
    - **Diary/Contract Compliance 84%**



# Spot Check Review Next Steps

- **Proposed 2019 Spot Check Schedule**
  - **February 2019**
  - **April 2019**
  - **July 2019**
  - **November 2019 – Combined with Annual Audit**



# Review of Annual Audit Focus

- **Staffing Turnover and Impact**
- **Customer Service/Responsiveness**
- **Settlement Process**
- **Litigation Management**
- **Contractual Compliance**
- **Member Involvement**

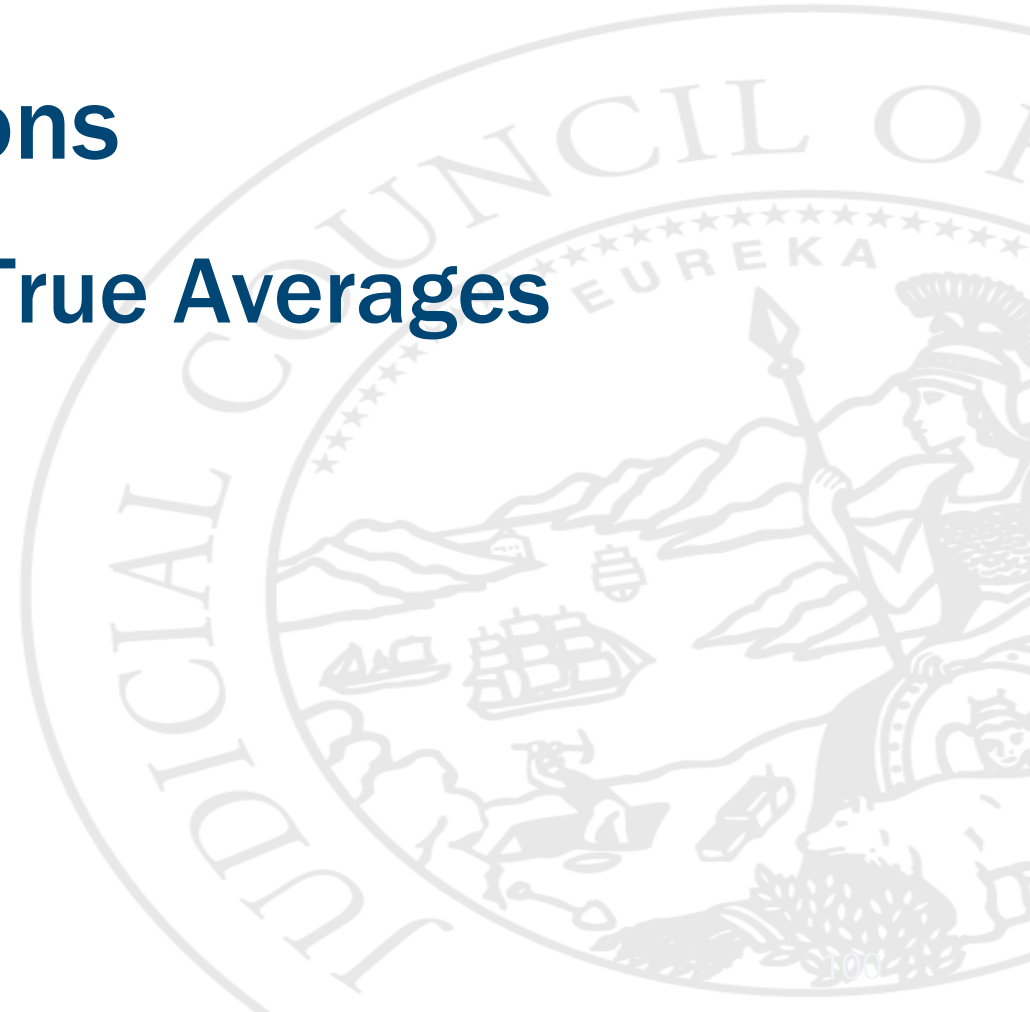


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# Annual Audit Goal – 85% Compliance

- **Audit Scoring**
- **Overview of Audit Calculations**
  - **Applicable Categories and True Averages**



# Audit Results

**180 Files Reviewed – 150 + 30 Spot Check**

**Overall Compliance 90% 7% Increase**

- **3 Main Categories**

- **Member Issues 95% 5% Increase**

- **Technical 88% 89% 7% Increase**

- **Diaries/Contract 90%**



# Scores by Category/Component

## Member Issues

### Highlights 85+ %

100% Participates in Claim  
99% Response to Adjuster  
91% Mod Duty Available

### Improvement Needed

76% Reported Timely



# Scores by Category/Component

## Member Issues Recommendations

- Timely Reporting – We have seen improvement in this area. AIMS has implemented active inquiry in to the basis for delayed reporting and discussion with the members at each claim review as recommended to address reporting concerns and suggestions for improvement.





# Scores by Category/Component

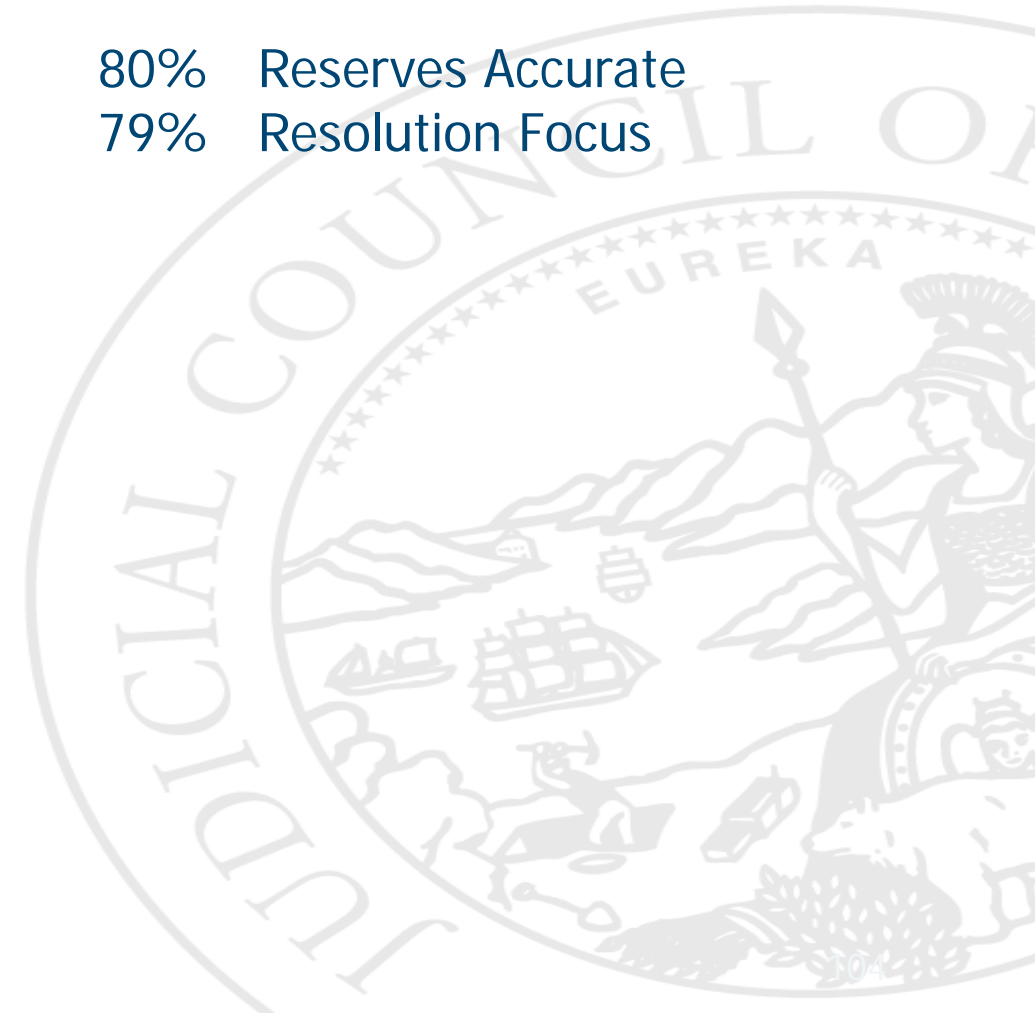
## Technical

### Highlights 85+ %

- 100% Assigned Specific Attorney
- 99% Attorney Monitored
- 94% Employer Communication
- 93% Atty Assignment Thorough
- 93% Medical Managed Well
- 92% QME Docs Submitted Timely
- 91% Subrogation
- 91% Mgt Addresses Concerns
- 90% Investigation
- 88% Benefits Paid Correctly
- 88% RTW Issues Well Managed
- 85% Mgt Guidance Effective

### Improvement Needed

- 80% Reserves Accurate
- 79% Resolution Focus



# Scores by Category/Component

## Technical Recommendations

- Reserves Accurate – Decrease of 4% from the prior Audit. Continued focus on JBWCP reserving guidelines is recommended focusing on *probable outcome*. As recommended in the prior Audit, the guidelines should be reviewed with the claims staff on an annual basis and specific reserve training provided for all new staff as they are brought on board.
- Resolution Focus - This category decreased by 1% from the prior Audit. Use of Proactive Diaries has increased, improvement in recognition of all outstanding issues must be achieved. Recommend supervisory staff identify areas of delay and provide guidance moving the cases to resolution.



# Scores by Category/Component

## TPA/Diaries Contract

### Highlights 85+ %

- 100% Professional Response to Members
- 99% Timely Response to Members
- 98% Supervisor Review Follows Guidelines
- 97% Reserve Review Timely
- 95% SAR Well Documented
- 94% Plan of Action Review Timely
- 93% Proactive Diaries Set
- 90% Settlement Guidelines Followed
- 85% Supervisor Rev Thorough
- 85% Settlement Submitted Appropriately

### Improvement Needed

- 81% Issues Recog & Escalated
- 78% Settlement Pursuit Timely
- 73% Supervisor Review Timely
- 63% Excess Reporting Timely



# Scores by Category/Component

## TPA Diaries/Contract Recommendations

- Issues Recognized and Escalated - Decreased by 2% from prior Audit. Again, training is recommended for all claims staff on importance of recognizing service issues/member concerns and escalating them.
- Settlement Pursuit Timely - Increase of 5% over prior Audit, again recommended staff be provided with overview of the items noted for delayed settlement pursuit, specifically timely review by supervisory staff.



# Impact of Staff Turnover

**4% of Indemnity files - 3+ adjusters**

**(Prior Audit - 41%)**

**DECREASED TURNOVER = IMPROVED PERFORMANCE**

**Active Indemnity Caseload 88 - 10 File Increase**

**Overall Adjuster Caseload 105 - 4 File Increase**



# AIMS Response and Commitment

**AIMS has reviewed the audit report, stating their commitment to:**

- **Improved Timeliness**
- **Increased Follow Up**
- **Improved Documentation**
- **Follow-up Training To Be Provided**

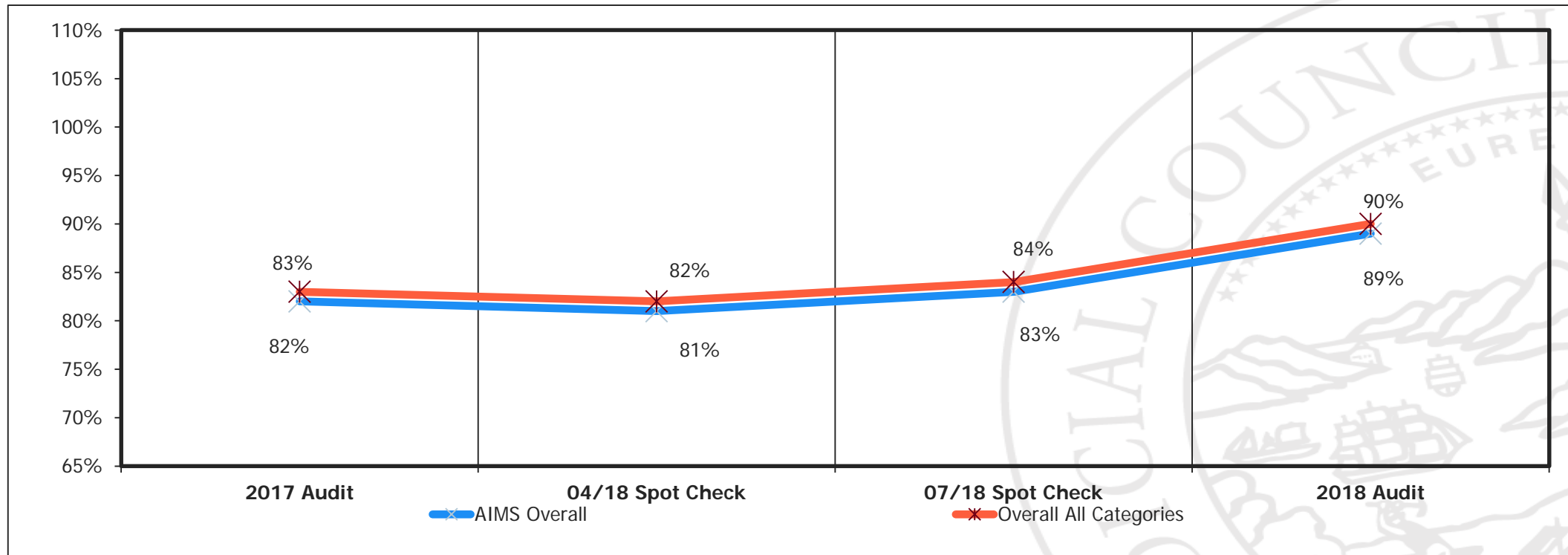


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Further Information Appendix D Audit Report

# Recommendation

- **Continued Improvement - consideration of *INCREASING* target score to 90% compliance**



# Recommendation

- **Managed Care Audit Component**
  - **Include Managed Care review in the 2019 Annual Audit**
    - **Independent Medical Review**
    - **Independent Bill Review**
    - **Utilization Review**
    - **Bill Review**





# Action Needed

- **Accept and Receive 2018 Annual Audit**
- **Provide Direction 2019 Spot Check Schedule**
  - **February 2019**
  - **April 2019**
  - **July 2019**
  - **November 2019 – Combined with Annual Audit**



# Annual Agenda



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# Adjournment of Open Session



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**TAB 4**



## JUDICIAL COUNCIL OF CALIFORNIA

455 Golden Gate Avenue • San Francisco, California 94102-3688  
Telephone 415-865-4200 • Fax 415-865-4205 • TDD 415-865-4272

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### MEMORANDUM

---

|   |   |
|---|---|
| Date  | Action Requested  |
| December 12, 2018   | N/A   |
| To  | Deadline  |
| Members of the Deficit Reduction<br>Alternatives Working Group          | N/A   |
| From  | Contact   |
| Maria Kato, Senior Human Resources<br>Analyst<br>Human Resources        | Maria Kato, Senior Human Resources<br>Analyst<br>916-643-7020 phone<br><a href="mailto:maria.kato@jud.ca.gov">maria.kato@jud.ca.gov</a> |
| Subject   |   |
| Judicial Branch Workers' Compensation<br>Program Proposed Buddy Program |   |

---

At the request of the Judicial Branch Workers' Compensation Program (JBWCP) Advisory Committee, staff have developed a "Buddy Program" to pair court members that may not have a full human resources (HR) office with other court members. The goal of the Buddy Program is to assist assigned courts to be more informed and make better workers' compensation-related (WC) decisions, and therefore, assist their employees and reduce their workers' compensation costs.

#### **Background**

During the last JBWCP Advisory Committee meeting in February 2018, a Buddy Program was suggested so courts could benefit from the guidance from experienced courts when presented with new or unfamiliar WC issues as well as access other courts' policies and procedures.

In July 2018, the JBWCP sent a survey to all court members regarding the Buddy Program and received the following results:

**Survey Results - Courts Interested**

- 8 – Partner courts were interested in serving as a Buddy Court
- 16 –Assigned courts would benefit (a few additional courts that responded only needed assistance with how to report a new claim to AIMS and were advised they could contact their adjuster for assistance)
- 11 – Not interested

**Methods for Sharing Information**

The following results are for the methods for sharing information through the Buddy Program:

| <b>Answer Choices</b>  | <b>Best Method</b> | <b>Good</b>    | <b>Fair</b>   | <b>Poor</b>  | <b>Not Recommended</b> | <b>Total</b> |
|--|--------------------|----------------|---------------|--------------|------------------------|--------------|
| Email Communications or bulletins  | 62.07%<br>(18)     | 34.48%<br>(10) | 3.45%<br>(1)  | 0.00%<br>(0) | 0.00%<br>(0)           | 29           |
| 1-on-1 (via web-based conferencing, phone, or in person)                 | 27.59%<br>(8)      | 62.07%<br>(18) | 6.90%<br>(2)  | 0.00%<br>(0) | 3.45%<br>(1)           | 29           |
| Online Access to Other Court's Policies, Procedures, and Other Materials | 55.17%<br>(16)     | 27.59%<br>(8)  | 10.34%<br>(3) | 3.45%<br>(1) | 3.45%<br>(1)           | 29           |
| Online Blogs with Q&A  | 10.34%<br>(3)      | 51.72%<br>(15) | 27.59%<br>(8) | 0.00%<br>(0) | 10.34%<br>(3)          | 29           |
| Group Forums   | 20.69%<br>(6)      | 51.72%<br>(15) | 20.69%<br>(6) | 0.00%<br>(0) | 6.90%<br>(2)           | 29           |

Based on these results, email communication/bulletins, online access to other courts' policies, procedures, and other materials rated the highest. JBWCP staff contacted several partner courts regarding their preferred method of communication with assigned courts.

Courts advised an email communication was preferred; however, many had no issues with direct telephone calls.

**Types of WC or Related Issues**

The following results are for the types of WC matters or issues assigned courts anticipate discussing with their partner:

| <b>Answer Choices</b>   | <b>Responses</b> | <b>Total</b> |
|---|------------------|--------------|
| WC  | 82.76%           | 24           |
| Return-to-Work Issues   | 82.76%           | 24           |
| Ergonomics  | 68.97%           | 20           |
| Accident Investigation  | 37.93%           | 11           |
| Other: Managing claims, subrogation, interactive process, how and when we communicate and work with AIMS. |                  |              |

After receiving the survey results, staff emailed the interested assigned courts and asked what type of assistance they may need and provide a few categories or examples. The following were the results from the courts that responded:

- Filing New Claims – 5
- Difficult or new situations – 4
- Return-to-Work/Modified Duties - 4
- Reasonable Accommodation -2
- Policy, Procedures, and/or Sharing ideas - 2
- Blog/List Serve -1

The courts that needed assistance with filing new claims explained they either had no new claims or rarely had claims. They explained that they would need assistance with what information to provide the employee, including notices received from AIMS after a claim was filed. The courts noted that they rely on their adjuster to assist them with how to report the claim and answer questions regarding AIMS notices. Some respondents also relied on assistance from JBWCP staff.

**Buddy Program Proposal and Guidelines**

**Purpose, Objective, and Goals**

The Buddy Program will assign courts with less WC experience with partner courts with more experience and resources to assist with WC issues, related accommodation issues, and ergonomics. The program will also share information, such as policies, procedures, and preventive measures, to decrease WC claims and costs. This program aims to strengthen the relationships between the courts, allowing them to share ideas on resolving WC items. With

this approach, assigned courts can be more informed about their WC decisions, save money, and ultimately impact the program deficit.

**JBWCP Responsibilities**

The JBWCP will facilitate, maintain the list of courts, and provide guidelines to interested courts. Additional courts can join at any time. If there are any issues with their assigned court, the JBWCP staff will facilitate a resolution. After the one-year implementation, staff will obtain feedback from all participants and identify any lessons learned to determine if any changes need to be made.

**Buddy Assignments**

To avoid one partner court from being inundated with the majority of calls since it is top on the list (e.g. Alameda), the following are the Buddy assignments and Point of Contacts:

| <b>Partner Court and Point of Contact</b>  | <b>Assigned Court</b>  |
|--|------------------------|
| Alameda <ul style="list-style-type: none"> <li>Victoria Ramos, HR Analyst II<br/> <a href="mailto:vramos@alameda.courts.ca.gov">vramos@alameda.courts.ca.gov</a><br/>                     (510) 891-6239</li> </ul>                                  | Butte<br>Calaveras     |
| El Dorado <ul style="list-style-type: none"> <li>Tania Ugrin-Capobianco, CEO<br/> <a href="mailto:tania@eldoradocourt.org">tania@eldoradocourt.org</a><br/>                     (530) 621-5155</li> </ul>  | Colusa<br>Contra Costa |
| Nevada <ul style="list-style-type: none"> <li>Nancy Nardini-Hanson, Director of HR and Administration<br/> <a href="mailto:Nancy.nardini-hanson@nccourt.net">Nancy.nardini-hanson@nccourt.net</a><br/>                     (530) 470-2738</li> </ul> | Kings<br>Marin         |
| Orange <ul style="list-style-type: none"> <li>Heather Capps, Benefits and Disability Programs Officer<br/> <a href="mailto:hcapps@occourts.org">hcapps@occourts.org</a><br/>                     (657) 622-7746</li> </ul>                           | Merced<br>Modoc        |
| San Bernardino <ul style="list-style-type: none"> <li>Jenny Thomas, HR Technician III<br/> <a href="mailto:JThomas@sb-court.org">JThomas@sb-court.org</a><br/>                     (909) 521-3646</li> </ul>   | Mono<br>Plumas         |
| San Diego <ul style="list-style-type: none"> <li>Stephanie Cvitkovich, Sr. HR Analyst</li> </ul>   | San Joaquin<br>Sutter  |



|  |                            |
|--|----------------------------|
| <p><a href="mailto:Stephanie.cvitkovich@sdcourt.ca.gov">Stephanie.cvitkovich@sdcourt.ca.gov</a><br/>(619) 746-6000</p>   |                            |
| <p>Solano</p> <ul style="list-style-type: none"> <li>• Arline Lisinski, HR Manager<br/><a href="mailto:ALLisinski@solano.courts.ca.gov">ALLisinski@solano.courts.ca.gov</a><br/>(707) 207-7473</li> </ul>                        | <p>Tehama<br/>Trinity</p>  |
| <p>Ventura</p> <ul style="list-style-type: none"> <li>• Bernedette Terry, Sr. HR Generalist<br/><a href="mailto:Bernedette.terry@ventura.courts.ca.gov">Bernedette.terry@ventura.courts.ca.gov</a><br/>(805) 289-8620</li> </ul> | <p>Tulare<br/>Tuolumne</p> |

**Partner Court Expectations and Responsibilities**

The partner court will respond timely to their assigned buddy court’s requests for assistance, either by email or telephone. The partner court will advise when they will respond, discuss the assigned court’s situation, and engage in dialogue to assist with options and solutions. For inquiries regarding policies or procedures, other assigned courts on the list may request this information from other partner courts.

**Assigned Court Expectations and Responsibilities**

If an out-of-office message is received from their assigned Point of Contact indicating he/she is out more than two days, then the assigned court can request assistance from the next partner court on the list. Assigned courts can request information from any of the listed partner courts regarding policies, procedures, or practices.

**Technology**

The JBWCP has considered implementing a separate listserv/online forum for members to request or share information regarding their WC issues. However, this could result in releasing sensitive and confidential information. For policy and procedures requests from other courts, the JBWCP staff recommend either contacting other partner courts directly or posting their request on the Judicial Resource Network ListServ.

**Other Training to Supplement the Buddy Program**

If the Deficit Reduction Alternatives Working Group approves the Return-to-Work (RTW) Pilot Program Initiative, its results will be shared with the JBWCP Advisory Committee in February 2019 for approval. If approved, Bickmore will provide a follow-up webinar, which will assist the assigned courts regarding their RTW questions or issues.

**Action Plan**

If the JBWCP Advisory Committee approves the Buddy Program, the JWBCP will:

- 1) Send a memorandum to all participating Buddy Program courts with the parameters and assignment list;

December 12, 2018

Page 6

- 2) Send a general information email to all members regarding the Buddy Program, and attach all program documentation;
- 3) Conduct a quarterly check-in with participating courts to see how program is going; and
- 4) After one year, obtain feedback from participating courts.

MK/mk

cc: Tania Ugrin-Capobianco, Chair, JBWCP Advisory Committee  
Aurora Rezapour, Director, Human Resources, Judicial Council  
Patrick Farrales, Supervising Analyst, Human Resources, Judicial Council

**TAB 5**



# Transitional Return-to-Work Pilot Program

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Judicial Branch Workers' Compensation  
Program

JULY 3, 2017

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## 1. Purpose

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The primary purpose of the Transitional Return-to-Work (TRTW) Pilot Program is to return eligible employees to the work force at the earliest medically allowable date and in accordance with employees' medical treatment plans. The program promotes the rehabilitation and recovery process of the employee. This process requires collaborative effort between the employee, the employer, and the medical provider. This pilot program is not intended to supersede or modify the procedures applicable to employees eligible for reasonable accommodation covered under the Americans with Disabilities Act (ADA), the Fair Employment and Housing Act (FEHA), or leave under the Family and Medical Leave Act (FMLA) and/or the California Family Rights Act (CFRA).

Inquiries about the ADA/FEHA or FMLA/CFRA should be directed to Human Resources.

## 2. What is a Transitional Work Assignment?

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A Transitional Return-to-Work Assignment (TRWA) is a temporary work assignment that complies with all the temporary work restrictions indicated by the employee's treating medical practitioner. These assignments are intended to be short in duration and allow for minimal to moderate work restrictions, with the expectation that full recovery will occur. These assignments may involve modification of the injured employee's job duties: tailoring work duties to the injured employee's temporary restrictions, or alternate work that is compatible with the employee's job skills, experience, and work restrictions. Human Resources, in consultation with the employee's manager/supervisor, will work to modify an employee's duties to meet the work restrictions provided by the treating medical practitioner whenever possible.

## 3. Objectives and Guidelines

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### **Program Objectives:**

1. Provide the earliest possible safe return to work for employees after a work-related injury or illness;
2. Support employees in their recovery from a work-related injury/illness by providing temporary, modified, or alternate assignments for a defined period of time while the employee is recuperating from a work-related injury/illness;
3. Minimize the amount of absences and resulting impact to both the employee and the employer due to work-related injuries/illnesses; and
4. Reduce workers' compensation and related overhead disability costs.

### **Program Guidelines:**

1. Communicate all temporary work restrictions to the claims administrator.

2. Develop and begin each TRWA, with input from the manager/supervisor and employee, as soon as medically authorized.
3. Ensure that both the employee and the manager/supervisor understand the employee's temporary work restrictions.
4. If an injured worker provides a doctor's note with clear work restrictions, Human Resources is expected to evaluate available transitional work and offer a TRWA consistent with program guidelines and work restrictions. Employees, if offered a TRWA, are expected to participate in the program, and work safely within the restrictions provided. Should the employee decline to participate, this may result in discontinuation of Temporary Total Disability benefits.
5. TRWAs will begin as soon as possible, to reduce lost time, wage loss, and increased workload for coworkers, due to the work-related injury/illness.
6. TRWAs are temporary work assignments, not permanent modifications of jobs, and are intended to facilitate the employee's transition from temporarily restricted status to resumption of full duties.
7. TRWAs are expected to be progressive, with regularly adjusted or revised work restrictions. Human Resources will monitor the TRWAs and implement modifications with changes to work restrictions.
8. Each TRWA is a temporary assignment, with a maximum number of transitional work days, not to exceed 120 days. Human Resources will establish a start and end date specified at the beginning of the assignment. TRWA and any change in the TRWA should be communicated to the claims administrator.
9. Workdays and hours may be changed from the employee's usual schedule for reasons of productivity and supervision. Overtime is not allowed in a TRWA.
10. Each TRWA should have clear performance expectations.
11. Time off for medical appointments must be requested according to the normal process.
12. All of an employer's policies and procedures will apply to employees who are performing a TRWA.

#### 4. Eligibility

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Regular full-time and part-time employees with temporary work restrictions due to an industrially related injury/illness will be evaluated for participation in the TRTW Pilot Program. Employees must provide medical documentation that contains current work restrictions, such as a Return-to-Work Status form, from their treating medical practitioner indicating their work restrictions, including the frequency (e.g., *repetitive* typing) and expected duration (e.g., beginning and end date of the temporary work restriction(s)).

## 5. Duration

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TRWAs, such as modified duty or alternate work, are limited and should normally not exceed 120 days. However, the length of a transitional temporary work assignment may be shorter if the restrictions can no longer be accommodated by the employer. The employee no longer qualifies for this program if:

- Their medical condition has reached a level of maximum medical improvement (MMI);
- They are released to their usual and customary duties without restrictions; or
- They have been participating in the program for the maximum of 120 days.

When an employee is approaching the maximum allowable time in the program and remains unable to return to their usual and customary duties, Human Resources will determine the next steps, considering applicable court policies, and state and federal disability laws.

## 6. Procedures

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1. **Report the Injury.** Work-related injuries/illnesses must be reported to Human Resources when the employer receives notice that the employee is seeking time loss or medical treatment benefits.
2. **Communication with Human Resources.** Human Resources will be in contact with the employee throughout the industrial injury or illness process. Human Resources will work in conjunction with the employee's manager/supervisor on a TRWA. This agreement will be communicated to the claims administrator.

Following each doctor's appointment, the employee is responsible for providing a work status report or Return-to-Work Status form received from the treating physician to Human Resources. Any delay in providing this information may result in delay or denial of workers' compensation (WC) benefits and additional Human Resources actions.

3. **Development of TRWA.** Human Resources will develop the TRWA based on input from the employee's manager/supervisor and the interactive process with the employee. This assignment is agreed upon between employer and employee.
4. **Return to Work.** Human Resources will work directly with the employee's manager/supervisor to identify and create a TRWA that conforms to the medically determined temporary work restrictions. Prior to an employee returning to his or her usual and customary duties, the employee must provide Human Resources with an updated Return-to-Work Status form.
5. **When a TRWA is Not Available.** In some cases, it will not be possible to develop a TRWA in conformance with an employee's work restrictions. In this situation, the



employee will remain on leave and may be eligible to receive Total Temporary Disability (TTD) benefits. Questions regarding availability of TTD benefits should be directed to the claims administrator.

## 7. Roles and Responsibilities

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### 7.1 Human Resources Responsibilities

1. Establishes clear, consistent return-to-work guidelines;
2. Determines the employee's eligibility for the pilot program and placement in transitional work, keeps all WC-related records confidential, and oversees the TRTW Pilot Program, with a return to full duty when possible;
3. Ensures the manager/supervisor and the employee understand the TRTW Pilot Program;
4. Maintains communication and directly engages in interactive process/discussions with the employee;
5. Drafts the TRWA in consultation with the employee's manager/supervisor to meet the work restrictions medically provided;
6. Informs the employee's manager/supervisor and claims administrator of all additional work status information provided by the treating physician or employee;
7. Monitors the employee's temporary work restrictions and addresses accommodation issues;
8. Maintains contact with the employee and manager/supervisor to assess the work process and progress of the employee; and
9. Provides guidance and support to managers/supervisors and employees that are engaged in the TRWA.

### 7.2 Manager/Supervisor Responsibilities

1. Works with Human Resources to help identify ways to modify employee work duties or other transitional work.
2. Contacts Human Resources if the TRWA is not working or if other issues arise.
3. If the employee is unable to participate in the TRWA for any reason, notifies Human Resources. The manager/supervisor does not have the authority to release the employee from work without first discussing with Human Resources.
4. Ensures that the employee released to TRWA is working within the work restrictions.
5. Reports any absences during the TRWA to Human Resources.
6. Stays in contact with Human Resources and the employee during the program duration.

### 7.3 Employee Responsibilities

1. Informs his or her treating physician that their employer has a TRTW Pilot Program, and ensures their doctor addresses any work restrictions, with the frequency and the duration of the restriction.

2. Promptly delivers the medical practitioner's note addressing the work restrictions to Human Resources prior to returning to work or upon the same day of the employee's return.
3. Changes in the employee's restrictions must be reported by the employee to Human Resources immediately, with the appropriate documentation from his or her treating medical practitioner.
4. Participates in all reasonable treatment essential to recovery, including keeping all scheduled appointments with his or her treating physician. Physical therapy appointments are to be scheduled before or after the employee's work shift, unless such scheduling is impossible. In that event, appointments are to be scheduled so the disruption to the employee's work schedule is minimized.
5. Works within the medical restrictions provided.
6. Does not work overtime or more than his or her regular schedule while in the TRTW Pilot Program.
7. Meets the responsibilities of the TRWA, including timeliness, productivity, and work quality.

## 8. Pay

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Employees will be paid by the employer at their regular pay rate, for hours worked, while in the TRTW Pilot Program. Additional compensation payable through the WC program will be determined by the claims administrator.

No overtime is allowed. Employees in the TRTW Pilot Program will be scheduled to work no more than their regular number of scheduled hours per week.

## 9. Frequently Asked Questions for Injured Employees (FAQ's)

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1. **What benefits do I get from a TRTW Pilot Program?**  
Providing you with suitable transitional work facilitates your recovery and assists in maintaining job skills. While performing a TRWA, you receive your regular salary for the hours worked.
2. **What types of work activities can be included in transitional duty assignments?**  
Transitional assignments may include normal work activities that have been modified to accommodate work restrictions, job functions that are not routinely performed, and duties of equivalent or lower job classifications.
3. **Can I work part-time on transitional duty?**  
Yes, you may work part-time or full-time based upon your medical restrictions. Work schedules will be determined by Human Resources.

4. **If I work part-time on transitional duty, how is my pay affected?**  
You are paid the normal pay rate for hours worked and may receive additional WC benefits, if applicable. The claims administrator will determine if any WC benefits are payable.
5. **What does “Permanent and Stationary” mean?**  
Your industrial injury may reach a “permanent and stationary” or maximum medical improvement status when your condition has improved to a point where no further improvement is medically expected.
6. **Where do I go after my injury is “permanent and stationary”?**  
Human Resources will receive a notice from your claims examiner that your condition has reached permanent and stationary status. At that time, any medically determined work restrictions may no longer be necessary or considered temporary. The Human Resources staff will work with the employee to engage in the interactive process regarding any permanent work restrictions.
7. **What happens if I am asked to work outside of the work restrictions set by my physician?**  
It is your responsibility to work safely. If you are asked to do a task that you believe is not within your restrictions provided by your current medical note from your treating medical practitioner, notify Human Resources and your manager/supervisor as soon as possible that the assigned work appears to exceed your work restrictions. Human Resources will review the situation and address your concerns.
8. **If I believe I can do more work than has been assigned, what do I do?**  
If you feel that you can perform more duties than are assigned, you must obtain a new Return-to-Work Status form from your treating physician with updated work restrictions.

### **Attachment 1: Transitional Return-To-Work Pilot Program Employee Information Sheet**

The court values its employees and their contributions; therefore, it strives to provide the injured employee the opportunity to return to temporary transitional work as soon as his or her condition permits. Transitional work allows an employee with temporary work restrictions to work in modified, alternative, or reduced-hours capacity, for a defined period of time (up to 120 days), while recuperating from an industrial illness/injury. Transitional work can have a positive impact on your recovery, while you are transitioning back to regular work.

Your treating physician has released you to transitional work and your department can provide temporary or modified duties within your work restrictions. Depending on the nature of your work restrictions, your TRWA may or may not be different from your regular job. Human Resources will discuss the details of your TRWA with you. These details will be documented in a TRWA, so that you and your manager/supervisor will both have a clear understanding of your TRWA and/or work restrictions. It is important to note that this is **not** a permanent change in your position.

If your TRWA is full-time, you will receive regular pay and benefits during your TRWA. If you have only been released to work on a part-time basis or your department can only provide a part-time TRWA, please contact Human Resources to determine how your pay and benefits will be affected.

To ensure a successful TRWA, your cooperation is vital. You need to be an active participant in this program to make it work. Therefore, the following provides some guidelines for you to follow:

- ◆ Follow the work restrictions recommended by your treating physician. If asked to perform a task that exceeds your restrictions or you feel unable to perform a task, it is your responsibility to immediately notify your manager/supervisor or Human Resources. You are responsible for self-monitoring your restrictions.
- ◆ Follow all work and safety rules.
- ◆ Notify your manager/supervisor by the start of your shift if you are unable to report to work for any reason. If it is related to your injury, it is your responsibility to contact your treating physician to be seen in their office that day and provide a note to Human Resources after the appointment.
- ◆ Keep all medical appointments. Keep in mind that taking time off for a medical appointment requires prior approval from your manager/supervisor.
- ◆ Provide the Return-to-Work Status form to your treating physician. The Return-to-Work Status form should be completed by your treating physician at the initial and each subsequent visit.
- ◆ Provide the Return-to-Work Status form immediately to Human Resources if your treating physician:

- Takes you off work;
  - Changes your work restrictions; or
  - Releases you to your regular position without work restrictions.
- ◆ Meet the responsibilities of the TRWA, including timeliness, productivity, and work quality.

If you have questions regarding the TRTW Pilot Program, please contact Human Resources.

## **Attachment 2: Transitional Return-To-Work Pilot Program Manager/Supervisor Information Sheet**

The court values its employees and their contributions; therefore, we will provide an injured employee the opportunity to return to temporary transitional work as soon as their condition permits. Transitional work allows an employee with temporary work restrictions to work in a modified, alternative, or reduced-hours capacity, for a defined period of time (up to 120 days), while recuperating from an industrial illness/injury. Not only can this program improve the health and morale of the injured employee, it can also have a positive impact on the department as a whole by improving morale and decreasing turnover.

As a manager/supervisor, you play a very important role in the recovery of an injured employee. One proven way of accelerating an employee's recovery is to allow him or her to return to work with temporary work restrictions. A shorter recovery period often results in a quicker return to regular job duties, which benefits both the employee and the court. Temporary transitional work can be:

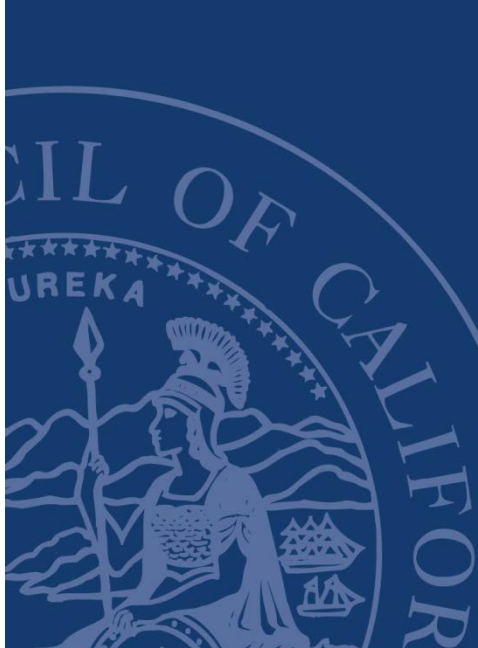
- ◆ **Modified Work.** Changing, transferring, or eliminating specific job duties within the employee's regular job to meet the temporary work restrictions.
- ◆ **Alternative Work.** Offering the employee a position other than their regular job to meet the temporary work restrictions.
- ◆ **Reduced-Hours Work.** Offering less than full-time work to meet the temporary work restrictions.

The success of a TRTW Pilot Program relies on the collaborative efforts between you and the employee. Both parties need to be a part of this process to ensure success. The following is the typical TRTW process:

1. Treating physician releases the employee to transitional/temporary work.
2. Treating physician provides work restrictions in writing to the employee using the Return-to-Work Status form provided to the employee by Human Resources.
3. Employee provides a completed Return-to-Work Status form to Human Resources.
4. Human Resources (with input from the manager/supervisor) and the employee engage in an "interactive" dialogue to discuss possible temporary job modifications, alternative work, and/or reduced hours of work.

5. Human Resources (with input from the manager/supervisor) and the employee determine the start and end date of the TRWA.
6. Human Resources completes the TRWA document once the details have been determined.
7. Human Resources discusses TRWA with the employee and manager/supervisor.
8. Human Resources reviews "Employee Information Sheet" with the employee and gives a copy to the employee.
9. Employee and supervisor sign and date the TRWA.
10. Human Resources gives a copy of the signed TRWA to the employee.
11. Employee starts transitional work as outlined.
12. Manager/supervisor monitors employee's work progress, as with any other employee, and provides feedback to Human Resources, when necessary.
13. Human Resources reviews the progress of the TRWA with the employee and manager/supervisor at an agreed upon date (e.g., midpoint).
14. Human Resources, the manager/supervisor, and the employee, at the conclusion of the TRWA, meet to discuss whether the plan should be terminated, extended, or altered.

The manager/supervisor should contact Human Resources for assistance during any part of this process.



# Transitional Return-to-Work Pilot Program Aids

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Judicial Branch Workers'  
Compensation Program

JULY 3, 2017

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## 1. Purpose

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The purpose of the Transitional Return-to-Work (TRTW) Pilot Program Aids is to provide employers with forms and guidance to implement their return-to-work program. The forms should be modified to suit the employers' needs.

Please contact Jade Vu, Judicial Council Senior Human Resources Analyst, at 415-865-7744, if you have any questions about the Transitional Return-to-Work Pilot Program.

## 2. Health Care Provider Inquiry Instruction Sheet

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The *Health Care Provider Inquiry Instruction Sheet* includes instructions on how to obtain work restrictions from an employee's health care provider or clarify the provider's recommended work restrictions. **This sheet is included as Appendix Attachment 1.**

## 3. Health Care Provider Inquiry Cover Letter

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The *Health Care Provider Inquiry Cover Letter* should be given to the employee to provide to his or her health care provider, along with the *Return-to-Work Status Form* (Appendix Attachment 3) and the *Description of Employee's Job Duties Form* (Appendix Attachment 5). This cover letter is for the purpose of requesting the health care provider to complete the *Return-to-Work Status Form*. **This cover letter is included as Appendix Attachment 2.**

## 4. Return-to-Work Status Form

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You should provide the injured employee with the *Return-to-Work Status Form* to be completed by their treating medical practitioner for the purpose of obtaining or clarifying the recommended work restrictions. **This form is included as Appendix Attachment 3.**

## 5. Instructions for Completing Employee's Description of Job Duties

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The *Instructions for Completing Employee's Description of Job Duties* provides specific instructions on how to complete the *Description of Employee's Job Duties Form* (Appendix Attachment 5). **This instruction sheet is included as Appendix Attachment 4.**

## 6. Description of Employee's Job Duties Form

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The *Description of Employee's Job Duties Form* should be completed jointly by the employer and employee to describe the employee's job duties. The completed form should be reviewed by the treating medical practitioner to determine the employee's ability to return to the job with or without any work restrictions. **This form is included as Appendix Attachment 5.**

7. Letter to Employee Regarding the Transitional Return-to-Work Pilot Program

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The *Letter to Employee Regarding the Transitional Return-to-Work Pilot Program* is provided to employees to inform them of the transitional return-to-work pilot program. Along with this letter, employees should receive a copy of the pilot program handbook. **This letter is included as Appendix Attachment 6.**

8. Best Practices for Returning an Injured Employee to Work

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The list of *Best Practices for Returning an Injured Employee to Work* includes six basic steps to help an employee return to work from a work-related injury/illness. **This list of best practices is included as Appendix Attachment 7.**

9. Transitional Return-to-Work Agreement Form

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The *Transitional Return-to-Work Agreement Form* serves to document the temporary arrangements made by the employer in order to allow an employee to continue to work while recovering from a work-related injury/illness. The agreement form should be discussed with the employee and signed by the employee, the employee's supervisor, and Human Resources. **This form is included as Appendix Attachment 8.**

10. Supervisor Tips for Transitioning an Employee Back to Work

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The list of *Supervisor Tips for Transitioning an Employee Back to Work* provides supervisors with suggestions on how to ease an employee's transition back to work after a leave of absence due to a work-related injury/illness. The list should be provided to the employee's supervisor for review with the employee. **This list is included as Appendix Attachment 9.**

11. Workers' Compensation Injury/Illness Reporting and Return-to-Work-Process Flow Chart

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The *Workers' Compensation Injury/Illness Reporting and Return-to-Work-Process Flow Chart* shows the process for reporting a work-related injury/illness or an employee's return to work. **This chart is included as Appendix Attachment 10.**

## Health Care Provider Inquiry Instruction Sheet

You may be required to obtain clarification concerning the employee's work restrictions. While you should **not** directly contact an employee's health care provider, you can request the employee to obtain this information for you. The two documents that follow this information sheet can assist you in this process.

Health care provider inquiry process:

1. Complete the general information/identification sections on both the *Health Care Provider Inquiry Cover Letter* and the *Return-to-Work Status Form*.
2. Obtain a copy of the employee's job description noting essential job functions and physical demands (such as *Description of Employee's Job Duties Form*).
3. Inform the employee that you need further clarification concerning work restrictions.
4. Give the employee the *Health Care Provider Inquiry Cover Letter*, *Return-to-Work Status Form*, and job description.
5. Ask the employee to take these documents to the health care provider for completion.
6. Inform the employee that the health care provider should complete the *Return-to-Work Status Form*.
7. Inform the employee that, once completed by the health care provider, the *Return-to-Work Status Form* should then be returned to you.
8. Provide all forms from the employee and health care provider to the claims administrator.

## Health Care Provider Inquiry Cover Letter

[MEDICAL PROVIDER'S NAME]

[ADDRESS]

[CITY, STATE, ZIP]

Re: [EMPLOYEE'S NAME]

Dear Dr. \_\_\_\_\_:

[EMPLOYER'S NAME] is committed to providing temporary/transitional work opportunities for our employees recovering from a work-related injury or illness. Our Transitional Return-to-Work Pilot Program is designed to allow our employees to safely perform modified or alternative work within their work restrictions while they recover. As you know, allowing employees with disabilities to perform transitional work enables them to return to maximum health and productivity much faster than if required to stay off work.

This Transitional Return-to-Work Pilot Program can only be successful with your participation. As our employee's health care provider, we need your input as to his or her current work capacity. Therefore, please complete the enclosed ***Return-to-Work Status Form*** indicating the employee's work capacities. Once completed, please give the form to your patient so that he or she can submit it to Human Resources for return-to-work consideration.

We would appreciate your response by \_\_\_\_\_.

If you have any questions or concerns with this request, please do not hesitate to contact Human Resources at \_\_\_\_\_.

Thank you for your consideration of this matter.

Sincerely,

Enclosures:     Return-to-Work Status Form  
                  Description of Employee's Job Duties

**APPENDIX: Attachment 3**

Note: Double-click form to access fill-in.

Return form to:

**RETURN-TO-WORK STATUS**

Worker's name: \_\_\_\_\_ Claim number (if known): \_\_\_\_\_

Next scheduled appointment date: \_\_\_\_\_

Is the worker expected to materially improve from medical treatment or the passage of time?  Yes  No

**WORK STATUS** (Select one option) \_\_\_\_\_

**OPTION 1 – Released to Regular Work** Status from (date): \_\_\_\_\_  
Released to the *hours routinely worked and tasks routinely performed in the job held at the time of injury.*

**OPTION 2 – Not Released to Work** Status from (date): \_\_\_\_\_ to: \_\_\_\_\_  
The worker is *not capable of performing any work activities.*

**OPTION 3 – Released to Modified Work** Status from (date): \_\_\_\_\_ to: \_\_\_\_\_  
Released to work, *subject to the following work restrictions (note only those that are applicable):*

**Total work hours:** \_\_\_\_\_ hours/day

**Lift/carry/push/pull restrictions**

|               | <i>One-time</i> | <i>≤1/3 of workday</i> | <i>1/3-2/3 of workday</i> | <i>≥2/3 of workday</i> | <i>Duration</i> |                     |
|---------------|-----------------|------------------------|---------------------------|------------------------|-----------------|---------------------|
| <b>Lift:</b>  | _____ pounds    | _____ pounds           | _____ pounds              | _____ pounds           | _____ hrs./day  | _____ hrs./one time |
| <b>Carry:</b> | _____ pounds    | _____ pounds           | _____ pounds              | _____ pounds           | _____ hrs./day  | _____ hrs./one time |
| <b>Push:</b>  | _____ pounds    | _____ pounds           | _____ pounds              | _____ pounds           | _____ hrs./day  | _____ hrs./one time |
| <b>Pull:</b>  | _____ pounds    | _____ pounds           | _____ pounds              | _____ pounds           | _____ hrs./day  | _____ hrs./one time |

**Activity restrictions**

|               |                |                     |                              |                |                     |                              |                |                     |
|---------------|----------------|---------------------|------------------------------|----------------|---------------------|------------------------------|----------------|---------------------|
| <b>Stand:</b> | _____ hrs./day | _____ hrs./one time | <b>Twist:</b>                | _____ hrs./day | _____ hrs./one time | <b>Crawl:</b>                | _____ hrs./day | _____ hrs./one time |
| <b>Walk:</b>  | _____ hrs./day | _____ hrs./one time | <b>Climb:</b>                | _____ hrs./day | _____ hrs./one time | <b>Crouch:</b>               | _____ hrs./day | _____ hrs./one time |
| <b>Sit:</b>   | _____ hrs./day | _____ hrs./one time | <b>Bend:</b>                 | _____ hrs./day | _____ hrs./one time | <b>Balance:</b>              | _____ hrs./day | _____ hrs./one time |
| <b>Drive:</b> | _____ hrs./day | _____ hrs./one time | <b>Above-shoulder-reach:</b> | _____ hrs./day | _____ hrs./one time | <b>Below-shoulder-reach:</b> | _____ hrs./day | _____ hrs./one time |
| <b>Kneel:</b> | _____ hrs./day | _____ hrs./one time |                              |                |                     |                              |                |                     |

**Hand use restrictions**

|                      |                       |                       |
|----------------------|-----------------------|-----------------------|
| <b>Fine actions:</b> | _____ hrs./day L hand | _____ hrs./day R hand |
| <b>Keyboarding:</b>  | _____ hrs./day L hand | _____ hrs./day R hand |
| <b>Grasp:</b>        | _____ hrs./day L hand | _____ hrs./day R hand |

**Foot use restrictions**

|               |                       |                       |
|---------------|-----------------------|-----------------------|
| <b>Raise:</b> | _____ hrs./day L foot | _____ hrs./day R foot |
| <b>Push:</b>  | _____ hrs./day L foot | _____ hrs./day R foot |

**Notes / other restrictions:** \_\_\_\_\_

Medical provider's signature: \_\_\_\_\_

Date: \_\_\_\_\_

Print medical provider's name: \_\_\_\_\_

Phone no.: \_\_\_\_\_

## Instructions for Completing Employee's Description of Job Duties

### Introduction

The following job description can be used to document an employee's usual and customary job duties. A job description provides detailed information about the tasks, functions, and physical demands of an employee's job.

The first section of the job description is entitled **Description of Job Responsibilities**. This section simply requires a general description in narrative form of what the individual does. A short paragraph describing the duties and responsibilities of the job in question (much as you would describe it to an applicant) is all that is required here.

The next section refers to **Activity**. It essentially describes body positions and hand use, broken down into frequency. Naturally, frequencies and tasks may vary from day to day. What is needed here is a reasonable average for any particular day. It should be noted that many activities are mutually exclusive (e.g., you can't sit, walk, and stand at the same time), so these activities combined should add up (approximately) to the total number of hours in a shift (typically 8).

The third section involves **Lifting and Carrying**. It is broken down into weight categories and duration. Although relatively straightforward, it is important to stress accuracy in this section. It is critical in many cases. If the weight of something lifted or carried is not known, weigh it; don't guess. Measure distances. Note actual durations of lifting and carrying.

The last sections ask you about specific activities and require a simple "yes" or "no" response and brief explanation.

A glossary of some of the terms taken from the Dictionary of Occupational Titles and other sources are included to help you. Please keep in mind when completing this form that it is based on an average day.

### GLOSSARY:

- BALANCING:** Maintaining body equilibrium to prevent falling when walking, standing, crouching, or running on narrow, slippery, or erratically moving surfaces; or maintaining body equilibrium when performing gymnastic-like feats.
- BENDING:** Forward motion of the upper body from the waist.
- CARRYING:** Transporting an object, usually holding it in the hands or arms, or on the shoulder.
- CLIMBING:** Ascending or descending ladders, stairs, scaffolding, ramps, poles, ropes, and the like, using the feet and legs and/or hands and arms.
- FINE MANIPULATION:** Picking, pinching, or otherwise working primarily with the fingers

(rather than with the whole hand or arm as in handling).

|                  |   |
|------------------|---|
| KNEELING:        | Bending the legs at the knees to come to rest on the knee or knees.   |
| LIFTING:         | Raising or lowering an object from one level to another (includes inward pulling).  |
| POWER GRASPING:  | Use of fingers, palm, and wrist to hold and/or manipulate objects (hammers, saws, etc.). Note: the instrument cannot be easily pulled from the grasp. |
| PULLING:         | Exerting force upon an object so that the object moves toward the force (includes jerking).   |
| PUSHING:         | Exerting force upon an object so that the object moves away from the force (includes slapping, striking, kicking, and treadle actions).               |
| SIMPLE GRASPING: | Use of the fingers primarily to hold and/or manipulate objects (pencils, pens, etc.).   |
| SITTING:         | Remaining in a seated position.   |
| SQUATTING:       | Bending the body downward to rest the buttocks on the heels of the feet or back of the legs.  |
| STANDING:        | Remaining on one's feet in an upright position at a workstation without moving about.   |
| TWISTING:        | Movement of the body in a sideways motion either seated or standing.  |
| WALKING:         | Moving about on foot.   |
| NEVER:           | = 0 hours   |
| RARELY:          | = 1% to 10% (Less than 1 hour a day is spent doing this activity if the worker is working an 8-hour day.)   |
| OCCASIONALLY:    | = 10% to 33% (1 to 3 hours a day if worker is working an 8-hour day.)   |
| FREQUENTLY:      | = 33% to 75% (3 to 6 hours a day if worker is working an 8-hour day.)   |
| CONSTANTLY:      | = 75% to 100% (6 to 9 hours a day if worker is working an 8-hour day.)  |

**APPENDIX: Attachment 5**

**DESCRIPTION OF EMPLOYEE'S JOB DUTIES**

**INSTRUCTIONS:** This form shall be developed jointly by the employer and employee and is intended to describe the employee's job duties. The completed form will be reviewed to determine whether the employee is able to return to work.

|                |        |         |        |         |
|----------------|--------|---------|--------|---------|
| EMPLOYEE NAME: | (LAST) | (FIRST) | (M.I.) | CLAIM#: |
|----------------|--------|---------|--------|---------|

|                |          |
|----------------|----------|
| EMPLOYER NAME: | ADDRESS: |
|----------------|----------|

|            |                      |                       |
|------------|----------------------|-----------------------|
| JOB TITLE: | HRS. WORKED PER DAY: | HRS. WORKED PER WEEK: |
|------------|----------------------|-----------------------|

DESCRIPTION OF JOB RESPONSIBILITIES (DESCRIBE ALL JOB DUTIES):

*Please check one:*  Regular Duty  Modified Duty  Alternative Work

1. Check the frequency of activity required of the employee to perform the job.

| ACTIVITY<br>(Hours per day)                 | NEVER<br>0 hours | OCCASIONALLY<br>up to 3 hours | FREQUENTLY<br>3-6 hours | CONSTANTLY<br>6-8+ hours |
|---|------------------|-------------------------------|-------------------------|--------------------------|
| Sitting                                     |                  |                               |                         |                          |
| Walking                                     |                  |                               |                         |                          |
| Standing                                    |                  |                               |                         |                          |
| Bending (neck)                              |                  |                               |                         |                          |
| Bending (waist)                             |                  |                               |                         |                          |
| Squatting                                   |                  |                               |                         |                          |
| Climbing                                    |                  |                               |                         |                          |
| Kneeling                                    |                  |                               |                         |                          |
| Crawling                                    |                  |                               |                         |                          |
| Twisting (neck)                             |                  |                               |                         |                          |
| Twisting (waist)                            |                  |                               |                         |                          |
| Hand Use: Dominant hand Right---<br>Left--- |                  |                               |                         |                          |
| Is repetitive use of hand required?         |                  |                               |                         |                          |
| Simple Grasping (right hand)                |                  |                               |                         |                          |
| Simple Grasping (left hand)                 |                  |                               |                         |                          |
| Power Grasping (right hand)                 |                  |                               |                         |                          |
| Power Grasping (left hand)                  |                  |                               |                         |                          |
| Fine Manipulation (right hand)              |                  |                               |                         |                          |
| Fine Manipulation (left hand)               |                  |                               |                         |                          |
| Pushing & Pulling (right hand)              |                  |                               |                         |                          |
| Pushing & Pulling (left hand)               |                  |                               |                         |                          |
| Reaching (above shoulder level)             |                  |                               |                         |                          |
| Reaching (below shoulder level)             |                  |                               |                         |                          |
| Keyboarding with both hands                 |                  |                               |                         |                          |



2. Please indicate the daily Lifting and Carrying requirements of the job: indicate the height the object is lifted from floor, table, or overhead location and the distance the object is carried.

|             | LIFTING         |                              |                        |                         | Height | CARRYING        |                              |                        |                         | Distance |
|-------------|-----------------|------------------------------|------------------------|-------------------------|--------|-----------------|------------------------------|------------------------|-------------------------|----------|
|             | Never<br>0 hrs. | Occasionally<br>up to 3 hrs. | Frequently<br>3-6 hrs. | Constantly<br>6-8+ hrs. |        | Never<br>0 hrs. | Occasionally<br>up to 3 hrs. | Frequently<br>3-6 hrs. | Constantly<br>6-8+ hrs. |          |
| 0-10 lbs.   |                 |                              |                        |                         |        |                 |                              |                        |                         |          |
| 11-25 lbs.  |                 |                              |                        |                         |        |                 |                              |                        |                         |          |
| 26-50 lbs.  |                 |                              |                        |                         |        |                 |                              |                        |                         |          |
| 51-75 lbs.  |                 |                              |                        |                         |        |                 |                              |                        |                         |          |
| 76-100 lbs. |                 |                              |                        |                         |        |                 |                              |                        |                         |          |
| 100+ lbs.   |                 |                              |                        |                         |        |                 |                              |                        |                         |          |

Describe the heaviest item required to carry and the distance to be carried: \_\_\_\_\_

3. Please indicate if your job requires:

|   | YES                      | NO                       | (IF YES, PLEASE BRIEFLY DESCRIBE) |
|---|--------------------------|--------------------------|-----------------------------------|
| a. Driving cars, trucks, forklifts, and other equipment?                                | <input type="checkbox"/> | <input type="checkbox"/> | _____                             |
| b. Working around equipment and machinery?  | <input type="checkbox"/> | <input type="checkbox"/> | _____                             |
| c. Walking on uneven ground?  | <input type="checkbox"/> | <input type="checkbox"/> | _____                             |
| d. Exposure to excessive noise?   | <input type="checkbox"/> | <input type="checkbox"/> | _____                             |
| e. Exposure to extremes in temperature, humidity, or wetness?                           | <input type="checkbox"/> | <input type="checkbox"/> | _____                             |
| f. Exposure to dust, gas, fumes, or chemicals?  | <input type="checkbox"/> | <input type="checkbox"/> | _____                             |
| g. Working at heights?  | <input type="checkbox"/> | <input type="checkbox"/> | _____                             |
| h. Operation of foot controls or repetitive foot movement?                              | <input type="checkbox"/> | <input type="checkbox"/> | _____                             |
| i. Use of special visual or auditory protective equipment?                              | <input type="checkbox"/> | <input type="checkbox"/> | _____                             |
| j. Working with biohazards such as: blood-borne pathogens, sewage, hospital waste, etc. | <input type="checkbox"/> | <input type="checkbox"/> | _____                             |

Employee Comments:

Employer Comments:

EMPLOYER CONTACT NAME:

EMPLOYER CONTACT TITLE:

EMPLOYER REPRESENTATIVE SIGNATURE:

DATE:

EMPLOYEE'S SIGNATURE:

DATE:

## Letter to Employee Regarding the Transitional Return-to-Work Pilot Program

[DATE]

[EMPLOYEE NAME]

[STREET]

[CITY, STATE ZIP]

**Subject: Transitional Return-to-Work Pilot Program**

Dear [EMPLOYEE NAME]:

We are sorry to hear you have suffered a work related injury or illness. The [Employer] has a program for returning our injured employees to a transitional work assignment whenever reasonably possible. The Transitional Return-to-Work Pilot Program will enable you to remain in the work force while recovering from your injury/illness. While in the Transitional Return-to-Work Pilot Program, you will earn your regular wage for the hours you work.

We will be sending information to your medical provider describing the Transitional Return-to-Work Pilot Program. Transitional work assignments will be designed to ensure that the restrictions or limitations set forth by your health care provider are met. However, you are not guaranteed placement as it is dependent upon your physical capabilities, and a projected date for your release to return to regular work. Enclosed for your information is the [Employer]'s Transitional Return-to-Work Pilot Program.

If your medical provider releases you for work, you must contact Human Resources within **one** working day of your release.

If you have questions about the Transitional Return-to-Work Pilot Program, please contact Human Resources.

If you have questions regarding your workers' compensation benefits, please contact your Claims Adjuster.

We hope this information has been helpful in explaining the Transitional Return-to-Work Pilot Program. Best wishes for a speedy recovery.

Sincerely,

[NAME]

[TITLE]

Enclosure

## **Best Practices for Returning an Injured Employee to Work**

Six basic steps that constitute best practices to help an employee with a work-related injury/illness return to work.

### **STEP 1. Contact the injured employee and start the interactive process**

When an employee has been hurt on the job, personally contact the employee and provide a Workers' Compensation Claim (DWC 1) & Notice of Potential Eligibility Form. Encourage the employee to read the information attached to the form, and show the employee where to fill in his or her portion. After the employee completes his or her portion, finish filling in the employer's portion and provide copies of the form to the employee and to Acclamation Insurance Management Services (AIMS).

Inform the employee that medical care will be provided while the claim is pending and other benefits may also be provided after the claim is accepted. When appropriate, discuss the return-to-work process. Stay in contact with the employee and be available to answer questions. Also, be mindful of the employee's situation and needs. This will help alleviate the employee's concerns, avoid possible misunderstandings, and encourage the employee to have a positive view of the return-to-work process.

If the injury makes it difficult for the employee to do his or her job temporarily or on a long-term basis, discuss possible ways to address the problem. If it becomes clear that a reasonable accommodation is needed, explain that you will work with the employee to find one.

### **STEP 2. Describe essential functions and usual duties of jobs**

Discuss with the employee the "essential functions" of his or her job. Essential functions are the fundamental purposes of a job. They focus on *why* a job exists. You will not be required to remove essential functions of a job to accommodate the employee. You may, however, be required to remove a nonessential function or otherwise provide a reasonable accommodation to enable the employee to perform a job's essential functions.

Also, discuss with the employee the actual activities, demands, and environmental conditions usually required in his or her job, including frequencies and hours per day. These may include, for example, details about required postures, motions, lifting, carrying, pushing, and pulling. In contrast to essential functions, usual duties focus on *how* a job is performed.

After discussion with the employee about the essential functions and usual duties of the employee's job, complete a job description form (such as the *Description of the Employee's Job Duties Form*).

### **STEP 3. Obtain work capacities and restrictions**

Ask the employee to give the job description you prepared in Step 2, above, to his or her treating medical practitioner. This will help the treating medical practitioner determine work capacities and restrictions that are relevant to the employee's situation. If possible, provide the employee with a letter or form requesting the information you need. Ask the employee to provide you any information he or she obtains from the treating medical practitioner pertaining to his or her work capacities and restrictions.

If the information you receive is incomplete or unclear, ask the employee to obtain clarification, or ask the employee for permission for you to contact the treating medical practitioner directly. If you choose to ask your claims examiner to obtain the information from the primary treating medical practitioner, keep the employee fully informed to maintain openness in the process.

If you ask the employee to sign a medical release, limit its scope to the employee's work capacities and restrictions. Do not ask about the employee's medical condition, treatment plan, prognosis, or other matters unrelated to work.

### **STEP 4. Research and evaluate possible accommodations**

With the employee, explore ways to accommodate the employee's restrictions. The employee may already have useful ideas based on firsthand knowledge of the employee's job and a personal understanding of his or her injury and disability. Keeping the needs of both employee and employer in mind, consider the employee's work capacities and restrictions and all possible jobs available to the employee. Evaluate whether the employee can perform the essential functions of those jobs with or without a reasonable accommodation. Use outside resources if necessary. Share all important information, communicate openly, and encourage a genuine, meaningful dialogue.

Examples of reasonable accommodations:

- Limiting tasks to those that are safe for the employee ("job restructuring");
- Making changes in the way duties are performed;
- Physically adjusting the workstation based on an ergonomic evaluation;
- Providing new equipment and training on how to use it; and
- Establishing a part-time schedule.

With the employee, assess how effective each accommodation would be in allowing the employee to perform the job. You may find it helpful to request feedback from the employee's treating medical practitioner.

### **STEP 5. Select a reasonable accommodation and make an offer of work**

You must consider accommodating the employee in the following order, unless you and the employee agree otherwise:

- Provide accommodations that would enable the employee to stay in his or her original job.

- Reassign the employee to an equivalent vacant position in a job the employee is qualified to perform, and provide reasonable accommodations as needed.
- Reassign the employee to a lower-graded vacant position in a job the employee is qualified to perform, and provide reasonable accommodations as needed.
- Temporarily assign tasks that the employee is able to perform while recovering.

If there is more than one option in a particular category above, consider both the employee's preferences as well as how the accommodation could impact the operation of your business. It may be preferable, for example, to offer the employee a job that best utilizes his or her skills, training, and experience. It may also make the most sense for the employee to continue working in the same unit or department as his or her original job. If an accommodation clearly would be too costly relative to the overall resources of the employer, or would significantly disrupt the employer's business, consider other accommodations.

Make an offer based on the accommodation the employer selects. This could be, but is not necessarily, an offer of regular, modified, or alternative work.

#### **STEP 6. Implement and monitor the accommodation**

If the employee accepts your offer, encourage and support his or her return to work. If the employee is still recovering from the injury, the treating medical practitioner should reduce or remove restrictions as the employee's condition improves. This will allow you to adjust accommodations accordingly to aid the employee's recovery process. Continue to communicate as part of the ongoing, interactive process to ensure that the accommodation is working as anticipated.

## Transitional Return-to-Work Agreement Form

Employee: \_\_\_\_\_ Department: \_\_\_\_\_

Job Title: \_\_\_\_\_ Supervisor: \_\_\_\_\_

We have received your *Return-to-Work Status* form, dated [DATE], from your treating medical practitioner, which allows you to return to work with the following restrictions:

- 
- 

Based on this information, we are able to offer you temporary transitional work. The position will be as [JOB TITLE], and [will include the usual duties of that position; limited to the restrictions stated above or will include the following duties]:

- 

This Transitional Return-to-Work Agreement will be from \_\_\_\_\_ to \_\_\_\_\_.  
Your work schedule will be \_\_\_\_\_ a.m. to \_\_\_\_\_ p.m.  
Your supervisor will be \_\_\_\_\_.

This Transitional Return-to-Work Agreement will be reviewed with you and updated, if necessary, on the following date: \_\_\_\_\_ (e.g., midpoint date).

Employee confirmation that they have received a copy of the Employee Information Sheet.

|          |
|----------|
| Initials |
|----------|

*It is understood that these are temporary arrangements designed to allow employees to continue to work while recovering from industrial illness or injury. This Transitional Return-to-Work Agreement does NOT represent a permanent change of duties or responsibilities. It is understood that any problems that may arise during this transitional work period shall be discussed between the supervisor, employee, and Human Resources. If assistance is needed, please contact Human Resources at [telephone number].*

Employee Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Supervisor Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Human Resources Signature: \_\_\_\_\_ Date: \_\_\_\_\_

## Supervisor Tips for Transitioning an Employee Back to Work

Returning to work after a leave of absence due to a work-related injury or illness can be a difficult transition for an employee. How easily an employee transitions back to work will depend upon a number of factors. For example, factors such as the length of the absence, the effectiveness of the accommodations, and how welcome and included the employee feels upon his or her return can all impact the ease in which an employee transitions back to work.

As a supervisor, your actions can also have a positive impact on your employee's transition back to work. Below are a few tips you can follow to make your employee's return to work as smooth as possible.

◆ Prior to the employee's first day back at work:

1. Inform your staff of the employee's return to work and the specific date.
2. Do **not** disclose or discuss the employee's disability details with your staff. Simply tell your staff that the employee is returning to work from his or her leave of absence.
3. If the employee's return to work impacts other employees' job duties, inform them of the changes.
4. If needed, prepare and arrange for workspace, computer access, phone setup, training, reorientation, etc.
5. If needed, arrange for an ergonomic evaluation with Human Resources for the returning employee.

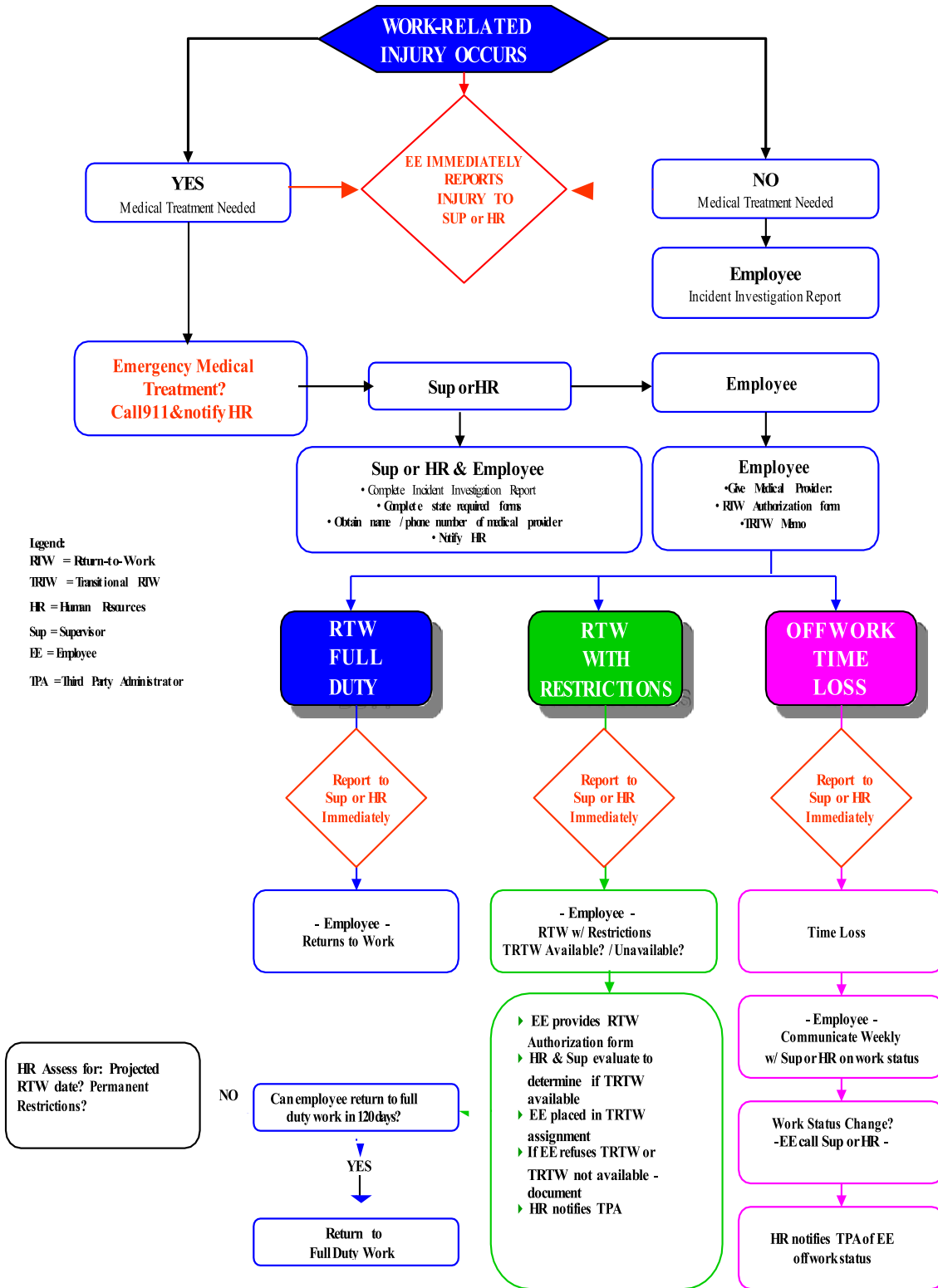
◆ On the employee's first day back at work:

1. Personally greet and welcome the employee back at work.
2. Introduce the employee to new staff members, if any.
3. Reorient the employee to your department if there have been any organizational and/or procedural changes.
4. If you have not already done so, review with the employee the completed Transitional Work Agreement and the "Employee Information Sheet."
5. Remind employees that their health and safety are the primary concerns; therefore, if they are asked to perform tasks that exceed their work restrictions or they feel unable to perform a task, they should **immediately** notify you and Human Resources.
6. Reassure employees that their disability details have not been shared with their coworkers, and that they should not feel compelled to do so.

◆ While the employee continues to work:

1. As you do with your other employees, periodically check-in with the employee to see how he or she is doing.
2. Meet with the employee on the agreed-upon date (e.g., midpoint) to formally note his or her progress.

## Workers' Compensation Injury/Illness Reporting and Return to Work Process Flow Chart





**TAB 6**

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## Actuarial Review of the Self-Insured Judicial Branch Workers' Compensation Program

*Outstanding Liabilities as of June 30, 2019*

*Forecast for Fiscal Years 2018-19 through 2021-22*

*Presented to*

Judicial Council of California

February 12, 2019 - DRAFT

Tuesday, February 12, 2019

Mr. Patrick Farrales  
Supervising Analyst  
Human Resources / Administrative Division  
Judicial Council of California  
455 Golden Gate Avenue  
San Francisco, CA 94102-3688

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

Dear Mr. Farrales:

We have completed our review of the Judicial Council of California (the Judicial Council), Judicial Branch Workers' Compensation Program (JBWCP). Specifically, the scope of this review includes providing the following information for the program:

- Estimated outstanding liabilities for loss and allocated loss adjustment expenses (ALAE) as of June 30, 2019. Estimates are provided at the expected level, as well as various confidence levels.
- Projection of ultimate loss and ALAE for fiscal accident years 2018-19 through 2021-22. Estimates are provided at the expected level, as well as various confidence levels.
- Projection of loss and ALAE payments for fiscal years 2018-19 through 2021-22.

The JBWCP is analyzed in two parts: (1) Trial Courts and (2) State Judiciary (including Trial Court Judges).

The estimates contained in this report are based upon loss data valued as of December 31, 2018, as well as other information provided by the Judicial Council, including exposure and financial data. Our estimates include medical and indemnity benefits, allocated loss adjustment expenses (ALAE), unallocated loss adjustment expenses (ULAE), and benefit payments made under the provisions of labor code 4850. Our estimates exclude all other program expenses. Furthermore, the estimates in this report are not discounted for anticipated investment income.

ALAE is the direct cost associated with the defense of individual claims (e.g. legal fees, investigation fees, court charges). ULAE is the cost to administer all claims to final settlement, which may be years into the future (e.g. claims adjusters' salaries, taxes). Other program expenses may include excess insurance, brokerage, consulting, and administrative expenses.

**DRAFT**

Our conclusions regarding the JBWCP's liability for unpaid loss and allocated loss adjustment expenses (ALAE) at June 30, 2019 are summarized in the table below at the expected level, as well as various confidence levels.

**Judicial Branch Workers' Compensation Program  
Self-Funded Workers' Compensation Program  
Estimated Liability for Unpaid Loss and ALAE  
at June 30, 2019**

| Year          | Trial Courts | State Judiciary | Total        |
|---------------|--------------|-----------------|--------------|
| Prior         | \$1,265,534  | \$667,196       | \$1,932,730  |
| 2003-04       | 1,426,602    | 0               | 1,426,602    |
| 2004-05       | 452,594      | 0               | 452,594      |
| 2005-06       | 1,146,338    | 17,991          | 1,164,329    |
| 2006-07       | 1,488,991    | 66,436          | 1,555,427    |
| 2007-08       | 1,296,102    | 45,548          | 1,341,650    |
| 2008-09       | 1,805,537    | 200,025         | 2,005,562    |
| 2009-10       | 3,005,658    | 96,906          | 3,102,564    |
| 2010-11       | 3,238,120    | 84,520          | 3,322,640    |
| 2011-12       | 3,481,067    | 133,547         | 3,614,614    |
| 2012-13       | 4,507,378    | 125,461         | 4,632,839    |
| 2013-14       | 4,288,788    | 177,799         | 4,466,587    |
| 2014-15       | 5,003,616    | 307,776         | 5,311,392    |
| 2015-16       | 6,349,507    | 373,042         | 6,722,549    |
| 2016-17       | 7,805,403    | 402,820         | 8,208,223    |
| 2017-18       | 9,875,327    | 443,190         | 10,318,517   |
| 2018-19       | 12,764,028   | 627,972         | 13,392,000   |
| Loss and ALAE | \$69,200,590 | \$3,770,229     | \$72,970,819 |
| ULAE          | 5,966,689    | 885,758         | 6,852,447    |
| Total         | \$75,168,000 | \$4,656,000     | \$79,823,000 |
| 70% CL        | 81,106,000   | 5,238,000       | 86,344,000   |
| 75% CL        | 83,436,000   | 5,494,000       | 88,930,000   |
| 85% CL        | 89,450,000   | 6,174,000       | 95,624,000   |
| 90% CL        | 93,810,000   | 6,672,000       | 100,482,000  |

The \$79,823,000 estimate is the minimum liability to be booked by the Judicial Council at June 30, 2019 for its workers' compensation program, in accordance with Governmental Accounting Standards Board (GASB) Statement #10. GASB #10 requires the Judicial Council 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. GASB #10 does not address an asset requirement for the program, but only speaks to the liability to be recorded on the Judicial Council's financial statements.

**DRAFT**

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 for primary programs. We consider funding to the 70% confidence level to be marginally acceptable and funding to the 90% confidence level to be conservative.

It should be noted that the Trial Courts have an additional contingent liability for claims occurring from January 1, 2001 through June 30, 2003. These are referred to as Trial Courts Group II claims. Because the claims data is not available, we estimated the liability for unpaid losses by using payroll and self-funded retention information for this period, and applying loss development and payments patterns for the Trial Courts Group I. For these claims, we estimate the expected liability for unpaid loss and allocated loss adjustment expenses (ALAE) at June 30, 2019 to be \$75,335.

The table below shows our estimates of projected ultimate loss and ALAE for the JBWCP for the 2018-19 through 2021-22 fiscal years.

Judicial Branch Workers' Compensation Program  
Self-Funded Workers' Compensation Program  
Projected Ultimate Loss and ALAE

| Year            | 2018-19      | 2019-20      | 2020-21      | 2021-22      |
|-----------------|--------------|--------------|--------------|--------------|
| Trial Courts    | \$14,464,000 | \$14,999,000 | \$15,543,000 | \$16,114,000 |
| State Judiciary | 657,000      | 681,000      | 706,000      | 725,000      |
| Total           | \$15,121,000 | \$15,680,000 | \$16,249,000 | \$16,839,000 |
| 70% Confidence  | 16,719,000   | 17,337,000   | 17,966,000   | 18,618,000   |
| 75% Confidence  | 17,418,000   | 18,063,000   | 18,718,000   | 19,397,000   |
| 80% Confidence  | 18,228,000   | 18,902,000   | 19,588,000   | 20,297,000   |
| 85% Confidence  | 19,246,000   | 19,959,000   | 20,682,000   | 21,431,000   |

Note: Self-Funded Retention = \$2M for Trial Courts, \$2M for State Judiciary

The estimates in the table above do not include any recognition of the existing funding margin. They are for loss, allocated loss adjustment expenses (ALAE), and payments for 4850 benefits. These amounts do not include unallocated loss adjustment expenses (ULAE), other program expenses, or a discount for anticipated investment income.

**DRAFT**

The table below shows our estimates of projected ultimate loss and LAE for the JBWCP for the 2019-20 fiscal year.

Judicial Branch Workers' Compensation Program  
Self-Funded Workers' Compensation Program  
Loss and LAE Funding Guidelines for 2019-20

| Expected                  | Marginally Acceptable |                  | Recommended Range |                  |                  |                  |
|---------------------------|-----------------------|------------------|-------------------|------------------|------------------|------------------|
|                           | 65% CL                | 70% CL           | Low<br>75% CL     | Target<br>80% CL | High<br>85% CL   |                  |
| Trial Courts              | \$18,223,000          | \$19,372,000     | \$20,016,000      | \$20,747,000     | \$21,583,000     | \$22,627,000     |
| State Judiciary           | <u>1,339,000</u>      | <u>1,382,000</u> | <u>1,496,000</u>  | <u>1,630,000</u> | <u>1,797,000</u> | <u>2,017,000</u> |
| Total                     | \$19,562,000          | \$20,754,000     | \$21,512,000      | \$22,377,000     | \$23,380,000     | \$24,644,000     |
| Increase Over<br>Expected |                       | \$1,192,000      | \$1,950,000       | \$2,815,000      | \$3,818,000      | \$5,082,000      |

Note: Self-Funded Retention = \$2M for Trial Courts, \$2M for State Judiciary

The estimates in the table above do not include any recognition of the existing funding margin. They are for loss, allocated loss adjustment expenses (ALAE), unallocated loss adjustment expenses (ULAE), other program expenses, and payments for 4850 benefits. These amounts do not include a discount for anticipated investment income.

The table below shows our estimates of the expected loss and ALAE payments for the JBWCP for the 2018-19 through 2021-22 fiscal year.

Judicial Branch Workers' Compensation Program  
Self-Funded Workers' Compensation Program  
Expected Loss and ALAE Payments

| Year            | 2018-19     | 2019-20      | 2020-21      | 2021-22      |
|-----------------|-------------|--------------|--------------|--------------|
| Trial Courts    | \$6,729,000 | \$13,900,000 | \$14,139,000 | \$14,511,000 |
| State Judiciary | 253,000     | 575,000      | 600,000      | 615,000      |
| Total           | \$6,982,000 | \$14,475,000 | \$14,739,000 | \$15,126,000 |

Note: 2018-19 is for the period 1/1/19 to 6/30/19

The loss projections in this report reflect the estimated impact of benefit legislation contained in AB749, AB227, SB228, SB899, SB863, and recent WCAB court decisions based upon information provided by the WCIRB.

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

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

We appreciate the opportunity to be of service the Judicial Council of California 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

**DRAFT**

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**I. BACKGROUND**

The Judicial Council of California the policymaking body of the California courts, the largest court system in the nation. Under the leadership of the Chief Justice and in accordance with the California Constitution, the Judicial Council is responsible for ensuring the consistent, independent, impartial, and accessible administration of justice. The Judicial Council's staff agency and is responsible for implementing council policies.

The Judicial Council self-funds its exposure for workers' compensation claims, with the program being administered by the Judicial Council. The self-funded workers' compensation program is referred to as the Judicial Branch Workers' Compensation Program. Claims administration services are provided by AIMS.

The JBWCP is a self-funded program in which each entity pays a share of cost based on each member's workers' compensation claims experience and historical payroll. The total cost for this program is broken up into three groups: 1) Trial Court employees and volunteers, which includes the membership of 57 out of the 58 California Trial Courts, 2) Judicial, which includes member coverage for the Appellate Justices, Trial Court Judges, and Retired Judges in the Assigned Judges Program, and 3) State Judiciary, which includes the membership of the Supreme Court, Courts of Appeal, Habeas Corpus Resource Center, California Judicial Center Library, Commission on Judicial Performance, and the Judicial Council and provides coverage for all of their employees and volunteers.

Given the low volume of loss experience and exposure, and in order to provide a credible actuarial estimate, the Judicial and the State Judiciary groups are valued together for purposes of determining total program cost. Thus for the purpose of the analysis, the three groups are consolidated to two groups, Trial Courts and the State Judiciary.

Beginning January 1, 2003, the JBWCP assumed liability for the Trial Court's workers' compensation claims for those members who joined the program retroactive to January 1, 2001. As of December 31, 2018, 57 of the 58 trial courts in California have joined the program; only Los Angeles does not participate in the program. The current self-funded retention is \$2,000,000 per occurrence for both the Trial Courts and the State Judiciary.

The purpose of this review is to provide a guide to the Judicial Council to determine reasonable funding levels for its self-insurance program according to the funding policy the Judicial Council has adopted and to comply with Governmental Accounting Standards Board Statements #10 and #30. The specific objectives of the study are to estimate the JBWCP's liability for outstanding claims as of June 30, 2019, project ultimate loss costs for 2018-19, 2019-20, 2020-21, and 2021-22, and provide funding guidelines to meet these liabilities and future costs.

## **II. CONCLUSIONS AND RECOMMENDATIONS**

### **A. LIABILITY FOR OUTSTANDING CLAIMS**

Graph 1 on the following page summarizes our assessment of the JBWCP's funding position as of June 30, 2019. 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.

Our best estimate of the full value of the JBWCP's liability for outstanding claims within its self-funded retention is \$79,823,000 as of June 30, 2019. This amount includes losses, allocated loss adjustment expenses (ALAE), unallocated loss adjustment expenses (ULAE), and payments for 4850 benefits. This amount excludes all other program expenses. Furthermore, the estimates in this report are not discounted for anticipated investment income.

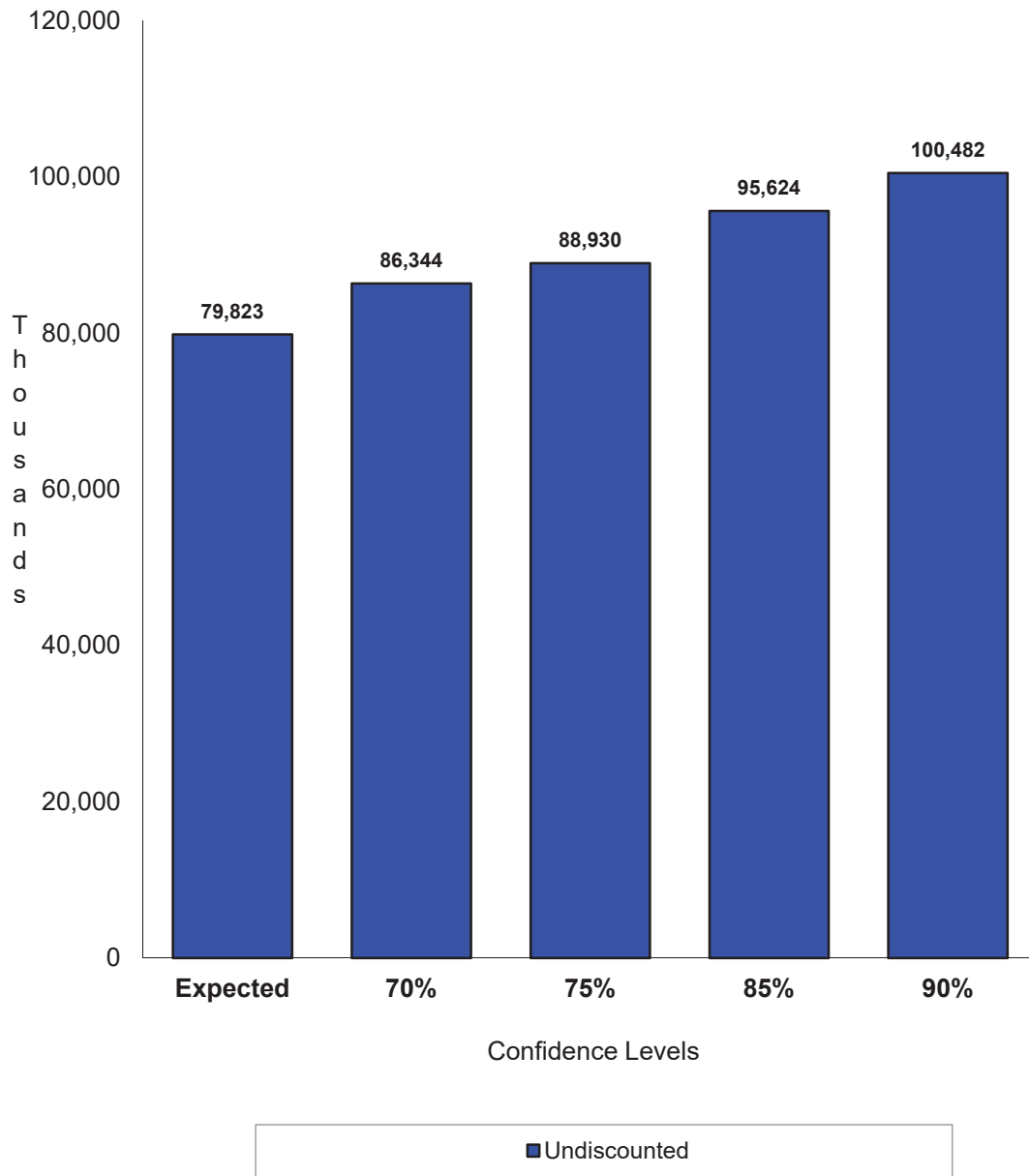
ALAE is the direct cost associated with the defense of individual claims (e.g. legal fees, investigation fees, court charges). ULAE is the cost to administer all claims to final settlement, which may be years into the future (e.g. claims adjusters' salaries, taxes). Other program expenses may include excess insurance, brokerage, consulting, and administrative expenses.

There is some 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.

Judicial Branch Workers' Compensation Program  
Outstanding Liability (\$000's)  
at June 30, 2019



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The table below displays a breakdown of the program's outstanding loss and ALAE liabilities into case reserves and incurred but not reported (IBNR) reserves at June 30, 2019, before recognition of investment income.

Judicial Branch Workers' Compensation Program  
Self-Funded Workers' Compensation Program  
Estimated Liability for Unpaid Loss and ALAE at June 30, 2019

| Year          | Case Reserves | IBNR Reserves | Total Outstanding |
|---------------|---------------|---------------|-------------------|
| Prior         | \$275,116     | \$56,171      | \$331,287         |
| 1998-99       | 139,828       | 10,912        | 150,740           |
| 1999-00       | 20,740        | 5,486         | 26,226            |
| 2000-01       | 401,648       | 70,852        | 472,500           |
| 2001-02       | 276,435       | 112,739       | 389,174           |
| 2002-03       | 401,470       | 161,333       | 562,803           |
| 2003-04       | 1,180,697     | 245,905       | 1,426,602         |
| 2004-05       | 226,719       | 225,875       | 452,594           |
| 2005-06       | 841,672       | 322,657       | 1,164,329         |
| 2006-07       | 1,082,393     | 473,034       | 1,555,427         |
| 2007-08       | 752,736       | 588,914       | 1,341,650         |
| 2008-09       | 758,108       | 1,247,454     | 2,005,562         |
| 2009-10       | 1,165,020     | 1,937,544     | 3,102,564         |
| 2010-11       | 1,504,443     | 1,818,197     | 3,322,640         |
| 2011-12       | 1,529,243     | 2,085,371     | 3,614,614         |
| 2012-13       | 1,988,596     | 2,644,243     | 4,632,839         |
| 2013-14       | 1,952,693     | 2,513,894     | 4,466,587         |
| 2014-15       | 2,394,392     | 2,917,000     | 5,311,392         |
| 2015-16       | 2,713,296     | 4,009,253     | 6,722,549         |
| 2016-17       | 3,361,742     | 4,846,481     | 8,208,223         |
| 2017-18       | 2,717,395     | 7,601,122     | 10,318,517        |
| 2018-19       | 2,236,109     | 11,155,891    | 13,392,000        |
| Loss and ALAE | \$27,920,491  | \$45,050,328  | \$72,970,819      |
| ULAE          |               | 6,852,447     | 6,852,447         |
| Total         | \$27,920,491  | \$51,902,775  | \$79,823,266      |

The case reserve is the amount left to be paid on a claim, as estimated by the claims administrator. The IBNR reserve 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.

## **B. PROGRAM FUNDING: GOALS AND OBJECTIVES**

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

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

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 which allow recognition of a funding margin for unexpectedly adverse loss experience. Thus, for accounting purposes, it is possible to formulate a funding policy from a range of alternatives. The uncertainty in any estimate of the program's liability for outstanding claims should be taken into consideration in determining funding policy, but it may be offset by recognizing anticipated investment income earnings. This usually means developing a funding program based on discounted claims costs with some margin for unexpected adverse loss experience.

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

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

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

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

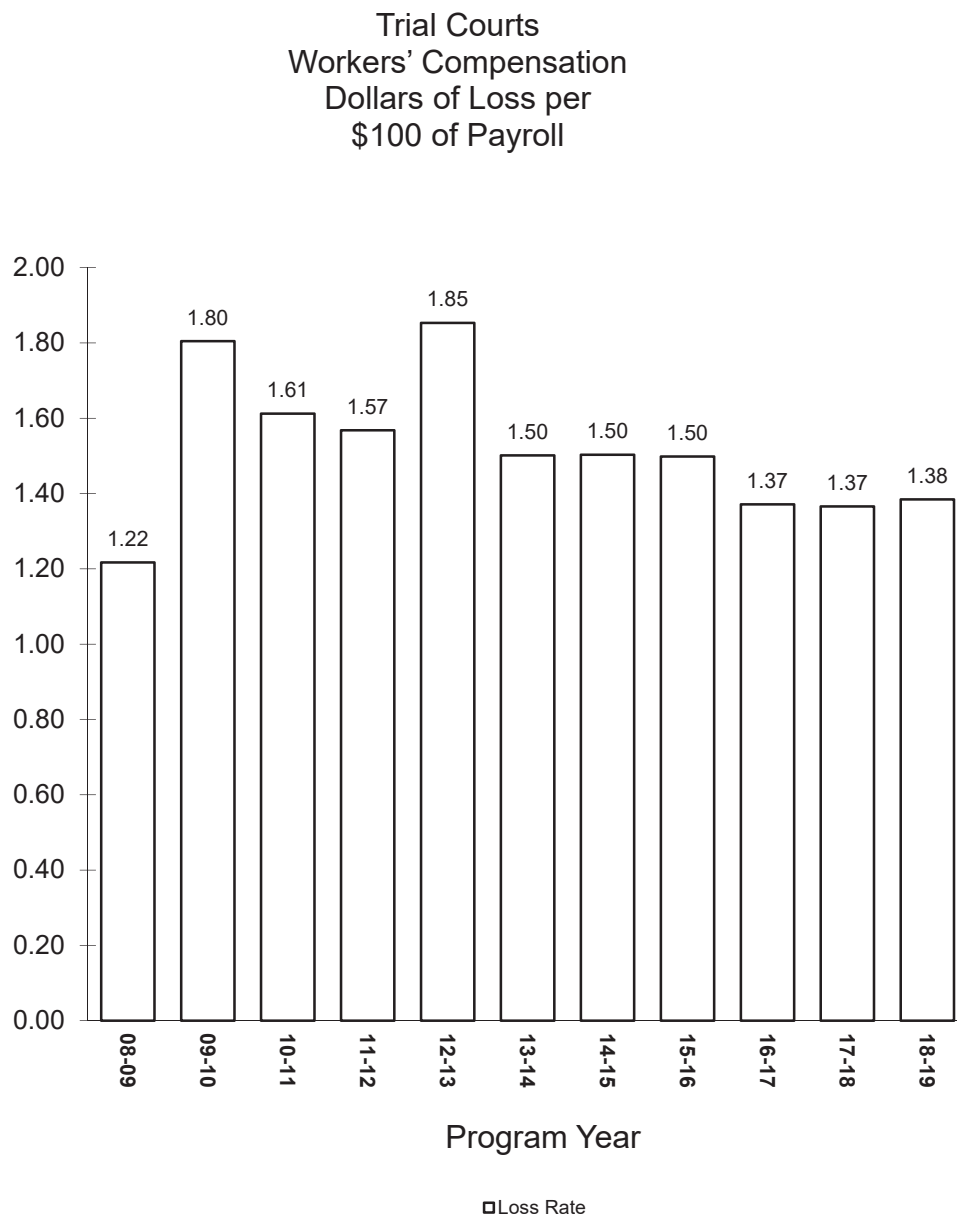
In general, we recommend that you fund each year's claims costs in that year. When surpluses or deficiencies have developed on outstanding liabilities and funding adjustments are necessary, they should be clearly identified as such so that the habit of funding each year's claims costs that year is maintained.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

### C. HISTORICAL TRENDS IN THE SELF-INSURANCE PROGRAM

Graphs 2, 3 and 4 below delineate the average loss rate, severity and frequency, respectively for the Trial Courts. Note that for the purposes of these graphs, all individual losses have been limited to \$250,000.

The Trial Courts' loss rate (limited to \$250,000 per occurrence) has been relatively stable overall during the past ten years. The Trial Courts' loss rate averaged \$1.59 during the 2008-09 and 2013-14 program years and averaged \$1.43 per \$100 of payroll during 2014-15 through 2017-18. Our projected loss rate for 2018-19 is \$1.38 per \$100 of payroll. This selection is based on the Trial Courts' average for the most recent five years.

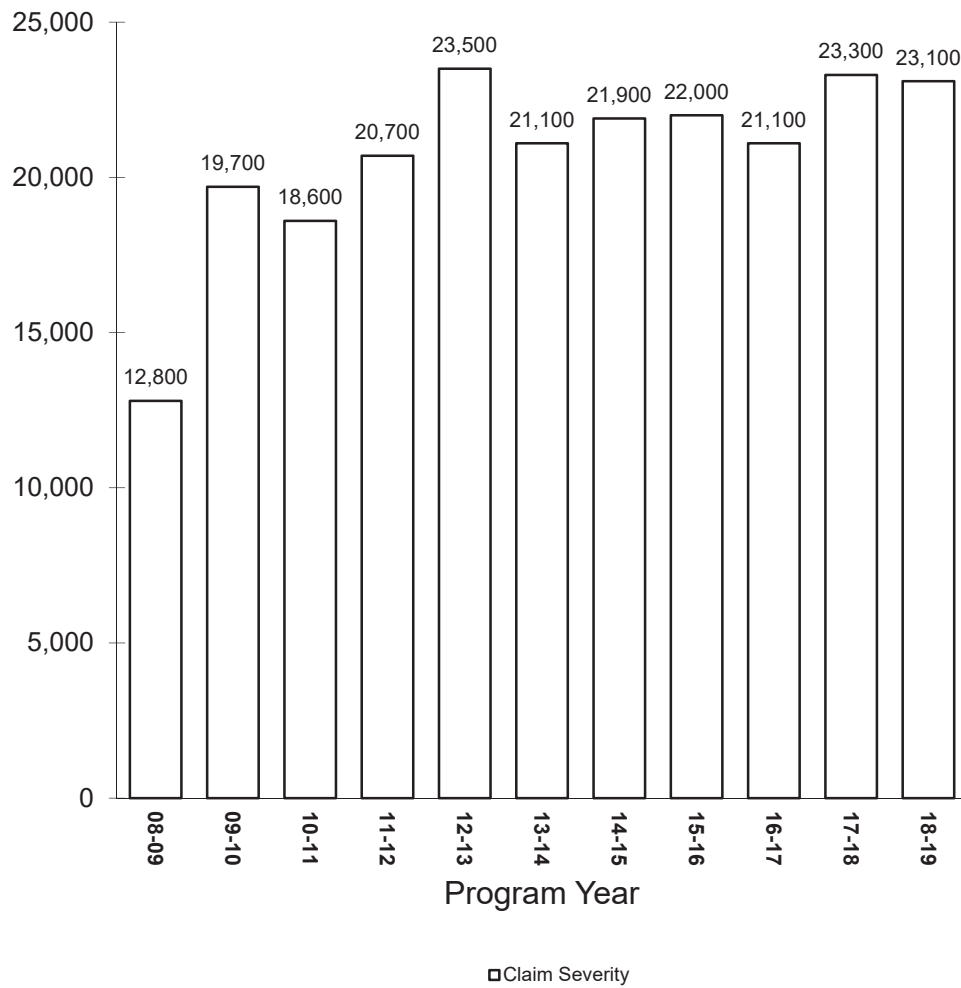
Graph 2



The Trial Courts' claim severity, or cost per claim (limited to \$250,000 per occurrence), has been rising overall during the past ten years. The projected 2018-19 average cost per claim of \$23,100 is based on the recent increasing trend.

Graph 3

Trial Courts  
Workers' Compensation  
Dollars of Loss per Claim

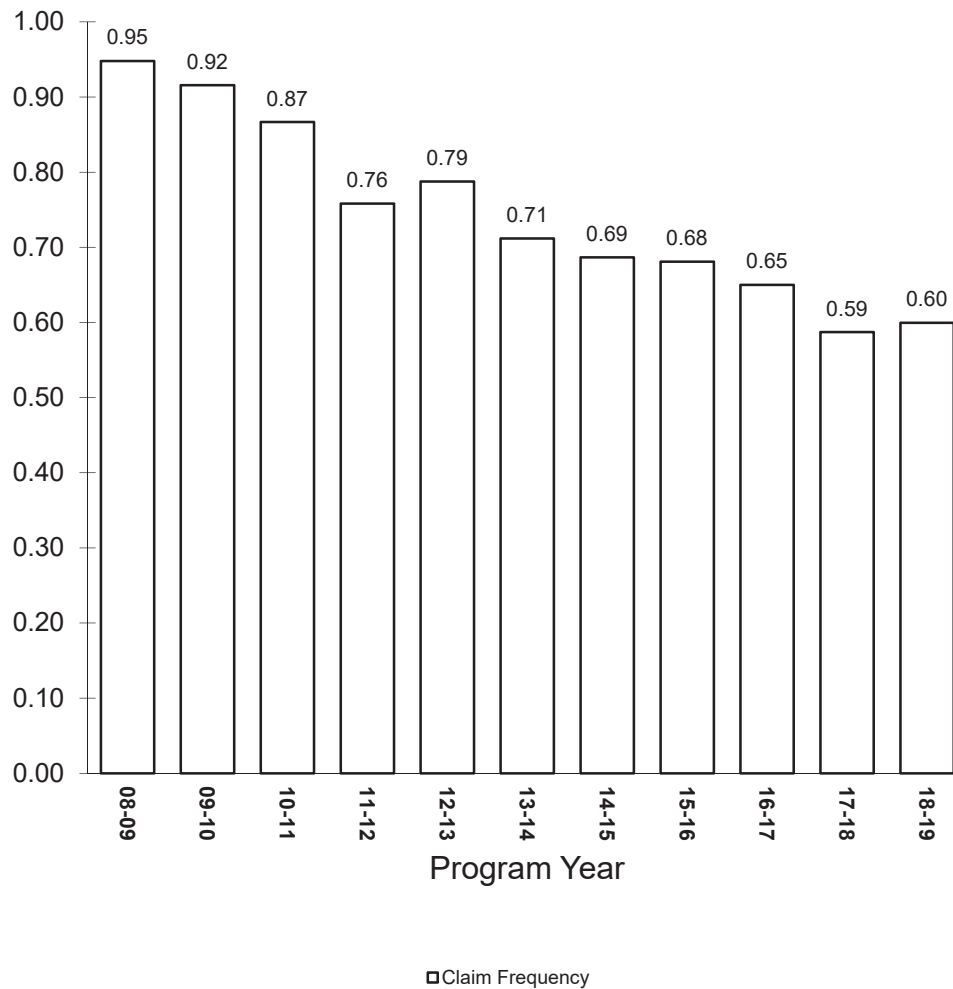




The Trial Courts' claim frequency, or number of claims per \$1 million of payroll, has been generally decreasing since 2008-09. Our projected claims frequency of 0.60 for 2018-19 is similar to the average of the recent four years and the apparent downward trend.

Graph 4

Trial Courts  
Workers' Compensation  
Number of Claims per  
\$1 Million of Payroll



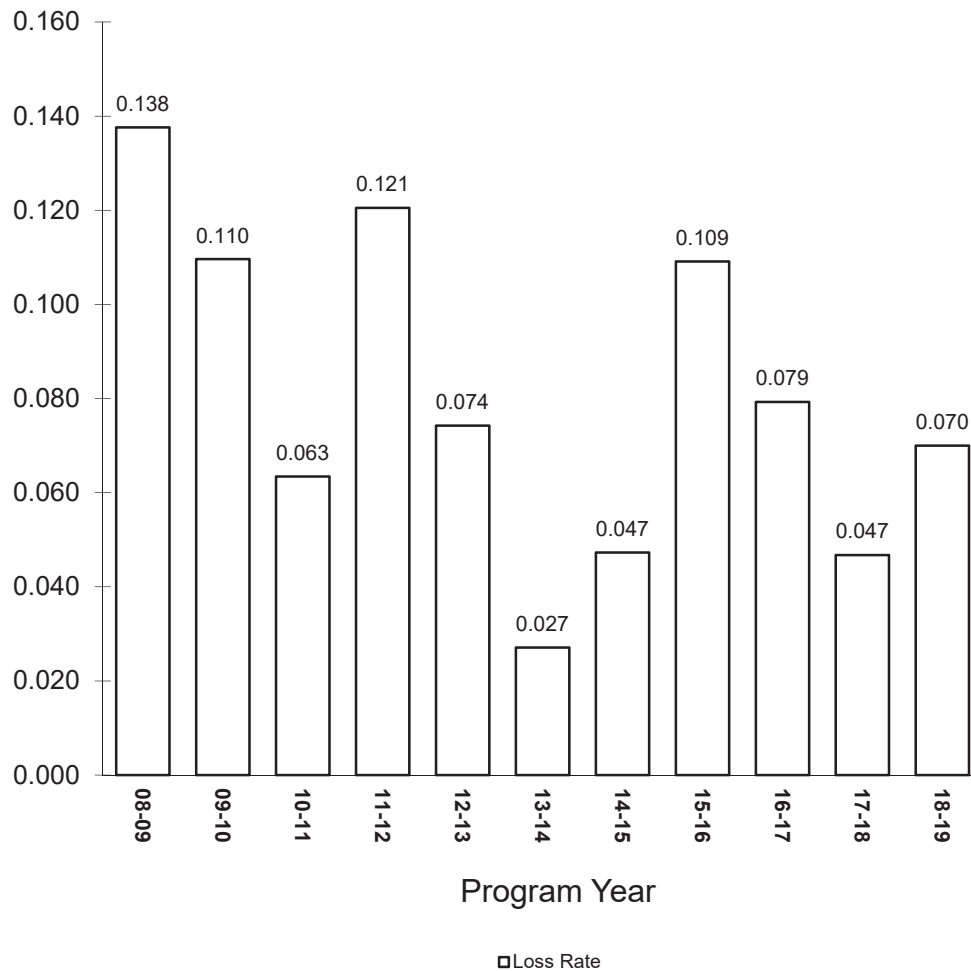
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Graphs 5, 6 and 7 below delineate the average loss rate, severity and frequency, respectively for the State Judiciary. Note that for the purposes of these graphs, all individual losses have been limited to \$100,000.

The State Judiciary's loss rate (limited to \$100,000 per occurrence) has been quite volatile over the past ten years. The State Judiciary's loss rate averaged \$0.101 from 2008-09 to 2012-13 and \$0.062 between 2013-14 and 2017-18. Our projected loss rate for 2018-19 is \$0.070 per \$100 of payroll, which is similar to the average of the last four years.

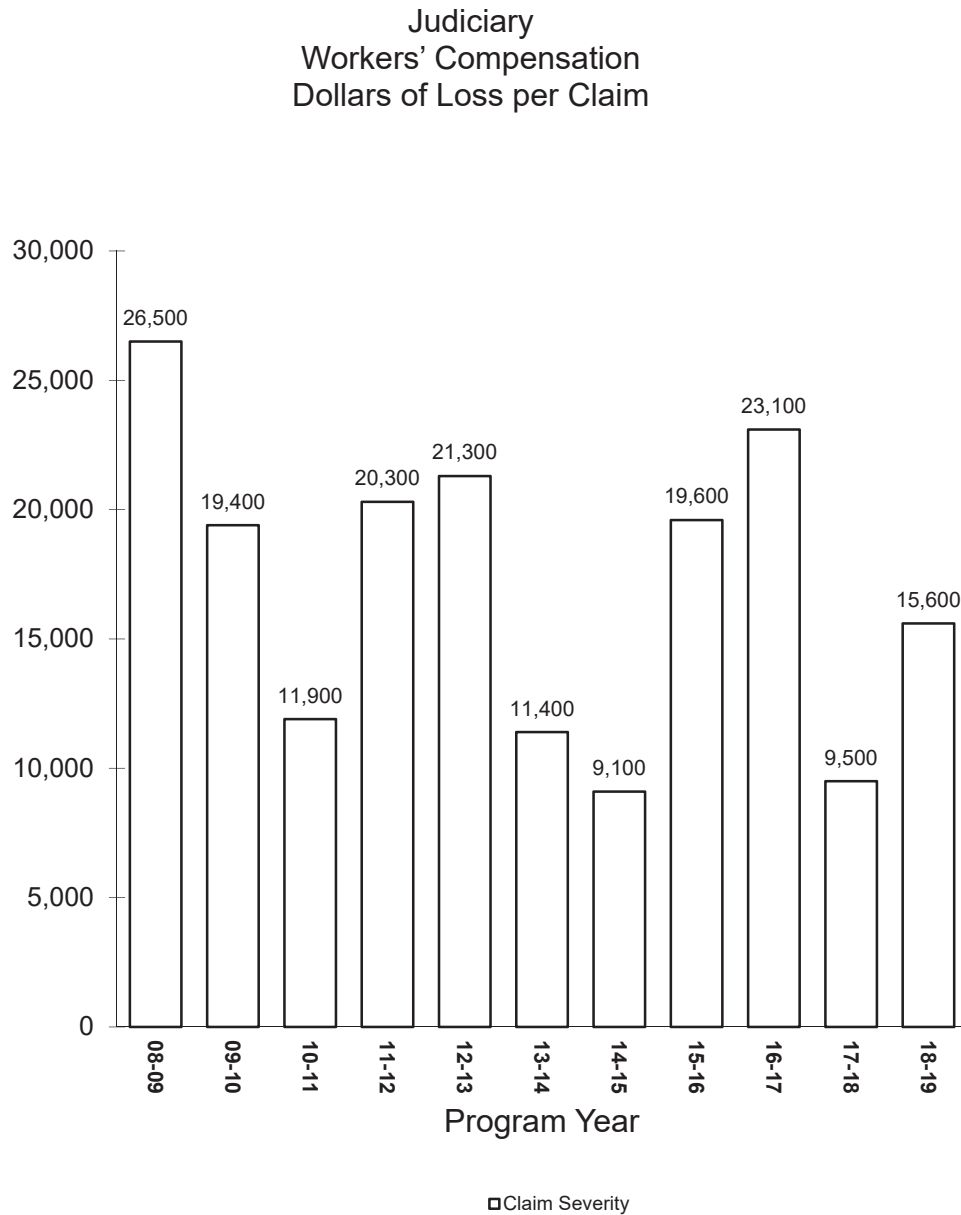
Graph 5

Judiciary  
Workers' Compensation  
Dollars of Loss per  
\$100 of Payroll



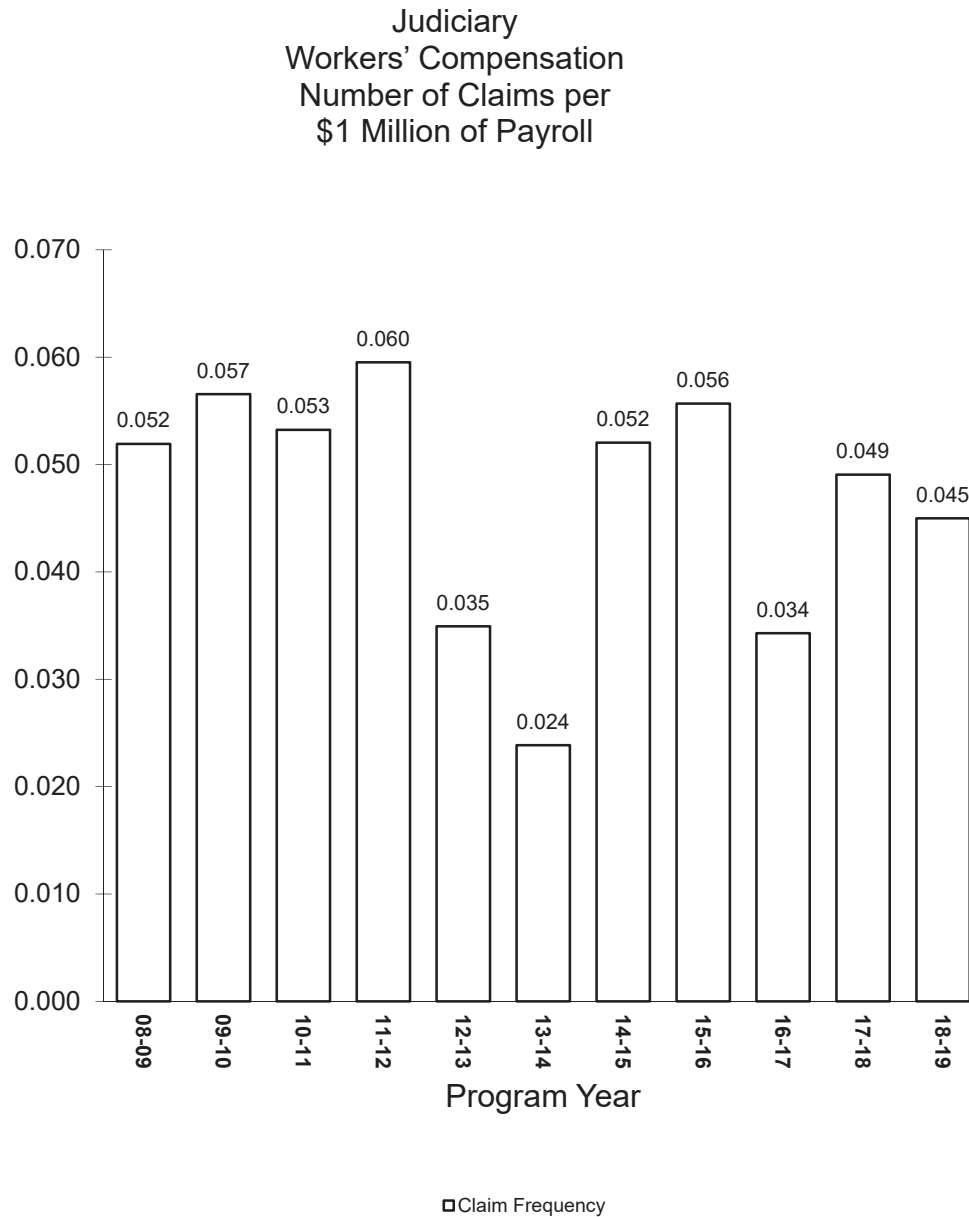
The State Judiciary's claim severity, or cost per claim (limited to \$100,000 per occurrence), averaged \$19,900 during the period 2008-09 to 2012-13. Since that time the average claim severity has declined overall to \$14,500. Our projection of \$15,600 for 2018-19 is based on the most recent six years and apparent downward trend.

Graph 6



Since 2008-09, the State Judiciary's claim frequency, or number of claims per \$1 million payroll, has ranged from a high of 0.060 in 2011-12 to a low of 0.024 during 2013-14. The projected 2018-19 frequency of 0.045 claims per \$1 million of payroll is based on the average of the most recent five years.

Graph 7



**D. COMPARISON WITH PREVIOUS RESULTS**

The prior report for the Judicial Branch Workers' Compensation Program was dated March 30, 2018. In the following table, we display actual versus expected development of incurred losses and ALAE by accident year for the Trial Courts between the December 31, 2017 evaluation date of the prior report and the December 31, 2018 evaluation date of the current report.

**Trial Courts**  
**Actual Versus Expected Incurred Loss and ALAE Development**

| Accident<br>Year | Expected<br>Incurred<br>Development | Actual<br>Incurred<br>Development | Actual<br>Minus Expected |
|------------------|-------------------------------------|-----------------------------------|--------------------------|
| 2000-01          | \$10,000                            | \$51,884                          | \$41,884                 |
| 2001-02          | 41,000                              | 40,318                            | (682)                    |
| 2002-03          | 53,000                              | (40,084)                          | (93,084)                 |
| 2003-04          | 101,000                             | (160,905)                         | (261,905)                |
| 2004-05          | 97,000                              | (153,738)                         | (250,738)                |
| 2005-06          | 151,000                             | 6,951                             | (144,049)                |
| 2006-07          | 186,000                             | 264,104                           | 78,104                   |
| 2007-08          | 257,000                             | (92,987)                          | (349,987)                |
| 2008-09          | 284,000                             | 65,424                            | (218,576)                |
| 2009-10          | 361,000                             | (153,450)                         | (514,450)                |
| 2010-11          | 290,000                             | (486,915)                         | (776,915)                |
| 2011-12          | 327,000                             | 142,559                           | (184,441)                |
| 2012-13          | 364,000                             | (129,211)                         | (493,211)                |
| 2013-14          | 366,000                             | (260,526)                         | (626,526)                |
| 2014-15          | 564,000                             | (272,425)                         | (836,425)                |
| 2015-16          | 1,553,000                           | 631,930                           | (921,070)                |
| 2016-17          | 2,619,000                           | 2,125,701                         | (493,299)                |
| 2017-18          | 5,250,000                           | 3,685,564                         | (1,564,436)              |
| Total            | \$12,874,000                        | \$5,264,194                       | (\$7,609,806)            |

As shown, actual incurred development was less than anticipated since the prior report. Based on the assumptions from the prior report, it was expected that incurred losses would increase by \$12,874,000 between the two evaluation dates. However, actual development was approximately \$5,264,194; or about \$7,609,806 less than expected. Most accident years have developed less expected. The decrease in incurred loss is primarily due to the reevaluation of case reserves.

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In the table below we display actual versus expected development of paid losses and ALAE by accident year for the Trial Courts between the December 31, 2017 evaluation date of the prior report and the December 31, 2018 evaluation date of the current report.

**Trial Courts  
Actual Versus Expected Paid Loss and ALAE Development**

| Accident Year | Expected Paid Development | Actual Paid Development | Actual Minus Expected |
|---------------|---------------------------|-------------------------|-----------------------|
| 2000-01       | \$0                       | \$47,134                | \$47,134              |
| 2001-02       | 53,000                    | 83,910                  | 30,910                |
| 2002-03       | 119,000                   | 143,089                 | 24,089                |
| 2003-04       | 448,000                   | 178,522                 | (269,478)             |
| 2004-05       | 182,000                   | 228,164                 | 46,164                |
| 2005-06       | 236,000                   | 100,939                 | (135,061)             |
| 2006-07       | 255,000                   | 264,968                 | 9,968                 |
| 2007-08       | 298,000                   | 285,962                 | (12,038)              |
| 2008-09       | 270,000                   | 161,793                 | (108,207)             |
| 2009-10       | 471,000                   | 619,783                 | 148,783               |
| 2010-11       | 605,000                   | 454,745                 | (150,255)             |
| 2011-12       | 641,000                   | 935,759                 | 294,759               |
| 2012-13       | 762,000                   | 882,362                 | 120,362               |
| 2013-14       | 877,000                   | 894,896                 | 17,896                |
| 2014-15       | 1,378,000                 | 1,511,712               | 133,712               |
| 2015-16       | 1,908,000                 | 1,805,571               | (102,429)             |
| 2016-17       | 2,548,000                 | 2,416,190               | (131,810)             |
| 2017-18       | 2,840,000                 | 2,498,936               | (341,064)             |
| Total         | \$13,891,000              | \$13,514,435            | (\$376,565)           |

As shown, actual paid development was less than anticipated since the prior report. Based on the assumptions from the prior report, it was expected that paid losses would increase by \$13,891,000 between the two evaluation dates. However, actual development was approximately \$13,514,435; or about \$376,565 less than expected.

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In the table below we display the change in the estimates of the program's ultimate losses and ALAE by accident year for the Trial Courts since our prior report.

**Trial Courts  
Change in Ultimate Loss and ALAE**

| Accident Year | Prior Report  | Current Report | Change In Ultimate |
|---------------|---------------|----------------|--------------------|
| 2000-01       | \$9,841,000   | \$9,883,000    | \$42,000           |
| 2001-02       | 13,946,000    | 13,945,000     | (1,000)            |
| 2002-03       | 18,194,000    | 18,100,000     | (94,000)           |
| 2003-04       | 20,938,000    | 20,673,000     | (265,000)          |
| 2004-05       | 14,566,000    | 14,310,000     | (256,000)          |
| 2005-06       | 14,606,000    | 14,458,000     | (148,000)          |
| 2006-07       | 14,482,000    | 14,548,000     | 66,000             |
| 2007-08       | 14,280,000    | 13,808,000     | (472,000)          |
| 2008-09       | 12,319,000    | 12,420,000     | 101,000            |
| 2009-10       | 17,778,000    | 17,884,000     | 106,000            |
| 2010-11       | 16,901,000    | 16,732,000     | (169,000)          |
| 2011-12       | 15,634,000    | 15,854,000     | 220,000            |
| 2012-13       | 17,059,000    | 17,437,000     | 378,000            |
| 2013-14       | 14,148,000    | 14,050,000     | (98,000)           |
| 2014-15       | 13,803,000    | 13,856,000     | 53,000             |
| 2015-16       | 15,084,000    | 14,593,000     | (491,000)          |
| 2016-17       | 14,684,000    | 13,830,000     | (854,000)          |
| 2017-18       | 15,426,000    | 13,878,000     | (1,548,000)        |
| Total         | \$273,689,000 | \$270,259,000  | (\$3,430,000)      |

As shown, overall we have decreased the estimated ultimates by \$3,430,000 when compared to the ultimate losses calculated in the prior report. The changes in the estimates of ultimate losses generally track with actual versus expected incurred and paid loss development shown in the tables on the previous pages.

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In the following table, we display the State Judiciary's actual versus expected development of incurred losses and ALAE by accident year between the December 31, 2017 evaluation date of the prior report and the December 31, 2018 evaluation date of the current report.

**State Judiciary  
Actual Versus Expected Incurred Loss and ALAE Development**

| Accident<br>Year | Expected<br>Incurred<br>Development | Actual<br>Incurred<br>Development | Actual<br>Minus Expected |
|------------------|-------------------------------------|-----------------------------------|--------------------------|
| Prior            | \$13,000                            | \$24,183                          | \$11,183                 |
| 1998-99          | 3,000                               | 0                                 | (3,000)                  |
| 1999-00          | 3,000                               | 0                                 | (3,000)                  |
| 2000-01          | 5,000                               | (54,952)                          | (59,952)                 |
| 2001-02          | 5,000                               | (32,547)                          | (37,547)                 |
| 2002-03          | 0                                   | 0                                 | 0                        |
| 2003-04          | 0                                   | 0                                 | 0                        |
| 2004-05          | 0                                   | 0                                 | 0                        |
| 2005-06          | 0                                   | 8,096                             | 8,096                    |
| 2006-07          | 10,000                              | (23,271)                          | (33,271)                 |
| 2007-08          | 5,000                               | (8,075)                           | (13,075)                 |
| 2008-09          | 19,000                              | 4,457                             | (14,543)                 |
| 2009-10          | 18,000                              | 0                                 | (18,000)                 |
| 2010-11          | 10,000                              | 19,096                            | 9,096                    |
| 2011-12          | 23,000                              | 29,885                            | 6,885                    |
| 2012-13          | 24,000                              | 0                                 | (24,000)                 |
| 2013-14          | 45,000                              | 0                                 | (45,000)                 |
| 2014-15          | 46,000                              | 40,846                            | (5,154)                  |
| 2015-16          | 58,000                              | 153,271                           | 95,271                   |
| 2016-17          | 115,000                             | 178,008                           | 63,008                   |
| 2017-18          | 177,000                             | 46,025                            | (130,975)                |
| Total            | \$579,000                           | \$385,022                         | (\$193,978)              |

For the years shown, actual incurred development was lower than anticipated since the prior report. Based on the assumptions from the prior report, it was expected that incurred losses would increase by \$579,000 between the two evaluation dates. However, actual development was approximately \$385,022; or \$193,978 less than expected.



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In the table below we display actual versus expected development of paid losses and ALAE by accident year between the December 31, 2017 evaluation date of the prior report and the December 31, 2018 evaluation date of the current report.

**State Judiciary  
Actual Versus Expected Paid Loss and ALAE Development**

| Accident<br>Year | Expected<br>Paid<br>Development | Actual<br>Paid<br>Development | Actual<br>Minus Expected |
|------------------|---------------------------------|-------------------------------|--------------------------|
| Prior            | \$87,000                        | \$59,180                      | (\$27,820)               |
| 1998-99          | 20,000                          | 21,915                        | 1,915                    |
| 1999-00          | 4,000                           | 11,306                        | 7,306                    |
| 2000-01          | 11,000                          | 155                           | (10,845)                 |
| 2001-02          | 13,000                          | 18,618                        | 5,618                    |
| 2002-03          | 0                               | 0                             | 0                        |
| 2003-04          | 0                               | 0                             | 0                        |
| 2004-05          | 0                               | 0                             | 0                        |
| 2005-06          | 0                               | 1,942                         | 1,942                    |
| 2006-07          | 12,000                          | 8,778                         | (3,222)                  |
| 2007-08          | 9,000                           | 27,535                        | 18,535                   |
| 2008-09          | 26,000                          | 14,278                        | (11,722)                 |
| 2009-10          | 15,000                          | 2,502                         | (12,498)                 |
| 2010-11          | 12,000                          | 9,239                         | (2,761)                  |
| 2011-12          | 25,000                          | 40,579                        | 15,579                   |
| 2012-13          | 26,000                          | 263                           | (25,737)                 |
| 2013-14          | 45,000                          | 1,069                         | (43,931)                 |
| 2014-15          | 49,000                          | 32,865                        | (16,135)                 |
| 2015-16          | 68,000                          | 122,868                       | 54,868                   |
| 2016-17          | 85,000                          | 151,505                       | 66,505                   |
| 2017-18          | 40,000                          | 43,755                        | 3,755                    |
| Total            | \$547,000                       | \$568,352                     | \$21,352                 |

For the years shown, actual paid development was greater than anticipated since the prior report. Based on the assumptions from the prior report, it was expected that paid losses would increase by \$547,000 between the two evaluation dates. However, actual development was approximately \$568,352; or about \$21,352 more than expected. As shown, most accident years developed favorably. This favorable development is more than offset by unfavorable development in the most recent three years.

**DRAFT**

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

**State Judiciary  
Change in Ultimate Loss and ALAE**

| Accident<br>Year | Prior<br>Report | Current<br>Report | Change<br>In<br>Ultimate |
|------------------|-----------------|-------------------|--------------------------|
| Prior            | \$9,322,000     | \$9,349,000       | \$27,000                 |
| 1998-99          | 1,528,000       | 1,525,000         | (3,000)                  |
| 1999-00          | 677,000         | 674,000           | (3,000)                  |
| 2000-01          | 1,081,000       | 1,020,000         | (61,000)                 |
| 2001-02          | 1,087,000       | 1,047,000         | (40,000)                 |
| 2002-03          | 172,000         | 172,000           | 0                        |
| 2003-04          | 289,000         | 289,000           | 0                        |
| 2004-05          | 366,000         | 366,000           | 0                        |
| 2005-06          | 227,000         | 248,000           | 21,000                   |
| 2006-07          | 681,000         | 645,000           | (36,000)                 |
| 2007-08          | 305,000         | 290,000           | (15,000)                 |
| 2008-09          | 920,000         | 902,000           | (18,000)                 |
| 2009-10          | 799,000         | 776,000           | (23,000)                 |
| 2010-11          | 335,000         | 346,000           | 11,000                   |
| 2011-12          | 687,000         | 693,000           | 6,000                    |
| 2012-13          | 598,000         | 565,000           | (33,000)                 |
| 2013-14          | 328,000         | 270,000           | (58,000)                 |
| 2014-15          | 475,000         | 501,000           | 26,000                   |
| 2015-16          | 625,000         | 682,000           | 57,000                   |
| 2016-17          | 592,000         | 679,000           | 87,000                   |
| 2017-18          | 669,000         | 530,000           | (139,000)                |
| Total            | \$21,763,000    | \$21,569,000      | (\$194,000)              |

For the years shown, overall we have decreased the estimated ultimates by \$194,000 since our prior report. The changes in the estimates of ultimate losses generally track with actual versus expected loss development shown in the tables on the previous pages.

**DRAFT**

At the time of the prior report, the liability for outstanding claims at the expected level as of June 30, 2018 was estimated to be \$77,905,000 for the Trial Courts and \$4,740,000 for the State Judiciary for a total of \$82,645,000. Our current estimate as of June 30, 2019, is \$75,168,000 for the Trial Courts and \$4,656,000 for the State Judiciary for a total of \$79,823,000. These changes in the assessment of the JBWCP's outstanding liabilities for both the Trial Courts and State Judiciary are shown in the following tables:

**Trial Courts Only  
Outstanding Claim Liabilities for Loss and LAE**

|                                     | Prior<br>Report at<br>June 30, 2018 | Current<br>Report at<br>June 30, 2019 | Change        |
|-------------------------------------|-------------------------------------|---------------------------------------|---------------|
| (A) Case Reserves:                  | \$33,187,000                        | \$26,501,000                          | (\$6,686,000) |
| (B) IBNR Reserves:                  | 38,625,000                          | 42,700,000                            | 4,075,000     |
| (C) Claims Administration Reserves: | 6,093,000                           | 5,967,000                             | (126,000)     |
| (D) Total Reserves:                 | \$77,905,000                        | \$75,168,000                          | (\$2,737,000) |

**State Judiciary Only  
Outstanding Claim Liabilities for Loss and LAE**

|                                     | Prior<br>Report at<br>June 30, 2018 | Current<br>Report at<br>June 30, 2019 | Change      |
|-------------------------------------|-------------------------------------|---------------------------------------|-------------|
| (A) Case Reserves:                  | \$1,547,000                         | \$1,420,000                           | (\$127,000) |
| (B) IBNR Reserves:                  | 2,353,000                           | 2,350,000                             | (3,000)     |
| (C) Claims Administration Reserves: | 840,000                             | 886,000                               | 46,000      |
| (D) Total Reserves:                 | \$4,740,000                         | \$4,656,000                           | (\$84,000)  |

**Trial Courts and State Judiciary Combined  
Outstanding Claim Liabilities for Loss and LAE**

|                                     | Prior<br>Report at<br>June 30, 2018 | Current<br>Report at<br>June 30, 2019 | Change        |
|-------------------------------------|-------------------------------------|---------------------------------------|---------------|
| (A) Case Reserves:                  | \$34,734,000                        | \$27,921,000                          | (\$6,813,000) |
| (B) IBNR Reserves:                  | 40,978,000                          | 45,050,000                            | 4,072,000     |
| (C) Claims Administration Reserves: | 6,933,000                           | 6,852,000                             | (81,000)      |
| (D) Total Reserves:                 | \$82,645,000                        | \$79,823,000                          | (\$2,822,000) |

As shown, the estimate of outstanding claims liabilities at the expected level has decreased between June 30, 2018 and June 30, 2019 as reflected in the prior report and current report respectively for both the Trial Courts and State Judiciary.

Since the prior evaluation, case reserves decreased for both the Trial Courts and the State Judiciary. These decreases are partially offset by increases in the estimate of IBNR reserves. Reserves for future claims administration expenses have decreased. The overall change is a decrease of \$2,822,000 in the estimate of outstanding claim liabilities for loss and ALAE.

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Available assets were estimated to be \$60,268,000 as of June 30, 2018, which corresponded to the then-estimated discounted liability for outstanding claims below the expected confidence levels. Available assets are currently estimated to be \$61,699,000 as of June 30, 2019, which again corresponds to the currently estimated liability for outstanding claims below the expected confidence levels. It can be summarized as follows:

|   | <b>Funding Margin</b>               |                                       |               |
|---|-------------------------------------|---------------------------------------|---------------|
|   | Prior<br>Report at<br>June 30, 2018 | Current<br>Report at<br>June 30, 2019 | Change        |
| (A) Outstanding Liability at the Discounted Expected Level: | \$82,645,000                        | \$79,823,000                          | (\$2,822,000) |
| (B) Estimated Assets At June 30:                            | 60,268,000                          | 61,699,000                            | 1,431,000     |
| (C) Deficit:  | (\$22,377,000)                      | (\$18,124,000)                        | \$4,253,000   |

As you can see, our estimate of the program's funding deficit at the discounted, expected level has decreased by \$4,253,000 between June 30, 2018 (as previously estimated) and June 30, 2019 (as currently estimated). This is driven by an increase in the estimated fund assets between the two points, coupled with a decrease in the estimated outstanding liability.

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At the time of the prior report, the 2018-19 funding projections at the expected level were \$19,084,000 for the Trial Courts. Our current projections for the 2019-20 year are \$18,223,000 for the Trial Courts. The comparison is shown in the following table:

**Comparison of Funding**

**Trial Courts**

|  | Prior<br>Report<br>2018-19<br>Retention = \$2M | Current<br>Report<br>2019-20<br>Retention = \$2M | Change      |
|--|--|--|-------------|
| (A) Ultimate Loss and ALAE:                | \$15,820,000                                   | \$14,999,000                                     | (\$821,000) |
| (B) Ultimate Claims Administration (ULAE): | 2,422,000                                      | 2,408,000  | (14,000)    |
| (C) Total Claim Costs:                     | \$18,242,000                                   | \$17,407,000                                     | (\$835,000) |
| (D) Offset for Investment Income:          | 0  | 0  | 0           |
| (E) Non Claim Expenses:                    | 842,000  | 816,000  | (\$26,000)  |
| (F) Total Recommended Funding:             | \$19,084,000                                   | \$18,223,000                                     | (\$861,000) |
| (G) Funding per \$100 of Payroll:          | \$2.12   | \$1.99   | (\$0.13)    |

As you can see, the projected ultimates for the Trial Courts have decreased and the between 2018-19 and 2019-20, as shown in the prior and current reports respectively.

At the time of the prior report, the 2018-19 funding projections at the expected level were \$1,373,000 for the State Judiciary. Our current projections for the 2019-20 year are \$1,339,000 for the State Judiciary. The comparison is shown in the following table:

**Comparison of Funding**

**State Judiciary**

|  | Prior<br>Report<br>2018-19<br>Retention = \$2M | Current<br>Report<br>2019-20<br>Retention = \$2M | Change     |
|--|--|--|------------|
| (A) Ultimate Loss and ALAE:                | \$682,000                                      | \$681,000  | (\$1,000)  |
| (B) Ultimate Claims Administration (ULAE): | 260,000  | 274,000  | 14,000     |
| (C) Total Claim Costs:                     | \$942,000                                      | \$955,000  | \$13,000   |
| (D) Offset for Investment Income:          | 0  | 0  | 0          |
| (E) Non Claim Expenses:                    | 431,000  | 384,000  | (47,000)   |
| (F) Total Recommended Funding:             | \$1,373,000                                    | \$1,339,000                                      | (\$34,000) |
| (G) Funding per \$100 of Payroll:          | \$0.25   | \$0.23   | (\$0.02)   |

As you can see, the projected ultimates for the State Judiciary have decreased slightly between 2018-19 and 2019-20, as shown in the prior and current reports respectively.

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At the time of the prior report, the 2018-19 expected loss and ALAE payments were \$14,397,000 for the Trial Courts and \$576,000 for the State Judiciary, for a total of \$14,973,000. Our current estimates for the 2019-20 year are \$13,900,000 for Trial Courts and \$575,000 for the State Judiciary for a total of \$14,475,000. The comparison is shown in the following table:

**Comparison of Expected Loss and ALAE Payments**

|                      | Prior<br>Report<br>2018-19 | Current<br>Report<br>2019-20 | Change      |
|----------------------|----------------------------|------------------------------|-------------|
| (A) Trial Courts:    | \$14,397,000               | \$13,900,000                 | (\$497,000) |
| (B) State Judiciary: | 576,000                    | 575,000                      | (1,000)     |
| (C) Total:           | \$14,973,000               | \$14,475,000                 | (\$498,000) |

As you can see, the expected payments for the Trial Courts have decreased and decreased for the State Judiciary between 2018-19 and 2019-20, as shown in the prior and current reports respectively.

The amounts shown above for both ultimates and payments include loss, allocated loss adjustment expenses (ALAE), and payments for 4850 benefits. These amounts do not include unallocated loss adjustment expenses (ULAE), other program expenses or a discount for anticipated investment income.

## **E. DATA PROVIDED FOR THE ANALYSIS**

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

Comments and issues regarding the data are as follows:

- We have assumed that the program's self-funded retention will remain at \$2,000,000 per occurrence for the Trial Courts for 2018-19, 2019-20, 2020-21, and 2021-22 (See Appendix TC-J for the Trial Courts).
- We have assumed that the program's self-funded retention will remain at \$2,000,000 per occurrence for Judiciary for 2018-19, 2019-20, and 2020-21 (See Appendix J-J for the State Judiciary).
- We received loss data evaluated as of December 31, 2018 (See Appendix TC-K for the Trial Courts and Appendix J-K for the State Judiciary). We also utilized the data from the JBWCP's most recent actuarial study for our assessment of loss development.
- Historically TD payments on 4850 claims for the San Diego courts have not been included in the loss runs. We have estimated these to add about 0.8% to total projected payments. See Appendix TC-G, Page 5.

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

### **III. ASSUMPTIONS AND LIMITATIONS**

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

- Our analysis is based on loss experience, exposure data, and other general and specific information provided to us by the Judicial Council. 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.
- 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 made use of cost relationships for claims of various sizes derived from the most recent actuarial review of other California public entities with self-funded workers' compensation programs.
- We have assumed that there is a continuing relationship between past and future loss costs.
- It is not possible to predict future claim costs precisely. Most of the cost of workers' compensation claims arise from a small number of incidents involving serious injury. A relatively small number of such claims could generate enough loss dollars to significantly reduce, or even deplete, the self-insurance fund.
- We cannot predict and have not attempted to predict the impact of future law changes and court rulings on claims costs. This is one major reason why we believe our funding recommendations are reasonable now, but should not be extrapolated into the future.
- The changes in cost levels associated with benefit increases and administrative changes typically take place over a period of several years following their enactment, and these changes are very difficult to forecast in advance. We have based our benefit level factors on those produced by the Workers' Compensation Insurance Rating Bureau of California (WCIRB). See Appendix E for a display of the benefit level cost indices by fiscal year.



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- For the Trial Counts, we have assumed that the loss rate trend associated with claim costs increases at 0.5% per year. We have assumed that claim severity increases at 2.5% per year, and that claim frequency decreases at 2.0% per year. For the State Judiciary, we have assumed that the loss rate trend associated with claim costs decreases at 1.0% per year. We have assumed that claim severity will remain flat, and that claim frequency decreases at 1.0% per year.
- We have assumed that payroll and other inflation-sensitive exposure measures increase 2.5% annually due to inflation.
- Our funding recommendations do not include provisions for catastrophic events not in the JBWCP's history, such as earthquakes, flooding, mass civil disorder, or mass occupational disease.
- Our estimates assume that all excess insurance is valid and collectible. Further, our funding recommendations do not include a provision for losses greater than the JBWCP's excess coverage.

#### **IV. GLOSSARY OF ACTUARIAL TERMS**

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

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

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

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

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

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

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

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

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

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

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

**Loss Rate** - Ultimate losses per \$100 of payroll.

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**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 self-funded retention 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-Funded Retention** - 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.)

Judicial Branch Workers' Compensation Program - Trial Courts and Judiciary

Funding Guidelines for Outstanding Liabilities at  
December 31, 2018

|   |                     |
|---|---------------------|
| (A) Estimated Ultimate Losses<br>Incurred through 12/31/18:<br>(From Appendix TC-G and Appendix J-G)                        | \$299,389,000       |
| (B) Estimated Paid Losses<br>through 12/31/18:<br>(From Appendix TC-G and Appendix J-G)                                     | 226,997,000         |
| (C) Estimated Liability for Claims<br>Outstanding at 12/31/18:<br>(From Appendix TC-G and Appendix J-G)                     | <u>\$72,392,000</u> |
| (D) Estimated Liability for Outstanding<br>Claims Administration Fees at 12/31/18:<br>(From Appendix TC-F and Appendix J-F) | 6,797,000           |
| (E) Total Outstanding Liability for<br>Claims at 12/31/18:<br>((C) + (D))   | <u>\$79,189,000</u> |
| (F) Reserve Discount Factor (Based on a Discount Rate of 0.0%.):<br>(Not Included)  | 1.000               |
| (G) Discounted Outstanding Liability for<br>Claims at 12/31/18:<br>((E) x (F))  | <u>\$79,189,000</u> |

|   | Marginally<br>Acceptable |                     | Recommended         |                     | Conservative        |
|---|--------------------------|---------------------|---------------------|---------------------|---------------------|
| Confidence Level of Adequacy:   | 70%                      | 75%                 | 80%                 | 85%                 | 90%                 |
| (H) Confidence Level Factor:<br>(From Appendix TC-I and Appendix J-I) | 1.082                    | 1.114               | 1.152               | 1.198               | 1.259               |
| (I) Margin for Adverse Experience:<br>((G) x [(H) - 1])               | 6,465,000                | 9,028,000           | 12,010,000          | 15,663,000          | 20,478,000          |
| (J) Total Required Assets<br>at 12/31/18:<br>((G) + (I))              | <u>\$85,654,000</u>      | <u>\$88,217,000</u> | <u>\$91,199,000</u> | <u>\$94,852,000</u> | <u>\$99,667,000</u> |

Judicial Branch Workers' Compensation Program - Trial Courts and Judiciary

Funding Guidelines for Outstanding Liabilities at  
June 30, 2019

|  |                     |
|--|---------------------|
| (A) Estimated Ultimate Losses<br>Incurred through 6/30/19:<br>(From Appendix TC-G and Appendix J-G)                        | \$306,949,000       |
| (B) Estimated Paid Losses<br>through 6/30/19:<br>(From Appendix TC-G and Appendix J-G)                                     | 233,978,000         |
| (C) Estimated Liability for Claims<br>Outstanding at 6/30/19:<br>(From Appendix TC-G and Appendix J-G)                     | <u>\$72,971,000</u> |
| (D) Estimated Liability for Outstanding<br>Claims Administration Fees at 6/30/19:<br>(From Appendix TC-F and Appendix J-F) | 6,852,000           |
| (E) Total Outstanding Liability for<br>Claims at 6/30/19:<br>((C) + (D))   | <u>\$79,823,000</u> |
| (F) Reserve Discount Factor (Based on a Discount Rate of 0.0%.):<br>(Not Included)   | 1.000               |
| (G) Discounted Outstanding Liability for<br>Claims at 6/30/19:<br>((E) x (F))  | <u>\$79,823,000</u> |

| Confidence Level of Adequacy:  | <u>Marginally<br/>Acceptable</u> | <u>75%</u>            | <u>Recommended</u>    | <u>85%</u>            | <u>Conservative</u>   |
|--|----------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|  | 70%                              | 75%                   | 80%                   | 85%                   | 90%                   |
| (H) Confidence Level Factor:<br>(From Appendix TC-I and Appendix J-I)            | 1.082                            | 1.114                 | 1.152                 | 1.198                 | 1.259                 |
| (I) Margin for Adverse Experience:<br>((G) x [(H) - 1])                          | 6,521,000                        | 9,107,000             | 12,117,000            | 15,801,000            | 20,659,000            |
| (J) Total Required Assets<br>at 6/30/19:<br>((G) + (I))                          | <u>\$86,344,000</u>              | <u>\$88,930,000</u>   | <u>\$91,940,000</u>   | <u>\$95,624,000</u>   | <u>\$100,482,000</u>  |
| (K) Estimated Total Assets<br>at 6/30/19:<br>(Provided by the Judicial Council.) | \$61,699,000                     | \$61,699,000          | \$61,699,000          | \$61,699,000          | \$61,699,000          |
| (L) Indicated Funding Redundancy/<br>(Deficiency):<br>((K) - (J))                | <u>(\$24,645,000)</u>            | <u>(\$27,231,000)</u> | <u>(\$30,241,000)</u> | <u>(\$33,925,000)</u> | <u>(\$38,783,000)</u> |

Judicial Branch Workers' Compensation Program - Trial Courts and Judiciary

Funding Options for Program Year 2018-2019 (SIR = \$2,000,000)

|   | Dollar<br>Amount      | Payroll<br>Rate     |                     |                     |                     |
|---|-----------------------|---------------------|---------------------|---------------------|---------------------|
| (A) Estimated Ultimate Losses Incurred in Accident Year :<br>(From Appendix TC-G and Appendix J-G)                            | \$15,121,000          | \$1.044             |                     |                     |                     |
| (B) Estimated Claims Administration Fees Incurred in Accident Year :<br>(From Exhibit TC-5 and Exhibit J-5, Page 1, item (L)) | 2,682,000             | 0.185               |                     |                     |                     |
| (C) Total Claims Costs Incurred in Accident Year :<br>((A) + (B))   | <u>\$17,803,000</u>   | <u>\$1.229</u>      |                     |                     |                     |
| (D) Loss Discount Factor (Based on a Discount Rate of 0.0%.):<br>(Not Included)   | 1.000                 |                     |                     |                     |                     |
| (E) Discounted Total Claims Costs Incurred in Accident Year :<br>((C) x (D))  | <u>\$17,803,000</u>   | <u>\$1.229</u>      |                     |                     |                     |
|   | Marginally Acceptable |                     | Recommended         |                     |                     |
|   | 65%                   | 70%                 | 75%                 | 80%                 | 85%                 |
| (F) Confidence Level Factor:<br>(From Appendix TC-I and Appendix J-I)   | 1.065                 | 1.106               | 1.153               | 1.208               | 1.277               |
| (G) Margin for Adverse Experience:<br>((E) x [(F) - 1])   | 1,155,000             | 1,889,000           | 2,728,000           | 3,699,000           | 4,923,000           |
| (H) Recommended Funding in for Claims Costs and Other Expenses:<br>((E) + (G))  | <u>\$18,958,000</u>   | <u>\$19,692,000</u> | <u>\$20,531,000</u> | <u>\$21,502,000</u> | <u>\$22,726,000</u> |
| (I) Rate per \$100 of Payroll:<br>((H) / \$14,488,986)  | \$1.308               | \$1.359             | \$1.417             | \$1.484             | \$1.569             |

Payroll rates are per hundred dollars of payroll of \$1,448,898,600.

Judicial Branch Workers' Compensation Program - Trial Courts and Judiciary  
Funding Options for Program Year 2019-2020 (SIR = \$2,000,000)

|  | Marginally Acceptable |     | Recommended |     |     |
|--|-----------------------|-----|-------------|-----|-----|
|  | 65%                   | 70% | 75%         | 80% | 85% |
| (A) Estimated Ultimate Losses Incurred in Accident Year 2019-2020:<br>(From Appendix TC-G and Appendix J-G)                            |                       |     |             |     |     |
|  |                       |     |             |     |     |
| (B) Estimated Claims Administration Fees Incurred in Accident Year 2019-2020:<br>(From Exhibit TC-5 and Exhibit J-5, Page 1, item (L)) |                       |     |             |     |     |
|  |                       |     |             |     |     |
| (C) Total Claims Costs Incurred in Accident Year 2019-2020:<br>((A) + (B))   |                       |     |             |     |     |
|  |                       |     |             |     |     |
| (D) Loss Discount Factor (Based on a Discount Rate of 0.0%):<br>(Not Included)   |                       |     |             |     |     |
|  |                       |     |             |     |     |
| (E) Discounted Total Claims Costs Incurred in Accident Year 2019-2020:<br>((C) x (D))  |                       |     |             |     |     |
|  |                       |     |             |     |     |
| (F) Confidence Level Factor:<br>(From Appendix TC-I and Appendix J-I)  |                       |     |             |     |     |
|  |                       |     |             |     |     |
| (G) Margin for Adverse Experience:<br>((E) x [(F) - 1])  |                       |     |             |     |     |
|  |                       |     |             |     |     |
| (H) Recommended Funding in for Claims Costs:<br>((E) + (G))  |                       |     |             |     |     |
|  |                       |     |             |     |     |
| (I) Budgeted Non Claims Related Expenses:<br>(Provided by the Judicial Council)  |                       |     |             |     |     |
|  |                       |     |             |     |     |
| (J) Recommended Funding in for Claims Costs and Other Expenses:<br>((H) + (I))   |                       |     |             |     |     |
|  |                       |     |             |     |     |
| (K) Rate per \$100 of Payroll:<br>((J) / \$14,867,402)   |                       |     |             |     |     |
|  |                       |     |             |     |     |

Payroll rates are per hundred dollars of payroll of \$1,486,740,200.

Judicial Branch Workers' Compensation Program - Trial Courts and Judiciary  
Funding Options for Program Year 2020-2021 (SIR = \$2,000,000)

|  | Dollar<br>Amount         | Payroll<br>Rate |              |              |              |
|--|--------------------------|-----------------|--------------|--------------|--------------|
| (A) Estimated Ultimate Losses Incurred in<br>Accident Year :<br>(From Appendix TC-G and Appendix J-G)                            | \$16,249,000             | \$1.065         |              |              |              |
| (B) Estimated Claims Administration Fees<br>Incurred in Accident Year :<br>(From Exhibit TC-5 and Exhibit J-5, Page 1, item (L)) | 2,779,000                | 0.182           |              |              |              |
| (C) Total Claims Costs<br>Incurred in Accident Year :<br>((A) + (B))   | \$19,028,000             | \$1.247         |              |              |              |
| (D) Loss Discount Factor (Based on a Discount Rate of 0.0%):<br>(Not Included)   | 1.000                    |                 |              |              |              |
| (E) Discounted Total Claims Costs<br>Incurred in Accident Year :<br>((C) x (D))  | \$19,028,000             | \$1.247         |              |              |              |
|  | Marginally<br>Acceptable | Recommended     |              |              |              |
|  | 65%                      | 70%             | 75%          | 80%          | 85%          |
| (F) Confidence Level Factor:<br>(From Appendix TC-I and Appendix J-I)  | 1.065                    | 1.106           | 1.153        | 1.208        | 1.277        |
| (G) Margin for Adverse Experience:<br>((E) x [(F) - 1])  | 1,236,000                | 2,020,000       | 2,918,000    | 3,956,000    | 5,267,000    |
| (H) Recommended Funding in<br>for Claims Costs and Other Expenses:<br>((E) + (G))  | \$20,264,000             | \$21,048,000    | \$21,946,000 | \$22,984,000 | \$24,295,000 |
| (I) Rate per \$100 of Payroll:<br>((H) / \$15,255,759)   | \$1.328                  | \$1.380         | \$1.439      | \$1.507      | \$1.593      |

Payroll rates are per hundred dollars of payroll of \$1,525,575,900.



Judicial Branch Workers' Compensation Program - Trial Courts and Judiciary  
Funding Options for Program Year 2021-2022 (SIR = \$2,000,000)

|  | Dollar<br>Amount         | Payroll<br>Rate     |                     |                     |                     |
|--|--------------------------|---------------------|---------------------|---------------------|---------------------|
| (A) Estimated Ultimate Losses Incurred in<br>Accident Year :<br>(From Appendix TC-G and Appendix J-G)                            | \$16,839,000             | \$1.076             |                     |                     |                     |
| (B) Estimated Claims Administration Fees<br>Incurred in Accident Year :<br>(From Exhibit TC-5 and Exhibit J-5, Page 1, item (L)) | 2,879,000                | 0.184               |                     |                     |                     |
| (C) Total Claims Costs<br>Incurred in Accident Year :<br>((A) + (B))   | <u>\$19,718,000</u>      | <u>\$1.260</u>      |                     |                     |                     |
| (D) Loss Discount Factor (Based on a Discount Rate of 0.0%.):<br>(Not Included)  | 1.000                    |                     |                     |                     |                     |
| (E) Discounted Total Claims Costs<br>Incurred in Accident Year :<br>((C) x (D))  | <u>\$19,718,000</u>      | <u>\$1.260</u>      |                     |                     |                     |
|  | Marginally<br>Acceptable | Recommended         |                     |                     |                     |
|  | 65%                      | 70%                 | 75%                 | 80%                 | 85%                 |
| (F) Confidence Level Factor:<br>(From Appendix TC-I and Appendix J-I)  | 1.065                    | 1.106               | 1.153               | 1.208               | 1.277               |
| (G) Margin for Adverse Experience:<br>((E) x [(F) - 1])  | 1,280,000                | 2,093,000           | 3,022,000           | 4,097,000           | 5,453,000           |
| (H) Recommended Funding in<br>for Claims Costs and Other Expenses:<br>((E) + (G))  | <u>\$20,998,000</u>      | <u>\$21,811,000</u> | <u>\$22,740,000</u> | <u>\$23,815,000</u> | <u>\$25,171,000</u> |
| (I) Rate per \$100 of Payroll:<br>((H) / \$15,654,320)   | \$1.341                  | \$1.393             | \$1.453             | \$1.521             | \$1.608             |

Payroll rates are per hundred dollars of payroll of \$1,565,432,000.

Judicial Branch Workers' Compensation Program - Trial Courts

Funding Guidelines for Outstanding Liabilities at  
December 31, 2018

|  |                     |
|--|---------------------|
| (A) Estimated Ultimate Losses<br>Incurred through 12/31/18:<br>(From Appendix TC-G)                        | \$277,491,000       |
| (B) Estimated Paid Losses<br>through 12/31/18:<br>(From Appendix TC-G)                                     | 208,794,000         |
| (C) Estimated Liability for Claims<br>Outstanding at 12/31/18:<br>(From Appendix TC-G)                     | <u>\$68,697,000</u> |
| (D) Estimated Liability for Outstanding<br>Claims Administration Fees at 12/31/18:<br>(From Appendix TC-F) | 5,956,000           |
| (E) Total Outstanding Liability for<br>Claims at 12/31/18:<br>((C) + (D))                                  | <u>\$74,653,000</u> |
| (F) Reserve Discount Factor (Based on a Discount Rate of 0.0%.):<br>(Not Included)                         | 1.000               |
| (G) Discounted Outstanding Liability for<br>Claims at 12/31/18:<br>((E) x (F))                             | <u>\$74,653,000</u> |

|  | <u>Marginally<br/>Acceptable</u> | <u>75%</u>          | <u>Recommended</u>  | <u>85%</u>          | <u>Conservative</u> |
|--|----------------------------------|---------------------|---------------------|---------------------|---------------------|
| Confidence Level of Adequacy:                            | 70%                              | 75%                 | 80%                 | 85%                 | 90%                 |
| (H) Confidence Level Factor:<br>(From Appendix TC-I)     | 1.079                            | 1.110               | 1.146               | 1.190               | 1.248               |
| (I) Margin for Adverse Experience:<br>((G) x [(H) - 1])  | 5,898,000                        | 8,212,000           | 10,899,000          | 14,184,000          | 18,514,000          |
| (J) Total Required Assets<br>at 12/31/18:<br>((G) + (I)) | <u>\$80,551,000</u>              | <u>\$82,865,000</u> | <u>\$85,552,000</u> | <u>\$88,837,000</u> | <u>\$93,167,000</u> |

Judicial Branch Workers' Compensation Program - Trial Courts

Funding Guidelines for Outstanding Liabilities at  
June 30, 2019

|   |                     |
|---|---------------------|
| (A) Estimated Ultimate Losses<br>Incurred through 6/30/19:<br>(From Appendix TC-G)                        | \$284,723,000       |
| (B) Estimated Paid Losses<br>through 6/30/19:<br>(From Appendix TC-G)                                     | 215,522,000         |
| (C) Estimated Liability for Claims<br>Outstanding at 6/30/19:<br>(From Appendix TC-G)                     | <u>\$69,201,000</u> |
| (D) Estimated Liability for Outstanding<br>Claims Administration Fees at 6/30/19:<br>(From Appendix TC-F) | 5,967,000           |
| (E) Total Outstanding Liability for<br>Claims at 6/30/19:<br>((C) + (D))                                  | <u>\$75,168,000</u> |
| (F) Reserve Discount Factor (Based on a Discount Rate of 0.0%.):<br>(Not Included)                        | 1.000               |
| (G) Discounted Outstanding Liability for<br>Claims at 6/30/19:<br>((E) x (F))                             | <u>\$75,168,000</u> |

|   | <u>Marginally<br/>Acceptable</u> | <u>75%</u>          | <u>Recommended</u>  | <u>85%</u>          | <u>Conservative</u> |
|---|----------------------------------|---------------------|---------------------|---------------------|---------------------|
| Confidence Level of Adequacy:                           | 70%                              | 75%                 | 80%                 | 85%                 | 90%                 |
| (H) Confidence Level Factor:<br>(From Appendix TC-I)    | 1.079                            | 1.110               | 1.146               | 1.190               | 1.248               |
| (I) Margin for Adverse Experience:<br>((G) x [(H) - 1]) | 5,938,000                        | 8,268,000           | 10,975,000          | 14,282,000          | 18,642,000          |
| (J) Total Required Assets<br>at 6/30/19:<br>((G) + (I)) | <u>\$81,106,000</u>              | <u>\$83,436,000</u> | <u>\$86,143,000</u> | <u>\$89,450,000</u> | <u>\$93,810,000</u> |

Judicial Branch Workers' Compensation Program - Trial Courts

Funding Options for Program Year 2018-2019 (SIR = \$2,000,000)

|  | Dollar<br>Amount      | Payroll<br>Rate     |                     |                     |                     |
|--|-----------------------|---------------------|---------------------|---------------------|---------------------|
| (A) Estimated Ultimate Losses Incurred in Accident Year 2018-2019:<br>(From Appendix TC-G)                             | \$14,464,000          | \$1.621             |                     |                     |                     |
| (B) Estimated Claims Administration Fees Incurred in Accident Year 2018-2019:<br>(From Exhibit TC-5, Page 1, item (L)) | 2,422,000             | 0.271               |                     |                     |                     |
| (C) Total Claims Costs Incurred in Accident Year 2018-2019:<br>((A) + (B))   | <u>\$16,886,000</u>   | <u>\$1.892</u>      |                     |                     |                     |
| (D) Loss Discount Factor (Based on a Discount Rate of 0.0%.):<br>(Not Included)  | 1.000                 |                     |                     |                     |                     |
| (E) Discounted Total Claims Costs Incurred in Accident Year 2018-2019:<br>((C) x (D))                                  | <u>\$16,886,000</u>   | <u>\$1.892</u>      |                     |                     |                     |
|  | Marginally Acceptable |                     | Recommended         |                     |                     |
|  | 65%                   | 70%                 | 75%                 | 80%                 | 85%                 |
| (F) Confidence Level Factor:<br>(From Appendix TC-I)   | 1.066                 | 1.103               | 1.145               | 1.193               | 1.253               |
| (G) Margin for Adverse Experience:<br>((E) x [(F) - 1])  | 1,114,000             | 1,739,000           | 2,448,000           | 3,259,000           | 4,272,000           |
| (H) Recommended Funding in 2018-2019 for Claims Costs and Other Expenses:<br>((E) + (G))                               | <u>\$18,000,000</u>   | <u>\$18,625,000</u> | <u>\$19,334,000</u> | <u>\$20,145,000</u> | <u>\$21,158,000</u> |
| (I) Rate per \$100 of Payroll:<br>((H) / \$8,922,888)  | \$2.017               | \$2.087             | \$2.167             | \$2.258             | \$2.371             |

Payroll rates are per hundred dollars of 2018-2019 payroll of \$892,288,800.

Judicial Branch Workers' Compensation Program - Trial Courts

Funding Options for Program Year 2019-2020 (SIR = \$2,000,000)  
One-Year Funding Plan

|  | Marginally Acceptable |     | Recommended |     |     |
|--|-----------------------|-----|-------------|-----|-----|
|  | 65%                   | 70% | 75%         | 80% | 85% |
| (A) Estimated Ultimate Losses Incurred in Accident Year 2019-2020:<br>(From Appendix TC-G)                             |                       |     |             |     |     |
|  |                       |     |             |     |     |
| (B) Estimated Claims Administration Fees Incurred in Accident Year 2019-2020:<br>(From Exhibit TC-5, Page 1, item (L)) |                       |     |             |     |     |
|  |                       |     |             |     |     |
| (C) Total Claims Costs Incurred in Accident Year 2019-2020:<br>((A) + (B))   |                       |     |             |     |     |
|  |                       |     |             |     |     |
| (D) Loss Discount Factor (Based on a Discount Rate of 0.0%.):<br>(Not Included)  |                       |     |             |     |     |
|  |                       |     |             |     |     |
| (E) Discounted Total Claims Costs Incurred in Accident Year 2019-2020:<br>((C) x (D))                                  |                       |     |             |     |     |
|  |                       |     |             |     |     |
| (F) Confidence Level Factor:<br>(From Appendix TC-I)   |                       |     |             |     |     |
|  |                       |     |             |     |     |
| (G) Margin for Adverse Experience:<br>((E) x [(F) - 1])  |                       |     |             |     |     |
|  |                       |     |             |     |     |
| (H) Recommended Funding in 2019-2020 for Claims Costs:<br>((E) + (G))  |                       |     |             |     |     |
|  |                       |     |             |     |     |
| (I) Budgeted Non Claims Related Expenses:<br>(Provided by the Judicial Council)  |                       |     |             |     |     |
|  |                       |     |             |     |     |
| (J) Recommended Funding in 2019-2020 for Claims Costs:<br>((H) + (I))  |                       |     |             |     |     |
|  |                       |     |             |     |     |
| (K) Rate per \$100 of Payroll:<br>((J) / \$9,145,960)  |                       |     |             |     |     |
|  |                       |     |             |     |     |

Payroll rates are per hundred dollars of 2019-2020 payroll of \$914,596,000.

Judicial Branch Workers' Compensation Program - Trial Courts

Funding Options for Program Year 2020-2021 (SIR = \$2,000,000)  
One-Year Funding Plan

|  | Dollar<br>Amount    | Payroll<br>Rate     |                          |                     |                     |
|--|---------------------|---------------------|--------------------------|---------------------|---------------------|
| (A) Estimated Ultimate Losses Incurred in Accident Year 2020-2021:<br>(From Appendix TC-G)                             | \$15,543,000        | \$1.658             |                          |                     |                     |
| (B) Estimated Claims Administration Fees Incurred in Accident Year 2020-2021:<br>(From Exhibit TC-5, Page 1, item (L)) | 2,495,000           | 0.266               |                          |                     |                     |
| (C) Total Claims Costs Incurred in Accident Year 2020-2021:<br>((A) + (B))   | <u>\$18,038,000</u> | <u>\$1.924</u>      |                          |                     |                     |
| (D) Loss Discount Factor (Based on a Discount Rate of 0.0%.):<br>(Not Included)  | 1.000               |                     |                          |                     |                     |
| (E) Discounted Total Claims Costs Incurred in Accident Year 2020-2021:<br>((C) x (D))                                  | <u>\$18,038,000</u> | <u>\$1.924</u>      |                          |                     |                     |
|  |                     |                     | Marginally<br>Acceptable | Recommended         |                     |
|  | 65%                 | 70%                 | 75%                      | 80%                 | 85%                 |
| (F) Confidence Level Factor:<br>(From Appendix TC-I)   | 1.066               | 1.103               | 1.145                    | 1.193               | 1.253               |
| (G) Margin for Adverse Experience:<br>((E) x [(F) - 1])  | 1,191,000           | 1,858,000           | 2,616,000                | 3,481,000           | 4,564,000           |
| (H) Recommended Funding in 2020-2021 for Claims Costs and Other Expenses:<br>((E) + (G))                               | <u>\$19,229,000</u> | <u>\$19,896,000</u> | <u>\$20,654,000</u>      | <u>\$21,519,000</u> | <u>\$22,602,000</u> |
| (I) Rate per \$100 of Payroll:<br>((H) / \$9,374,609)  | \$2.051             | \$2.122             | \$2.203                  | \$2.295             | \$2.411             |

Payroll rates are per hundred dollars of 2020-2021 payroll of \$937,460,900.

Judicial Branch Workers' Compensation Program - Trial Courts

Funding Options for Program Year 2021-2022 (SIR = \$2,000,000)  
One-Year Funding Plan

|  | Dollar<br>Amount      | Payroll<br>Rate     |                     |                     |                     |
|--|-----------------------|---------------------|---------------------|---------------------|---------------------|
| (A) Estimated Ultimate Losses Incurred in Accident Year 2021-2022:<br>(From Appendix TC-G)                             | \$16,114,000          | \$1.677             |                     |                     |                     |
| (B) Estimated Claims Administration Fees Incurred in Accident Year 2021-2022:<br>(From Exhibit TC-5, Page 1, item (L)) | 2,587,000             | 0.269               |                     |                     |                     |
| (C) Total Claims Costs Incurred in Accident Year 2021-2022:<br>((A) + (B))   | <u>\$18,701,000</u>   | <u>\$1.946</u>      |                     |                     |                     |
| (D) Loss Discount Factor (Based on a Discount Rate of 0.0%.):<br>(Not Included)  | 1.000                 |                     |                     |                     |                     |
| (E) Discounted Total Claims Costs Incurred in Accident Year 2021-2022:<br>((C) x (D))                                  | <u>\$18,701,000</u>   | <u>\$1.946</u>      |                     |                     |                     |
|  | Marginally Acceptable |                     | Recommended         |                     |                     |
|  | 65%                   | 70%                 | 75%                 | 80%                 | 85%                 |
| (F) Confidence Level Factor:<br>(From Appendix TC-I)   | 1.066                 | 1.103               | 1.145               | 1.193               | 1.253               |
| (G) Margin for Adverse Experience:<br>((E) x [(F) - 1])  | 1,234,000             | 1,926,000           | 2,712,000           | 3,609,000           | 4,731,000           |
| (H) Recommended Funding in 2021-2022 for Claims Costs and Other Expenses:<br>((E) + (G))                               | <u>\$19,935,000</u>   | <u>\$20,627,000</u> | <u>\$21,413,000</u> | <u>\$22,310,000</u> | <u>\$23,432,000</u> |
| (I) Rate per \$100 of Payroll:<br>((H) / \$9,608,974)  | \$2.075               | \$2.147             | \$2.228             | \$2.322             | \$2.439             |

Payroll rates are per hundred dollars of 2021-2022 payroll of \$960,897,400.

## Judicial Branch Workers' Compensation Program - Trial Courts

## IBNR as of 6/30/19 at Expected Claims Level

| Accident Year | Estimated Ultimate (A) | Reported as of 12/31/18 (B) | Estimated IBNR as of 12/31/18 (C) | Estimated Percent of IBNR Reported Between 1/1/19 and 6/30/19 (D) | Estimated IBNR Reported (E) | Estimated IBNR as of 6/30/19 (F) |
|---------------|------------------------|-----------------------------|-----------------------------------|---|-----------------------------|----------------------------------|
| 2000-2001     | 9,883,000              | 9,814,552                   | 68,448                            | 14.2%   | 10,000                      | 58,448                           |
| 2001-2002     | 13,945,000             | 13,834,460                  | 110,540                           | 12.4%   | 14,000                      | 96,540                           |
| 2002-2003     | 18,100,000             | 17,902,667                  | 197,333                           | 18.0%   | 36,000                      | 161,333                          |
| 2003-2004     | 20,673,000             | 20,387,095                  | 285,905                           | 14.1%   | 40,000                      | 245,905                          |
| 2004-2005     | 14,310,000             | 14,043,125                  | 266,875                           | 15.5%   | 41,000                      | 225,875                          |
| 2005-2006     | 14,458,000             | 14,092,048                  | 365,952                           | 15.1%   | 55,000                      | 310,952                          |
| 2006-2007     | 14,548,000             | 14,042,905                  | 505,095                           | 13.5%   | 68,000                      | 437,095                          |
| 2007-2008     | 13,808,000             | 13,150,813                  | 657,187                           | 13.4%   | 88,000                      | 569,187                          |
| 2008-2009     | 12,420,000             | 11,081,724                  | 1,338,276                         | 12.5%   | 167,000                     | 1,171,276                        |
| 2009-2010     | 17,884,000             | 15,808,276                  | 2,075,724                         | 10.5%   | 218,000                     | 1,857,724                        |
| 2010-2011     | 16,732,000             | 14,766,634                  | 1,965,366                         | 9.7%  | 191,000                     | 1,774,366                        |
| 2011-2012     | 15,854,000             | 13,681,069                  | 2,172,931                         | 8.9%  | 193,000                     | 1,979,931                        |
| 2012-2013     | 17,437,000             | 14,685,400                  | 2,751,600                         | 7.6%  | 209,000                     | 2,542,600                        |
| 2013-2014     | 14,050,000             | 11,495,398                  | 2,554,602                         | 8.0%  | 204,000                     | 2,350,602                        |
| 2014-2015     | 13,856,000             | 10,917,669                  | 2,938,331                         | 7.5%  | 220,000                     | 2,718,331                        |
| 2015-2016     | 14,593,000             | 10,323,182                  | 4,269,818                         | 10.8%   | 461,000                     | 3,808,818                        |
| 2016-2017     | 13,830,000             | 8,523,155                   | 5,306,845                         | 14.6%   | 775,000                     | 4,531,845                        |
| 2017-2018     | 13,878,000             | 5,295,232                   | 8,582,768                         | 16.1%   | 1,382,000                   | 7,200,768                        |
| 2018-2019     | 14,464,000             | 1,288,504                   | 5,943,000                         | 19.1%   | 2,517,000                   | 10,658,496                       |
| Totals        | \$284,723,000          | \$235,133,908               | \$42,356,596                      |   | \$6,889,000                 | \$42,700,092                     |

## Notes:

- (A) From Exhibit TC-4, Page 1.
- (B) Provided by the Judicial Council. These losses exclude amounts incurred above the Judicial Council's SIR for each year.
- (C) (A) - (B).
- (D) Percentage of incurred but not reported (IBNR) expected to be reported between 1/1/19 and 6/30/19. The percentage is based on the development pattern selected in Appendix TC-A.
- (E) ((A) - (B)) x (D).
- (F) (A) - (B) - (E).

This exhibit shows the calculation of the amount of incurred but not reported losses we expect as of 6/30/19. This amount is dependent on both the strength of the case reserves and the average frequency and severity of the losses incurred.



## Judicial Branch Workers' Compensation Program - Trial Courts

## 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) |
|---------------|--------------------------------------|----------------------------------|--|--|-------------------------------|--|
| 2000-2001     | 9,883,254                            | 9,852,626                        | 9,883,797                                    | 9,852,850                                | 9,893,828                     | 9,883,000                                |
| 2001-2002     | 13,945,136                           | 14,291,357                       | 13,947,365                                   | 14,285,994                               | 14,115,708                    | 13,945,000                               |
| 2002-2003     | 18,099,596                           | 18,457,738                       | 18,105,242                                   | 18,453,114                               | 18,412,940                    | 18,100,000                               |
| 2003-2004     | 20,672,514                           | 20,396,317                       | 20,667,353                                   | 20,376,735                               | 20,022,759                    | 20,673,000                               |
| 2004-2005     | 14,309,944                           | 14,989,632                       | 14,323,214                                   | 14,967,190                               | 14,747,548                    | 14,310,000                               |
| 2005-2006     | 14,458,441                           | 14,619,086                       | 14,448,213                                   | 14,576,041                               | 14,243,072                    | 14,458,000                               |
| 2006-2007     | 14,548,450                           | 14,619,312                       | 14,491,943                                   | 14,414,245                               | 12,837,150                    | 14,548,000                               |
| 2007-2008     | 13,808,354                           | 14,345,766                       | 13,830,897                                   | 14,322,569                               | 14,163,773                    | 13,808,000                               |
| 2008-2009     | 11,835,281                           | 12,419,568                       | 11,877,601                                   | 12,420,599                               | 12,433,266                    | 12,420,000                               |
| 2009-2010     | 17,199,404                           | 17,884,035                       | 17,221,360                                   | 17,799,232                               | 17,438,622                    | 17,884,000                               |
| 2010-2011     | 16,420,497                           | 16,731,919                       | 16,372,750                                   | 16,560,514                               | 15,900,920                    | 16,732,000                               |
| 2011-2012     | 15,596,419                           | 15,971,794                       | 15,597,932                                   | 15,877,657                               | 15,508,476                    | 15,854,000                               |
| 2012-2013     | 17,181,918                           | 17,554,242                       | 17,179,412                                   | 17,459,496                               | 17,094,534                    | 17,437,000                               |
| 2013-2014     | 13,909,432                           | 14,097,520                       | 13,943,586                                   | 14,094,732                               | 13,444,380                    | 14,050,000                               |
| 2014-2015     | 13,734,428                           | 13,898,267                       | 13,763,435                                   | 13,892,615                               | 13,390,402                    | 13,856,000                               |
| 2015-2016     | 13,977,588                           | 14,879,996                       | 14,080,011                                   | 14,634,224                               | 14,399,035                    | 14,593,000                               |
| 2016-2017     | 13,517,724                           | 13,528,391                       | 13,876,270                                   | 14,132,409                               | 14,473,368                    | 13,830,000                               |
| 2017-2018     | 11,623,034                           | 13,378,067                       | 13,264,203                                   | 14,377,341                               | 13,806,592                    | 13,878,000                               |
| Totals        |                                      |                                  |  |  |                               | \$270,259,000                            |
|               |                                      |                                  | Projected Losses for the Year 2018-2019 (G)  |  |                               | \$14,464,000                             |
|               |                                      |                                  | Projected Losses for the Year 2019-2020 (H)  |  |                               | \$14,999,000                             |
|               |                                      |                                  | Projected Losses for the Year 2020-2021 (I)  |  |                               | \$15,543,000                             |
|               |                                      |                                  | Projected Losses for the Year 2021-2022 (J)  |  |                               | \$16,114,000                             |

## Notes:

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

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

## Judicial Branch Workers' Compensation Program - Trial Courts

## Estimated Ultimate Limited Losses Capped at \$250,000 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)                     |
|---------------|--------------------------------------|----------------------------------|--|--|-------------------------------|--|
| 2000-2001     | 9,236,671                            | 9,352,167                        | 9,236,902                                    | 9,346,839                                | 9,237,158                     | 9,237,000  |
| 2001-2002     | 13,130,821                           | 13,326,372                       | 13,131,278                                   | 13,318,401                               | 13,130,748                    | 13,131,000   |
| 2002-2003     | 17,095,392                           | 17,304,143                       | 17,096,243                                   | 17,295,983                               | 17,095,117                    | 17,095,000   |
| 2003-2004     | 18,445,487                           | 18,583,808                       | 18,446,653                                   | 18,578,378                               | 18,445,469                    | 18,445,000   |
| 2004-2005     | 13,537,860                           | 13,684,123                       | 13,538,923                                   | 13,683,967                               | 13,537,682                    | 13,538,000   |
| 2005-2006     | 13,017,189                           | 13,036,552                       | 13,018,471                                   | 13,035,970                               | 13,017,172                    | 13,017,000   |
| 2006-2007     | 11,680,704                           | 11,882,630                       | 11,682,321                                   | 11,870,355                               | 11,680,900                    | 11,681,000   |
| 2007-2008     | 12,828,198                           | 12,851,805                       | 12,831,086                                   | 12,851,632                               | 12,828,361                    | 12,828,000   |
| 2008-2009     | 11,139,812                           | 11,208,696                       | 11,145,086                                   | 11,211,176                               | 11,209,320                    | 11,209,000   |
| 2009-2010     | 15,235,074                           | 15,645,852                       | 15,237,903                                   | 15,642,867                               | 15,645,770                    | 15,646,000   |
| 2010-2011     | 14,111,871                           | 14,192,924                       | 14,115,329                                   | 14,198,856                               | 14,193,326                    | 14,193,000   |
| 2011-2012     | 13,563,611                           | 13,844,345                       | 13,574,648                                   | 13,838,385                               | 13,772,880                    | 13,773,000   |
| 2012-2013     | 14,831,998                           | 15,196,054                       | 14,858,592                                   | 15,196,874                               | 15,104,976                    | 15,105,000   |
| 2013-2014     | 12,118,819                           | 12,232,353                       | 12,140,244                                   | 12,263,071                               | 11,813,916                    | 12,212,000   |
| 2014-2015     | 12,001,951                           | 12,071,223                       | 12,016,495                                   | 12,091,300                               | 11,704,893                    | 12,059,000   |
| 2015-2016     | 12,167,342                           | 12,935,194                       | 12,224,785                                   | 12,756,216                               | 12,514,553                    | 12,698,000   |
| 2016-2017     | 11,580,275                           | 11,650,489                       | 11,838,362                                   | 12,142,123                               | 12,507,264                    | 11,896,000   |
| 2017-2018     | 9,997,398                            | 11,494,706                       | 11,209,826                                   | 12,320,506                               | 11,863,552                    | 11,908,000   |
| Totals        |                                      |                                  |  |  |                               | \$239,671,000  |
|               |                                      |                                  |  |  |                               | Projected Losses for the Year 2018-2019 (G) \$12,355,000 |
|               |                                      |                                  |  |  |                               | Projected Losses for the Year 2019-2020 (H) \$12,734,000 |
|               |                                      |                                  |  |  |                               | Projected Losses for the Year 2020-2021 (I) \$13,112,000 |
|               |                                      |                                  |  |  |                               | Projected Losses for the Year 2021-2022 (J) \$13,512,000 |

## Notes:

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

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

Judicial Branch Workers' Compensation Program - Trial Courts

Group II Estimated Limited Outstanding Losses as of 6/30/19

| Accident Year | SIR (A)   | Group II Payroll (\$00) (B) | Group I Limited Rate Per \$100 of Payroll (C) | Factor to SIR (D) | Group II Estimated Ultimate Losses (E) | Group I Outstanding Loss Ratio (F) | Group II Estimated Outstanding Losses (G) |
|---------------|-----------|-----------------------------|---|-------------------|--|------------------------------------|---|
| 2000-2001     | \$125,000 | \$8,792                     | 4.133   | 0.816             | \$29,651                               | 0.045                              | \$1,337                                   |
|               | 250,000   | 0                           | 4.133   | 1.000             | 0                                      | 0.045                              | 0   |
|               | 300,000   | 43,871                      | 4.133   | 1.041             | 188,749                                | 0.045                              | 8,511                                     |
|               | 500,000   | 0                           | 4.133   | 1.136             | 0                                      | 0.045                              | 0   |
|               | 1,000,000 | 140,684                     | 4.133   | 1.211             | 704,111                                | 0.045                              | 31,748                                    |
| Total         |           | \$193,347                   |   |                   | \$922,511                              |                                    | \$41,595                                  |
| 2001-2002     | \$125,000 | \$24,058                    | 2.719   | 0.811             | \$53,040                               | 0.022                              | \$1,172                                   |
|               | 250,000   | 0                           | 2.719   | 1.000             | 0                                      | 0.022                              | 0   |
|               | 300,000   | 3,405                       | 2.719   | 1.043             | 9,656                                  | 0.022                              | 213                                       |
|               | 500,000   | 72,609                      | 2.719   | 1.141             | 225,220                                | 0.022                              | 4,978                                     |
|               | 1,000,000 | 307,807                     | 2.719   | 1.222             | 1,022,542                              | 0.022                              | 22,600                                    |
| Total         |           | \$407,879                   |   |                   | \$1,310,458                            |                                    | \$28,963                                  |
| 2002-2003     | \$125,000 | \$0                         | 2.984   | 0.807             | \$0                                    | 0.031                              | \$0                                       |
|               | 250,000   | 47,592                      | 2.984   | 1.000             | 142,005                                | 0.031                              | 4,416                                     |
|               | 300,000   | 3,720                       | 2.984   | 1.044             | 11,589                                 | 0.031                              | 360                                       |
|               | 500,000   | 0                           | 2.984   | 1.147             | 0                                      | 0.031                              | 0   |
|               | 1,000,000 | 0                           | 2.984   | 1.233             | 0                                      | 0.031                              | 0   |
| Total         |           | \$51,313                    |   |                   | \$153,594                              |                                    | \$4,776                                   |
| Grand Total   |           | \$652,538                   |   |                   | \$2,386,562                            |                                    | \$75,335                                  |

Notes:

- (B) Provided by the Judicial Council.
- (C) Based on Exhibit TC-4, Page 2.
- (D) Based on a Weibull distribution, a mathematical model of claim sizes.
- (E) (B) x (C) x (D).
- (F) Based on Appendix TC-G
- (G) (E) x (F).

Because the loss data has not been provided for Group II courts, this exhibit calculates estimated limited outstanding losses by year for the Group II courts.

Judicial Branch Workers' Compensation Program - Trial Courts

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

| Accident Year                 | Ultimate Limited Losses (A) | Trend Factor (B) | Trended Limited Losses (C) | Trended Payroll (\$00) (D)    | Trended Limited Loss Rate (E) |
|-------------------------------|-----------------------------|------------------|----------------------------|-------------------------------|-------------------------------|
| 2000-2001                     | 9,237,000                   | 0.817            | 7,546,629                  | 3,484,365                     | 2.166                         |
| 2001-2002                     | 13,131,000                  | 0.818            | 10,741,158                 | 7,346,751                     | 1.462                         |
| 2002-2003                     | 17,095,000                  | 0.857            | 14,650,415                 | 8,502,277                     | 1.723                         |
| 2003-2004                     | 18,445,000                  | 1.056            | 19,477,920                 | 9,310,895                     | 2.092                         |
| 2004-2005                     | 13,538,000                  | 1.355            | 18,343,990                 | 9,498,419                     | 1.931                         |
| 2005-2006                     | 13,017,000                  | 1.465            | 19,069,905                 | 10,082,520                    | 1.891                         |
| 2006-2007                     | 11,681,000                  | 1.384            | 16,166,504                 | 10,673,588                    | 1.515                         |
| 2007-2008                     | 12,828,000                  | 1.283            | 16,458,324                 | 11,528,414                    | 1.428                         |
| 2008-2009                     | 11,209,000                  | 1.194            | 13,383,546                 | 11,787,282                    | 1.135                         |
| 2009-2010                     | 15,646,000                  | 1.092            | 17,085,432                 | 10,828,977                    | 1.578                         |
| 2010-2011                     | 14,193,000                  | 1.040            | 14,760,720                 | 10,730,191                    | 1.376                         |
| 2011-2012                     | 13,773,000                  | 1.036            | 14,268,828                 | 10,445,208                    | 1.366                         |
| 2012-2013                     | 15,105,000                  | 1.048            | 15,830,040                 | 9,455,792                     | 1.674                         |
| 2013-2014                     | 12,212,000                  | 1.054            | 12,871,448                 | 9,208,146                     | 1.398                         |
| 2014-2015                     | 12,059,000                  | 1.033            | 12,456,947                 | 8,858,828                     | 1.406                         |
| 2015-2016                     | 12,698,000                  | 1.032            | 13,104,336                 | 9,127,444                     | 1.436                         |
| 2016-2017                     | 11,896,000                  | 1.029            | 12,240,984                 | 9,118,220                     | 1.342                         |
| 2017-2018                     | 11,908,000                  | 1.005            | 11,967,540                 | 8,937,672                     | 1.339                         |
| Totals                        | \$239,671,000               |                  | \$260,424,666              | 168,924,989                   | \$1.542                       |
| 12/13-16/17                   | 63,970,000                  |                  | 66,503,755                 | 45,768,430                    | 1.453                         |
| 14/15-17/18                   | 48,561,000                  |                  | 49,769,807                 | 36,042,164                    | 1.381                         |
|                               |                             |                  |                            | Selected Limited Rate (F1):   | \$1.385                       |
|                               |                             |                  |                            | Prior:                        | \$1.475                       |
|                               |                             |                  |                            | San Diego TD Adjustment (F2): | 1.008                         |
|                               |                             |                  |                            | Selected Limited Rate (F3):   | \$1.396                       |
| Program Year:                 |                             | 2018-2019        | 2019-2020                  | 2020-2021                     | 2021-2022                     |
| (G) Factor to SIR:            |                             | 1.171            | 1.178                      | 1.185                         | 1.193                         |
| (H) Trend Factor:             |                             | 1.000            | 1.005                      | 1.010                         | 1.015                         |
| (I) Program Rate:             |                             | \$1.621          | \$1.640                    | \$1.658                       | \$1.677                       |
| (J) Trended Payroll (\$00):   |                             | 8,922,888        | 9,145,960                  | 9,374,609                     | 9,608,974                     |
| (K) Projected Program Losses: |                             | 14,464,000       | 14,999,000                 | 15,543,000                    | 16,114,000                    |
| (L) Projected ULAE:           |                             | 0                | 0                          | 0                             | 0                             |
| (M) Projected Loss and ULAE:  |                             | \$14,464,000     | \$14,999,000               | \$15,543,000                  | \$16,114,000                  |

Notes appear on the next page.

## Judicial Branch Workers' Compensation Program - Trial Courts

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

## Notes:

- are capped at \$250,000 per occurrence.
- (B) From Appendix TC-E, Page 1, Column (B).
  - (C) (A) x (B).
  - (D) From Appendix TC-L, Column (C).
  - (E) (C) / (D).
  - (F1) Selected based on (E).
  - (F2) From Appendix TC-G, Page 5.
  - (F3) (F1) x (F2)
  - (G) Based on a Weibull distribution, a mathematical model of claim sizes.
  - (H) From Appendix TC-E.
  - (I) (F3) x (G) x (H).
  - (J) From Appendix TC-L, Column (C).
  - (K) (I) x (J).
  - (L) Based on an estimated claim closing pattern and the Judicial Council's historical claims administration expenses.
  - (M) (K) + (L).

This exhibit shows the calculation of future loss costs based on the past loss rates per \$100 of payroll. The projections will be accurate only to the extent that what has happened in the past is representative of what will happen in the future.

## Judicial Branch Workers' Compensation Program - Trial Courts

## Reported Loss Development

| Accident Year (A) | Limited Reported Losses as of 12/31/18 (B) | Reported Loss Development Factor (C) | Ultimate Limited Losses (D) | Program Reported Losses of 12/31/18 (E) | Reported Loss Development Factor (F) | Ultimate Program Losses (G) |
|-------------------|--|--------------------------------------|-----------------------------|---|--------------------------------------|-----------------------------|
| 2000-2001         | 9,190,717                                  | 1.005                                | 9,236,671                   | 9,814,552                               | 1.007                                | 9,883,254                   |
| 2001-2002         | 13,052,506                                 | 1.006                                | 13,130,821                  | 13,834,460                              | 1.008                                | 13,945,136                  |
| 2002-2003         | 16,976,556                                 | 1.007                                | 17,095,392                  | 17,902,667                              | 1.011                                | 18,099,596                  |
| 2003-2004         | 18,299,094                                 | 1.008                                | 18,445,487                  | 20,387,095                              | 1.014                                | 20,672,514                  |
| 2004-2005         | 13,417,106                                 | 1.009                                | 13,537,860                  | 14,043,125                              | 1.019                                | 14,309,944                  |
| 2005-2006         | 12,888,306                                 | 1.010                                | 13,017,189                  | 14,092,048                              | 1.026                                | 14,458,441                  |
| 2006-2007         | 11,542,198                                 | 1.012                                | 11,680,704                  | 14,042,905                              | 1.036                                | 14,548,450                  |
| 2007-2008         | 12,638,619                                 | 1.015                                | 12,828,198                  | 13,150,813                              | 1.050                                | 13,808,354                  |
| 2008-2009         | 10,932,102                                 | 1.019                                | 11,139,812                  | 11,081,724                              | 1.068                                | 11,835,281                  |
| 2009-2010         | 14,878,002                                 | 1.024                                | 15,235,074                  | 15,808,276                              | 1.088                                | 17,199,404                  |
| 2010-2011         | 13,661,056                                 | 1.033                                | 14,111,871                  | 14,766,634                              | 1.112                                | 16,420,497                  |
| 2011-2012         | 12,979,532                                 | 1.045                                | 13,563,611                  | 13,681,069                              | 1.140                                | 15,596,419                  |
| 2012-2013         | 13,992,451                                 | 1.060                                | 14,831,998                  | 14,685,400                              | 1.170                                | 17,181,918                  |
| 2013-2014         | 11,200,387                                 | 1.082                                | 12,118,819                  | 11,495,398                              | 1.210                                | 13,909,432                  |
| 2014-2015         | 10,802,836                                 | 1.111                                | 12,001,951                  | 10,917,669                              | 1.258                                | 13,734,428                  |
| 2015-2016         | 10,285,158                                 | 1.183                                | 12,167,342                  | 10,323,182                              | 1.354                                | 13,977,588                  |
| 2016-2017         | 8,428,148                                  | 1.374                                | 11,580,275                  | 8,523,155                               | 1.586                                | 13,517,724                  |
| 2017-2018         | 5,295,232                                  | 1.888                                | 9,997,398                   | 5,295,232                               | 2.195                                | 11,623,034                  |
| Totals            | \$220,460,006                              |                                      | \$235,720,473               | \$233,845,404                           |                                      | \$264,721,414               |

## Notes:

- (A) Years are 7/1 to 6/30.
- (B) Provided by the Judicial Council. These losses exclude amounts over \$250,000 per occurrence.
- (C) From Appendix TC-A, Page 2.
- (D) (B) x (C). These estimated losses exclude amounts over \$250,000 per occurrence.
- (E) Losses capped at the Judicial Council's SIR. Amounts are provided by the Judicial Council.
- (F) Derived from factors on Appendix TC-A, Page 4.
- (G) (E) x (F).

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

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

Judicial Branch Workers' Compensation Program - Trial Courts  
Reported Loss Development

| Accident Year                    | <u>Limited Losses Reported as of:</u>     |              |              |              |              |              |              |               |                |                |                |
|----------------------------------|---|--------------|--------------|--------------|--------------|--------------|--------------|---------------|----------------|----------------|----------------|
|                                  | 6 Months                                  | 18 Months    | 30 Months    | 42 Months    | 54 Months    | 66 Months    | 78 Months    | 90 Months     | 102 Months     | 114 Months     | 126 Months     |
| 1997-1998                        |   |              |              |              |              |              |              |               |                |                |                |
| 1998-1999                        |   |              |              |              |              |              |              |               |                |                |                |
| 1999-2000                        |   |              |              |              |              |              |              |               |                |                |                |
| 2000-2001                        |   |              |              |              |              |              |              |               | 8,408,002      | 9,398,756      | 9,282,595      |
| 2001-2002                        |   |              |              |              |              |              |              | 12,010,232    | 12,880,828     | 12,739,813     | 12,823,464     |
| 2002-2003                        |   |              |              |              |              |              | 15,852,694   | 16,551,761    | 16,605,166     | 16,641,071     | 16,943,997     |
| 2003-2004                        |   |              |              |              |              | 17,081,348   | 17,607,526   | 17,831,466    | 18,113,577     | 18,498,696     | 18,252,954     |
| 2004-2005                        |   |              |              |              | 11,918,204   | 12,788,313   | 12,918,562   | 12,935,223    | 13,132,746     | 13,071,296     | 13,175,846     |
| 2005-2006                        |   |              |              | 10,613,575   | 11,383,120   | 11,433,004   | 11,643,265   | 12,158,901    | 12,365,308     | 12,579,276     | 12,769,237     |
| 2006-2007                        |   |              | 10,628,404   | 11,376,186   | 11,606,600   | 11,241,180   | 10,936,562   | 11,128,753    | 11,264,289     | 11,387,221     | 11,448,157     |
| 2007-2008                        |   | 6,840,751    | 9,248,340    | 10,435,853   | 11,169,718   | 11,718,268   | 12,210,055   | 12,233,366    | 12,201,755     | 12,349,590     | 12,654,673     |
| 2008-2009                        | 1,818,711                                 | 7,104,278    | 9,822,441    | 10,488,489   | 10,755,699   | 10,650,780   | 10,747,868   | 10,623,422    | 10,727,955     | 10,865,101     | 10,932,102     |
| 2009-2010                        | 1,608,680                                 | 8,414,296    | 11,653,395   | 13,062,279   | 13,775,458   | 14,205,608   | 14,444,660   | 14,429,697    | 14,947,708     | 14,878,002     |                |
| 2010-2011                        | 2,077,731                                 | 7,600,947    | 10,005,154   | 11,627,046   | 12,296,649   | 12,754,832   | 13,216,498   | 13,783,493    | 13,661,056     |                |                |
| 2011-2012                        | 2,062,750                                 | 7,094,966    | 9,204,118    | 10,747,063   | 11,578,024   | 12,178,455   | 13,036,954   | 12,979,532    |                |                |                |
| 2012-2013                        | 1,942,676                                 | 7,247,078    | 10,017,071   | 11,682,361   | 13,297,166   | 14,083,944   | 13,992,451   |               |                |                |                |
| 2013-2014                        | 1,883,261                                 | 6,621,326    | 8,913,543    | 10,211,051   | 11,223,356   | 11,200,387   |              |               |                |                |                |
| 2014-2015                        | 1,297,240                                 | 5,086,907    | 8,333,536    | 10,956,287   | 10,802,836   |              |              |               |                |                |                |
| 2015-2016                        | 1,841,257                                 | 6,912,410    | 9,659,649    | 10,285,158   |              |              |              |               |                |                |                |
| 2016-2017                        | 1,277,577                                 | 6,303,846    | 8,428,148    |              |              |              |              |               |                |                |                |
| 2017-2018                        | 1,609,668                                 | 5,295,232    |              |              |              |              |              |               |                |                |                |
| 2018-2019                        | 1,288,504                                 |              |              |              |              |              |              |               |                |                |                |
|                                  | <u>Reported Loss Development Factors:</u> |              |              |              |              |              |              |               |                |                |                |
|                                  | 6-18 Months                               | 18-30 Months | 30-42 Months | 42-54 Months | 54-66 Months | 66-78 Months | 78-90 Months | 90-102 Months | 102-114 Months | 114-126 Months | 126-138 Months |
| 1997-1998                        |   |              |              |              |              |              |              |               |                |                |                |
| 1998-1999                        |   |              |              |              |              |              |              |               |                |                |                |
| 1999-2000                        |   |              |              |              |              |              |              |               |                |                |                |
| 2000-2001                        |   |              |              |              |              |              |              |               | 1.118          | 0.988          | 0.996          |
| 2001-2002                        |   |              |              |              |              |              |              | 1.072         | 0.989          | 1.007          | 1.023          |
| 2002-2003                        |   |              |              |              |              |              | 1.044        | 1.003         | 1.002          | 1.018          | 1.001          |
| 2003-2004                        |   |              |              |              |              | 1.031        | 1.013        | 1.016         | 1.021          | 0.987          | 1.001          |
| 2004-2005                        |   |              |              |              | 1.073        | 1.010        | 1.001        | 1.015         | 0.995          | 1.008          | 1.002          |
| 2005-2006                        |   |              |              | 1.073        | 1.004        | 1.018        | 1.044        | 1.017         | 1.017          | 1.015          | 1.027          |
| 2006-2007                        |   |              | 1.070        | 1.020        | 0.969        | 0.973        | 1.018        | 1.012         | 1.011          | 1.005          | 1.010          |
| 2007-2008                        |   | 1.352        | 1.128        | 1.070        | 1.049        | 1.042        | 1.002        | 0.997         | 1.012          | 1.025          | 0.999          |
| 2008-2009                        | 3.906                                     | 1.383        | 1.068        | 1.025        | 0.990        | 1.009        | 0.988        | 1.010         | 1.013          | 1.006          |                |
| 2009-2010                        | 5.231                                     | 1.385        | 1.121        | 1.055        | 1.031        | 1.017        | 0.999        | 1.036         | 0.995          |                |                |
| 2010-2011                        | 3.658                                     | 1.316        | 1.162        | 1.058        | 1.037        | 1.036        | 1.043        | 0.991         |                |                |                |
| 2011-2012                        | 3.440                                     | 1.297        | 1.168        | 1.077        | 1.052        | 1.070        | 0.996        |               |                |                |                |
| 2012-2013                        | 3.730                                     | 1.382        | 1.166        | 1.138        | 1.059        | 0.994        |              |               |                |                |                |
| 2013-2014                        | 3.516                                     | 1.346        | 1.146        | 1.099        | 0.998        |              |              |               |                |                |                |
| 2014-2015                        | 3.921                                     | 1.638        | 1.315        | 0.986        |              |              |              |               |                |                |                |
| 2015-2016                        | 3.754                                     | 1.397        | 1.065        |              |              |              |              |               |                |                |                |
| 2016-2017                        | 4.934                                     | 1.337        |              |              |              |              |              |               |                |                |                |
| 2017-2018                        | 3.290                                     |              |              |              |              |              |              |               |                |                |                |
| Average Dollar-weighted Averages | 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                          | 3.938                                     | 1.383        | 1.141        | 1.060        | 1.026        | 1.020        | 1.015        | 1.017         | 1.017          | 1.007          | 1.007          |
| 3-yr                             | 3.915                                     | 1.444        | 1.169        | 1.075        | 1.038        | 1.031        | 1.012        | 1.013         | 1.006          | 1.013          | 1.012          |
| 4-yr                             | 3.916                                     | 1.418        | 1.168        | 1.076        | 1.038        | 1.028        | 1.007        | 1.009         | 1.007          | 1.013          | 1.010          |
| Industry Factors                 | 3.275                                     | 1.673        | 1.324        | 1.186        | 1.114        | 1.075        | 1.057        | 1.047         | 1.039          | 1.031          | 1.025          |
| Prior                            | 3.771                                     | 1.372        | 1.160        | 1.066        | 1.027        | 1.021        | 1.015        | 1.012         | 1.009          | 1.005          | 1.004          |
| Selected                         | 3.800                                     | 1.374        | 1.162        | 1.065        | 1.027        | 1.021        | 1.015        | 1.012         | 1.009          | 1.005          | 1.004          |
| Cumulated                        | 7.174                                     | 1.888        | 1.374        | 1.183        | 1.111        | 1.082        | 1.060        | 1.045         | 1.033          | 1.024          | 1.019          |

Judicial Branch Workers' Compensation Program - Trial Courts  
Reported Loss Development

| 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      |
| 1997-1998                        |                                       |                |                |                |                |                |                |                 |
| 1998-1999                        |                                       |                |                |                |                |                |                |                 |
| 1999-2000                        |                                       |                |                |                |                |                |                |                 |
| 2000-2001                        | 9,248,080                             | 9,192,830      | 9,278,839      | 9,306,812      | 9,179,354      | 9,219,210      | 9,226,689      | 9,190,717       |
| 2001-2002                        | 13,119,055                            | 13,179,748     | 13,303,807     | 13,173,787     | 13,247,289     | 13,043,768     | 13,052,506     |                 |
| 2002-2003                        | 16,966,022                            | 17,005,514     | 17,094,754     | 17,069,678     | 17,036,977     | 16,976,556     |                |                 |
| 2003-2004                        | 18,279,069                            | 18,226,045     | 18,164,653     | 18,387,593     | 18,299,094     |                |                |                 |
| 2004-2005                        | 13,203,802                            | 13,320,640     | 13,538,704     | 13,417,106     |                |                |                |                 |
| 2005-2006                        | 13,117,866                            | 12,952,624     | 12,888,306     |                |                |                |                |                 |
| 2006-2007                        | 11,565,891                            | 11,542,198     |                |                |                |                |                |                 |
| 2007-2008                        | 12,638,619                            |                |                |                |                |                |                |                 |
| 2008-2009                        |                                       |                |                |                |                |                |                |                 |
| 2009-2010                        |                                       |                |                |                |                |                |                |                 |
| 2010-2011                        |                                       |                |                |                |                |                |                |                 |
| 2011-2012                        |                                       |                |                |                |                |                |                |                 |
| 2012-2013                        |                                       |                |                |                |                |                |                |                 |
| 2013-2014                        |                                       |                |                |                |                |                |                |                 |
| 2014-2015                        |                                       |                |                |                |                |                |                |                 |
| 2015-2016                        |                                       |                |                |                |                |                |                |                 |
| 2016-2017                        |                                       |                |                |                |                |                |                |                 |
| 2017-2018                        |                                       |                |                |                |                |                |                |                 |
| 2018-2019                        |                                       |                |                |                |                |                |                |                 |
|                                  | 138-150 Months                        | 150-162 Months | 162-174 Months | 174-186 Months | 186-198 Months | 198-210 Months | 210-222 Months | 222-Ult. Months |
| 1997-1998                        |                                       |                |                |                |                |                |                |                 |
| 1998-1999                        |                                       |                |                |                |                |                |                |                 |
| 1999-2000                        |                                       |                |                |                |                |                |                |                 |
| 2000-2001                        | 0.994                                 | 1.009          | 1.003          | 0.986          | 1.004          | 1.001          | 0.996          |                 |
| 2001-2002                        | 1.005                                 | 1.009          | 0.990          | 1.006          | 0.985          | 1.001          |                |                 |
| 2002-2003                        | 1.002                                 | 1.005          | 0.999          | 0.998          | 0.996          |                |                |                 |
| 2003-2004                        | 0.997                                 | 0.997          | 1.012          | 0.995          |                |                |                |                 |
| 2004-2005                        | 1.009                                 | 1.016          | 0.991          |                |                |                |                |                 |
| 2005-2006                        | 0.987                                 | 0.995          |                |                |                |                |                |                 |
| 2006-2007                        | 0.998                                 |                |                |                |                |                |                |                 |
| 2007-2008                        |                                       |                |                |                |                |                |                |                 |
| 2008-2009                        |                                       |                |                |                |                |                |                |                 |
| 2009-2010                        |                                       |                |                |                |                |                |                |                 |
| 2010-2011                        |                                       |                |                |                |                |                |                |                 |
| 2011-2012                        |                                       |                |                |                |                |                |                |                 |
| 2012-2013                        |                                       |                |                |                |                |                |                |                 |
| 2013-2014                        |                                       |                |                |                |                |                |                |                 |
| 2014-2015                        |                                       |                |                |                |                |                |                |                 |
| 2015-2016                        |                                       |                |                |                |                |                |                |                 |
| 2016-2017                        |                                       |                |                |                |                |                |                |                 |
| 2017-2018                        |                                       |                |                |                |                |                |                |                 |
|                                  | 138-150 Months                        | 150-162 Months | 162-174 Months | 174-186 Months | 186-198 Months | 198-210 Months | 210-222 Months | 222-Ult. Months |
| Average Dollar-weighted Averages | 0.999                                 | 1.005          | 0.999          | 0.996          | 0.995          | 1.001          | 0.996          |                 |
| 3-yr                             | 0.998                                 | 1.002          | 1.002          | 0.999          | 0.994          |                |                |                 |
| 4-yr                             | 0.998                                 | 1.003          | 0.999          | 0.997          |                |                |                |                 |
| Industry Factors                 | 1.021                                 | 1.018          | 1.017          | 1.016          | 1.013          | 1.005          | 1.000          | 1.011           |
| Prior                            | 1.003                                 | 1.002          | 1.001          | 1.001          | 1.001          | 1.001          | 1.006          |                 |
| Selected                         | 1.003                                 | 1.002          | 1.001          | 1.001          | 1.001          | 1.001          | 1.001          | 1.005           |
| Cumulated                        | 1.015                                 | 1.012          | 1.010          | 1.009          | 1.008          | 1.007          | 1.006          | 1.005           |



Judicial Branch Workers' Compensation Program - Trial Courts  
Reported between \$250,000 and \$1,000,000 Loss Development

| Accident Year                    | <u>Losses Reported as of:</u>             |              |              |              |              |              |              |               |                |                |                |
|----------------------------------|---|--------------|--------------|--------------|--------------|--------------|--------------|---------------|----------------|----------------|----------------|
|                                  | 6 Months                                  | 18 Months    | 30 Months    | 42 Months    | 54 Months    | 66 Months    | 78 Months    | 90 Months     | 102 Months     | 114 Months     | 126 Months     |
| 1997-1998                        |   |              |              |              |              |              |              |               |                |                |                |
| 1998-1999                        |   |              |              |              |              |              |              |               |                |                |                |
| 1999-2000                        |   |              |              |              |              |              |              |               |                |                |                |
| 2000-2001                        |   |              |              |              |              |              |              |               | 1,142,634      | 1,120,134      | 1,166,939      |
| 2001-2002                        |   |              |              |              |              |              |              | 769,497       | 1,043,994      | 1,656,599      | 1,815,730      |
| 2002-2003                        |   |              |              |              |              |              | 310,285      | 307,317       | 543,487        | 1,046,732      | 1,265,186      |
| 2003-2004                        |   |              |              |              |              | 304,210      | 406,710      | 892,235       | 1,034,586      | 936,797        | 980,589        |
| 2004-2005                        |   |              |              |              | 23,232       | 278,625      | 226,993      | 416,019       | 434,789        | 505,507        | 540,094        |
| 2005-2006                        |   |              |              |              | 41,061       | 344,639      | 466,942      | 511,059       | 501,109        | 529,607        | 955,828        |
| 2006-2007                        |   |              | 21,038       | 280,954      | 435,397      | 533,449      | 1,034,629    | 1,232,300     | 1,375,282      | 1,744,538      | 1,816,983      |
| 2007-2008                        |   | 133,559      |              |              |              | 23,517       | 289,352      | 372,067       | 547,688        | 506,189        | 589,127        |
| 2008-2009                        |   |              |              | 24,584       | 345,494      | 235,365      | 247,797      | 241,870       | 139,772        | 151,199        | 149,622        |
| 2009-2010                        |   |              | 14,898       | 276,901      | 183,248      | 194,590      | 426,655      | 682,386       | 1,014,019      | 930,275        |                |
| 2010-2011                        |   |              |              | 55,242       | 273,550      | 830,937      | 1,164,248    | 1,470,056     | 1,105,578      |                |                |
| 2011-2012                        |   |              |              |              | 66,389       | 226,348      | 501,557      | 701,537       |                |                |                |
| 2012-2013                        |   |              | 941          | 29,460       | 428,371      | 730,668      | 692,950      |               |                |                |                |
| 2013-2014                        |   |              | 57,190       | 117,585      | 532,568      | 295,011      |              |               |                |                |                |
| 2014-2015                        |   |              |              | 233,807      | 114,833      |              |              |               |                |                |                |
| 2015-2016                        |   |              | 31,603       | 38,024       |              |              |              |               |                |                |                |
| 2016-2017                        |   | 93,608       | 95,008       |              |              |              |              |               |                |                |                |
| 2017-2018                        |   |              |              |              |              |              |              |               |                |                |                |
| 2018-2019                        |   |              |              |              |              |              |              |               |                |                |                |
|                                  | <u>Reported Loss Development Factors:</u> |              |              |              |              |              |              |               |                |                |                |
|                                  | 6-18 Months                               | 18-30 Months | 30-42 Months | 42-54 Months | 54-66 Months | 66-78 Months | 78-90 Months | 90-102 Months | 102-114 Months | 114-126 Months | 126-138 Months |
| 1997-1998                        |   |              |              |              |              |              |              |               |                |                |                |
| 1998-1999                        |   |              |              |              |              |              |              |               |                |                |                |
| 1999-2000                        |   |              |              |              |              |              |              |               |                |                |                |
| 2000-2001                        |   |              |              |              |              |              |              |               | 0.980          | 1.042          | 0.982          |
| 2001-2002                        |   |              |              |              |              |              |              | 1.357         | 1.587          | 1.096          | 1.020          |
| 2002-2003                        |   |              |              |              |              |              | 0.990        | 1.768         | 1.926          | 1.209          | 1.064          |
| 2003-2004                        |   |              |              |              |              | 1.337        | 2.194        | 1.160         | 0.905          | 1.047          | 1.155          |
| 2004-2005                        |   |              |              |              | 11.993       | 0.815        | 1.833        | 1.045         | 1.163          | 1.068          | 1.120          |
| 2005-2006                        |   |              |              |              | 8.393        | 1.355        | 1.094        | 0.981         | 1.057          | 1.805          | 0.968          |
| 2006-2007                        |   |              | 13.355       | 1.550        | 1.225        | 1.940        | 1.191        | 1.116         | 1.268          | 1.042          | 1.218          |
| 2007-2008                        |   |              |              |              |              | 12.304       | 1.286        | 1.472         | 0.924          | 1.164          | 0.869          |
| 2008-2009                        |   |              |              | 14.054       | 0.681        | 1.053        | 0.976        | 0.578         | 1.082          | 0.990          |                |
| 2009-2010                        |   |              | 18.587       | 0.662        | 1.062        | 2.193        | 1.599        | 1.486         | 0.917          |                |                |
| 2010-2011                        |   |              |              | 4.952        | 3.038        | 1.401        | 1.263        | 0.752         |                |                |                |
| 2011-2012                        |   |              |              |              | 3.409        | 2.216        | 1.399        |               |                |                |                |
| 2012-2013                        |   |              | 31.307       | 14.541       | 1.706        | 0.948        |              |               |                |                |                |
| 2013-2014                        |   |              | 2.056        | 4.529        | 0.554        |              |              |               |                |                |                |
| 2014-2015                        |   |              |              | 0.491        |              |              |              |               |                |                |                |
| 2015-2016                        |   |              | 1.203        |              |              |              |              |               |                |                |                |
| 2016-2017                        |   | 1.015        |              |              |              |              |              |               |                |                |                |
| 2017-2018                        |   |              |              |              |              |              |              |               |                |                |                |
| Average Dollar-weighted Averages | 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                          |   | 1.015        | 13.302       | 5.826        | 3.562        | 2.556        | 1.383        | 1.172         | 1.181          | 1.163          | 1.050          |
| 3-yr                             |   |              |              | 2.825        | 1.219        | 1.319        | 1.364        | 0.944         | 0.933          | 1.064          | 1.086          |
| 4-yr                             |   |              |              |              | 1.601        | 1.405        | 1.323        | 1.015         | 1.083          | 1.198          | 1.090          |
| Industry Factors                 | 3.801                                     | 2.127        | 1.559        | 1.316        | 1.192        | 1.114        | 1.089        | 1.075         | 1.062          | 1.053          | 1.044          |
| Prior                            | 6.654                                     | 3.741        | 2.800        | 2.260        | 1.896        | 1.709        | 1.583        | 1.476         | 1.391          | 1.322          | 1.263          |
| Selected                         | 7.525                                     | 3.827        | 2.770        | 2.167        | 1.774        | 1.530        | 1.387        | 1.314         | 1.295          | 1.255          | 1.202          |
| Cumulated                        | 7.525                                     | 3.827        | 2.770        | 2.167        | 1.774        | 1.530        | 1.387        | 1.314         | 1.295          | 1.255          | 1.202          |
| Cumulated                        | 2,631.114                                 | 349.673      | 91.382       | 32.990       | 15.224       | 8.582        | 5.609        | 4.044         | 3.078          | 2.377          | 1.894          |

Judicial Branch Workers' Compensation Program - Trial Courts  
Reported between \$250,000 and \$1,000,000 Loss Development

| Accident Year                    | <u>Losses Reported as of:</u> |                |                |                |                |                |                |                 |       |       |
|----------------------------------|-------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|-------|-------|
|                                  | 138 Months                    | 150 Months     | 162 Months     | 174 Months     | 186 Months     | 198 Months     | 210 Months     | 222 Months      |       |       |
| 1997-1998                        |                               |                |                |                |                |                |                |                 |       |       |
| 1998-1999                        |                               |                |                |                |                |                |                |                 |       |       |
| 1999-2000                        |                               |                |                |                |                |                |                |                 |       |       |
| 2000-2001                        | 1,146,497                     | 1,127,258      | 1,151,406      | 1,151,406      | 1,113,665      | 1,087,910      | 1,322,472      | 1,419,700       |       |       |
| 2001-2002                        | 1,851,751                     | 1,853,876      | 1,841,534      | 1,731,149      | 1,706,263      | 1,794,778      | 1,734,550      |                 |       |       |
| 2002-2003                        | 1,346,228                     | 1,367,884      | 1,405,829      | 1,349,716      | 1,156,446      | 1,177,674      |                |                 |       |       |
| 2003-2004                        | 1,132,654                     | 1,321,659      | 1,325,255      | 1,799,350      | 1,726,944      |                |                |                 |       |       |
| 2004-2005                        | 604,660                       | 571,375        | 658,159        | 626,019        |                |                |                |                 |       |       |
| 2005-2006                        | 924,975                       | 1,132,473      | 1,203,742      |                |                |                |                |                 |       |       |
| 2006-2007                        | 2,212,910                     | 2,500,707      |                |                |                |                |                |                 |       |       |
| 2007-2008                        | 512,195                       |                |                |                |                |                |                |                 |       |       |
| 2008-2009                        |                               |                |                |                |                |                |                |                 |       |       |
| 2009-2010                        |                               |                |                |                |                |                |                |                 |       |       |
| 2010-2011                        |                               |                |                |                |                |                |                |                 |       |       |
| 2011-2012                        |                               |                |                |                |                |                |                |                 |       |       |
| 2012-2013                        |                               |                |                |                |                |                |                |                 |       |       |
| 2013-2014                        |                               |                |                |                |                |                |                |                 |       |       |
| 2014-2015                        |                               |                |                |                |                |                |                |                 |       |       |
| 2015-2016                        |                               |                |                |                |                |                |                |                 |       |       |
| 2016-2017                        |                               |                |                |                |                |                |                |                 |       |       |
| 2017-2018                        |                               |                |                |                |                |                |                |                 |       |       |
| 2018-2019                        |                               |                |                |                |                |                |                |                 |       |       |
|                                  | 138-150 Months                | 150-162 Months | 162-174 Months | 174-186 Months | 186-198 Months | 198-210 Months | 210-222 Months | 222-Ult. Months |       |       |
| 1997-1998                        |                               |                |                |                |                |                |                |                 |       |       |
| 1998-1999                        |                               |                |                |                |                |                |                |                 |       |       |
| 1999-2000                        |                               |                |                |                |                |                |                |                 |       |       |
| 2000-2001                        | 0.983                         | 1.021          | 1.000          | 0.967          | 0.977          | 1.216          | 1.074          |                 |       |       |
| 2001-2002                        | 1.001                         | 0.993          | 0.940          | 0.986          | 1.052          | 0.966          |                |                 |       |       |
| 2002-2003                        | 1.016                         | 1.028          | 0.960          | 0.857          | 1.018          |                |                |                 |       |       |
| 2003-2004                        | 1.167                         | 1.003          | 1.358          | 0.960          |                |                |                |                 |       |       |
| 2004-2005                        | 0.945                         | 1.152          | 0.951          |                |                |                |                |                 |       |       |
| 2005-2006                        | 1.224                         | 1.063          |                |                |                |                |                |                 |       |       |
| 2006-2007                        | 1.130                         |                |                |                |                |                |                |                 |       |       |
| 2007-2008                        |                               |                |                |                |                |                |                |                 |       |       |
| 2008-2009                        |                               |                |                |                |                |                |                |                 |       |       |
| 2009-2010                        |                               |                |                |                |                |                |                |                 |       |       |
| 2010-2011                        |                               |                |                |                |                |                |                |                 |       |       |
| 2011-2012                        |                               |                |                |                |                |                |                |                 |       |       |
| 2012-2013                        |                               |                |                |                |                |                |                |                 |       |       |
| 2013-2014                        |                               |                |                |                |                |                |                |                 |       |       |
| 2014-2015                        |                               |                |                |                |                |                |                |                 |       |       |
| 2015-2016                        |                               |                |                |                |                |                |                |                 |       |       |
| 2016-2017                        |                               |                |                |                |                |                |                |                 |       |       |
| 2017-2018                        |                               |                |                |                |                |                |                |                 |       |       |
|                                  | 138-150 Months                | 150-162 Months | 162-174 Months | 174-186 Months | 186-198 Months | 198-210 Months | 210-222 Months | 222-Ult. Months |       |       |
| Average Dollar-weighted Averages | 1.067                         | 1.043          | 1.042          | 0.943          | 1.016          | 1.091          | 1.074          |                 |       |       |
| 3-yr                             | 1.123                         | 1.053          | 1.114          | 0.940          | 1.021          |                |                |                 |       |       |
| 4-yr                             | 1.134                         | 1.045          | 1.053          | 0.946          |                |                |                |                 |       |       |
| Industry Factors                 | 1.035                         | 1.030          | 1.028          | 1.025          | 1.023          | 1.017          | 1.013          | 1.010           | 1.006 | 1.003 |
| Prior                            | 1.216                         | 1.188          | 1.179          | 1.160          | 1.132          | 1.094          | 1.038          | 1.029           |       |       |
| Selected                         | 1.157                         | 1.109          | 1.071          | 1.050          | 1.029          | 1.020          | 1.010          | 1.030           |       |       |
| Cumulated                        | 1.576                         | 1.362          | 1.228          | 1.147          | 1.092          | 1.061          | 1.040          | 1.030           |       |       |

## Judicial Branch Workers' Compensation Program - Trial Courts

## Paid Loss Development

| Accident Year (A) | Limited Paid Losses as of 12/31/18 (B) | Paid Loss Development Factor (C) | Ultimate Limited Losses (D) | Program Paid Losses of 12/31/18 (E) | Paid Loss Development Factor (F) | Ultimate Program Losses (G) |
|-------------------|--|----------------------------------|-----------------------------|-------------------------------------|----------------------------------|-----------------------------|
| 2000-2001         | 9,097,439                              | 1.028                            | 9,352,167                   | 9,437,381                           | 1.044                            | 9,852,626                   |
| 2001-2002         | 12,950,799                             | 1.029                            | 13,326,372                  | 13,636,791                          | 1.048                            | 14,291,357                  |
| 2002-2003         | 16,800,139                             | 1.030                            | 17,304,143                  | 17,495,486                          | 1.055                            | 18,457,738                  |
| 2003-2004         | 18,025,032                             | 1.031                            | 18,583,808                  | 19,115,574                          | 1.067                            | 20,396,317                  |
| 2004-2005         | 13,183,163                             | 1.038                            | 13,684,123                  | 13,802,608                          | 1.086                            | 14,989,632                  |
| 2005-2006         | 12,463,243                             | 1.046                            | 13,036,552                  | 13,194,121                          | 1.108                            | 14,619,086                  |
| 2006-2007         | 11,263,156                             | 1.055                            | 11,882,630                  | 12,926,005                          | 1.131                            | 14,619,312                  |
| 2007-2008         | 12,056,102                             | 1.066                            | 12,851,805                  | 12,409,832                          | 1.156                            | 14,345,766                  |
| 2008-2009         | 10,359,238                             | 1.082                            | 11,208,696                  | 10,480,648                          | 1.185                            | 12,419,568                  |
| 2009-2010         | 14,171,967                             | 1.104                            | 15,645,852                  | 14,659,045                          | 1.220                            | 17,884,035                  |
| 2010-2011         | 12,537,919                             | 1.132                            | 14,192,924                  | 13,268,770                          | 1.261                            | 16,731,919                  |
| 2011-2012         | 11,762,400                             | 1.177                            | 13,844,345                  | 12,090,684                          | 1.321                            | 15,971,794                  |
| 2012-2013         | 12,294,542                             | 1.236                            | 15,196,054                  | 12,574,672                          | 1.396                            | 17,554,242                  |
| 2013-2014         | 9,295,101                              | 1.316                            | 12,232,353                  | 9,423,476                           | 1.496                            | 14,097,520                  |
| 2014-2015         | 8,365,366                              | 1.443                            | 12,071,223                  | 8,423,192                           | 1.650                            | 13,898,267                  |
| 2015-2016         | 7,537,992                              | 1.716                            | 12,935,194                  | 7,537,992                           | 1.974                            | 14,879,996                  |
| 2016-2017         | 5,121,094                              | 2.275                            | 11,650,489                  | 5,138,014                           | 2.633                            | 13,528,391                  |
| 2017-2018         | 2,819,403                              | 4.077                            | 11,494,706                  | 2,819,403                           | 4.745                            | 13,378,067                  |
| Totals            | \$200,104,095                          |                                  | \$240,493,436               | \$208,433,694                       |                                  | \$271,915,633               |

## Notes:

- (A) Years are 7/1 to 6/30.
- (B) Provided by the Judicial Council. These losses exclude amounts over \$250,000 per occurrence.
- (C) From Appendix TC-B, Page 2.
- (D) (B) x (C). These estimated losses exclude amounts over \$250,000 per occurrence.
- (E) Losses capped at the Judicial Council's SIR. Amounts are provided by the Judicial Council.
- (F) Derived from factors on Appendix TC-B, Page 4.
- (G) (E) x (F).

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

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

Judicial Branch Workers' Compensation Program - Trial Courts  
Paid Loss Development

| Accident Year                    | <u>Limited Losses Paid as of:</u>     |              |              |              |              |              |              |               |                |                |                |
|----------------------------------|---------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|----------------|----------------|----------------|
|                                  | 6 Months                              | 18 Months    | 30 Months    | 42 Months    | 54 Months    | 66 Months    | 78 Months    | 90 Months     | 102 Months     | 114 Months     | 126 Months     |
| 1997-1998                        |                                       |              |              |              |              |              |              |               |                |                |                |
| 1998-1999                        |                                       |              |              |              |              |              |              |               |                |                |                |
| 1999-2000                        |                                       |              |              |              |              |              |              |               |                |                |                |
| 2000-2001                        |                                       |              |              |              |              |              |              |               | 7,820,858      | 8,242,969      | 8,518,254      |
| 2001-2002                        |                                       |              |              |              |              |              |              | 11,209,342    | 11,965,583     | 12,259,437     | 12,444,418     |
| 2002-2003                        |                                       |              |              |              |              |              | 13,895,219   | 14,639,844    | 15,008,317     | 15,436,250     | 15,909,865     |
| 2003-2004                        |                                       |              |              |              |              | 14,244,193   | 15,135,240   | 15,795,943    | 16,385,329     | 16,825,676     | 17,134,379     |
| 2004-2005                        |                                       |              |              |              | 9,312,103    | 10,263,766   | 10,959,900   | 11,554,070    | 11,929,327     | 12,193,453     | 12,517,980     |
| 2005-2006                        |                                       |              |              | 7,518,738    | 8,522,029    | 9,388,958    | 9,984,912    | 10,554,943    | 11,055,421     | 11,377,246     | 11,736,360     |
| 2006-2007                        |                                       |              | 5,604,484    | 7,197,283    | 8,310,895    | 9,190,933    | 9,737,594    | 10,218,829    | 10,549,323     | 10,828,048     | 11,002,691     |
| 2007-2008                        |                                       | 3,185,782    | 5,297,864    | 7,033,067    | 8,337,068    | 9,082,337    | 10,028,334   | 10,938,511    | 11,396,645     | 11,578,352     | 11,796,041     |
| 2008-2009                        | 454,230                               | 3,499,847    | 5,966,402    | 7,711,858    | 8,680,674    | 9,236,108    | 9,599,782    | 9,907,242     | 10,107,914     | 10,225,208     | 10,359,238     |
| 2009-2010                        | 429,214                               | 3,866,567    | 6,981,920    | 9,142,137    | 10,885,297   | 11,814,154   | 12,804,749   | 13,246,012    | 13,767,036     | 14,171,967     |                |
| 2010-2011                        | 434,154                               | 3,507,731    | 6,028,970    | 8,016,256    | 9,451,632    | 10,554,256   | 11,539,699   | 12,178,483    | 12,537,919     |                |                |
| 2011-2012                        | 427,443                               | 3,187,957    | 5,784,261    | 7,595,166    | 9,253,021    | 10,269,285   | 11,009,731   | 11,762,400    |                |                |                |
| 2012-2013                        | 389,782                               | 3,201,349    | 5,892,691    | 7,910,587    | 10,160,662   | 11,523,730   | 12,294,542   |               |                |                |                |
| 2013-2014                        | 502,329                               | 3,187,869    | 5,266,456    | 7,014,954    | 8,431,241    | 9,295,101    |              |               |                |                |                |
| 2014-2015                        | 227,098                               | 2,346,387    | 4,954,175    | 6,853,331    | 8,365,366    |              |              |               |                |                |                |
| 2015-2016                        | 416,214                               | 3,275,544    | 5,732,421    | 7,537,992    |              |              |              |               |                |                |                |
| 2016-2017                        | 299,568                               | 2,721,824    | 5,121,094    |              |              |              |              |               |                |                |                |
| 2017-2018                        | 320,467                               | 2,819,403    |              |              |              |              |              |               |                |                |                |
| 2018-2019                        | 360,102                               |              |              |              |              |              |              |               |                |                |                |
|                                  | <u>Paid Loss Development Factors:</u> |              |              |              |              |              |              |               |                |                |                |
|                                  | 6-18 Months                           | 18-30 Months | 30-42 Months | 42-54 Months | 54-66 Months | 66-78 Months | 78-90 Months | 90-102 Months | 102-114 Months | 114-126 Months | 126-138 Months |
| 1997-1998                        |                                       |              |              |              |              |              |              |               |                |                |                |
| 1998-1999                        |                                       |              |              |              |              |              |              |               |                |                |                |
| 1999-2000                        |                                       |              |              |              |              |              |              |               |                |                |                |
| 2000-2001                        |                                       |              |              |              |              |              |              |               | 1.054          | 1.033          | 1.022          |
| 2001-2002                        |                                       |              |              |              |              |              |              | 1.067         | 1.025          | 1.015          | 1.012          |
| 2002-2003                        |                                       |              |              |              |              |              | 1.054        | 1.025         | 1.029          | 1.031          | 1.012          |
| 2003-2004                        |                                       |              |              |              |              | 1.063        | 1.044        | 1.037         | 1.027          | 1.018          | 1.017          |
| 2004-2005                        |                                       |              |              |              | 1.102        | 1.068        | 1.054        | 1.032         | 1.022          | 1.027          | 1.013          |
| 2005-2006                        |                                       |              |              | 1.133        | 1.102        | 1.063        | 1.057        | 1.047         | 1.029          | 1.032          | 1.044          |
| 2006-2007                        |                                       |              | 1.284        | 1.155        | 1.106        | 1.059        | 1.049        | 1.032         | 1.026          | 1.016          | 1.011          |
| 2007-2008                        |                                       | 1.663        | 1.328        | 1.185        | 1.089        | 1.104        | 1.091        | 1.042         | 1.016          | 1.019          | 1.022          |
| 2008-2009                        | 7.705                                 | 1.705        | 1.293        | 1.126        | 1.064        | 1.039        | 1.032        | 1.020         | 1.012          | 1.013          |                |
| 2009-2010                        | 9.008                                 | 1.806        | 1.309        | 1.191        | 1.085        | 1.084        | 1.034        | 1.039         | 1.029          |                |                |
| 2010-2011                        | 8.079                                 | 1.719        | 1.330        | 1.179        | 1.117        | 1.093        | 1.055        | 1.030         |                |                |                |
| 2011-2012                        | 7.458                                 | 1.814        | 1.313        | 1.218        | 1.110        | 1.072        | 1.068        |               |                |                |                |
| 2012-2013                        | 8.213                                 | 1.841        | 1.342        | 1.284        | 1.134        | 1.067        |              |               |                |                |                |
| 2013-2014                        | 6.346                                 | 1.652        | 1.332        | 1.202        | 1.102        |              |              |               |                |                |                |
| 2014-2015                        | 10.332                                | 2.111        | 1.383        | 1.221        |              |              |              |               |                |                |                |
| 2015-2016                        | 7.870                                 | 1.750        | 1.315        |              |              |              |              |               |                |                |                |
| 2016-2017                        | 9.086                                 | 1.881        |              |              |              |              |              |               |                |                |                |
| 2017-2018                        | 8.798                                 |              |              |              |              |              |              |               |                |                |                |
|                                  | 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 | 8.290                                 | 1.794        | 1.323        | 1.189        | 1.101        | 1.071        | 1.054        | 1.037         | 1.027          | 1.023          | 1.019          |
| 3-yr                             | 8.508                                 | 1.895        | 1.342        | 1.238        | 1.116        | 1.077        | 1.052        | 1.031         | 1.020          | 1.016          | 1.026          |
| 4-yr                             | 8.836                                 | 1.828        | 1.342        | 1.233        | 1.117        | 1.079        | 1.048        | 1.033         | 1.021          | 1.020          | 1.023          |
| Industry Factors                 | 6.045                                 | 2.579        | 1.693        | 1.370        | 1.217        | 1.137        | 1.102        | 1.085         | 1.074          | 1.063          | 1.054          |
| Prior                            | 7.756                                 | 1.792        | 1.327        | 1.189        | 1.095        | 1.065        | 1.050        | 1.040         | 1.025          | 1.020          | 1.015          |
| Selected                         | 7.863                                 | 1.792        | 1.326        | 1.189        | 1.096        | 1.065        | 1.050        | 1.040         | 1.025          | 1.020          | 1.015          |
| Cumulated                        | 32.058                                | 4.077        | 2.275        | 1.716        | 1.443        | 1.316        | 1.236        | 1.177         | 1.132          | 1.104          | 1.082          |

Judicial Branch Workers' Compensation Program - Trial Courts  
Paid Loss Development

| 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      |
| 1997-1998                        |                                   |                |                |                |                |                |                |                 |
| 1998-1999                        |                                   |                |                |                |                |                |                |                 |
| 1999-2000                        |                                   |                |                |                |                |                |                |                 |
| 2000-2001                        | 8,709,346                         | 8,739,440      | 8,802,602      | 8,895,256      | 8,956,603      | 9,007,420      | 9,074,447      | 9,097,439       |
| 2001-2002                        | 12,598,952                        | 12,736,441     | 12,895,071     | 12,920,129     | 12,960,466     | 12,881,827     | 12,950,799     |                 |
| 2002-2003                        | 16,094,236                        | 16,258,522     | 16,422,472     | 16,702,882     | 16,764,281     | 16,800,139     |                |                 |
| 2003-2004                        | 17,420,152                        | 17,656,429     | 17,820,525     | 17,952,636     | 18,025,032     |                |                |                 |
| 2004-2005                        | 12,681,865                        | 12,873,737     | 13,154,579     | 13,183,163     |                |                |                |                 |
| 2005-2006                        | 12,251,097                        | 12,417,670     | 12,463,243     |                |                |                |                |                 |
| 2006-2007                        | 11,127,846                        | 11,263,156     |                |                |                |                |                |                 |
| 2007-2008                        | 12,056,102                        |                |                |                |                |                |                |                 |
| 2008-2009                        |                                   |                |                |                |                |                |                |                 |
| 2009-2010                        |                                   |                |                |                |                |                |                |                 |
| 2010-2011                        |                                   |                |                |                |                |                |                |                 |
| 2011-2012                        |                                   |                |                |                |                |                |                |                 |
| 2012-2013                        |                                   |                |                |                |                |                |                |                 |
| 2013-2014                        |                                   |                |                |                |                |                |                |                 |
| 2014-2015                        |                                   |                |                |                |                |                |                |                 |
| 2015-2016                        |                                   |                |                |                |                |                |                |                 |
| 2016-2017                        |                                   |                |                |                |                |                |                |                 |
| 2017-2018                        |                                   |                |                |                |                |                |                |                 |
| 2018-2019                        |                                   |                |                |                |                |                |                |                 |
|                                  | 138-150 Months                    | 150-162 Months | 162-174 Months | 174-186 Months | 186-198 Months | 198-210 Months | 210-222 Months | 222-Ult. Months |
| 1997-1998                        |                                   |                |                |                |                |                |                |                 |
| 1998-1999                        |                                   |                |                |                |                |                |                |                 |
| 1999-2000                        |                                   |                |                |                |                |                |                |                 |
| 2000-2001                        | 1.003                             | 1.007          | 1.011          | 1.007          | 1.006          | 1.007          | 1.003          |                 |
| 2001-2002                        | 1.011                             | 1.012          | 1.002          | 1.003          | 0.994          | 1.005          |                |                 |
| 2002-2003                        | 1.010                             | 1.010          | 1.017          | 1.004          | 1.002          |                |                |                 |
| 2003-2004                        | 1.014                             | 1.009          | 1.007          | 1.004          |                |                |                |                 |
| 2004-2005                        | 1.015                             | 1.022          | 1.002          |                |                |                |                |                 |
| 2005-2006                        | 1.014                             | 1.004          |                |                |                |                |                |                 |
| 2006-2007                        | 1.012                             |                |                |                |                |                |                |                 |
| 2007-2008                        |                                   |                |                |                |                |                |                |                 |
| 2008-2009                        |                                   |                |                |                |                |                |                |                 |
| 2009-2010                        |                                   |                |                |                |                |                |                |                 |
| 2010-2011                        |                                   |                |                |                |                |                |                |                 |
| 2011-2012                        |                                   |                |                |                |                |                |                |                 |
| 2012-2013                        |                                   |                |                |                |                |                |                |                 |
| 2013-2014                        |                                   |                |                |                |                |                |                |                 |
| 2014-2015                        |                                   |                |                |                |                |                |                |                 |
| 2015-2016                        |                                   |                |                |                |                |                |                |                 |
| 2016-2017                        |                                   |                |                |                |                |                |                |                 |
| 2017-2018                        |                                   |                |                |                |                |                |                |                 |
|                                  | 138-150 Months                    | 150-162 Months | 162-174 Months | 174-186 Months | 186-198 Months | 198-210 Months | 210-222 Months | 222-Ult. Months |
| Average Dollar-weighted Averages | 1.011                             | 1.011          | 1.008          | 1.005          | 1.001          | 1.006          | 1.003          |                 |
| 3-yr                             | 1.014                             | 1.011          | 1.009          | 1.004          | 1.000          |                |                |                 |
| 4-yr                             | 1.014                             | 1.011          | 1.008          | 1.004          |                |                |                |                 |
| Industry Factors                 | 1.047                             | 1.041          | 1.036          | 1.033          | 1.030          | 1.014          | 1.002          | 1.023           |
| Prior                            | 1.010                             | 1.009          | 1.008          | 1.007          | 1.001          | 1.001          | 1.029          |                 |
| Selected                         | 1.010                             | 1.009          | 1.008          | 1.007          | 1.001          | 1.001          | 1.001          | 1.028           |
| Cumulated                        | 1.066                             | 1.055          | 1.046          | 1.038          | 1.031          | 1.030          | 1.029          | 1.028           |

Judicial Branch Workers' Compensation Program - Trial Courts  
Paid between \$250,000 and \$1,000,000 Loss Development

| Accident Year                    | <u>Losses Paid as of:</u>             |              |              |              |              |              |              |               |                |                |                |
|----------------------------------|---------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|----------------|----------------|----------------|
|                                  | 6 Months                              | 18 Months    | 30 Months    | 42 Months    | 54 Months    | 66 Months    | 78 Months    | 90 Months     | 102 Months     | 114 Months     | 126 Months     |
| 1997-1998                        |                                       |              |              |              |              |              |              |               |                |                |                |
| 1998-1999                        |                                       |              |              |              |              |              |              |               |                |                |                |
| 1999-2000                        |                                       |              |              |              |              |              |              |               |                |                |                |
| 2000-2001                        |                                       |              |              |              |              |              |              |               | 367,930        | 418,772        | 470,725        |
| 2001-2002                        |                                       |              |              |              |              |              |              | 258,323       | 607,471        | 766,633        | 1,029,354      |
| 2002-2003                        |                                       |              |              |              |              |              | 77,597       | 126,932       | 163,862        | 210,349        | 377,268        |
| 2003-2004                        |                                       |              |              |              |              |              | 21,057       | 151,728       | 302,937        | 395,608        | 480,720        |
| 2004-2005                        |                                       |              |              |              |              | 63,571       | 87,226       | 142,521       | 164,946        | 319,981        | 357,821        |
| 2005-2006                        |                                       |              |              |              |              |              | 41,774       | 191,927       | 344,679        | 377,329        | 452,915        |
| 2006-2007                        |                                       |              |              | 56,074       | 206,592      | 281,994      | 405,486      | 615,341       | 769,011        | 1,102,966      | 1,278,972      |
| 2007-2008                        |                                       |              |              |              |              |              |              | 45,884        | 106,333        | 253,061        | 327,829        |
| 2008-2009                        |                                       |              |              |              |              | 7,468        | 24,017       | 39,667        | 90,387         | 93,647         | 121,410        |
| 2009-2010                        |                                       |              |              |              | 10,328       | 97,117       | 111,611      | 167,604       | 272,227        | 487,078        |                |
| 2010-2011                        |                                       |              |              | 2,270        | 83,989       | 208,211      | 429,902      | 635,542       | 730,851        |                |                |
| 2011-2012                        |                                       |              |              |              | 47,878       | 104,791      | 145,194      | 328,284       |                |                |                |
| 2012-2013                        |                                       |              |              |              | 2,539        | 168,581      | 280,130      |               |                |                |                |
| 2013-2014                        |                                       |              |              |              | 97,339       | 128,375      |              |               |                |                |                |
| 2014-2015                        |                                       |              |              | 58,149       | 57,827       |              |              |               |                |                |                |
| 2015-2016                        |                                       |              |              |              |              |              |              |               |                |                |                |
| 2016-2017                        |                                       |              | 16,920       |              |              |              |              |               |                |                |                |
| 2017-2018                        |                                       |              |              |              |              |              |              |               |                |                |                |
| 2018-2019                        |                                       |              |              |              |              |              |              |               |                |                |                |
|                                  | <u>Paid Loss Development Factors:</u> |              |              |              |              |              |              |               |                |                |                |
|                                  | 6-18 Months                           | 18-30 Months | 30-42 Months | 42-54 Months | 54-66 Months | 66-78 Months | 78-90 Months | 90-102 Months | 102-114 Months | 114-126 Months | 126-138 Months |
| 1997-1998                        |                                       |              |              |              |              |              |              |               |                |                |                |
| 1998-1999                        |                                       |              |              |              |              |              |              |               |                |                |                |
| 1999-2000                        |                                       |              |              |              |              |              |              |               |                |                |                |
| 2000-2001                        |                                       |              |              |              |              |              |              |               | 1.138          | 1.124          | 1.079          |
| 2001-2002                        |                                       |              |              |              |              |              |              | 2.352         | 1.262          | 1.343          | 1.091          |
| 2002-2003                        |                                       |              |              |              |              |              | 1.636        | 1.291         | 1.284          | 1.794          | 1.458          |
| 2003-2004                        |                                       |              |              |              |              |              | 7.205        | 1.997         | 1.306          | 1.215          | 1.295          |
| 2004-2005                        |                                       |              |              |              |              | 1.372        | 1.634        | 1.157         | 1.940          | 1.118          | 1.078          |
| 2005-2006                        |                                       |              |              |              |              |              | 4.594        | 1.796         | 1.095          | 1.200          | 1.030          |
| 2006-2007                        |                                       |              |              | 3.684        | 1.365        | 1.438        | 1.518        | 1.250         | 1.434          | 1.160          | 1.199          |
| 2007-2008                        |                                       |              |              |              |              |              |              | 2.317         | 2.380          | 1.295          | 1.079          |
| 2008-2009                        |                                       |              |              |              |              | 3.216        | 1.652        | 2.279         | 1.036          | 1.296          |                |
| 2009-2010                        |                                       |              |              |              | 9.403        | 1.149        | 1.502        | 1.624         | 1.789          |                |                |
| 2010-2011                        |                                       |              |              | 37.000       | 2.479        | 2.065        | 1.478        | 1.150         |                |                |                |
| 2011-2012                        |                                       |              |              |              | 2.189        | 1.386        | 2.261        |               |                |                |                |
| 2012-2013                        |                                       |              |              |              | 66.397       | 1.662        |              |               |                |                |                |
| 2013-2014                        |                                       |              |              |              | 1.319        |              |              |               |                |                |                |
| 2014-2015                        |                                       |              |              | 0.994        |              |              |              |               |                |                |                |
| 2015-2016                        |                                       |              |              |              |              |              |              |               |                |                |                |
| 2016-2017                        |                                       |              |              |              |              |              |              |               |                |                |                |
| 2017-2018                        |                                       |              |              |              |              |              |              |               |                |                |                |
| Average Dollar-weighted Averages |                                       |              |              | 13.893       | 13.859       | 1.755        | 2.609        | 1.721         | 1.466          | 1.283          | 1.164          |
| 3-yr                             |                                       |              |              |              | 2.719        | 1.776        | 1.648        | 1.297         | 1.778          | 1.192          | 1.143          |
| 4-yr                             |                                       |              |              |              | 2.632        | 1.671        | 1.648        | 1.350         | 1.564          | 1.194          | 1.133          |
| Industry Factors Prior           | 5.004                                 | 3.280        | 2.571        | 1.941        | 1.591        | 1.380        | 1.272        | 1.209         | 1.134          | 1.089          | 1.075          |
| Selected                         | 18.093                                | 7.428        | 4.734        | 3.415        | 2.665        | 2.266        | 2.033        | 1.871         | 1.747          | 1.645          | 1.557          |
|                                  | 21.784                                | 7.952        | 5.205        | 3.641        | 2.758        | 2.270        | 1.992        | 1.803         | 1.687          | 1.598          | 1.517          |
| Cumulated                        | 21.784                                | 7.952        | 5.205        | 3.641        | 2.758        | 2.270        | 1.992        | 1.803         | 1.687          | 1.598          | 1.517          |
|                                  | #####                                 | 83,621.578   | 10,515.792   | 2,020.325    | 554.882      | 201.190      | 88.630       | 44.493        | 24.677         | 14.628         | 9.154          |

Judicial Branch Workers' Compensation Program - Trial Courts  
Paid between \$250,000 and \$1,000,000 Loss Development

| Accident Year   | <u>Losses Paid as of:</u> |                |                |                |                |                |                |                 |       |       |       |
|-----------------|---------------------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|-------|-------|-------|
|                 | 138 Months                | 150 Months     | 162 Months     | 174 Months     | 186 Months     | 198 Months     | 210 Months     | 222 Months      |       |       |       |
| 1997-1998       |                           |                |                |                |                |                |                |                 |       |       |       |
| 1998-1999       |                           |                |                |                |                |                |                |                 |       |       |       |
| 1999-2000       |                           |                |                |                |                |                |                |                 |       |       |       |
| 2000-2001       | 507,948                   | 541,963        | 574,009        | 600,925        | 632,731        | 670,508        | 727,818        | 777,725         |       |       |       |
| 2001-2002       | 1,123,512                 | 1,208,329      | 937,176        | 937,599        | 974,761        | 1,037,035      | 991,657        |                 |       |       |       |
| 2002-2003       | 549,918                   | 662,012        | 800,533        | 930,474        | 723,936        | 886,846        |                |                 |       |       |       |
| 2003-2004       | 622,324                   | 722,364        | 887,225        | 984,415        | 1,090,543      |                |                |                 |       |       |       |
| 2004-2005       | 385,829                   | 396,627        | 419,864        | 619,445        |                |                |                |                 |       |       |       |
| 2005-2006       | 466,500                   | 675,512        | 730,878        |                |                |                |                |                 |       |       |       |
| 2006-2007       | 1,533,191                 | 1,662,849      |                |                |                |                |                |                 |       |       |       |
| 2007-2008       | 353,730                   |                |                |                |                |                |                |                 |       |       |       |
| 2008-2009       |                           |                |                |                |                |                |                |                 |       |       |       |
| 2009-2010       |                           |                |                |                |                |                |                |                 |       |       |       |
| 2010-2011       |                           |                |                |                |                |                |                |                 |       |       |       |
| 2011-2012       |                           |                |                |                |                |                |                |                 |       |       |       |
| 2012-2013       |                           |                |                |                |                |                |                |                 |       |       |       |
| 2013-2014       |                           |                |                |                |                |                |                |                 |       |       |       |
| 2014-2015       |                           |                |                |                |                |                |                |                 |       |       |       |
| 2015-2016       |                           |                |                |                |                |                |                |                 |       |       |       |
| 2016-2017       |                           |                |                |                |                |                |                |                 |       |       |       |
| 2017-2018       |                           |                |                |                |                |                |                |                 |       |       |       |
| 2018-2019       |                           |                |                |                |                |                |                |                 |       |       |       |
|                 | 138-150 Months            | 150-162 Months | 162-174 Months | 174-186 Months | 186-198 Months | 198-210 Months | 210-222 Months | 222-Ult. Months |       |       |       |
| 1997-1998       |                           |                |                |                |                |                |                |                 |       |       |       |
| 1998-1999       |                           |                |                |                |                |                |                |                 |       |       |       |
| 1999-2000       |                           |                |                |                |                |                |                |                 |       |       |       |
| 2000-2001       | 1.067                     | 1.059          | 1.047          | 1.053          | 1.060          | 1.085          | 1.069          |                 |       |       |       |
| 2001-2002       | 1.075                     | 0.776          | 1.000          | 1.040          | 1.064          | 0.956          |                |                 |       |       |       |
| 2002-2003       | 1.204                     | 1.209          | 1.162          | 0.778          | 1.225          |                |                |                 |       |       |       |
| 2003-2004       | 1.161                     | 1.228          | 1.110          | 1.108          |                |                |                |                 |       |       |       |
| 2004-2005       | 1.028                     | 1.059          | 1.475          |                |                |                |                |                 |       |       |       |
| 2005-2006       | 1.448                     | 1.082          |                |                |                |                |                |                 |       |       |       |
| 2006-2007       | 1.085                     |                |                |                |                |                |                |                 |       |       |       |
| 2007-2008       |                           |                |                |                |                |                |                |                 |       |       |       |
| 2008-2009       |                           |                |                |                |                |                |                |                 |       |       |       |
| 2009-2010       |                           |                |                |                |                |                |                |                 |       |       |       |
| 2010-2011       |                           |                |                |                |                |                |                |                 |       |       |       |
| 2011-2012       |                           |                |                |                |                |                |                |                 |       |       |       |
| 2012-2013       |                           |                |                |                |                |                |                |                 |       |       |       |
| 2013-2014       |                           |                |                |                |                |                |                |                 |       |       |       |
| 2014-2015       |                           |                |                |                |                |                |                |                 |       |       |       |
| 2015-2016       |                           |                |                |                |                |                |                |                 |       |       |       |
| 2016-2017       |                           |                |                |                |                |                |                |                 |       |       |       |
| 2017-2018       |                           |                |                |                |                |                |                |                 |       |       |       |
|                 | 138-150 Months            | 150-162 Months | 162-174 Months | 174-186 Months | 186-198 Months | 198-210 Months | 210-222 Months | 222-Ult. Months |       |       |       |
| Average         | 1.153                     | 1.069          | 1.159          | 0.995          | 1.116          | 1.021          | 1.069          |                 |       |       |       |
| Dollar-weighted |                           |                |                |                |                |                |                |                 |       |       |       |
| Averages        |                           |                |                |                |                |                |                |                 |       |       |       |
| 3-yr            | 1.146                     | 1.136          | 1.202          | 0.978          | 1.113          |                |                |                 |       |       |       |
| 4-yr            | 1.149                     | 1.155          | 1.140          | 0.991          |                |                |                |                 |       |       |       |
| Industry        | 1.062                     | 1.050          | 1.040          | 1.035          | 1.032          | 1.030          | 1.030          | 1.030           | 1.030 | 1.030 | 1.261 |
| Factors         | 1.485                     | 1.424          | 1.376          | 1.339          | 1.306          | 1.073          | 0.963          | 1.373           |       |       |       |
| Prior           | 1.446                     | 1.386          | 1.336          | 1.250          | 1.170          | 1.100          | 1.402          |                 |       |       |       |
| Selected        | 1.446                     | 1.386          | 1.336          | 1.250          | 1.170          | 1.100          | 1.050          | 1.335           |       |       |       |
| Cumulated       | 6.034                     | 4.173          | 3.011          | 2.254          | 1.803          | 1.542          | 1.402          | 1.335           |       |       |       |

## Judicial Branch Workers' Compensation Program - Trial Courts

Exposure and Development Method  
Based on Reported Losses

| Accident Year | Trended Payroll (\$00) (A) | Reported Losses as of 12/31/18 (B) | Loss Development Factor (C) | Percentage of Losses Yet to Be Reported (D) | Program Rate (E) | Incurred but not Reported (IBNR) (F) | Ultimate Program Losses (G) |
|---------------|----------------------------|------------------------------------|-----------------------------|---|------------------|--------------------------------------|-----------------------------|
| 2000-2001     | 3,484,365                  | 9,814,552                          | 1.007                       | 0.007                                       | 2.839            | 69,245                               | 9,883,797                   |
| 2001-2002     | 7,346,751                  | 13,834,460                         | 1.008                       | 0.008                                       | 1.921            | 112,905                              | 13,947,365                  |
| 2002-2003     | 8,502,277                  | 17,902,667                         | 1.011                       | 0.011                                       | 2.166            | 202,575                              | 18,105,242                  |
| 2003-2004     | 9,310,895                  | 20,387,095                         | 1.014                       | 0.014                                       | 2.150            | 280,258                              | 20,667,353                  |
| 2004-2005     | 9,498,419                  | 14,043,125                         | 1.019                       | 0.019                                       | 1.552            | 280,089                              | 14,323,214                  |
| 2005-2006     | 10,082,520                 | 14,092,048                         | 1.026                       | 0.025                                       | 1.413            | 356,165                              | 14,448,213                  |
| 2006-2007     | 10,673,588                 | 14,042,905                         | 1.036                       | 0.035                                       | 1.202            | 449,038                              | 14,491,943                  |
| 2007-2008     | 11,528,414                 | 13,150,813                         | 1.050                       | 0.048                                       | 1.229            | 680,084                              | 13,830,897                  |
| 2008-2009     | 11,787,282                 | 11,081,724                         | 1.068                       | 0.064                                       | 1.055            | 795,877                              | 11,877,601                  |
| 2009-2010     | 10,828,977                 | 15,808,276                         | 1.088                       | 0.081                                       | 1.611            | 1,413,084                            | 17,221,360                  |
| 2010-2011     | 10,730,191                 | 14,766,634                         | 1.112                       | 0.101                                       | 1.482            | 1,606,116                            | 16,372,750                  |
| 2011-2012     | 10,445,208                 | 13,681,069                         | 1.140                       | 0.123                                       | 1.492            | 1,916,863                            | 15,597,932                  |
| 2012-2013     | 9,455,792                  | 14,685,400                         | 1.170                       | 0.145                                       | 1.819            | 2,494,012                            | 17,179,412                  |
| 2013-2014     | 9,208,146                  | 11,495,398                         | 1.210                       | 0.174                                       | 1.528            | 2,448,188                            | 13,943,586                  |
| 2014-2015     | 8,858,828                  | 10,917,669                         | 1.258                       | 0.205                                       | 1.567            | 2,845,766                            | 13,763,435                  |
| 2015-2016     | 9,127,444                  | 10,323,182                         | 1.354                       | 0.261                                       | 1.577            | 3,756,829                            | 14,080,011                  |
| 2016-2017     | 9,118,220                  | 8,523,155                          | 1.586                       | 0.369                                       | 1.591            | 5,353,115                            | 13,876,270                  |
| 2017-2018     | 8,937,672                  | 5,295,232                          | 2.195                       | 0.544                                       | 1.639            | 7,968,971                            | 13,264,203                  |
| Totals        | 168,924,989                | \$233,845,404                      |                             |   |                  | \$33,029,180                         | \$266,874,584               |

## Notes:

- (A) From Appendix TC-L, Column (C).
- (B) Provided by the Judicial Council. These losses exclude amounts incurred above the Judicial Council's SIR for each year.
- (C) From Appendix TC-A, Page 1, Column (F).
- (D)  $1 - 1/(C)$ .
- (E) From Appendix TC-C, Page 3, Column (H).
- (F)  $(A) \times (D) \times (E)$ .
- (G)  $(B) + (F)$ .

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



## Judicial Branch Workers' Compensation Program - Trial Courts

Exposure and Development Method  
Based on Paid Losses

| Accident Year | Trended Payroll (\$00) (A) | Paid Losses as of 12/31/18 (B) | Loss Development Factor (C) | Percentage of Losses Yet to Be Paid (D) | Program Rate (E) | Incurred but not Paid (F) | Ultimate Program Losses (G) |
|---------------|----------------------------|--------------------------------|-----------------------------|---|------------------|---------------------------|-----------------------------|
| 2000-2001     | 3,484,365                  | 9,437,381                      | 1.044                       | 0.042                                   | 2.839            | 415,469                   | 9,852,850                   |
| 2001-2002     | 7,346,751                  | 13,636,791                     | 1.048                       | 0.046                                   | 1.921            | 649,203                   | 14,285,994                  |
| 2002-2003     | 8,502,277                  | 17,495,486                     | 1.055                       | 0.052                                   | 2.166            | 957,628                   | 18,453,114                  |
| 2003-2004     | 9,310,895                  | 19,115,574                     | 1.067                       | 0.063                                   | 2.150            | 1,261,161                 | 20,376,735                  |
| 2004-2005     | 9,498,419                  | 13,802,608                     | 1.086                       | 0.079                                   | 1.552            | 1,164,582                 | 14,967,190                  |
| 2005-2006     | 10,082,520                 | 13,194,121                     | 1.108                       | 0.097                                   | 1.413            | 1,381,920                 | 14,576,041                  |
| 2006-2007     | 10,673,588                 | 12,926,005                     | 1.131                       | 0.116                                   | 1.202            | 1,488,240                 | 14,414,245                  |
| 2007-2008     | 11,528,414                 | 12,409,832                     | 1.156                       | 0.135                                   | 1.229            | 1,912,737                 | 14,322,569                  |
| 2008-2009     | 11,787,282                 | 10,480,648                     | 1.185                       | 0.156                                   | 1.055            | 1,939,951                 | 12,420,599                  |
| 2009-2010     | 10,828,977                 | 14,659,045                     | 1.220                       | 0.180                                   | 1.611            | 3,140,187                 | 17,799,232                  |
| 2010-2011     | 10,730,191                 | 13,268,770                     | 1.261                       | 0.207                                   | 1.482            | 3,291,744                 | 16,560,514                  |
| 2011-2012     | 10,445,208                 | 12,090,684                     | 1.321                       | 0.243                                   | 1.492            | 3,786,973                 | 15,877,657                  |
| 2012-2013     | 9,455,792                  | 12,574,672                     | 1.396                       | 0.284                                   | 1.819            | 4,884,824                 | 17,459,496                  |
| 2013-2014     | 9,208,146                  | 9,423,476                      | 1.496                       | 0.332                                   | 1.528            | 4,671,256                 | 14,094,732                  |
| 2014-2015     | 8,858,828                  | 8,423,192                      | 1.650                       | 0.394                                   | 1.567            | 5,469,423                 | 13,892,615                  |
| 2015-2016     | 9,127,444                  | 7,537,992                      | 1.974                       | 0.493                                   | 1.577            | 7,096,232                 | 14,634,224                  |
| 2016-2017     | 9,118,220                  | 5,138,014                      | 2.633                       | 0.620                                   | 1.591            | 8,994,395                 | 14,132,409                  |
| 2017-2018     | 8,937,672                  | 2,819,403                      | 4.745                       | 0.789                                   | 1.639            | 11,557,938                | 14,377,341                  |
| Totals        | 168,924,989                | \$208,433,694                  |                             |   |                  | \$64,063,863              | \$272,497,557               |

## Notes:

- (A) From Appendix TC-L, Column (C).
- (B) Provided by the Judicial Council. These losses exclude amounts paid above the Judicial Council's SIR for each year.
- (C) From Appendix TC-B, Page 1, Column (F).
- (D)  $1 - 1/(C)$ .
- (E) From Appendix TC-C, Page 3, Column (H).
- (F)  $(A) \times (D) \times (E)$ .
- (G)  $(B) + (F)$ .

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

## Judicial Branch Workers' Compensation Program - Trial Courts

## Exposure and Development Method

| Accident Year | Trended Payroll (\$00) (A) | Ultimate Limited Losses (B) | Trend Factor (C) | Trended Limited Losses (D) | Trended Limited Loss Rate (E) | Limited Loss Rate (F) | Factor to SIR (G) | Program Loss Rate (H) |
|---------------|----------------------------|-----------------------------|------------------|----------------------------|-------------------------------|-----------------------|-------------------|-----------------------|
| 2000-2001     | 3,484,365                  | 9,237,000                   | 0.817            | 7,546,629                  | 2.166                         | 2.651                 | 1.071             | 2.839                 |
| 2001-2002     | 7,346,751                  | 13,131,000                  | 0.818            | 10,741,158                 | 1.462                         | 1.787                 | 1.075             | 1.921                 |
| 2002-2003     | 8,502,277                  | 17,095,000                  | 0.857            | 14,650,415                 | 1.723                         | 2.011                 | 1.077             | 2.166                 |
| 2003-2004     | 9,310,895                  | 18,445,000                  | 1.056            | 19,477,920                 | 2.092                         | 1.981                 | 1.086             | 2.150                 |
| 2004-2005     | 9,498,419                  | 13,538,000                  | 1.355            | 18,343,990                 | 1.931                         | 1.425                 | 1.089             | 1.552                 |
| 2005-2006     | 10,082,520                 | 13,017,000                  | 1.465            | 19,069,905                 | 1.891                         | 1.291                 | 1.094             | 1.413                 |
| 2006-2007     | 10,673,588                 | 11,681,000                  | 1.384            | 16,166,504                 | 1.515                         | 1.094                 | 1.099             | 1.202                 |
| 2007-2008     | 11,528,414                 | 12,828,000                  | 1.283            | 16,458,324                 | 1.428                         | 1.113                 | 1.104             | 1.229                 |
| 2008-2009     | 11,787,282                 | 11,209,000                  | 1.194            | 13,383,546                 | 1.135                         | 0.951                 | 1.109             | 1.055                 |
| 2009-2010     | 10,828,977                 | 15,646,000                  | 1.092            | 17,085,432                 | 1.578                         | 1.445                 | 1.115             | 1.611                 |
| 2010-2011     | 10,730,191                 | 14,193,000                  | 1.040            | 14,760,720                 | 1.376                         | 1.323                 | 1.120             | 1.482                 |
| 2011-2012     | 10,445,208                 | 13,844,000                  | 1.036            | 14,342,384                 | 1.373                         | 1.325                 | 1.126             | 1.492                 |
| 2012-2013     | 9,455,792                  | 15,196,000                  | 1.048            | 15,925,408                 | 1.684                         | 1.607                 | 1.132             | 1.819                 |
| 2013-2014     | 9,208,146                  | 12,232,000                  | 1.054            | 12,892,528                 | 1.400                         | 1.343                 | 1.138             | 1.528                 |
| 2014-2015     | 8,858,828                  | 12,071,000                  | 1.033            | 12,469,343                 | 1.408                         | 1.370                 | 1.144             | 1.567                 |
| 2015-2016     | 9,127,444                  | 12,935,000                  | 1.032            | 13,348,920                 | 1.463                         | 1.371                 | 1.151             | 1.577                 |
| 2016-2017     | 9,118,220                  | 11,650,000                  | 1.029            | 11,987,850                 | 1.315                         | 1.375                 | 1.157             | 1.591                 |
| 2017-2018     | 8,937,672                  | 11,495,000                  | 1.005            | 11,552,475                 | 1.293                         | 1.408                 | 1.164             | 1.639                 |
| Total/Avg     | 168,924,989                | \$239,443,000               |                  | \$260,203,451              | \$1.540                       |                       |                   |                       |
| 12/13-16/17   | 45,768,430                 | 64,084,000                  |                  | 66,624,049                 | \$1.456                       |                       |                   |                       |
| 14/15-17/18   | 36,042,164                 | 48,151,000                  |                  | 49,358,588                 | \$1.369                       |                       |                   |                       |

Selected Limited Rate: \$1.415  
Prior: \$1.490

## Notes:

- (A) From Appendix TC-L, Column (C).
- (B) Selected average of results from Appendices A and B.
- (C) From Appendix TC-E, Page 1, Column (B).
- (D)  $(B) \times (C)$ .
- (E)  $(D) / (A)$ .
- (F) Selected Limited Rate / (C). For 2012-2013 and prior  $(B) / (A)$ .
- (G) Based on a Weibull distribution, a mathematical model of claim sizes.
- (H)  $(F) \times (G)$ .

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.

## Judicial Branch Workers' Compensation Program - Trial Courts

## Frequency and Severity Method

| Accident<br>Year | Ultimate<br>Program<br>Severity<br>(A) | Adjusted<br>Ultimate<br>Claims<br>(B) | Ultimate<br>Program<br>Losses<br>(C) |
|------------------|--|---------------------------------------|--------------------------------------|
| 2000-2001        | 23,956                                 | 413                                   | 9,893,828                            |
| 2001-2002        | 20,637                                 | 684                                   | 14,115,708                           |
| 2002-2003        | 21,140                                 | 871                                   | 18,412,940                           |
| 2003-2004        | 18,153                                 | 1,103                                 | 20,022,759                           |
| 2004-2005        | 15,188                                 | 971                                   | 14,747,548                           |
| 2005-2006        | 15,104                                 | 943                                   | 14,243,072                           |
| 2006-2007        | 13,878                                 | 925                                   | 12,837,150                           |
| 2007-2008        | 17,861                                 | 793                                   | 14,163,773                           |
| 2008-2009        | 14,242                                 | 873                                   | 12,433,266                           |
| 2009-2010        | 21,963                                 | 794                                   | 17,438,622                           |
| 2010-2011        | 20,840                                 | 763                                   | 15,900,920                           |
| 2011-2012        | 23,286                                 | 666                                   | 15,508,476                           |
| 2012-2013        | 26,627                                 | 642                                   | 17,094,534                           |
| 2013-2014        | 23,220                                 | 579                                   | 13,444,380                           |
| 2014-2015        | 24,302                                 | 551                                   | 13,390,402                           |
| 2015-2016        | 24,955                                 | 577                                   | 14,399,035                           |
| 2016-2017        | 25,662                                 | 564                                   | 14,473,368                           |
| 2017-2018        | 26,966                                 | 512                                   | 13,806,592                           |
| Total            |  | 13,224                                | \$266,326,373                        |

## Notes:

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

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

Judicial Branch Workers' Compensation Program - Trial Courts

Frequency and Severity Method

| Accident Year | Ultimate Limited Losses (A) | Adjusted Ultimate Claims (B) | Ultimate Limited Severity (C) | Trend Factor (D) | Trended Limited Severity (E) | Limited Severity (F) | Factor to SIR (G) | Program Severity (H) |
|---------------|-----------------------------|------------------------------|-------------------------------|------------------|------------------------------|----------------------|-------------------|----------------------|
| 2000-2001     | 9,237,000                   | 413                          | 22,366                        | 1.170            | 26,168                       | 22,366               | 1.071             | 23,956               |
| 2001-2002     | 13,131,000                  | 684                          | 19,197                        | 1.148            | 22,038                       | 19,197               | 1.075             | 20,637               |
| 2002-2003     | 17,095,000                  | 871                          | 19,627                        | 1.179            | 23,140                       | 19,627               | 1.077             | 21,140               |
| 2003-2004     | 18,445,000                  | 1,103                        | 16,723                        | 1.423            | 23,797                       | 16,723               | 1.086             | 18,153               |
| 2004-2005     | 13,538,000                  | 971                          | 13,942                        | 1.790            | 24,956                       | 13,942               | 1.089             | 15,188               |
| 2005-2006     | 13,017,000                  | 943                          | 13,804                        | 1.897            | 26,186                       | 13,804               | 1.094             | 15,104               |
| 2006-2007     | 11,681,000                  | 925                          | 12,628                        | 1.757            | 22,187                       | 12,628               | 1.099             | 13,878               |
| 2007-2008     | 12,828,000                  | 793                          | 16,177                        | 1.597            | 25,835                       | 16,177               | 1.104             | 17,861               |
| 2008-2009     | 11,209,000                  | 873                          | 12,840                        | 1.457            | 18,708                       | 12,840               | 1.109             | 14,242               |
| 2009-2010     | 15,646,000                  | 794                          | 19,705                        | 1.306            | 25,735                       | 19,705               | 1.115             | 21,963               |
| 2010-2011     | 14,193,000                  | 763                          | 18,602                        | 1.219            | 22,676                       | 18,602               | 1.120             | 20,840               |
| 2011-2012     | 13,773,000                  | 666                          | 20,680                        | 1.190            | 24,609                       | 20,680               | 1.126             | 23,286               |
| 2012-2013     | 15,105,000                  | 642                          | 23,528                        | 1.181            | 27,787                       | 23,528               | 1.132             | 26,627               |
| 2013-2014     | 12,212,000                  | 579                          | 21,092                        | 1.164            | 24,551                       | 20,404               | 1.138             | 23,220               |
| 2014-2015     | 12,059,000                  | 551                          | 21,886                        | 1.118            | 24,469                       | 21,243               | 1.144             | 24,302               |
| 2015-2016     | 12,698,000                  | 577                          | 22,007                        | 1.095            | 24,098                       | 21,689               | 1.151             | 24,955               |
| 2016-2017     | 11,896,000                  | 564                          | 21,092                        | 1.071            | 22,590                       | 22,176               | 1.157             | 25,662               |
| 2017-2018     | 11,908,000                  | 512                          | 23,258                        | 1.025            | 23,839                       | 23,171               | 1.164             | 26,966               |

Average Limited Severity: \$24,076  
 Average 14/15-17/18 Limited Severity: \$23,749  
 Average 15/16-17/18 Limited Severity: \$23,509

Selected Limited Severity: \$23,750  
 Prior: \$24,500

Notes:

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

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

Judicial Branch Workers' Compensation Program - Trial Courts

Frequency and Severity Method  
Projection of Ultimate Claims

| Accident Year | Reported Claim Development (A) | Closed Claim Development (B) | Selected Ultimate Claims (C) | Trended Payroll (\$000,000) (D) | Claim Frequency (E) | Trend Factor (F) | Trended Claim Frequency (G) |
|---------------|--------------------------------|------------------------------|------------------------------|---------------------------------|---------------------|------------------|-----------------------------|
| 2000-2001     | 413                            | 402                          | 413                          | 348.4                           | 1.185               | 0.696            | 0.825                       |
| 2001-2002     | 684                            | 672                          | 684                          | 734.7                           | 0.931               | 0.710            | 0.661                       |
| 2002-2003     | 871                            | 858                          | 871                          | 850.2                           | 1.024               | 0.725            | 0.742                       |
| 2003-2004     | 1,103                          | 1,083                        | 1,103                        | 931.1                           | 1.185               | 0.740            | 0.877                       |
| 2004-2005     | 971                            | 959                          | 971                          | 949.8                           | 1.022               | 0.755            | 0.772                       |
| 2005-2006     | 943                            | 923                          | 943                          | 1,008.3                         | 0.935               | 0.769            | 0.719                       |
| 2006-2007     | 925                            | 912                          | 925                          | 1,067.4                         | 0.867               | 0.785            | 0.681                       |
| 2007-2008     | 793                            | 773                          | 793                          | 1,152.8                         | 0.688               | 0.801            | 0.551                       |
| 2008-2009     | 873                            | 869                          | 873                          | 1,178.7                         | 0.741               | 0.817            | 0.605                       |
| 2009-2010     | 794                            | 781                          | 794                          | 1,082.9                         | 0.733               | 0.834            | 0.611                       |
| 2010-2011     | 763                            | 746                          | 763                          | 1,073.0                         | 0.711               | 0.851            | 0.605                       |
| 2011-2012     | 666                            | 656                          | 666                          | 1,044.5                         | 0.638               | 0.868            | 0.554                       |
| 2012-2013     | 642                            | 617                          | 642                          | 945.6                           | 0.679               | 0.886            | 0.602                       |
| 2013-2014     | 579                            | 568                          | 579                          | 920.8                           | 0.629               | 0.904            | 0.569                       |
| 2014-2015     | 551                            | 538                          | 551                          | 885.9                           | 0.622               | 0.922            | 0.573                       |
| 2015-2016     | 577                            | 585                          | 577                          | 912.7                           | 0.632               | 0.942            | 0.595                       |
| 2016-2017     | 564                            | 575                          | 564                          | 911.8                           | 0.619               | 0.961            | 0.595                       |
| 2017-2018     | 512                            | 506                          | 512                          | 893.8                           | 0.573               | 0.980            | 0.562                       |
| Total         | 13,224                         | 13,023                       | 13,224                       | 16,892.5                        |                     |                  | 0.641                       |
| 13/14-17/18   | 2,783                          | 2,772                        | 2,783                        | 4,525.0                         |                     |                  | 0.579                       |

(H) Selected 2018-2019 Frequency: 0.600  
Prior: 0.650

| Program Year:                 | 2018-2019 | 2019-2020 | 2020-2021 | 2021-2022 |
|-------------------------------|-----------|-----------|-----------|-----------|
| (I) Trend Factor:             | 1.000     | 0.980     | 0.960     | 0.941     |
| (J) Selected Frequency:       | 0.600     | 0.588     | 0.576     | 0.565     |
| (K) Est. Payroll (\$000,000): | 892.3     | 914.6     | 937.5     | 960.9     |
| (L) Ultimate Claims:          | 535       | 538       | 540       | 543       |

Notes:

- (A) From Appendix TC-D, Page 4, (C).
- (B) From Appendix TC-D, Page 5, (C).
- (C) Selected from (A) and (B).
- (D) From Appendix TC-L, Column (C) / 10,000.
- (E) (C) / (D).
- (F) From Appendix TC-E, Page 1, Column (H).
- (G) (E) x (F).
- (H) The selected frequency of .600 is based on (G).
- (I) From Appendix TC-E, Page 1, Column (H).
- (J) (H) x (I).
- (K) From Appendix TC-L, Column (C) / 10,000.
- (L) (J) x (K).

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

## Judicial Branch Workers' Compensation Program - Trial Courts

Frequency and Severity Method  
Reported Claim Count Development

| Accident Year | Claims Reported as of 12/31/2018 (A) | Reported Claim Development Factor (B) | Ultimate Claims (C) | Trended Claim Frequency (D) |
|---------------|--------------------------------------|---------------------------------------|---------------------|-----------------------------|
| 2000-2001     | 413                                  | 1.000                                 | 413                 | 0.825                       |
| 2001-2002     | 684                                  | 1.000                                 | 684                 | 0.661                       |
| 2002-2003     | 871                                  | 1.000                                 | 871                 | 0.743                       |
| 2003-2004     | 1,103                                | 1.000                                 | 1,103               | 0.877                       |
| 2004-2005     | 971                                  | 1.000                                 | 971                 | 0.772                       |
| 2005-2006     | 943                                  | 1.000                                 | 943                 | 0.719                       |
| 2006-2007     | 925                                  | 1.000                                 | 925                 | 0.680                       |
| 2007-2008     | 793                                  | 1.000                                 | 793                 | 0.551                       |
| 2008-2009     | 873                                  | 1.000                                 | 873                 | 0.605                       |
| 2009-2010     | 794                                  | 1.000                                 | 794                 | 0.612                       |
| 2010-2011     | 763                                  | 1.000                                 | 763                 | 0.605                       |
| 2011-2012     | 666                                  | 1.000                                 | 666                 | 0.553                       |
| 2012-2013     | 642                                  | 1.000                                 | 642                 | 0.602                       |
| 2013-2014     | 578                                  | 1.001                                 | 579                 | 0.568                       |
| 2014-2015     | 550                                  | 1.002                                 | 551                 | 0.573                       |
| 2015-2016     | 574                                  | 1.006                                 | 577                 | 0.595                       |
| 2016-2017     | 558                                  | 1.010                                 | 564                 | 0.594                       |
| 2017-2018     | 497                                  | 1.030                                 | 512                 | 0.561                       |
| Total         | 13,198                               |                                       | 13,224              | 0.641                       |

## Notes:

- (A) Provided by the Judicial Council.
- (B) From Appendix TC-D, Page 6.
- (C) (A) x (B).
- (D) (C) / [Appendix TC-D, Page 3, (D)] x [Appendix TC-D, Page 3, (F)].

This exhibit shows the calculation of estimated ultimate claims for each year based on reported claims as provided by the Judicial Council. 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.

## Judicial Branch Workers' Compensation Program - Trial Courts

Frequency and Severity Method  
Closed Claim Count Development

| Accident<br>Year | Claims<br>Closed<br>as of<br>12/31/2018<br>(A) | Closed<br>Claim<br>Development<br>Factor<br>(B) | Ultimate<br>Claims<br>(C) | Trended<br>Claim<br>Frequency<br>(D) |
|------------------|--|---|---------------------------|--------------------------------------|
| 2000-2001        | 402  | 1.000   | 402                       | 0.803                                |
| 2001-2002        | 672  | 1.000   | 672                       | 0.649                                |
| 2002-2003        | 858  | 1.000   | 858                       | 0.732                                |
| 2003-2004        | 1,082  | 1.001   | 1,083                     | 0.861                                |
| 2004-2005        | 957  | 1.002   | 959                       | 0.762                                |
| 2005-2006        | 920  | 1.003   | 923                       | 0.704                                |
| 2006-2007        | 904  | 1.009   | 912                       | 0.671                                |
| 2007-2008        | 762  | 1.014   | 773                       | 0.537                                |
| 2008-2009        | 851  | 1.021   | 869                       | 0.602                                |
| 2009-2010        | 759  | 1.029   | 781                       | 0.601                                |
| 2010-2011        | 718  | 1.039   | 746                       | 0.592                                |
| 2011-2012        | 624  | 1.052   | 656                       | 0.545                                |
| 2012-2013        | 575  | 1.073   | 617                       | 0.578                                |
| 2013-2014        | 514  | 1.105   | 568                       | 0.558                                |
| 2014-2015        | 464  | 1.160   | 538                       | 0.560                                |
| 2015-2016        | 475  | 1.231   | 585                       | 0.604                                |
| 2016-2017        | 425  | 1.353   | 575                       | 0.606                                |
| 2017-2018        | 304  | 1.666   | 506                       | 0.555                                |
| Total            | 12,266   |   | 13,023                    | 0.632                                |

## Notes:

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

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

Judicial Branch Workers' Compensation Program - Trial Courts  
Reported Claim Count Development

| Accident Year | <u>Claims Reported as of:</u> |           |           |           |           |           |           |            |            |            |            |            |            |
|---------------|-------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------|------------|------------|------------|------------|
|               | 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 |
| 1997-1998     |                               |           |           |           |           |           |           |            |            |            |            |            |            |
| 1998-1999     |                               |           |           |           |           |           |           |            |            |            |            |            |            |
| 1999-2000     |                               |           |           |           |           |           |           |            |            |            |            |            |            |
| 2000-2001     |                               |           |           |           |           |           |           | 410        | 409        | 409        | 409        | 410        | 410        |
| 2001-2002     |                               |           |           |           |           |           | 694       | 676        | 679        | 680        | 682        | 684        | 684        |
| 2002-2003     |                               |           |           |           |           | 890       | 867       | 867        | 867        | 867        | 868        | 869        | 869        |
| 2003-2004     |                               |           |           |           | 1,099     | 1,098     | 1,101     | 1,101      | 1,101      | 1,101      | 1,101      | 1,101      | 1,102      |
| 2004-2005     |                               |           |           | 971       | 972       | 970       | 969       | 969        | 969        | 969        | 971        | 971        | 971        |
| 2005-2006     |                               |           | 930       | 931       | 941       | 941       | 941       | 942        | 942        | 944        | 943        | 942        | 943        |
| 2006-2007     |                               | 929       | 923       | 923       | 918       | 919       | 921       | 922        | 925        | 925        | 925        | 925        |            |
| 2007-2008     | 761                           | 785       | 792       | 793       | 792       | 793       | 792       | 793        | 793        | 794        | 793        |            |            |
| 2008-2009     | 857                           | 866       | 868       | 870       | 871       | 872       | 872       | 872        | 873        | 873        |            |            |            |
| 2009-2010     | 767                           | 783       | 783       | 788       | 789       | 791       | 793       | 794        | 794        |            |            |            |            |
| 2010-2011     | 730                           | 749       | 753       | 757       | 759       | 760       | 762       | 763        |            |            |            |            |            |
| 2011-2012     | 647                           | 658       | 660       | 664       | 664       | 666       | 666       |            |            |            |            |            |            |
| 2012-2013     | 625                           | 635       | 633       | 640       | 642       | 642       |           |            |            |            |            |            |            |
| 2013-2014     | 573                           | 572       | 574       | 577       | 578       |           |           |            |            |            |            |            |            |
| 2014-2015     | 529                           | 547       | 551       | 550       |           |           |           |            |            |            |            |            |            |
| 2015-2016     | 556                           | 568       | 574       |           |           |           |           |            |            |            |            |            |            |
| 2016-2017     | 551                           | 558       |           |           |           |           |           |            |            |            |            |            |            |
| 2017-2018     | 497                           |           |           |           |           |           |           |            |            |            |            |            |            |

Reported Claim Count Development Factors:

|                         | 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 |
|-------------------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|
| 1997-1998               |              |              |              |              |              |              |               |                |                |                |                |                |                |
| 1998-1999               |              |              |              |              |              |              |               |                |                |                |                |                |                |
| 1999-2000               |              |              |              |              |              |              |               |                |                |                |                |                |                |
| 2000-2001               |              |              |              |              |              |              |               | 0.998          | 1.000          | 1.000          | 1.002          | 1.000          | 1.000          |
| 2001-2002               |              |              |              |              |              |              | 0.974         | 1.004          | 1.001          | 1.003          | 1.003          | 1.000          | 1.001          |
| 2002-2003               |              |              |              |              |              | 0.974        | 1.000         | 1.000          | 1.000          | 1.001          | 1.001          | 1.000          | 1.001          |
| 2003-2004               |              |              |              |              | 0.999        | 1.003        | 1.000         | 1.000          | 1.000          | 1.000          | 1.000          | 1.001          | 1.000          |
| 2004-2005               |              |              |              | 1.001        | 0.998        | 0.999        | 1.000         | 1.000          | 1.000          | 1.002          | 1.000          | 1.000          | 1.000          |
| 2005-2006               |              |              | 1.001        | 1.011        | 1.000        | 1.000        | 1.001         | 1.000          | 1.002          | 0.999          | 0.999          | 1.001          |                |
| 2006-2007               |              | 0.994        | 1.000        | 0.995        | 1.001        | 1.002        | 1.001         | 1.003          | 1.000          | 1.000          | 1.000          |                |                |
| 2007-2008               | 1.032        | 1.009        | 1.001        | 0.999        | 1.001        | 0.999        | 1.001         | 1.000          | 1.001          | 0.999          |                |                |                |
| 2008-2009               | 1.011        | 1.002        | 1.002        | 1.001        | 1.001        | 1.000        | 1.000         | 1.001          | 1.000          |                |                |                |                |
| 2009-2010               | 1.021        | 1.000        | 1.006        | 1.001        | 1.003        | 1.003        | 1.001         | 1.000          |                |                |                |                |                |
| 2010-2011               | 1.026        | 1.005        | 1.005        | 1.003        | 1.001        | 1.003        | 1.001         |                |                |                |                |                |                |
| 2011-2012               | 1.017        | 1.003        | 1.006        | 1.000        | 1.003        | 1.000        |               |                |                |                |                |                |                |
| 2012-2013               | 1.016        | 0.997        | 1.011        | 1.003        | 1.000        |              |               |                |                |                |                |                |                |
| 2013-2014               | 0.998        | 1.003        | 1.005        | 1.002        |              |              |               |                |                |                |                |                |                |
| 2014-2015               | 1.034        | 1.007        | 0.998        |              |              |              |               |                |                |                |                |                |                |
| 2015-2016               | 1.022        | 1.011        |              |              |              |              |               |                |                |                |                |                |                |
| 2016-2017               | 1.013        |              |              |              |              |              |               |                |                |                |                |                |                |
|                         | 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                 | 1.019        | 1.003        | 1.004        | 1.002        | 1.001        | 0.998        | 0.998         | 1.001          | 1.000          | 1.001          | 1.001          | 1.000          | 1.000          |
| Claim-weighted Averages |              |              |              |              |              |              |               |                |                |                |                |                |                |
| 3-yr                    | 1.023        | 1.007        | 1.005        | 1.002        | 1.001        | 1.002        | 1.001         | 1.000          | 1.000          | 0.999          | 1.000          | 1.001          | 1.000          |
| 4-yr                    | 1.016        | 1.004        | 1.005        | 1.002        | 1.002        | 1.001        | 1.001         | 1.001          | 1.001          | 1.000          | 1.000          | 1.001          | 1.001          |
| Industry Factors        | 1.052        | 1.005        | 1.004        | 1.002        | 1.002        | 1.001        | 1.000         | 1.000          | 1.000          | 1.000          | 1.000          | 1.000          | 1.000          |
| Prior                   | 1.020        | 1.004        | 1.003        | 1.001        | 1.000        | 1.000        | 1.000         | 1.000          | 1.000          | 1.000          | 1.000          | 1.000          | 1.000          |
| Selected                | 1.020        | 1.004        | 1.004        | 1.001        | 1.001        | 1.000        | 1.000         | 1.000          | 1.000          | 1.000          | 1.000          | 1.000          | 1.000          |
| Cumulated               | 1.030        | 1.010        | 1.006        | 1.002        | 1.001        | 1.000        | 1.000         | 1.000          | 1.000          | 1.000          | 1.000          | 1.000          | 1.000          |



Judicial Branch Workers' Compensation Program - Trial Courts  
Closed Claim Development

Claims Closed as of:

| Accident Year | 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 |
|---------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------|------------|------------|------------|------------|
| 1997-1998     |           |           |           |           |           |           |           |            |            |            |            |            |            |
| 1998-1999     |           |           |           |           |           |           |           |            |            |            |            |            |            |
| 1999-2000     |           |           |           |           |           |           |           |            |            |            |            |            |            |
| 2000-2001     |           |           |           |           |           |           |           | 339        | 375        | 382        | 385        | 389        | 390        |
| 2001-2002     |           |           |           |           |           |           | 567       | 626        | 649        | 649        | 650        | 659        | 663        |
| 2002-2003     |           |           |           |           |           | 729       | 806       | 818        | 823        | 823        | 832        | 834        | 842        |
| 2003-2004     |           |           |           |           | 973       | 998       | 1,037     | 1,050      | 1,048      | 1,063      | 1,062      | 1,068      | 1,078      |
| 2004-2005     |           |           |           | 841       | 872       | 898       | 911       | 920        | 935        | 938        | 945        | 943        | 949        |
| 2005-2006     |           |           | 774       | 817       | 857       | 878       | 883       | 895        | 894        | 904        | 909        | 918        | 920        |
| 2006-2007     |           | 640       | 729       | 767       | 835       | 862       | 871       | 876        | 890        | 898        | 901        | 904        |            |
| 2007-2008     | 480       | 589       | 644       | 680       | 701       | 722       | 734       | 747        | 756        | 761        | 762        |            |            |
| 2008-2009     | 588       | 690       | 753       | 786       | 816       | 823       | 834       | 846        | 848        | 851        |            |            |            |
| 2009-2010     | 472       | 570       | 641       | 675       | 692       | 727       | 741       | 755        | 759        |            |            |            |            |
| 2010-2011     | 475       | 564       | 604       | 642       | 672       | 692       | 710       | 718        |            |            |            |            |            |
| 2011-2012     | 413       | 508       | 529       | 567       | 597       | 608       | 624       |            |            |            |            |            |            |
| 2012-2013     | 385       | 446       | 490       | 535       | 566       | 575       |           |            |            |            |            |            |            |
| 2013-2014     | 286       | 413       | 455       | 490       | 514       |           |           |            |            |            |            |            |            |
| 2014-2015     | 330       | 391       | 430       | 464       |           |           |           |            |            |            |            |            |            |
| 2015-2016     | 361       | 441       | 475       |           |           |           |           |            |            |            |            |            |            |
| 2016-2017     | 374       | 425       |           |           |           |           |           |            |            |            |            |            |            |
| 2017-2018     | 304       |           |           |           |           |           |           |            |            |            |            |            |            |

Closed Claim Count Development Factors:

|           | 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 |
|-----------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|
| 1997-1998 |              |              |              |              |              |              |               |                |                |                |                |                |                |
| 1998-1999 |              |              |              |              |              |              |               |                |                |                |                |                |                |
| 1999-2000 |              |              |              |              |              |              |               |                |                |                |                |                |                |
| 2000-2001 |              |              |              |              |              |              |               | 1.106          | 1.019          | 1.008          | 1.010          | 1.003          | 1.008          |
| 2001-2002 |              |              |              |              |              |              | 1.104         | 1.037          | 1.000          | 1.002          | 1.014          | 1.006          | 1.009          |
| 2002-2003 |              |              |              |              |              | 1.106        | 1.015         | 1.006          | 1.000          | 1.011          | 1.002          | 1.010          | 1.006          |
| 2003-2004 |              |              |              |              | 1.026        | 1.039        | 1.013         | 0.998          | 1.014          | 0.999          | 1.006          | 1.009          | 0.999          |
| 2004-2005 |              |              |              | 1.037        | 1.030        | 1.014        | 1.010         | 1.016          | 1.003          | 1.007          | 0.998          | 1.006          | 1.008          |
| 2005-2006 |              |              | 1.056        | 1.049        | 1.025        | 1.006        | 1.014         | 0.999          | 1.011          | 1.006          | 1.010          | 1.002          |                |
| 2006-2007 |              | 1.139        | 1.052        | 1.089        | 1.032        | 1.010        | 1.006         | 1.016          | 1.009          | 1.003          | 1.003          |                |                |
| 2007-2008 | 1.227        | 1.093        | 1.056        | 1.031        | 1.030        | 1.017        | 1.018         | 1.012          | 1.007          | 1.001          |                |                |                |
| 2008-2009 | 1.173        | 1.091        | 1.044        | 1.038        | 1.009        | 1.013        | 1.014         | 1.002          | 1.004          |                |                |                |                |
| 2009-2010 | 1.208        | 1.125        | 1.053        | 1.025        | 1.051        | 1.019        | 1.019         | 1.005          |                |                |                |                |                |
| 2010-2011 | 1.187        | 1.071        | 1.063        | 1.047        | 1.030        | 1.026        | 1.011         |                |                |                |                |                |                |
| 2011-2012 | 1.230        | 1.041        | 1.072        | 1.053        | 1.018        | 1.026        |               |                |                |                |                |                |                |
| 2012-2013 | 1.158        | 1.099        | 1.092        | 1.058        | 1.016        |              |               |                |                |                |                |                |                |
| 2013-2014 | 1.444        | 1.102        | 1.077        | 1.049        |              |              |               |                |                |                |                |                |                |
| 2014-2015 | 1.185        | 1.100        | 1.079        |              |              |              |               |                |                |                |                |                |                |
| 2015-2016 | 1.222        | 1.077        |              |              |              |              |               |                |                |                |                |                |                |
| 2016-2017 | 1.136        |              |              |              |              |              |               |                |                |                |                |                |                |

|                                 | 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 Claim-weighted Averages | 1.217        | 1.094        | 1.064        | 1.048        | 1.027        | 1.028        | 1.022         | 1.020          | 1.007          | 1.005          | 1.006          | 1.006          | 1.006          |
| 3-yr                            | 1.180        | 1.092        | 1.083        | 1.053        | 1.022        | 1.024        | 1.015         | 1.006          | 1.006          | 1.004          | 1.004          | 1.006          | 1.004          |
| 4-yr                            | 1.236        | 1.094        | 1.080        | 1.051        | 1.030        | 1.021        | 1.016         | 1.009          | 1.008          | 1.005          | 1.004          | 1.007          | 1.005          |
| Industry Factors                | 1.280        | 1.065        | 1.040        | 1.027        | 1.020        | 1.013        | 1.009         | 1.006          | 1.005          | 1.003          | 1.003          | 1.001          | 1.001          |
| Prior                           | 1.230        | 1.100        | 1.060        | 1.050        | 1.030        | 1.020        | 1.012         | 1.010          | 1.008          | 1.007          | 1.005          | 1.006          | 1.001          |
| Selected                        | 1.231        | 1.099        | 1.061        | 1.050        | 1.029        | 1.020        | 1.012         | 1.010          | 1.008          | 1.007          | 1.005          | 1.006          | 1.001          |
| Cumulated                       | 1.666        | 1.353        | 1.231        | 1.160        | 1.105        | 1.073        | 1.052         | 1.039          | 1.029          | 1.021          | 1.014          | 1.009          | 1.003          |

Judicial Branch Workers' Compensation Program - Trial Courts

Loss Trend Factors

| Accident Year | Benefit Level Factor (A) | Factor to                     | Factor to                     | Factor to                     | Factor to                     | Factor to                     | Factor to                     | Factor to                     | Factor to                     | Factor to                    |
|---------------|--------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|------------------------------|
|               |                          | 2018-2019 Loss Rate Level (B) | 2019-2020 Loss Rate Level (C) | 2020-2021 Loss Rate Level (D) | 2021-2022 Loss Rate Level (E) | 2018-2019 Frequency Level (F) | 2019-2020 Frequency Level (G) | 2020-2021 Frequency Level (H) | 2021-2022 Frequency Level (I) | 2018-2019 Severity Level (J) |
| Prior         | 1.001                    | 1.105                         | 1.110                         | 1.116                         | 1.121                         | 0.655                         | 0.642                         | 0.629                         | 0.616                         | 1.681                        |
| 1998-1999     | 0.889                    | 0.977                         | 0.982                         | 0.987                         | 0.991                         | 0.668                         | 0.655                         | 0.642                         | 0.629                         | 1.456                        |
| 1999-2000     | 0.795                    | 0.870                         | 0.874                         | 0.878                         | 0.883                         | 0.682                         | 0.669                         | 0.655                         | 0.642                         | 1.271                        |
| 2000-2001     | 0.750                    | 0.817                         | 0.821                         | 0.825                         | 0.829                         | 0.696                         | 0.682                         | 0.668                         | 0.655                         | 1.170                        |
| 2001-2002     | 0.755                    | 0.818                         | 0.822                         | 0.826                         | 0.830                         | 0.710                         | 0.696                         | 0.682                         | 0.668                         | 1.148                        |
| 2002-2003     | 0.795                    | 0.857                         | 0.862                         | 0.866                         | 0.870                         | 0.725                         | 0.710                         | 0.696                         | 0.682                         | 1.179                        |
| 2003-2004     | 0.983                    | 1.056                         | 1.061                         | 1.066                         | 1.071                         | 0.740                         | 0.725                         | 0.710                         | 0.696                         | 1.423                        |
| 2004-2005     | 1.268                    | 1.355                         | 1.362                         | 1.369                         | 1.375                         | 0.755                         | 0.740                         | 0.724                         | 0.710                         | 1.790                        |
| 2005-2006     | 1.377                    | 1.465                         | 1.472                         | 1.479                         | 1.487                         | 0.769                         | 0.754                         | 0.739                         | 0.724                         | 1.897                        |
| 2006-2007     | 1.307                    | 1.384                         | 1.391                         | 1.398                         | 1.405                         | 0.785                         | 0.770                         | 0.754                         | 0.739                         | 1.757                        |
| 2007-2008     | 1.217                    | 1.283                         | 1.289                         | 1.296                         | 1.302                         | 0.801                         | 0.785                         | 0.769                         | 0.754                         | 1.597                        |
| 2008-2009     | 1.138                    | 1.194                         | 1.200                         | 1.206                         | 1.212                         | 0.817                         | 0.801                         | 0.785                         | 0.769                         | 1.457                        |
| 2009-2010     | 1.046                    | 1.092                         | 1.098                         | 1.103                         | 1.109                         | 0.834                         | 0.818                         | 0.801                         | 0.785                         | 1.306                        |
| 2010-2011     | 1.001                    | 1.040                         | 1.046                         | 1.051                         | 1.056                         | 0.851                         | 0.834                         | 0.817                         | 0.801                         | 1.219                        |
| 2011-2012     | 1.001                    | 1.036                         | 1.041                         | 1.046                         | 1.051                         | 0.868                         | 0.851                         | 0.834                         | 0.817                         | 1.190                        |
| 2012-2013     | 1.018                    | 1.048                         | 1.053                         | 1.059                         | 1.064                         | 0.886                         | 0.869                         | 0.851                         | 0.834                         | 1.181                        |
| 2013-2014     | 1.029                    | 1.054                         | 1.059                         | 1.065                         | 1.070                         | 0.904                         | 0.886                         | 0.868                         | 0.851                         | 1.164                        |
| 2014-2015     | 1.013                    | 1.033                         | 1.038                         | 1.043                         | 1.048                         | 0.922                         | 0.904                         | 0.886                         | 0.868                         | 1.118                        |
| 2015-2016     | 1.017                    | 1.032                         | 1.037                         | 1.042                         | 1.048                         | 0.942                         | 0.923                         | 0.904                         | 0.886                         | 1.095                        |
| 2016-2017     | 1.019                    | 1.029                         | 1.034                         | 1.039                         | 1.044                         | 0.961                         | 0.942                         | 0.922                         | 0.904                         | 1.071                        |
| 2017-2018     | 1.000                    | 1.005                         | 1.010                         | 1.015                         | 1.020                         | 0.980                         | 0.960                         | 0.941                         | 0.922                         | 1.025                        |
| 2018-2019     | 1.000                    | 1.000                         | 1.005                         | 1.010                         | 1.015                         | 1.000                         | 0.980                         | 0.960                         | 0.941                         | 1.000                        |
| 2019-2020     | 1.000                    | --                            | 1.000                         | 1.005                         | 1.010                         | --                            | 1.000                         | 0.980                         | 0.960                         | --                           |
| 2020-2021     | 1.000                    | --                            | --                            | 1.000                         | 1.005                         | --                            | --                            | 1.000                         | 0.980                         | --                           |
| 2021-2022     | 1.000                    | --                            | --                            | --                            | 1.000                         | --                            | --                            | --                            | 1.000                         | --                           |

Notes:

- (A) Based on WCIRB.
- (B) - (E) (A) adjusted for a 0.4% annual loss rate trend.
- (F) - (I) (A) adjusted for a -2.0% annual frequency trend.
- (J) (A) adjusted for a 2.5% annual severity trend.

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

## Judicial Branch Workers' Compensation Program - Trial Courts

## Residual Trend Factors

| Accident Year | Initial Estimate of Ultimate Limited Losses (A) | Ultimate Reported Claims (B) | BLF (C) | Adjusted Limited Severity (D) | Trended Payroll (\$00) (E) | Ultimate Frequency (F) |
|---------------|---|------------------------------|---------|-------------------------------|----------------------------|------------------------|
| Prior         |   | 0                            | 1.001   |                               |                            |                        |
| 1998-1999     |   | 0                            | 0.889   |                               |                            |                        |
| 1999-2000     |   | 0                            | 0.795   |                               |                            |                        |
| 2000-2001     | 9,237,000                                       | 413                          | 0.750   | 16,784                        | 3,484,365                  | 1.185                  |
| 2001-2002     | 13,131,000                                      | 684                          | 0.755   | 14,491                        | 7,346,751                  | 0.931                  |
| 2002-2003     | 17,095,000                                      | 871                          | 0.795   | 15,597                        | 8,502,277                  | 1.024                  |
| 2003-2004     | 18,445,000                                      | 1,103                        | 0.983   | 16,438                        | 9,310,895                  | 1.185                  |
| 2004-2005     | 13,538,000                                      | 971                          | 1.268   | 17,675                        | 9,498,419                  | 1.022                  |
| 2005-2006     | 13,017,000                                      | 943                          | 1.377   | 19,001                        | 10,082,520                 | 0.935                  |
| 2006-2007     | 11,681,000                                      | 925                          | 1.307   | 16,499                        | 10,673,588                 | 0.867                  |
| 2007-2008     | 12,828,000                                      | 793                          | 1.217   | 19,687                        | 11,528,414                 | 0.688                  |
| 2008-2009     | 11,209,000                                      | 873                          | 1.138   | 14,614                        | 11,787,282                 | 0.741                  |
| 2009-2010     | 15,646,000                                      | 794                          | 1.046   | 20,611                        | 10,828,977                 | 0.733                  |
| 2010-2011     | 14,193,000                                      | 763                          | 1.001   | 18,620                        | 10,730,191                 | 0.711                  |
| 2011-2012     | 13,844,000                                      | 666                          | 1.001   | 20,810                        | 10,445,208                 | 0.638                  |
| 2012-2013     | 15,196,000                                      | 642                          | 1.018   | 24,099                        | 9,455,792                  | 0.679                  |
| 2013-2014     | 12,232,000                                      | 579                          | 1.029   | 21,735                        | 9,208,146                  | 0.629                  |
| 2014-2015     | 12,071,000                                      | 551                          | 1.013   | 22,191                        | 8,858,828                  | 0.622                  |
| 2015-2016     | 12,935,000                                      | 577                          | 1.017   | 22,801                        | 9,127,444                  | 0.632                  |
| 2016-2017     | 11,650,000                                      | 564                          | 1.019   | 21,047                        | 9,118,220                  | 0.619                  |
| 2017-2018     | 11,495,000                                      | 512                          | 1.000   | 22,451                        | 8,937,672                  | 0.573                  |

|                         | <u>Severity Trend Factors</u> | <u>Frequency Trend Factors</u> |
|-------------------------|-------------------------------|--------------------------------|
| Latest 10 x 2017-2018   | 1.029                         | 0.981                          |
| Latest 5 x 2017-2018    | 0.978                         | 0.982                          |
| Prior                   | 1.025                         | 0.970                          |
| Default                 | 1.025                         | 0.980                          |
| Selected Residual Trend | 1.025                         | 0.980                          |

## Notes:

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

## Judicial Branch Workers' Compensation Program - Trial Courts

Outstanding Liability for  
Unallocated Loss Adjustment Expenses  
as of 6/30/18

| Fiscal Year<br>(A) | Number of<br>Claims Active<br>During<br>Fiscal<br>Year<br>(B) | Average<br>ULAE<br>Charge<br>per Active<br>Claim<br>(C) | Inflation<br>Trend<br>Factor<br>(D) | Trended<br>ULAE<br>Charge<br>per Active<br>Claim<br>(E) | ULAE<br>Paid During<br>Year<br>(F) |
|--------------------|---|---|-------------------------------------|---|------------------------------------|
| 2018-2019          | 1,041.0   | \$1,741   | 1.000                               | \$1,741   | \$1,812,381                        |
| 2019-2020          | 641.4   | 1,741   | 1.050                               | 1,828   | 1,172,479                          |
| 2020-2021          | 441.5   | 1,741   | 1.103                               | 1,920   | 847,680                            |
| 2021-2022          | 309.4   | 1,741   | 1.158                               | 2,016   | 623,750                            |
| 2022-2023          | 215.4   | 1,741   | 1.216                               | 2,117   | 456,002                            |
| 2023-2024          | 147.9   | 1,741   | 1.277                               | 2,223   | 328,782                            |
| 2024-2025          | 101.7   | 1,741   | 1.341                               | 2,335   | 237,470                            |
| 2025-2026          | 69.4  | 1,741   | 1.408                               | 2,451   | 170,099                            |
| 2026-2027          | 46.2  | 1,741   | 1.478                               | 2,573   | 118,873                            |
| 2027-2028          | 29.5  | 1,741   | 1.552                               | 2,702   | 79,709                             |
| 2028-2029          | 17.6  | 1,741   | 1.630                               | 2,838   | 49,949                             |
| 2029-2030          | 9.6   | 1,741   | 1.712                               | 2,981   | 28,618                             |
| 2030-2031          | 4.4   | 1,741   | 1.798                               | 3,130   | 13,772                             |
| 2031-2032          | 1.4   | 1,741   | 1.888                               | 3,287   | 4,602                              |
| 2032-2033          | 0.5   | 1,741   | 1.982                               | 3,451   | 1,726                              |
| 2033-2034          | 0.0   | 1,741   | 2.081                               | 3,623   | 0                                  |
| 2034-2035          | 0.0   | 1,741   | 2.185                               | 3,804   | 0                                  |
| 2035-2036          | 0.0   | 1,741   | 2.294                               | 3,994   | 0                                  |

(G) Total ULAE Outstanding as of 6/30/18: \$5,945,892

(H) Total ULAE Outstanding as of 12/31/18: \$5,956,374

## Notes:

- (A) We assume fiscal years will be 7/1 to 6/30.
- (B) Based on an estimated claim closing pattern.
- (C) Based on claims administration payment information provided by the Judicial Council.
- (D) We assume ULAE costs will increase at 5.0% per year.
- (E) (C) x (D).
- (F) (B) x (E).
- (G) Total of Column (F).
- (H) (G) from this page and the next, interpolated to 12/31/18.

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

Judicial Branch Workers' Compensation Program - Trial Courts

Outstanding Liability for  
Unallocated Loss Adjustment Expenses  
as of 6/30/19

| Fiscal Year<br>(A)                        | Number of Claims Active During Fiscal Year<br>(B) | Average ULAE Charge per Active Claim<br>(C) | Inflation Trend Factor<br>(D) | Trended ULAE Charge per Active Claim<br>(E) | ULAE Paid During Year<br>(F) |
|---|---|---|-------------------------------|---|------------------------------|
| 2019-2020                                 | 945.8   | \$1,741                                     | 1.050                         | \$1,828                                     | \$1,728,922                  |
| 2020-2021                                 | 614.4   | 1,741                                       | 1.103                         | 1,920                                       | 1,179,648                    |
| 2021-2022                                 | 427.4   | 1,741                                       | 1.158                         | 2,016                                       | 861,638                      |
| 2022-2023                                 | 302.4   | 1,741                                       | 1.216                         | 2,117                                       | 640,181                      |
| 2023-2024                                 | 210.2   | 1,741                                       | 1.277                         | 2,223                                       | 467,275                      |
| 2024-2025                                 | 145.4   | 1,741                                       | 1.341                         | 2,335                                       | 339,509                      |
| 2025-2026                                 | 100.6   | 1,741                                       | 1.408                         | 2,451                                       | 246,571                      |
| 2026-2027                                 | 69.2  | 1,741                                       | 1.478                         | 2,573                                       | 178,052                      |
| 2027-2028                                 | 47.1  | 1,741                                       | 1.552                         | 2,702                                       | 127,264                      |
| 2028-2029                                 | 30.7  | 1,741                                       | 1.630                         | 2,838                                       | 87,127                       |
| 2029-2030                                 | 18.6  | 1,741                                       | 1.712                         | 2,981                                       | 55,447                       |
| 2030-2031                                 | 10.3  | 1,741                                       | 1.798                         | 3,130                                       | 32,239                       |
| 2031-2032                                 | 4.6   | 1,741                                       | 1.888                         | 3,287                                       | 15,120                       |
| 2032-2033                                 | 1.6   | 1,741                                       | 1.982                         | 3,451                                       | 5,522                        |
| 2033-2034                                 | 0.6   | 1,741                                       | 2.081                         | 3,623                                       | 2,174                        |
| 2034-2035                                 | 0.0   | 1,741                                       | 2.185                         | 3,804                                       | 0                            |
| 2035-2036                                 | 0.0   | 1,741                                       | 2.294                         | 3,994                                       | 0                            |
| 2036-2037                                 | 0.0   | 1,741                                       | 2.409                         | 4,194                                       | 0                            |
| (G) Total ULAE Outstanding as of 6/30/19: |   |   |                               |   | \$5,966,689                  |

Notes:

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

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

## Judicial Branch Workers' Compensation Program - Trial Courts

## Payment and Reserve Forecast

| Accident Year           | Calendar Period     |                             |                             |                             |                             |
|-------------------------|---------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
|                         | As of<br>12/31/2018 | 1/1/2019<br>to<br>6/30/2019 | 7/1/2019<br>to<br>6/30/2020 | 7/1/2020<br>to<br>6/30/2021 | 7/1/2021<br>to<br>6/30/2022 |
| Prior                   |                     |                             |                             |                             |                             |
| Ultimate Loss           | \$23,828,000        | \$23,828,000                | \$23,828,000                | \$23,828,000                | \$23,828,000                |
| Paid in Calendar Period | -                   | 51,097                      | 105,743                     | 103,595                     | 79,261                      |
| Paid to Date            | 23,074,172          | 23,125,269                  | 23,231,012                  | 23,334,607                  | 23,413,868                  |
| Outstanding Liability   | 753,828             | 702,731                     | 596,988                     | 493,393                     | 414,132                     |
| 2002-2003               |                     |                             |                             |                             |                             |
| Ultimate Loss           | \$18,100,000        | \$18,100,000                | \$18,100,000                | \$18,100,000                | \$18,100,000                |
| Paid in Calendar Period | -                   | 41,711                      | 52,903                      | 63,738                      | 75,401                      |
| Paid to Date            | 17,495,486          | 17,537,197                  | 17,590,100                  | 17,653,838                  | 17,729,239                  |
| Outstanding Liability   | 604,514             | 562,803                     | 509,900                     | 446,162                     | 370,761                     |
| 2003-2004               |                     |                             |                             |                             |                             |
| Ultimate Loss           | \$20,673,000        | \$20,673,000                | \$20,673,000                | \$20,673,000                | \$20,673,000                |
| Paid in Calendar Period | -                   | 130,824                     | 222,550                     | 113,181                     | 136,359                     |
| Paid to Date            | 19,115,574          | 19,246,398                  | 19,468,948                  | 19,582,129                  | 19,718,488                  |
| Outstanding Liability   | 1,557,426           | 1,426,602                   | 1,204,052                   | 1,090,871                   | 954,512                     |
| 2004-2005               |                     |                             |                             |                             |                             |
| Ultimate Loss           | \$14,310,000        | \$14,310,000                | \$14,310,000                | \$14,310,000                | \$14,310,000                |
| Paid in Calendar Period | -                   | 54,798                      | 84,182                      | 57,472                      | 29,228                      |
| Paid to Date            | 13,802,608          | 13,857,406                  | 13,941,588                  | 13,999,060                  | 14,028,288                  |
| Outstanding Liability   | 507,392             | 452,594                     | 368,412                     | 310,940                     | 281,712                     |
| 2005-2006               |                     |                             |                             |                             |                             |
| Ultimate Loss           | \$14,458,000        | \$14,458,000                | \$14,458,000                | \$14,458,000                | \$14,458,000                |
| Paid in Calendar Period | -                   | 117,541                     | 230,414                     | 170,362                     | 116,308                     |
| Paid to Date            | 13,194,121          | 13,311,662                  | 13,542,076                  | 13,712,438                  | 13,828,746                  |
| Outstanding Liability   | 1,263,879           | 1,146,338                   | 915,924                     | 745,562                     | 629,254                     |
| 2006-2007               |                     |                             |                             |                             |                             |
| Ultimate Loss           | \$14,548,000        | \$14,548,000                | \$14,548,000                | \$14,548,000                | \$14,548,000                |
| Paid in Calendar Period | -                   | 133,004                     | 251,639                     | 248,708                     | 183,888                     |
| Paid to Date            | 12,926,005          | 13,059,009                  | 13,310,648                  | 13,559,356                  | 13,743,244                  |
| Outstanding Liability   | 1,621,995           | 1,488,991                   | 1,237,352                   | 988,644                     | 804,756                     |
| 2007-2008               |                     |                             |                             |                             |                             |
| Ultimate Loss           | \$13,808,000        | \$13,808,000                | \$13,808,000                | \$13,808,000                | \$13,808,000                |
| Paid in Calendar Period | -                   | 102,066                     | 194,415                     | 186,185                     | 184,016                     |
| Paid to Date            | 12,409,832          | 12,511,898                  | 12,706,313                  | 12,892,498                  | 13,076,514                  |
| Outstanding Liability   | 1,398,168           | 1,296,102                   | 1,101,687                   | 915,502                     | 731,486                     |

## Judicial Branch Workers' Compensation Program - Trial Courts

## Payment and Reserve Forecast

| Accident Year           | As of<br>12/31/2018 | Calendar Period             |                             |                             |                             |
|-------------------------|---------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
|                         |                     | 1/1/2019<br>to<br>6/30/2019 | 7/1/2019<br>to<br>6/30/2020 | 7/1/2020<br>to<br>6/30/2021 | 7/1/2021<br>to<br>6/30/2022 |
| 2008-2009               |                     |                             |                             |                             |                             |
| Ultimate Loss           | \$12,420,000        | \$12,420,000                | \$12,420,000                | \$12,420,000                | \$12,420,000                |
| Paid in Calendar Period | -                   | 133,815                     | 250,970                     | 233,185                     | 223,314                     |
| Paid to Date            | 10,480,648          | 10,614,463                  | 10,865,433                  | 11,098,618                  | 11,321,932                  |
| Outstanding Liability   | 1,939,352           | 1,805,537                   | 1,554,567                   | 1,321,382                   | 1,098,068                   |
| 2009-2010               |                     |                             |                             |                             |                             |
| Ultimate Loss           | \$17,884,000        | \$17,884,000                | \$17,884,000                | \$17,884,000                | \$17,884,000                |
| Paid in Calendar Period | -                   | 219,297                     | 405,764                     | 361,385                     | 335,776                     |
| Paid to Date            | 14,659,045          | 14,878,342                  | 15,284,106                  | 15,645,491                  | 15,981,267                  |
| Outstanding Liability   | 3,224,955           | 3,005,658                   | 2,599,894                   | 2,238,509                   | 1,902,733                   |
| 2010-2011               |                     |                             |                             |                             |                             |
| Ultimate Loss           | \$16,732,000        | \$16,732,000                | \$16,732,000                | \$16,732,000                | \$16,732,000                |
| Paid in Calendar Period | -                   | 225,110                     | 427,432                     | 379,443                     | 337,943                     |
| Paid to Date            | 13,268,770          | 13,493,880                  | 13,921,312                  | 14,300,755                  | 14,638,698                  |
| Outstanding Liability   | 3,463,230           | 3,238,120                   | 2,810,688                   | 2,431,245                   | 2,093,302                   |
| 2011-2012               |                     |                             |                             |                             |                             |
| Ultimate Loss           | \$15,854,000        | \$15,854,000                | \$15,854,000                | \$15,854,000                | \$15,854,000                |
| Paid in Calendar Period | -                   | 282,249                     | 483,868                     | 395,630                     | 351,212                     |
| Paid to Date            | 12,090,684          | 12,372,933                  | 12,856,801                  | 13,252,431                  | 13,603,643                  |
| Outstanding Liability   | 3,763,316           | 3,481,067                   | 2,997,199                   | 2,601,569                   | 2,250,357                   |
| 2012-2013               |                     |                             |                             |                             |                             |
| Ultimate Loss           | \$17,437,000        | \$17,437,000                | \$17,437,000                | \$17,437,000                | \$17,437,000                |
| Paid in Calendar Period | -                   | 354,950                     | 653,570                     | 535,679                     | 437,993                     |
| Paid to Date            | 12,574,672          | 12,929,622                  | 13,583,192                  | 14,118,871                  | 14,556,864                  |
| Outstanding Liability   | 4,862,328           | 4,507,378                   | 3,853,808                   | 3,318,129                   | 2,880,136                   |
| 2013-2014               |                     |                             |                             |                             |                             |
| Ultimate Loss           | \$14,050,000        | \$14,050,000                | \$14,050,000                | \$14,050,000                | \$14,050,000                |
| Paid in Calendar Period | -                   | 337,736                     | 617,585                     | 532,324                     | 436,304                     |
| Paid to Date            | 9,423,476           | 9,761,212                   | 10,378,797                  | 10,911,121                  | 11,347,425                  |
| Outstanding Liability   | 4,626,524           | 4,288,788                   | 3,671,203                   | 3,138,879                   | 2,702,575                   |
| 2014-2015               |                     |                             |                             |                             |                             |
| Ultimate Loss           | \$13,856,000        | \$13,856,000                | \$13,856,000                | \$13,856,000                | \$13,856,000                |
| Paid in Calendar Period | -                   | 429,192                     | 760,550                     | 611,002                     | 526,649                     |
| Paid to Date            | 8,423,192           | 8,852,384                   | 9,612,934                   | 10,223,936                  | 10,750,585                  |
| Outstanding Liability   | 5,432,808           | 5,003,616                   | 4,243,066                   | 3,632,064                   | 3,105,415                   |

## Judicial Branch Workers' Compensation Program - Trial Courts

## Payment and Reserve Forecast

| <u>Accident Year</u>               | <u>As of</u><br><u>12/31/2018</u> | <u>Calendar Period</u>                           |  |  |  |
|------------------------------------|-----------------------------------|--|--|--|--|
|                                    |                                   | <u>1/1/2019</u><br><u>to</u><br><u>6/30/2019</u> | <u>7/1/2019</u><br><u>to</u><br><u>6/30/2020</u> | <u>7/1/2020</u><br><u>to</u><br><u>6/30/2021</u> | <u>7/1/2021</u><br><u>to</u><br><u>6/30/2022</u> |
| 2015-2016                          |                                   |  |  |  |  |
| Ultimate Loss                      | \$14,593,000                      | \$14,593,000                                     | \$14,593,000                                     | \$14,593,000                                     | \$14,593,000                                     |
| Paid in Calendar Period            | -                                 | 705,501  | 1,161,960  | 788,507  | 633,462  |
| Paid to Date                       | 7,537,992                         | 8,243,493  | 9,405,453  | 10,193,960                                       | 10,827,422                                       |
| Outstanding Liability              | 7,055,008                         | 6,349,507  | 5,187,547  | 4,399,040  | 3,765,578  |
| 2016-2017                          |                                   |  |  |  |  |
| Ultimate Loss                      | \$13,830,000                      | \$13,830,000                                     | \$13,830,000                                     | \$13,830,000                                     | \$13,830,000                                     |
| Paid in Calendar Period            | -                                 | 886,583  | 1,584,497  | 1,138,426  | 772,537  |
| Paid to Date                       | 5,138,014                         | 6,024,597  | 7,609,094  | 8,747,520  | 9,520,057  |
| Outstanding Liability              | 8,691,986                         | 7,805,403  | 6,220,906  | 5,082,480  | 4,309,943  |
| 2017-2018                          |                                   |  |  |  |  |
| Ultimate Loss                      | \$13,878,000                      | \$13,878,000                                     | \$13,878,000                                     | \$13,878,000                                     | \$13,878,000                                     |
| Paid in Calendar Period            | -                                 | 1,183,270  | 2,073,819  | 1,583,706  | 1,137,858  |
| Paid to Date                       | 2,819,403                         | 4,002,673  | 6,076,492  | 7,660,198  | 8,798,056  |
| Outstanding Liability              | 11,058,597                        | 9,875,327  | 7,801,508  | 6,217,802  | 5,079,944  |
| 2018-2019                          |                                   |  |  |  |  |
| Ultimate Loss                      | \$7,232,000                       | \$14,464,000                                     | \$14,464,000                                     | \$14,464,000                                     | \$14,464,000                                     |
| Paid in Calendar Period            | -                                 | 1,339,870  | 2,552,806  | 2,144,357  | 1,637,574  |
| Paid to Date                       | 360,102                           | 1,699,972  | 4,252,778  | 6,397,135  | 8,034,709  |
| Outstanding Liability              | 6,871,898                         | 12,764,028                                       | 10,211,222                                       | 8,066,865  | 6,429,291  |
| 2019-2020                          |                                   |  |  |  |  |
| Ultimate Loss                      | -                                 | -  | \$14,999,000                                     | \$14,999,000                                     | \$14,999,000                                     |
| Paid in Calendar Period            | -                                 | -  | 1,784,881  | 2,642,824  | 2,219,972  |
| Paid to Date                       | -                                 | -  | 1,784,881  | 4,427,705  | 6,647,677  |
| Outstanding Liability              | -                                 | -  | 13,214,119                                       | 10,571,295                                       | 8,351,323  |
| 2020-2021                          |                                   |  |  |  |  |
| Ultimate Loss                      | -                                 | -  | -  | \$15,543,000                                     | \$15,543,000                                     |
| Paid in Calendar Period            | -                                 | -  | -  | 1,849,617  | 2,738,677  |
| Paid to Date                       | -                                 | -  | -  | 1,849,617  | 4,588,294  |
| Outstanding Liability              | -                                 | -  | -  | 13,693,383                                       | 10,954,706                                       |
| 2021-2022                          |                                   |  |  |  |  |
| Ultimate Loss                      | -                                 | -  | -  | -  | \$16,114,000                                     |
| Paid in Calendar Period            | -                                 | -  | -  | -  | 1,917,566  |
| Paid to Date                       | -                                 | -  | -  | -  | 1,917,566  |
| Outstanding Liability              | -                                 | -  | -  | -  | 14,196,434                                       |
| Totals                             |                                   |  |  |  |  |
| Ultimate Loss                      | \$277,491,000                     | \$284,723,000                                    | \$299,722,000                                    | \$315,265,000                                    | \$331,379,000                                    |
| Paid in Calendar Period            | -                                 | 6,728,614  | 13,899,548                                       | 14,139,326                                       | 14,511,298                                       |
| Paid to Date                       | 208,793,796                       | 215,522,410                                      | 229,421,958                                      | 243,561,284                                      | 258,072,582                                      |
| Outstanding Liability              | 68,697,204                        | 69,200,590                                       | 70,300,042                                       | 71,703,716                                       | 73,306,418                                       |
| Total Outstanding ULAE             | 5,956,374                         | 5,966,689  | 6,173,939  | 6,446,608  | 6,767,851  |
| Outstanding Liability<br>plus ULAE | 74,653,578                        | 75,167,279                                       | 76,473,981                                       | 78,150,324                                       | 80,074,269                                       |

Notes appear on the next page.



## Judicial Branch Workers' Compensation Program - Trial Courts

## 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 2016-2017, \$886,583 is expected to be paid between 1/1/19 and 6/30/19, \$6,024,597 will have been paid by 6/30/19, and the reserve for remaining payments on these claims should be \$7,805,403.
- Ultimate Losses for each accident year are from Exhibit TC-4, Page 1.
- Paid in Calendar Period is a proportion of the Outstanding Liability from the previous calendar period. These proportions are derived from the paid loss development pattern selected in Appendix B. For example,  $\$1,584,497 = \$7,805,403 \times 20.3\%$ .
- Paid to Date is Paid in Calendar Period plus Paid to Date from previous calendar period. For example,  $\$7,609,094 = \$1,584,497 + \$6,024,597$ .
- Outstanding Liability is Ultimate Loss minus Paid to Date. For example,  $\$7,805,403 = \$13,830,000 - \$6,024,597$ .

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.

Judicial Branch Workers' Compensation Program - Trial Courts

Annual Payments (Historical and Projected)

Trial Courts Total

|              | 2009              | 2010              | 2011              | 2012              | 2013              | 2014              | 2015              | 2016              | 2017              | 2018              | Total              |
|--------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| 2000-2001    | 472,952           | 327,238           | 228,314           | 64,110            | 95,207            | 119,571           | 93,152            | 88,594            | 124,337           | 72,899            |                    |
| 2001-2002    | 1,105,388         | 453,017           | 447,701           | 248,693           | 222,305           | -112,523          | 25,482            | 77,499            | -16,366           | 23,594            |                    |
| 2002-2003    | 793,960           | 405,402           | 474,420           | 640,534           | 357,021           | 276,380           | 302,471           | 410,351           | -145,138          | 198,768           |                    |
| 2003-2004    | 912,104           | 791,374           | 740,595           | 533,018           | 393,815           | 427,377           | 336,318           | 328,957           | 229,302           | 178,523           |                    |
| 2004-2005    | 1,015,234         | 719,789           | 649,464           | 397,683           | 419,160           | 362,368           | 191,893           | 202,670           | 304,079           | 228,164           |                    |
| 2005-2006    | 1,003,291         | 866,929           | 637,727           | 720,184           | 653,230           | 354,475           | 434,700           | 528,322           | 375,585           | 100,939           |                    |
| 2006-2007    | 1,648,873         | 1,264,130         | 955,440           | 670,153           | 691,091           | 484,163           | 612,680           | 350,649           | 379,374           | 264,968           |                    |
| 2007-2008    | 2,112,081         | 1,735,203         | 1,304,001         | 745,269           | 945,996           | 956,061           | 518,584           | 328,435           | 292,456           | 285,962           |                    |
| 2008-2009    | 3,045,617         | 2,466,555         | 1,745,456         | 968,816           | 562,903           | 380,223           | 323,109           | 251,392           | 120,555           | 161,793           |                    |
| 2009-2010    | 429,214           | 3,437,354         | 3,115,353         | 2,160,217         | 1,753,489         | 1,015,646         | 1,005,089         | 497,256           | 625,646           | 619,782           |                    |
| 2010-2011    | 0                 | 434,154           | 3,073,577         | 2,521,239         | 1,989,556         | 1,517,095         | 1,226,845         | 1,207,135         | 844,424           | 454,744           |                    |
| 2011-2012    | 0                 | 0                 | 427,443           | 2,760,515         | 2,596,304         | 1,810,904         | 1,705,733         | 1,073,177         | 780,849           | 935,759           |                    |
| 2012-2013    | 0                 | 0                 | 0                 | 389,782           | 2,811,567         | 2,691,342         | 2,017,896         | 2,252,614         | 1,529,110         | 882,362           |                    |
| 2013-2014    | 0                 | 0                 | 0                 | 0                 | 502,329           | 2,685,539         | 2,078,587         | 1,748,498         | 1,513,626         | 894,896           |                    |
| 2014-2015    | 0                 | 0                 | 0                 | 0                 | 0                 | 227,098           | 2,119,289         | 2,607,789         | 1,957,305         | 1,511,712         |                    |
| 2015-2016    | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 416,214           | 2,859,330         | 2,456,877         | 1,805,571         |                    |
| 2016-2017    | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 299,568           | 2,422,257         | 2,416,190         |                    |
| 2017-2018    | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 320,467           | 2,498,936         |                    |
| 2018-2019    | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 360,102           |                    |
| <b>Total</b> | <b>12,538,715</b> | <b>12,901,146</b> | <b>13,799,491</b> | <b>12,820,212</b> | <b>13,993,972</b> | <b>13,195,720</b> | <b>13,408,041</b> | <b>15,112,234</b> | <b>14,114,746</b> | <b>13,895,665</b> | <b>135,779,943</b> |

San Diego TD

|              | 2009           | 2010           | 2011           | 2012           | 2013           | 2014           | 2015     | 2016     | 2017     | 2018     |                  |
|--------------|----------------|----------------|----------------|----------------|----------------|----------------|----------|----------|----------|----------|------------------|
| <b>Total</b> | <b>168,122</b> | <b>155,855</b> | <b>131,078</b> | <b>138,731</b> | <b>191,637</b> | <b>241,782</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>1,027,206</b> |

San Diego TD Percent of Trial Courts Total Payments

|  | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |      |
|--|------|------|------|------|------|------|------|------|------|------|------|
|  | 1.3% | 1.2% | 0.9% | 1.1% | 1.4% | 1.8% | 0.0% | 0.0% | 0.0% | 0.0% | 0.8% |

Selected San Diego TD Load: 0.8%  
 Prior Selected San Diego TD Load: 0.9%

## Judicial Branch Workers' Compensation Program - Trial Courts

## Short- and Long-Term Liabilities

| <u>Liabilities as of 12/31/18:</u> |                          | <u>Expected</u>     | <u>Discounted</u>   |
|------------------------------------|--------------------------|---------------------|---------------------|
| <u>Current (Short Term)</u>        | Loss and ALAE:           | \$5,388,744         | \$5,388,744         |
|                                    | ULAE:                    | 1,812,381           | 1,812,381           |
|                                    | Short-Term Loss and LAE: | <u>\$7,201,125</u>  | <u>\$7,201,125</u>  |
| <u>Non-Current (Long Term)</u>     | Loss and ALAE:           | \$63,308,460        | \$63,308,460        |
|                                    | ULAE:                    | 4,143,993           | 4,143,993           |
|                                    | Long-Term Loss and LAE:  | <u>\$67,452,453</u> | <u>\$67,452,453</u> |
| <u>Total Liability</u>             | Loss and ALAE:           | \$68,697,204        | \$68,697,204        |
|                                    | ULAE:                    | 5,956,374           | 5,956,374           |
|                                    | Total Loss and LAE:      | <u>\$74,653,578</u> | <u>\$74,653,578</u> |
| <u>Liabilities as of 6/30/19:</u>  |                          |                     |                     |
| <u>Current (Short Term)</u>        | Loss and ALAE:           | \$12,114,667        | \$12,114,667        |
|                                    | ULAE:                    | 1,728,922           | 1,728,922           |
|                                    | Short-Term Loss and LAE: | <u>\$13,843,589</u> | <u>\$13,843,589</u> |
| <u>Non-Current (Long Term)</u>     | Loss and ALAE:           | \$57,085,923        | \$57,085,923        |
|                                    | ULAE:                    | 4,237,767           | 4,237,767           |
|                                    | Long-Term Loss and LAE:  | <u>\$61,323,690</u> | <u>\$61,323,690</u> |
| <u>Total Liability</u>             | Loss and ALAE:           | \$69,200,590        | \$69,200,590        |
|                                    | ULAE:                    | 5,966,689           | 5,966,689           |
|                                    | Total Loss and LAE:      | <u>\$75,167,279</u> | <u>\$75,167,279</u> |

|                                    |                          | <u>Discounted with a Margin for Contingencies</u> |                     |                     |                     |                     |
|------------------------------------|--------------------------|---|---------------------|---------------------|---------------------|---------------------|
|                                    |                          | <u>70%</u>  | <u>75%</u>          | <u>80%</u>          | <u>85%</u>          | <u>90%</u>          |
|                                    |                          | <u>Confidence</u>                                 | <u>Confidence</u>   | <u>Confidence</u>   | <u>Confidence</u>   | <u>Confidence</u>   |
| <u>Liabilities as of 12/31/18:</u> |                          |   |                     |                     |                     |                     |
| <u>Current (Short Term)</u>        | Loss and ALAE:           | \$5,814,455                                       | \$5,981,506         | \$6,175,501         | \$6,412,605         | \$6,725,153         |
|                                    | ULAE:                    | 1,955,559   | 2,011,743           | 2,076,989           | 2,156,733           | 2,261,851           |
|                                    | Short-Term Loss and LAE: | <u>\$7,770,014</u>                                | <u>\$7,993,249</u>  | <u>\$8,252,490</u>  | <u>\$8,569,338</u>  | <u>\$8,987,004</u>  |
| <u>Non-Current (Long Term)</u>     | Loss and ALAE:           | \$68,309,828                                      | \$70,272,390        | \$72,551,495        | \$75,337,068        | \$79,008,958        |
|                                    | ULAE:                    | 4,471,369   | 4,599,833           | 4,749,015           | 4,931,352           | 5,171,703           |
|                                    | Long-Term Loss and LAE:  | <u>\$72,781,197</u>                               | <u>\$74,872,223</u> | <u>\$77,300,510</u> | <u>\$80,268,420</u> | <u>\$84,180,661</u> |
| <u>Total Liability</u>             | Loss and ALAE:           | \$74,124,283                                      | \$76,253,896        | \$78,726,996        | \$81,749,673        | \$85,734,111        |
|                                    | ULAE:                    | 6,426,928   | 6,611,576           | 6,826,004           | 7,088,085           | 7,433,554           |
|                                    | Total Loss and LAE:      | <u>\$80,551,211</u>                               | <u>\$82,865,472</u> | <u>\$85,553,000</u> | <u>\$88,837,758</u> | <u>\$93,167,665</u> |
| <u>Liabilities as of 6/30/19:</u>  |                          |   |                     |                     |                     |                     |
| <u>Current (Short Term)</u>        | Loss and ALAE:           | \$13,071,726                                      | \$13,447,280        | \$13,883,408        | \$14,416,454        | \$15,119,104        |
|                                    | ULAE:                    | 1,865,507   | 1,919,103           | 1,981,345           | 2,057,417           | 2,157,695           |
|                                    | Short-Term Loss and LAE: | <u>\$14,937,233</u>                               | <u>\$15,366,383</u> | <u>\$15,864,753</u> | <u>\$16,473,871</u> | <u>\$17,276,799</u> |
| <u>Non-Current (Long Term)</u>     | Loss and ALAE:           | \$61,595,711                                      | \$63,365,375        | \$65,420,468        | \$67,932,248        | \$71,243,232        |
|                                    | ULAE:                    | 4,572,550   | 4,703,922           | 4,856,481           | 5,042,943           | 5,288,733           |
|                                    | Long-Term Loss and LAE:  | <u>\$66,168,261</u>                               | <u>\$68,069,297</u> | <u>\$70,276,949</u> | <u>\$72,975,191</u> | <u>\$76,531,965</u> |
| <u>Total Liability</u>             | Loss and ALAE:           | \$74,667,437                                      | \$76,812,655        | \$79,303,876        | \$82,348,702        | \$86,362,336        |
|                                    | ULAE:                    | 6,438,057   | 6,623,025           | 6,837,826           | 7,100,360           | 7,446,428           |
|                                    | Total Loss and LAE:      | <u>\$81,105,494</u>                               | <u>\$83,435,680</u> | <u>\$86,141,702</u> | <u>\$89,449,062</u> | <u>\$93,808,764</u> |

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

Judicial Branch Workers' Compensation Program - Trial Courts

Confidence Level Table

| Probability | Projected Losses | Outstanding Losses |
|-------------|------------------|--------------------|
| 95%         | 1.457            | 1.340              |
| 90%         | 1.331            | 1.248              |
| 85%         | 1.253            | 1.190              |
| 80%         | 1.193            | 1.146              |
| 75%         | 1.145            | 1.110              |
| 70%         | 1.103            | 1.079              |
| 65%         | 1.066            | 1.050              |
| 60%         | 1.032            | 1.025              |
| 55%         | 1.000            | 1.002              |
| 50%         | 0.969            | 0.979              |
| 45%         | 0.940            | 0.957              |
| 40%         | 0.910            | 0.935              |
| 35%         | 0.881            | 0.913              |
| 30%         | 0.852            | 0.890              |
| 25%         | 0.821            | 0.866              |

To read table: For the above retention, there is a 90% chance that final loss settlements will be less than 1.331 times the average expected amount of losses.

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

Judicial Branch Workers' Compensation Program - Trial Courts

Program History

| Policy Year | Policy Year | Policy Year | Self-Insured Retention |           |
|-------------|-------------|-------------|------------------------|-----------|
|             |             |             | Per Occurrence         | Aggregate |
| 1/1/2001    | 6/30/2004   | 2003-2004   | See Appendix TC-K      | (none)    |
| 7/1/2007    | 6/30/2008   | 2007-2008   | 2,000,000              | (none)    |
| 7/1/2008    | 6/30/2009   | 2008-2009   | 2,000,000              | (none)    |
| 7/1/2009    | 6/30/2010   | 2009-2010   | 2,000,000              | (none)    |
| 7/1/2010    | 6/30/2011   | 2010-2011   | 2,000,000              | (none)    |
| 7/1/2011    | 6/30/2012   | 2011-2012   | 2,000,000              | (none)    |
| 7/1/2012    | 6/30/2013   | 2012-2013   | 2,000,000              | (none)    |
| 7/1/2013    | 6/30/2014   | 2013-2014   | 2,000,000              | (none)    |
| 7/1/2014    | 6/30/2015   | 2014-2015   | 2,000,000              | (none)    |
| 7/1/2015    | 6/30/2016   | 2015-2016   | 2,000,000              | (none)    |
| 7/1/2016    | 6/30/2017   | 2016-2017   | 2,000,000              | (none)    |
| 7/1/2017    | 6/30/2018   | 2017-2018   | 2,000,000              | (none)    |
| 7/1/2018    | 6/30/2019   | 2018-2019   | 2,000,000              | (none)    |
| 7/1/2019    | 6/30/2020   | 2019-2020   | 2,000,000              | (none)    |

| Third Party Claims Administrator | Begin Date | End Date  |
|----------------------------------|------------|-----------|
| Corvel                           | 7/1/2008   | 9/30/2014 |
| AIMS                             | 10/1/2014  | Current   |

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

Judicial Branch Workers' Compensation Program - Trial Courts

Incurred Losses as of 12/31/18

| Accident Year (A) | Unlimited Incurred (B) | Additions to Losses (C) | Subtractions from Losses (D) | Adjusted Incurred (E) | Incurred Over SIR (F) | Incurred Over \$250,000 (G) | Incurred Capped at \$250,000 (H) | Incurred \$250,000 to SIR Layer (I) | Incurred Capped at SIR (J) | Incurred Capped at SIR & Aggregate (K) |
|-------------------|------------------------|-------------------------|------------------------------|-----------------------|-----------------------|-----------------------------|----------------------------------|-------------------------------------|----------------------------|--|
| 2000-2001         | 10,798,000             | 0                       | 187,583                      | 10,610,417            | 795,866               | 1,419,700                   | 9,190,717                        | 623,834                             | 9,814,552                  | 9,814,552                              |
| 2001-2002         | 15,681,869             | 0                       | 894,813                      | 14,787,056            | 952,596               | 1,734,550                   | 13,052,506                       | 781,954                             | 13,834,460                 | 13,834,460                             |
| 2002-2003         | 18,548,012             | 0                       | 393,781                      | 18,154,230            | 251,563               | 1,177,674                   | 16,976,556                       | 926,111                             | 17,902,667                 | 17,902,667                             |
| 2003-2004         | 20,474,605             | 0                       | 87,510                       | 20,387,095            | 0                     | 2,088,001                   | 18,299,094                       | 2,088,001                           | 20,387,095                 | 20,387,095                             |
| 2004-2005         | 14,056,094             | 0                       | 12,969                       | 14,043,125            | 0                     | 626,019                     | 13,417,106                       | 626,019                             | 14,043,125                 | 14,043,125                             |
| 2005-2006         | 14,156,620             | 0                       | 64,572                       | 14,092,048            | 0                     | 1,203,742                   | 12,888,306                       | 1,203,742                           | 14,092,048                 | 14,092,048                             |
| 2006-2007         | 14,090,241             | 0                       | 47,337                       | 14,042,905            | 0                     | 2,500,707                   | 11,542,198                       | 2,500,707                           | 14,042,905                 | 14,042,905                             |
| 2007-2008         | 13,246,960             | 0                       | 96,147                       | 13,150,813            | 0                     | 512,195                     | 12,638,619                       | 512,195                             | 13,150,813                 | 13,150,813                             |
| 2008-2009         | 11,099,872             | 0                       | 18,148                       | 11,081,724            | 0                     | 149,622                     | 10,932,102                       | 149,622                             | 11,081,724                 | 11,081,724                             |
| 2009-2010         | 15,811,364             | 0                       | 3,088                        | 15,808,276            | 0                     | 930,275                     | 14,878,002                       | 930,275                             | 15,808,276                 | 15,808,276                             |
| 2010-2011         | 14,769,245             | 0                       | 2,611                        | 14,766,634            | 0                     | 1,105,578                   | 13,661,056                       | 1,105,578                           | 14,766,634                 | 14,766,634                             |
| 2011-2012         | 13,688,069             | 0                       | 7,000                        | 13,681,069            | 0                     | 701,537                     | 12,979,532                       | 701,537                             | 13,681,069                 | 13,681,069                             |
| 2012-2013         | 14,874,431             | 0                       | 189,031                      | 14,685,400            | 0                     | 692,950                     | 13,992,451                       | 692,950                             | 14,685,400                 | 14,685,400                             |
| 2013-2014         | 11,583,206             | 0                       | 87,808                       | 11,495,398            | 0                     | 295,011                     | 11,200,387                       | 295,011                             | 11,495,398                 | 11,495,398                             |
| 2014-2015         | 10,999,242             | 0                       | 81,573                       | 10,917,669            | 0                     | 114,833                     | 10,802,836                       | 114,833                             | 10,917,669                 | 10,917,669                             |
| 2015-2016         | 10,373,241             | 0                       | 50,059                       | 10,323,182            | 0                     | 38,024                      | 10,285,158                       | 38,024                              | 10,323,182                 | 10,323,182                             |
| 2016-2017         | 8,527,100              | 0                       | 3,944                        | 8,523,155             | 0                     | 95,008                      | 8,428,148                        | 95,008                              | 8,523,155                  | 8,523,155                              |
| 2017-2018         | 5,295,953              | 0                       | 721                          | 5,295,232             | 0                     | 0                           | 5,295,232                        | 0                                   | 5,295,232                  | 5,295,232                              |
| 2018-2019         | 1,288,504              | 0                       | 0                            | 1,288,504             | 0                     | 0                           | 1,288,504                        | 0                                   | 1,288,504                  | 1,288,504                              |
| Total             | \$239,362,626          | \$0                     | \$2,228,694                  | \$237,133,932         | \$2,000,025           | \$15,385,423                | \$221,748,509                    | \$13,385,398                        | \$235,133,907              | \$235,133,907                          |
|                   |                        |                         |                              |                       |                       |                             |                                  | 24,008,537                          |                            |  |

Notes:

- (A) Years are 7/1 to 6/30.
- (B) Provided by the Judicial Council.
- (C) No adjustments were made.
- (D) Excess and Subro Recoveries
- (E) (B) + (C) - (D).
- (F) Sum of incurred losses in excess of SIR.
- (G) Sum of incurred losses in excess of \$250,000.
- (H) (E) - (G).
- (I) (G) - (F).
- (J) (E) - (F).
- (K) Minimum of (J) and the aggregate stop loss. See Appendix TC-J.

## Judicial Branch Workers' Compensation Program - Trial Courts

## Paid Losses as of 12/31/18

| Accident Year (A) | Unlimited Paid (B) | Additions to Losses (C) | Subtractions from Losses (D) | Adjusted Paid (E) | Paid Over SIR (F) | Paid Over \$250,000 (G) | Paid Capped at \$250,000 (H) | Paid \$250,000 to SIR Layer (I) | Paid Capped at SIR (J) | Paid Capped at SIR & Aggregate (K) |
|-------------------|--------------------|-------------------------|------------------------------|-------------------|-------------------|-------------------------|------------------------------|---------------------------------|------------------------|------------------------------------|
| 2000-2001         | 10,062,747         | 0                       | 187,583                      | 9,875,164         | 437,783           | 777,725                 | 9,097,439                    | 339,942                         | 9,437,381              | 9,437,381                          |
| 2001-2002         | 14,837,269         | 0                       | 894,813                      | 13,942,456        | 305,664           | 991,657                 | 12,950,799                   | 685,993                         | 13,636,791             | 13,636,791                         |
| 2002-2003         | 18,080,766         | 0                       | 393,781                      | 17,686,985        | 191,499           | 886,846                 | 16,800,139                   | 695,347                         | 17,495,486             | 17,495,486                         |
| 2003-2004         | 19,203,085         | 0                       | 87,510                       | 19,115,574        | 0                 | 1,090,543               | 18,025,032                   | 1,090,543                       | 19,115,574             | 19,115,574                         |
| 2004-2005         | 13,815,577         | 0                       | 12,969                       | 13,802,608        | 0                 | 619,445                 | 13,183,163                   | 619,445                         | 13,802,608             | 13,802,608                         |
| 2005-2006         | 13,258,693         | 0                       | 64,572                       | 13,194,121        | 0                 | 730,878                 | 12,463,243                   | 730,878                         | 13,194,121             | 13,194,121                         |
| 2006-2007         | 12,973,342         | 0                       | 47,337                       | 12,926,005        | 0                 | 1,662,849               | 11,263,156                   | 1,662,849                       | 12,926,005             | 12,926,005                         |
| 2007-2008         | 12,505,979         | 0                       | 96,147                       | 12,409,832        | 0                 | 353,730                 | 12,056,102                   | 353,730                         | 12,409,832             | 12,409,832                         |
| 2008-2009         | 10,498,796         | 0                       | 18,148                       | 10,480,648        | 0                 | 121,410                 | 10,359,238                   | 121,410                         | 10,480,648             | 10,480,648                         |
| 2009-2010         | 14,662,132         | 0                       | 3,088                        | 14,659,045        | 0                 | 487,078                 | 14,171,967                   | 487,078                         | 14,659,045             | 14,659,045                         |
| 2010-2011         | 13,271,381         | 0                       | 2,611                        | 13,268,770        | 0                 | 730,851                 | 12,537,919                   | 730,851                         | 13,268,770             | 13,268,770                         |
| 2011-2012         | 12,097,684         | 0                       | 7,000                        | 12,090,684        | 0                 | 328,284                 | 11,762,400                   | 328,284                         | 12,090,684             | 12,090,684                         |
| 2012-2013         | 12,763,703         | 0                       | 189,031                      | 12,574,672        | 0                 | 280,130                 | 12,294,542                   | 280,130                         | 12,574,672             | 12,574,672                         |
| 2013-2014         | 9,511,284          | 0                       | 87,808                       | 9,423,476         | 0                 | 128,375                 | 9,295,101                    | 128,375                         | 9,423,476              | 9,423,476                          |
| 2014-2015         | 8,504,766          | 0                       | 81,573                       | 8,423,192         | 0                 | 57,827                  | 8,365,366                    | 57,827                          | 8,423,192              | 8,423,192                          |
| 2015-2016         | 7,588,051          | 0                       | 50,059                       | 7,537,992         | 0                 | 0                       | 7,537,992                    | 0                               | 7,537,992              | 7,537,992                          |
| 2016-2017         | 5,141,959          | 0                       | 3,944                        | 5,138,014         | 0                 | 16,920                  | 5,121,094                    | 16,920                          | 5,138,014              | 5,138,014                          |
| 2017-2018         | 2,820,124          | 0                       | 721                          | 2,819,403         | 0                 | 0                       | 2,819,403                    | 0                               | 2,819,403              | 2,819,403                          |
| 2018-2019         | 360,102            | 0                       | 0                            | 360,102           | 0                 | 0                       | 360,102                      | 0                               | 360,102                | 360,102                            |
| Total             | \$211,957,438      | \$0                     | \$2,228,694                  | \$209,728,744     | \$934,947         | \$9,264,547             | \$200,464,197                | \$8,329,600                     | \$208,793,797          | \$208,793,797                      |

## Notes:

- (A) Years are 7/1 to 6/30.
- (B) Provided by the Judicial Council.
- (C) No adjustments were made.
- (D) Excess and Subro Recoveries
- (E) (B) + (C) - (D).
- (F) Sum of paid losses in excess of SIR.
- (G) Sum of paid losses in excess of \$250,000.
- (H) (E) - (G).
- (I) (G) - (F).
- (J) (E) - (F).
- (K) Minimum of (J) and the aggregate stop loss. See Appendix TC-J.

## Judicial Branch Workers' Compensation Program - Trial Courts

## Case Reserves as of 12/31/18

| Accident Year<br>(A) | Unlimited Reserves<br>(B) | Additions to Losses<br>(C) | Subtractions from Losses<br>(D) | Adjusted Reserves<br>(E) | Reserves Over SIR<br>(F) | Reserves Over \$250,000<br>(G) | Reserves Capped at \$250,000<br>(H) | Reserves \$250,000 to SIR Layer<br>(I) | Reserves Capped at SIR<br>(J) | Reserves Capped at SIR & Aggregate<br>(K) |
|----------------------|---------------------------|----------------------------|---------------------------------|--------------------------|--------------------------|--------------------------------|-------------------------------------|--|-------------------------------|---|
| 2000-2001            | 735,253                   | 0                          | 0                               | 735,253                  | 358,082                  | 641,975                        | 93,278                              | 283,893                                | 377,170                       | 377,170                                   |
| 2001-2002            | 844,600                   | 0                          | 0                               | 844,600                  | 646,932                  | 742,893                        | 101,707                             | 95,961                                 | 197,668                       | 197,668                                   |
| 2002-2003            | 467,245                   | 0                          | 0                               | 467,245                  | 60,064                   | 290,827                        | 176,418                             | 230,763                                | 407,181                       | 407,181                                   |
| 2003-2004            | 1,271,521                 | 0                          | 0                               | 1,271,521                | 0                        | 997,459                        | 274,062                             | 997,459                                | 1,271,521                     | 1,271,521                                 |
| 2004-2005            | 240,517                   | 0                          | 0                               | 240,517                  | 0                        | 6,574                          | 233,943                             | 6,574                                  | 240,517                       | 240,517                                   |
| 2005-2006            | 897,927                   | 0                          | 0                               | 897,927                  | 0                        | 472,863                        | 425,064                             | 472,863                                | 897,927                       | 897,927                                   |
| 2006-2007            | 1,116,900                 | 0                          | 0                               | 1,116,900                | 0                        | 837,858                        | 279,042                             | 837,858                                | 1,116,900                     | 1,116,900                                 |
| 2007-2008            | 740,982                   | 0                          | 0                               | 740,982                  | 0                        | 158,465                        | 582,517                             | 158,465                                | 740,982                       | 740,982                                   |
| 2008-2009            | 601,076                   | 0                          | 0                               | 601,076                  | 0                        | 28,212                         | 572,864                             | 28,212                                 | 601,076                       | 601,076                                   |
| 2009-2010            | 1,149,231                 | 0                          | 0                               | 1,149,231                | 0                        | 443,197                        | 706,035                             | 443,197                                | 1,149,231                     | 1,149,231                                 |
| 2010-2011            | 1,497,864                 | 0                          | 0                               | 1,497,864                | 0                        | 374,727                        | 1,123,137                           | 374,727                                | 1,497,864                     | 1,497,864                                 |
| 2011-2012            | 1,590,385                 | 0                          | 0                               | 1,590,385                | 0                        | 373,253                        | 1,217,132                           | 373,253                                | 1,590,385                     | 1,590,385                                 |
| 2012-2013            | 2,110,728                 | 0                          | 0                               | 2,110,728                | 0                        | 412,820                        | 1,697,909                           | 412,820                                | 2,110,728                     | 2,110,728                                 |
| 2013-2014            | 2,071,922                 | 0                          | 0                               | 2,071,922                | 0                        | 166,636                        | 1,905,286                           | 166,636                                | 2,071,922                     | 2,071,922                                 |
| 2014-2015            | 2,494,476                 | 0                          | 0                               | 2,494,476                | 0                        | 57,006                         | 2,437,470                           | 57,006                                 | 2,494,476                     | 2,494,476                                 |
| 2015-2016            | 2,785,190                 | 0                          | 0                               | 2,785,190                | 0                        | 38,024                         | 2,747,166                           | 38,024                                 | 2,785,190                     | 2,785,190                                 |
| 2016-2017            | 3,385,141                 | 0                          | 0                               | 3,385,141                | 0                        | 78,088                         | 3,307,053                           | 78,088                                 | 3,385,141                     | 3,385,141                                 |
| 2017-2018            | 2,475,829                 | 0                          | 0                               | 2,475,829                | 0                        | 0                              | 2,475,829                           | 0                                      | 2,475,829                     | 2,475,829                                 |
| 2018-2019            | 928,402                   | 0                          | 0                               | 928,402                  | 0                        | 0                              | 928,402                             | 0                                      | 928,402                       | 928,402                                   |
| Total                | \$27,405,188              | \$0                        | \$0                             | \$27,405,188             | \$1,065,078              | \$6,120,876                    | \$21,284,312                        | \$5,055,798                            | \$26,340,110                  | \$26,340,110                              |

## Notes:

- (A) Years are 7/1 to 6/30.
- (B) Appendix TC-K, Page 1, Column (B) - Appendix TC-K, Page 2, Column (B).
- (C) Appendix TC-K, Page 1, Column (C) - Appendix TC-K, Page 2, Column (C).
- (D) Appendix TC-K, Page 1, Column (D) - Appendix TC-K, Page 2, Column (D).
- (E) (B) + (C) - (D).
- (F) Sum of case reserves in excess of SIR.
- (G) Sum of case reserves in excess of \$250,000.
- (H) (E) - (G).
- (I) (G) - (F).
- (J) (E) - (F).
- (K) Minimum of (J) and the aggregate stop loss. See Appendix TC-J.



## Judicial Branch Workers' Compensation Program - Trial Courts

## Claim Counts as of 12/31/18

| Accident Year<br>(A) | Reported Claims<br>(B) | Additions to Reported Claims<br>(C) | Subtractions from Reported Claims<br>(D) | Adjusted Reported Claims<br>(E) | Closed Claims<br>(F) | Additions to Closed Claims<br>(G) | Subtractions from Closed Claims<br>(H) | Adjusted Closed Claims<br>(I) | Open Claims<br>(J) | Adjusted Open Claims<br>(K) |
|----------------------|------------------------|-------------------------------------|--|---------------------------------|----------------------|-----------------------------------|--|-------------------------------|--------------------|-----------------------------|
| 2000-2001            | 413                    | 0                                   | 0  | 413                             | 402                  | 0                                 | 0                                      | 402                           | 11                 | 11                          |
| 2001-2002            | 684                    | 0                                   | 0  | 684                             | 672                  | 0                                 | 0                                      | 672                           | 12                 | 12                          |
| 2002-2003            | 871                    | 0                                   | 0  | 871                             | 858                  | 0                                 | 0                                      | 858                           | 13                 | 13                          |
| 2003-2004            | 1,103                  | 0                                   | 0  | 1,103                           | 1,082                | 0                                 | 0                                      | 1,082                         | 21                 | 21                          |
| 2004-2005            | 971                    | 0                                   | 0  | 971                             | 957                  | 0                                 | 0                                      | 957                           | 14                 | 14                          |
| 2005-2006            | 943                    | 0                                   | 0  | 943                             | 920                  | 0                                 | 0                                      | 920                           | 23                 | 23                          |
| 2006-2007            | 925                    | 0                                   | 0  | 925                             | 904                  | 0                                 | 0                                      | 904                           | 21                 | 21                          |
| 2007-2008            | 793                    | 0                                   | 0  | 793                             | 762                  | 0                                 | 0                                      | 762                           | 31                 | 31                          |
| 2008-2009            | 873                    | 0                                   | 0  | 873                             | 851                  | 0                                 | 0                                      | 851                           | 22                 | 22                          |
| 2009-2010            | 794                    | 0                                   | 0  | 794                             | 759                  | 0                                 | 0                                      | 759                           | 35                 | 35                          |
| 2010-2011            | 763                    | 0                                   | 0  | 763                             | 718                  | 0                                 | 0                                      | 718                           | 45                 | 45                          |
| 2011-2012            | 666                    | 0                                   | 0  | 666                             | 624                  | 0                                 | 0                                      | 624                           | 42                 | 42                          |
| 2012-2013            | 642                    | 0                                   | 0  | 642                             | 575                  | 0                                 | 0                                      | 575                           | 67                 | 67                          |
| 2013-2014            | 578                    | 0                                   | 0  | 578                             | 514                  | 0                                 | 0                                      | 514                           | 64                 | 64                          |
| 2014-2015            | 550                    | 0                                   | 0  | 550                             | 464                  | 0                                 | 0                                      | 464                           | 86                 | 86                          |
| 2015-2016            | 574                    | 0                                   | 0  | 574                             | 475                  | 0                                 | 0                                      | 475                           | 99                 | 99                          |
| 2016-2017            | 558                    | 0                                   | 0  | 558                             | 425                  | 0                                 | 0                                      | 425                           | 133                | 133                         |
| 2017-2018            | 497                    | 0                                   | 0  | 497                             | 304                  | 0                                 | 0                                      | 304                           | 193                | 193                         |
| 2018-2019            | 208                    | 0                                   | 0  | 208                             | 49                   | 0                                 | 0                                      | 49                            | 159                | 159                         |
| Total                | 13,406                 | 0                                   | 0  | 13,406                          | 12,315               | 0                                 | 0                                      | 12,315                        | 1,091              | 1,091                       |

## Notes:

- (A) Years are 7/1 to 6/30.
- (B) Provided by the Judicial Council.
- (C) No adjustments were made.
- (D) Excess and Subro Recoveries
- (E) (B) + (C) - (D).
- (F) Provided by the Judicial Council.
- (G) No adjustments were made.
- (H) Excess and Subro Recoveries
- (I) (F) + (G) - (H).
- (J) (B) - (F).
- (K) (E) - (I).







Judicial Branch Workers' Compensation Program - Trial Court

Payroll and Loss Summary as of 12/31/18

Table with columns: Court (A), Accident Year (B), Retention (C), Payroll (D), Reported Claims (E), Closed Claims (F), Unlimited Paid Losses (G), Unlimited Case Reserves (H), Unlimited Incurred Losses (I), Recoveries (J), Net Paid Losses (K), Net Case Reserves (L), Net Incurred Losses (M), Group No. (N). Rows include Imperial, Inyo, Kern, and Kings courts with data from 2000-2001 to 2022-2023.



















Judicial Branch Workers' Compensation Program - Trial Court

Payroll and Loss Summary as of 12/31/18

Table with columns: Court (A), Accident Year (B), Retention (C), Payroll (D), Reported Claims (E), Closed Claims (F), Unlimited Paid Losses (G), Unlimited Case Reserves (H), Unlimited Incurred Losses (I), Recoveries (J), Net Paid Losses (K), Net Case Reserves (L), Net Incurred Losses (M), Group No. (N). Rows are categorized by Court: Stanislaus, Sutter, Tehama, and Trinity, with sub-rows for each year from 2000-2001 to 2022-2023, and a Total row for each court.







Judicial Branch Workers' Compensation Program - Trial Court

Payroll and Loss Summary as of 12/31/18

| Court<br>(A)   | Accident<br>Year<br>(B) | Retention<br>(C) | Payroll<br>(D)       | Reported<br>Claims<br>(E) | Closed<br>Claims<br>(F) | Unlimited<br>Paid<br>Losses<br>(G) | Unlimited<br>Case<br>Reserves<br>(H) | Unlimited<br>Incurred<br>Losses<br>(I) | Recoveries<br>(J) | Net<br>Paid<br>Losses<br>(K) | Net<br>Case<br>Reserves<br>(L) | Net<br>Incurred<br>Losses<br>(M) | Group<br>No.<br>(N) |
|----------------|-------------------------|------------------|----------------------|---------------------------|-------------------------|------------------------------------|--------------------------------------|--|-------------------|------------------------------|--------------------------------|----------------------------------|---------------------|
| Total Group II | 2000-2001               | Various          | \$27,866,826         | 0                         | 0                       | 0                                  | 0                                    | 0                                      | 0                 | 0                            | 0                              | 0                                | 0                   |
|                | 2001-2002               | Various          | 63,132,573           | 0                         | 0                       | 0                                  | 0                                    | 0                                      | 0                 | 0                            | 0                              | 0                                | 0                   |
|                | 2002-2003               | Various          | 47,249,359           | 1                         | 1                       | 158,629                            | 0                                    | 158,629                                | 0                 | 158,629                      | 0                              | 158,629                          | 0                   |
|                | 2003-2004               | Various          | 790,917              | 0                         | 0                       | 0                                  | 0                                    | 0                                      | 0                 | 0                            | 0                              | 0                                | 0                   |
|                | 2004-2005               | Various          | 746,984              | 0                         | 0                       | 0                                  | 0                                    | 0                                      | 0                 | 0                            | 0                              | 0                                | 0                   |
|                | 2005-2006               | 2,000,000        | 738,642              | 0                         | 0                       | 0                                  | 0                                    | 0                                      | 0                 | 0                            | 0                              | 0                                | 0                   |
|                | 2006-2007               | 2,000,000        | 871,396              | 0                         | 0                       | 0                                  | 0                                    | 0                                      | 0                 | 0                            | 0                              | 0                                | 0                   |
|                | 2007-2008               | 2,000,000        | 990,644              | 0                         | 0                       | 0                                  | 0                                    | 0                                      | 0                 | 0                            | 0                              | 0                                | 0                   |
|                | 2008-2009               | 2,000,000        | 3,724,840            | 0                         | 0                       | 0                                  | 0                                    | 0                                      | 0                 | 0                            | 0                              | 0                                | 0                   |
|                | 2009-2010               | 2,000,000        | 3,675,231            | 0                         | 0                       | 0                                  | 0                                    | 0                                      | 0                 | 0                            | 0                              | 0                                | 0                   |
|                | 2010-2011               | 2,000,000        | 3,973,240            | 0                         | 0                       | 0                                  | 0                                    | 0                                      | 0                 | 0                            | 0                              | 0                                | 0                   |
|                | 2011-2012               | 2,000,000        | 837,361              | 0                         | 0                       | 0                                  | 0                                    | 0                                      | 0                 | 0                            | 0                              | 0                                | 0                   |
|                | 2012-2013               | 2,000,000        | 827,414              | 0                         | 0                       | 0                                  | 0                                    | 0                                      | 0                 | 0                            | 0                              | 0                                | 0                   |
|                | 2013-2014               | 2,000,000        | 411,566              | 0                         | 0                       | 0                                  | 0                                    | 0                                      | 0                 | 0                            | 0                              | 0                                | 0                   |
|                | 2014-2015               | 2,000,000        | 0                    | 0                         | 0                       | 0                                  | 0                                    | 0                                      | 0                 | 0                            | 0                              | 0                                | 0                   |
|                | 2015-2016               | 2,000,000        | 0                    | 0                         | 0                       | 0                                  | 0                                    | 0                                      | 0                 | 0                            | 0                              | 0                                | 0                   |
|                | 2016-2017               | 2,000,000        | 0                    | 0                         | 0                       | 0                                  | 0                                    | 0                                      | 0                 | 0                            | 0                              | 0                                | 0                   |
|                | 2017-2018               | 2,000,000        | 0                    | 0                         | 0                       | 0                                  | 0                                    | 0                                      | 0                 | 0                            | 0                              | 0                                | 0                   |
|                | 2018-2019               | 2,000,000        | 0                    | 0                         | 0                       | 0                                  | 0                                    | 0                                      | 0                 | 0                            | 0                              | 0                                | 0                   |
|                | 2019-2020               | 2,000,000        | 0                    | 0                         | 0                       | 0                                  | 0                                    | 0                                      | 0                 | 0                            | 0                              | 0                                | 0                   |
|                | 2020-2021               | 2,000,000        | 0                    | 0                         | 0                       | 0                                  | 0                                    | 0                                      | 0                 | 0                            | 0                              | 0                                | 0                   |
|                | 2021-2022               | 2,000,000        | 0                    | 0                         | 0                       | 0                                  | 0                                    | 0                                      | 0                 | 0                            | 0                              | 0                                | 0                   |
|                | 2022-2023               | 2,000,000        | 0                    | 0                         | 0                       | 0                                  | 0                                    | 0                                      | 0                 | 0                            | 0                              | 0                                | 0                   |
|                | <b>Total</b>            |                  | <b>\$155,836,993</b> | <b>1</b>                  | <b>1</b>                | <b>\$158,629</b>                   | <b>\$0</b>                           | <b>\$158,629</b>                       | <b>\$0</b>        | <b>\$158,629</b>             | <b>\$0</b>                     | <b>\$158,629</b>                 |                     |

## Judicial Branch Workers' Compensation Program - Trial Courts

## Exposure Measures

| Accident<br>Year | Total<br>Payroll<br>(\$00)<br>(A) | Inflation<br>Trend<br>Factor<br>(B) | Trended<br>Payroll<br>(\$00)<br>(C) |
|------------------|-----------------------------------|-------------------------------------|-------------------------------------|
| 2000-2001        | 2,235,000                         | 1.559                               | 3,484,365                           |
| 2001-2002        | 4,830,211                         | 1.521                               | 7,346,751                           |
| 2002-2003        | 5,729,297                         | 1.484                               | 8,502,277                           |
| 2003-2004        | 6,430,176                         | 1.448                               | 9,310,895                           |
| 2004-2005        | 6,722,165                         | 1.413                               | 9,498,419                           |
| 2005-2006        | 7,311,472                         | 1.379                               | 10,082,520                          |
| 2006-2007        | 7,935,753                         | 1.345                               | 10,673,588                          |
| 2007-2008        | 8,786,901                         | 1.312                               | 11,528,414                          |
| 2008-2009        | 9,208,814                         | 1.280                               | 11,787,282                          |
| 2009-2010        | 8,670,118                         | 1.249                               | 10,828,977                          |
| 2010-2011        | 8,802,454                         | 1.219                               | 10,730,191                          |
| 2011-2012        | 8,784,868                         | 1.189                               | 10,445,208                          |
| 2012-2013        | 8,151,545                         | 1.160                               | 9,455,792                           |
| 2013-2014        | 8,134,405                         | 1.132                               | 9,208,146                           |
| 2014-2015        | 8,024,301                         | 1.104                               | 8,858,828                           |
| 2015-2016        | 8,474,878                         | 1.077                               | 9,127,444                           |
| 2016-2017        | 8,675,756                         | 1.051                               | 9,118,220                           |
| 2017-2018        | 8,719,680                         | 1.025                               | 8,937,672                           |
| 2018-2019        | 8,922,888                         | 1.000                               | 8,922,888                           |
| 2019-2020        | 9,145,960                         | 1.000                               | 9,145,960                           |
| 2020-2021        | 9,374,609                         | 1.000                               | 9,374,609                           |
| 2021-2022        | 9,608,974                         | 1.000                               | 9,608,974                           |

## Notes:

- (A) Provided by the Judicial Council.
- (B) Based on WCIRB.
- (C) (A) x (B).

Judicial Branch Workers' Compensation Program - State Judiciary - Workers' Compensation

Funding Guidelines for Outstanding Liabilities at  
December 31, 2018

|   |                    |
|---|--------------------|
| (A) Estimated Ultimate Losses<br>Incurred through 12/31/18:<br>(From Appendix J-G)                        | \$21,898,000       |
| (B) Estimated Paid Losses<br>through 12/31/18:<br>(From Appendix J-G)                                     | 18,203,000         |
| (C) Estimated Liability for Claims<br>Outstanding at 12/31/18:<br>(From Appendix J-G)                     | <u>\$3,695,000</u> |
| (D) Estimated Liability for Outstanding<br>Claims Administration Fees at 12/31/18:<br>(From Appendix J-F) | 841,000            |
| (E) Total Outstanding Liability for<br>Claims at 12/31/18:<br>((C) + (D))                                 | <u>\$4,536,000</u> |
| (F) Reserve Discount Factor (Based on a Discount Rate of 0.0%.):<br>(Not Applicable)                      | 1.000              |
| (G) Discounted Outstanding Liability for<br>Claims at 12/31/18:<br>((E) x (F))                            | <u>\$4,536,000</u> |

|  | <u>Marginally<br/>Acceptable</u> |                    | <u>Recommended</u> |                    | <u>Conservative</u> |
|--|----------------------------------|--------------------|--------------------|--------------------|---------------------|
| Confidence Level of Adequacy:                            | 70%                              | 75%                | 80%                | 85%                | 90%                 |
| (H) Confidence Level Factor:<br>(From Appendix J-I)      | 1.125                            | 1.180              | 1.245              | 1.326              | 1.433               |
| (I) Margin for Adverse Experience:<br>((G) x [(H) - 1])  | 567,000                          | 816,000            | 1,111,000          | 1,479,000          | 1,964,000           |
| (J) Total Required Assets<br>at 12/31/18:<br>((G) + (I)) | <u>\$5,103,000</u>               | <u>\$5,352,000</u> | <u>\$5,647,000</u> | <u>\$6,015,000</u> | <u>\$6,500,000</u>  |

Judicial Branch Workers' Compensation Program - State Judiciary - Workers' Compensation

Funding Guidelines for Outstanding Liabilities at  
June 30, 2019

|  |                    |
|--|--------------------|
| (A) Estimated Ultimate Losses<br>Incurred through 6/30/19:<br>(From Appendix J-G)                        | \$22,226,000       |
| (B) Estimated Paid Losses<br>through 6/30/19:<br>(From Appendix J-G)                                     | 18,456,000         |
| (C) Estimated Liability for Claims<br>Outstanding at 6/30/19:<br>(From Appendix J-G)                     | <u>\$3,770,000</u> |
| (D) Estimated Liability for Outstanding<br>Claims Administration Fees at 6/30/19:<br>(From Appendix J-F) | 886,000            |
| (E) Total Outstanding Liability for<br>Claims at 6/30/19:<br>((C) + (D))                                 | <u>\$4,656,000</u> |
| (F) Reserve Discount Factor (Based on a Discount Rate of 0.0%.):<br>(Not Applicable)                     | 1.000              |
| (G) Discounted Outstanding Liability for<br>Claims at 6/30/19:<br>((E) x (F))                            | <u>\$4,656,000</u> |

|   | <u>Marginally<br/>Acceptable</u> |                    | <u>Recommended</u> |                    | <u>Conservative</u> |
|---|----------------------------------|--------------------|--------------------|--------------------|---------------------|
| Confidence Level of Adequacy:                           | 70%                              | 75%                | 80%                | 85%                | 90%                 |
| (H) Confidence Level Factor:<br>(From Appendix J-I)     | 1.125                            | 1.180              | 1.245              | 1.326              | 1.433               |
| (I) Margin for Adverse Experience:<br>((G) x [(H) - 1]) | 582,000                          | 838,000            | 1,141,000          | 1,518,000          | 2,016,000           |
| (J) Total Required Assets<br>at 6/30/19:<br>((G) + (I)) | <u>\$5,238,000</u>               | <u>\$5,494,000</u> | <u>\$5,797,000</u> | <u>\$6,174,000</u> | <u>\$6,672,000</u>  |

Judicial Branch Workers' Compensation Program - State Judiciary - Workers' Compensation

Funding Options for Program Year 2018-2019 (SIR = \$2,000,000)

|   | Marginally Acceptable |             | Recommended |             |             |
|---|-----------------------|-------------|-------------|-------------|-------------|
|   | 65%                   | 70%         | 75%         | 80%         | 85%         |
| (A) Estimated Ultimate Losses Incurred in Accident Year 2018-2019:<br>(From Appendix J-G)                             |                       |             |             |             |             |
|   |                       |             |             |             |             |
| (B) Estimated Claims Administration Fees Incurred in Accident Year 2018-2019:<br>(From Exhibit J-5, Page 1, item (L)) |                       |             |             |             |             |
| (C) Total Claims Costs Incurred in Accident Year 2018-2019:<br>((A) + (B))  |                       |             |             |             |             |
| (D) Loss Discount Factor (Based on a Discount Rate of 0.0%.):<br>(Not Applicable)                                     |                       |             |             |             |             |
| (E) Discounted Total Claims Costs Incurred in Accident Year 2018-2019:<br>((C) x (D))                                 |                       |             |             |             |             |
| (F) Confidence Level Factor:<br>(From Appendix J-I)   | 1.045                 | 1.164       | 1.305       | 1.480       | 1.710       |
| (G) Margin for Adverse Experience:<br>((E) x [(F) - 1])   | 41,000                | 150,000     | 280,000     | 440,000     | 651,000     |
| (H) Recommended Funding in 2018-2019 for Claims Costs and Other Expenses:<br>((E) + (G))                              | \$958,000             | \$1,067,000 | \$1,197,000 | \$1,357,000 | \$1,568,000 |
| (I) Rate per \$100 of Payroll:<br>((H) / \$5,566,098)   | \$0.172               | \$0.192     | \$0.215     | \$0.244     | \$0.282     |

Payroll rates are per hundred dollars of 2018-2019 payroll of \$556,609,800.

Judicial Branch Workers' Compensation Program - State Judiciary - Workers' Compensation

Funding Options for Program Year 2019-2020 (SIR = \$2,000,000)  
One-Year Funding Plan

|   | Marginally Acceptable |             | Recommended |             |             |
|---|-----------------------|-------------|-------------|-------------|-------------|
|   | 65%                   | 70%         | 75%         | 80%         | 85%         |
| (A) Estimated Ultimate Losses Incurred in Accident Year 2019-2020:<br>(From Appendix J-G)                             |                       |             |             |             |             |
|   |                       |             |             |             |             |
| (B) Estimated Claims Administration Fees Incurred in Accident Year 2019-2020:<br>(From Exhibit J-5, Page 1, item (L)) |                       |             |             |             |             |
|   |                       |             |             |             |             |
| (C) Total Claims Costs Incurred in Accident Year 2019-2020:<br>((A) + (B))  |                       |             |             |             |             |
|   |                       |             |             |             |             |
| (D) Loss Discount Factor (Based on a Discount Rate of 0.0%):<br>(Not Applicable)                                      |                       |             |             |             |             |
|   |                       |             |             |             |             |
| (E) Discounted Total Claims Costs Incurred in Accident Year 2019-2020:<br>((C) x (D))                                 |                       |             |             |             |             |
|   |                       |             |             |             |             |
| (F) Confidence Level Factor:<br>(From Appendix J-I)   | 1.045                 | 1.164       | 1.305       | 1.480       | 1.710       |
| (G) Margin for Adverse Experience:<br>((E) x [(F) - 1])   | 43,000                | 157,000     | 291,000     | 458,000     | 678,000     |
| (H) Recommended Funding in 2019-2020 for Claims Costs and Other Expenses:<br>((E) + (G))                              | \$998,000             | \$1,112,000 | \$1,246,000 | \$1,413,000 | \$1,633,000 |
| (I) Budgeted Non Claims Related Expenses:<br>(Provided by the Judicial Council)                                       | 384,000               | 384,000     | 384,000     | 384,000     | 384,000     |
| (J) Recommended Funding in 2019-2020 for Claims Costs:<br>((H) + (I))   | \$1,382,000           | \$1,496,000 | \$1,630,000 | \$1,797,000 | \$2,017,000 |
| (K) Rate per \$100 of Payroll:<br>((J) / \$5,721,442)   | \$0.242               | \$0.261     | \$0.285     | \$0.314     | \$0.353     |

Payroll rates are per hundred dollars of 2019-2020 payroll of \$572,144,200.

Judicial Branch Workers' Compensation Program - State Judiciary - Workers' Compensation

Funding Options for Program Year 2020-2021 (SIR = \$2,000,000)  
One-Year Funding Plan

|  | Dollar<br>Amount         | Payroll<br>Rate |             |             |             |
|--|--------------------------|-----------------|-------------|-------------|-------------|
| (A) Estimated Ultimate Losses Incurred in<br>Accident Year 2020-2021:<br>(From Appendix J-G)                             | \$706,000                | \$0.120         |             |             |             |
| (B) Estimated Claims Administration Fees<br>Incurred in Accident Year 2020-2021:<br>(From Exhibit J-5, Page 1, item (L)) | 284,000                  | 0.048           |             |             |             |
| (C) Total Claims Costs<br>Incurred in Accident Year 2020-2021:<br>((A) + (B))  | \$990,000                | \$0.168         |             |             |             |
| (D) Loss Discount Factor (Based on a Discount Rate of 0.0%.):<br>(Not Applicable)  | 1.000                    |                 |             |             |             |
| (E) Discounted Total Claims Costs<br>Incurred in Accident Year 2020-2021:<br>((C) x (D))                                 | \$990,000                | \$0.168         |             |             |             |
|  | Marginally<br>Acceptable |                 | Recommended |             |             |
|  | 65%                      | 70%             | 75%         | 80%         | 85%         |
| (F) Confidence Level Factor:<br>(From Appendix J-I)  | 1.045                    | 1.164           | 1.305       | 1.480       | 1.710       |
| (G) Margin for Adverse Experience:<br>((E) x [(F) - 1])  | 45,000                   | 162,000         | 302,000     | 475,000     | 703,000     |
| (H) Recommended Funding in 2020-2021<br>for Claims Costs and Other Expenses:<br>((E) + (G))                              | \$1,035,000              | \$1,152,000     | \$1,292,000 | \$1,465,000 | \$1,693,000 |
| (I) Rate per \$100 of Payroll:<br>((H) / \$5,881,150)  | \$0.176                  | \$0.196         | \$0.220     | \$0.249     | \$0.288     |

Payroll rates are per hundred dollars of 2020-2021 payroll of \$588,115,000.

Judicial Branch Workers' Compensation Program - State Judiciary - Workers' Compensation

Funding Options for Program Year 2021-2022 (SIR = \$2,000,000)  
One-Year Funding Plan

|   | Dollar Amount | Payroll Rate |                       |             |             |
|---|---------------|--------------|-----------------------|-------------|-------------|
| (A) Estimated Ultimate Losses Incurred in Accident Year 2021-2022:<br>(From Appendix J-G)                             | \$725,000     | \$0.120      |                       |             |             |
| (B) Estimated Claims Administration Fees Incurred in Accident Year 2021-2022:<br>(From Exhibit J-5, Page 1, item (L)) | 292,000       | 0.048        |                       |             |             |
| (C) Total Claims Costs Incurred in Accident Year 2021-2022:<br>((A) + (B))  | \$1,017,000   | \$0.168      |                       |             |             |
| (D) Loss Discount Factor (Based on a Discount Rate of 0.0%.):<br>(Not Applicable)                                     | 1.000         |              |                       |             |             |
| (E) Discounted Total Claims Costs Incurred in Accident Year 2021-2022:<br>((C) x (D))                                 | \$1,017,000   | \$0.168      |                       |             |             |
|   |               |              | Marginally Acceptable |             |             |
|   |               |              | Recommended           |             |             |
|   | 65%           | 70%          | 75%                   | 80%         | 85%         |
| (F) Confidence Level Factor:<br>(From Appendix J-I)   | 1.045         | 1.164        | 1.305                 | 1.480       | 1.710       |
| (G) Margin for Adverse Experience:<br>((E) x [(F) - 1])   | 46,000        | 167,000      | 310,000               | 488,000     | 722,000     |
| (H) Recommended Funding in 2021-2022 for Claims Costs and Other Expenses:<br>((E) + (G))                              | \$1,063,000   | \$1,184,000  | \$1,327,000           | \$1,505,000 | \$1,739,000 |
| (I) Rate per \$100 of Payroll:<br>((H) / \$6,045,346)   | \$0.176       | \$0.196      | \$0.220               | \$0.249     | \$0.288     |

Payroll rates are per hundred dollars of 2021-2022 payroll of \$604,534,600.



## Judicial Branch Workers' Compensation Program - State Judiciary - Workers' Compensation

## IBNR as of 6/30/19 at Expected Claims Level

| Accident Year | Estimated Ultimate (A) | Reported as of 12/31/18 (B) | Estimated IBNR as of 12/31/18 (C) | Estimated Percent of IBNR Reported Between 1/1/19 and 6/30/19 (D) | Estimated IBNR Reported (E) | Estimated IBNR as of 6/30/19 (F) |
|---------------|------------------------|-----------------------------|-----------------------------------|---|-----------------------------|----------------------------------|
| Prior         | \$9,349,000            | \$9,292,829                 | \$56,171                          | 0.0%  | \$0                         | \$56,171                         |
| 1998-1999     | 1,525,000              | 1,513,088                   | 11,912                            | 12.4%   | 1,000                       | 10,912                           |
| 1999-2000     | 674,000                | 667,514                     | 6,486                             | 9.9%  | 1,000                       | 5,486                            |
| 2000-2001     | 1,020,000              | 1,005,596                   | 14,404                            | 14.1%   | 2,000                       | 12,404                           |
| 2001-2002     | 1,047,000              | 1,028,801                   | 18,199                            | 10.9%   | 2,000                       | 16,199                           |
| 2002-2003     | 171,866                | 171,866                     | 0                                 | 12.2%   | 0                           | 0                                |
| 2003-2004     | 289,343                | 289,343                     | 0                                 | 12.2%   | 0                           | 0                                |
| 2004-2005     | 365,870                | 365,870                     | 0                                 | 11.8%   | 0                           | 0                                |
| 2005-2006     | 248,000                | 235,295                     | 12,705                            | 10.8%   | 1,000                       | 11,705                           |
| 2006-2007     | 645,000                | 605,061                     | 39,939                            | 10.0%   | 4,000                       | 35,939                           |
| 2007-2008     | 290,000                | 268,273                     | 21,727                            | 9.1%  | 2,000                       | 19,727                           |
| 2008-2009     | 902,000                | 817,822                     | 84,178                            | 9.8%  | 8,000                       | 76,178                           |
| 2009-2010     | 776,000                | 688,180                     | 87,820                            | 9.1%  | 8,000                       | 79,820                           |
| 2010-2011     | 346,000                | 298,169                     | 47,831                            | 8.8%  | 4,000                       | 43,831                           |
| 2011-2012     | 693,000                | 578,560                     | 114,440                           | 8.2%  | 9,000                       | 105,440                          |
| 2012-2013     | 565,000                | 453,357                     | 111,643                           | 8.6%  | 10,000                      | 101,643                          |
| 2013-2014     | 270,000                | 91,708                      | 178,292                           | 8.3%  | 15,000                      | 163,292                          |
| 2014-2015     | 501,000                | 281,331                     | 219,669                           | 9.7%  | 21,000                      | 198,669                          |
| 2015-2016     | 682,000                | 461,565                     | 220,435                           | 8.9%  | 20,000                      | 200,435                          |
| 2016-2017     | 679,000                | 329,364                     | 349,636                           | 9.9%  | 35,000                      | 314,636                          |
| 2017-2018     | 530,000                | 67,646                      | 462,354                           | 13.5%   | 62,000                      | 400,354                          |
| 2018-2019     | 657,000                | 79,605                      | 249,395                           | 13.8%   | 80,000                      | 497,395                          |
| Totals        | \$22,226,079           | \$19,590,843                | \$2,307,236                       |   | \$285,000                   | \$2,350,236                      |

## Notes:

- (A) From Exhibit J-4, Page 1.
- (B) Provided by the Judicial Council. These losses exclude amounts incurred above the Judicial Council's SIR for each year.
- (C) (A) - (B).
- (D) Percentage of incurred but not reported (IBNR) expected to be reported between 1/1/19 and 6/30/19. The percentage is based on the development pattern selected in Appendix J-A.
- (E) ((A) - (B)) x (D).
- (F) (A) - (B) - (E).

This exhibit shows the calculation of the amount of incurred but not reported losses we expect as of 6/30/19. This amount is dependent on both the strength of the case reserves and the average frequency and severity of the losses incurred.

## Judicial Branch Workers' Compensation Program - State Judiciary - Workers' Compensation

## Estimated Ultimate Program Losses

| Accident Year | Reported Loss Development Method (A) | Paid Loss Development Method (B) | Exposure Method Based on Reported Losses (C) | Exposure Method Based on Paid Losses (D) | Frequency-Severity Method (E) | Selected Estimate of Ultimate Losses (F) |
|---------------|--------------------------------------|----------------------------------|--|--|-------------------------------|--|
| Prior         | \$9,348,586                          | \$9,616,881                      |  |  | \$7,293,440                   | \$9,349,000                              |
| 1998-1999     | 1,525,193                            | 1,474,685                        |  |  | 1,054,050                     | 1,525,000                                |
| 1999-2000     | 674,189                              | 711,160                          |  |  | 747,522                       | 674,000                                  |
| 2000-2001     | 1,019,674                            | 1,056,524                        | 1,016,511                                    | 1,028,929                                | 779,970                       | 1,020,000                                |
| 2001-2002     | 1,047,319                            | 1,066,191                        | 1,044,513                                    | 1,045,428                                | 874,310                       | 1,047,000                                |
| 2002-2003     | 175,991                              | 195,240                          | 177,511                                      | 201,320                                  | 247,038                       | 171,866                                  |
| 2003-2004     | 298,602                              | 332,455                          | 302,573                                      | 344,822                                  | 421,776                       | 289,343                                  |
| 2004-2005     | 380,871                              | 426,604                          | 380,072                                      | 417,581                                  | 363,904                       | 365,870                                  |
| 2005-2006     | 247,766                              | 271,761                          | 253,157                                      | 285,227                                  | 357,534                       | 248,000                                  |
| 2006-2007     | 644,995                              | 696,318                          | 635,070                                      | 659,212                                  | 485,133                       | 645,000                                  |
| 2007-2008     | 290,271                              | 300,327                          | 300,551                                      | 324,398                                  | 424,600                       | 290,000                                  |
| 2008-2009     | 902,058                              | 882,411                          | 910,811                                      | 907,978                                  | 1,001,568                     | 902,000                                  |
| 2009-2010     | 776,267                              | 889,246                          | 779,669                                      | 869,603                                  | 807,014                       | 776,000                                  |
| 2010-2011     | 345,578                              | 353,017                          | 364,838                                      | 389,519                                  | 485,375                       | 346,000                                  |
| 2011-2012     | 692,536                              | 807,070                          | 732,687                                      | 847,380                                  | 939,512                       | 693,000                                  |
| 2012-2013     | 565,336                              | 684,679                          | 566,972                                      | 643,263                                  | 573,376                       | 565,000                                  |
| 2013-2014     | 120,321                              | 138,087                          | 222,171                                      | 317,672                                  | 293,678                       | 270,000                                  |
| 2014-2015     | 398,927                              | 349,227                          | 443,531                                      | 455,674                                  | 662,928                       | 501,000                                  |
| 2015-2016     | 720,041                              | 727,150                          | 660,274                                      | 620,915                                  | 738,045                       | 682,000                                  |
| 2016-2017     | 596,478                              | 897,860                          | 576,778                                      | 644,455                                  | 471,461                       | 679,000                                  |
| 2017-2018     | 175,203                              | 392,910                          | 427,428                                      | 564,328                                  | 747,214                       | 530,000                                  |
| Totals        |                                      |                                  |  |  |                               | \$21,569,079                             |
|               |                                      |                                  | Projected Losses for the Year 2018-2019 (G)  |  |                               | \$657,000                                |
|               |                                      |                                  | Projected Losses for the Year 2019-2020 (H)  |  |                               | \$681,000                                |
|               |                                      |                                  | Projected Losses for the Year 2020-2021 (I)  |  |                               | \$706,000                                |
|               |                                      |                                  | Projected Losses for the Year 2021-2022 (J)  |  |                               | \$725,000                                |

## Notes:

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

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

## Judicial Branch Workers' Compensation Program - State Judiciary - Workers' Compensation

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

| Accident Year | Reported Loss Development Method (A) | Paid Loss Development Method (B) | Exposure Method Based on Reported Losses (C) | Exposure Method Based on Paid Losses (D) | Frequency-Severity Method (E) | Selected Ultimate Limited Losses (F) |
|---------------|--------------------------------------|----------------------------------|--|--|-------------------------------|--------------------------------------|
| Prior         | \$5,921,823                          | \$6,032,710                      |  |  | \$5,922,048                   | \$5,922,000                          |
| 1998-1999     | 774,365                              | 793,609                          |  |  | 774,000                       | 774,000                              |
| 1999-2000     | 541,634                              | 555,081                          |  |  | 541,998                       | 542,000                              |
| 2000-2001     | 558,113                              | 571,956                          | 558,152                                      | 571,557                                  | 558,000                       | 558,000                              |
| 2001-2002     | 617,288                              | 632,583                          | 617,330                                      | 632,126                                  | 617,012                       | 617,000                              |
| 2002-2003     | 173,413                              | 178,053                          | 173,404                                      | 177,847                                  | 171,874                       | 171,866                              |
| 2003-2004     | 292,236                              | 300,049                          | 292,255                                      | 299,826                                  | 289,333                       | 289,343                              |
| 2004-2005     | 248,686                              | 256,065                          | 248,670                                      | 255,516                                  | 245,984                       | 245,980                              |
| 2005-2006     | 238,354                              | 239,681                          | 238,368                                      | 239,543                                  | 238,005                       | 238,000                              |
| 2006-2007     | 318,377                              | 329,658                          | 318,465                                      | 328,988                                  | 317,988                       | 318,000                              |
| 2007-2008     | 273,638                              | 256,282                          | 273,776                                      | 257,413                                  | 274,010                       | 274,000                              |
| 2008-2009     | 635,525                              | 628,620                          | 635,218                                      | 629,030                                  | 636,000                       | 636,000                              |
| 2009-2010     | 504,469                              | 511,351                          | 504,460                                      | 510,669                                  | 504,010                       | 504,000                              |
| 2010-2011     | 297,833                              | 278,725                          | 297,945                                      | 280,295                                  | 298,000                       | 298,000                              |
| 2011-2012     | 567,080                              | 568,263                          | 567,094                                      | 567,878                                  | 567,000                       | 567,000                              |
| 2012-2013     | 339,982                              | 339,193                          | 339,934                                      | 339,165                                  | 340,000                       | 340,000                              |
| 2013-2014     | 99,503                               | 94,178                           | 116,548                                      | 133,625                                  | 171,039                       | 125,000                              |
| 2014-2015     | 212,402                              | 225,043                          | 223,442                                      | 249,489                                  | 379,080                       | 218,000                              |
| 2015-2016     | 536,800                              | 449,777                          | 506,159                                      | 400,980                                  | 424,791                       | 529,000                              |
| 2016-2017     | 329,389                              | 423,962                          | 326,281                                      | 362,954                                  | 266,934                       | 393,000                              |
| 2017-2018     | 110,737                              | 225,386                          | 194,049                                      | 305,183                                  | 416,000                       | 243,000                              |
| Totals        |                                      |                                  |  |  |                               | \$13,803,189                         |
|               |                                      |                                  | Projected Losses for the Year 2018-2019 (G)  |  |                               | \$389,000                            |
|               |                                      |                                  | Projected Losses for the Year 2019-2020 (H)  |  |                               | \$397,000                            |
|               |                                      |                                  | Projected Losses for the Year 2020-2021 (I)  |  |                               | \$405,000                            |
|               |                                      |                                  | Projected Losses for the Year 2021-2022 (J)  |  |                               | \$409,000                            |

## Notes:

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

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

Judicial Branch Workers' Compensation Program - State Judiciary - Workers' Compensation

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

| Accident Year                 | Ultimate Limited Losses (A) | Trend Factor (B) | Trended Limited Losses (C) | Trended Payroll (\$00) (D) | Trended Limited Loss Rate (E) |
|-------------------------------|-----------------------------|------------------|----------------------------|----------------------------|-------------------------------|
| 2000-2001                     | 558,000                     | 0.627            | 349,866                    | 2,909,016                  | 0.120                         |
| 2001-2002                     | 617,000                     | 0.637            | 393,029                    | 3,051,978                  | 0.129                         |
| 2002-2003                     | 171,866                     | 0.677            | 116,353                    | 3,106,962                  | 0.037                         |
| 2003-2004                     | 289,343                     | 0.845            | 244,495                    | 5,020,762                  | 0.049                         |
| 2004-2005                     | 245,980                     | 1.100            | 270,578                    | 5,202,277                  | 0.052                         |
| 2005-2006                     | 238,000                     | 1.208            | 287,504                    | 5,253,458                  | 0.055                         |
| 2006-2007                     | 318,000                     | 1.158            | 368,244                    | 5,694,220                  | 0.065                         |
| 2007-2008                     | 274,000                     | 1.090            | 298,660                    | 5,981,861                  | 0.050                         |
| 2008-2009                     | 636,000                     | 1.030            | 655,080                    | 5,916,483                  | 0.111                         |
| 2009-2010                     | 504,000                     | 0.956            | 481,824                    | 5,742,090                  | 0.084                         |
| 2010-2011                     | 298,000                     | 0.925            | 275,650                    | 5,725,103                  | 0.048                         |
| 2011-2012                     | 567,000                     | 0.934            | 529,578                    | 5,593,441                  | 0.095                         |
| 2012-2013                     | 340,000                     | 0.959            | 326,060                    | 5,313,078                  | 0.061                         |
| 2013-2014                     | 125,000                     | 0.979            | 122,375                    | 5,220,594                  | 0.023                         |
| 2014-2015                     | 218,000                     | 0.973            | 212,114                    | 5,091,011                  | 0.042                         |
| 2015-2016                     | 529,000                     | 0.987            | 522,123                    | 5,221,758                  | 0.100                         |
| 2016-2017                     | 393,000                     | 0.998            | 392,214                    | 5,210,036                  | 0.075                         |
| 2017-2018                     | 243,000                     | 0.990            | 240,570                    | 5,326,947                  | 0.045                         |
| Totals                        | \$6,565,189                 |                  | \$6,086,317                | 90,581,075                 | \$0.067                       |
| 11/12-16/17                   | 2,172,000                   |                  | 2,104,464                  | 31,649,918                 | 0.066                         |
| 15/16-17/18                   | 1,165,000                   |                  | 1,154,907                  | 15,758,741                 | 0.073                         |
|                               |                             |                  | (F) Selected Limited Rate: |                            | \$0.070                       |
|                               |                             |                  | Prior:                     |                            | \$0.075                       |
| Program Year:                 |                             | 2018-2019        | 2019-2020                  | 2020-2021                  | 2021-2022                     |
| (G) Factor to SIR:            |                             | 1.690            | 1.716                      | 1.743                      | 1.771                         |
| (H) Trend Factor:             |                             | 1.000            | 0.990                      | 0.980                      | 0.970                         |
| (I) Program Rate:             |                             | \$0.118          | \$0.119                    | \$0.120                    | \$0.120                       |
| (J) Trended Payroll (\$00):   |                             | 5,566,098        | 5,721,442                  | 5,881,150                  | 6,045,346                     |
| (K) Projected Program Losses: |                             | 657,000          | 681,000                    | 706,000                    | 725,000                       |
| (L) Projected ULAE:           |                             | 0                | 0                          | 0                          | 0                             |
| (M) Projected Loss and ULAE:  |                             | \$657,000        | \$681,000                  | \$706,000                  | \$725,000                     |

Notes appear on the next page.

## Judicial Branch Workers' Compensation Program - State Judiciary - Workers' Compensation

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

## Notes:

- (A) From Exhibit J-4, Page 2, Column (F).  
For purposes of projecting future losses, losses are capped at \$100,000 per occurrence.
- (B) From Appendix J-E, Page 1, Column (B).
- (C)  $(A) \times (B)$ .
- (D) From Appendix J-L, Column (C).
- (E)  $(C) / (D)$ .
- (F) Selected based on (E).
- (G) Based on a Weibull distribution, a mathematical model of claim sizes.
- (H) From Appendix J-E.
  - (I)  $(F) \times (G) \times (H)$ .
- (J) From Appendix J-L, Column (C).
- (K)  $(I) \times (J)$ .
- (L) Based on an estimated claim closing pattern and the Judicial Council's historical claims administration expenses.
- (M)  $(K) + (L)$ .

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

## Judicial Branch Workers' Compensation Program - State Judiciary - Workers' Compensation

## Reported Loss Development

| Accident Year<br>(A) | Limited Reported Losses as of 12/31/18<br>(B) | Reported Loss Development Factor<br>(C) | Ultimate Limited Losses<br>(D) | Program Reported Losses of 12/31/18<br>(E) | Reported Loss Development Factor<br>(F) | Ultimate Program Losses<br>(G) |
|----------------------|---|---|--------------------------------|--|---|--------------------------------|
| Prior                | \$5,892,361                                   | 1.005                                   | \$5,921,823                    | \$9,292,829                                | 1.006                                   | \$9,348,586                    |
| 1998-1999            | 769,747                                       | 1.006                                   | 774,365                        | 1,513,088                                  | 1.008                                   | 1,525,193                      |
| 1999-2000            | 537,869                                       | 1.007                                   | 541,634                        | 667,514                                    | 1.010                                   | 674,189                        |
| 2000-2001            | 553,684                                       | 1.008                                   | 558,113                        | 1,005,596                                  | 1.014                                   | 1,019,674                      |
| 2001-2002            | 611,782                                       | 1.009                                   | 617,288                        | 1,028,801                                  | 1.018                                   | 1,047,319                      |
| 2002-2003            | 171,866                                       | 1.009                                   | 173,413                        | 171,866                                    | 1.024                                   | 175,991                        |
| 2003-2004            | 289,343                                       | 1.010                                   | 292,236                        | 289,343                                    | 1.032                                   | 298,602                        |
| 2004-2005            | 245,980                                       | 1.011                                   | 248,686                        | 365,870                                    | 1.041                                   | 380,871                        |
| 2005-2006            | 235,295                                       | 1.013                                   | 238,354                        | 235,295                                    | 1.053                                   | 247,766                        |
| 2006-2007            | 313,363                                       | 1.016                                   | 318,377                        | 605,061                                    | 1.066                                   | 644,995                        |
| 2007-2008            | 268,273                                       | 1.020                                   | 273,638                        | 268,273                                    | 1.082                                   | 290,271                        |
| 2008-2009            | 620,024                                       | 1.025                                   | 635,525                        | 817,822                                    | 1.103                                   | 902,058                        |
| 2009-2010            | 489,301                                       | 1.031                                   | 504,469                        | 688,180                                    | 1.128                                   | 776,267                        |
| 2010-2011            | 286,930                                       | 1.038                                   | 297,833                        | 298,169                                    | 1.159                                   | 345,578                        |
| 2011-2012            | 541,107                                       | 1.048                                   | 567,080                        | 578,560                                    | 1.197                                   | 692,536                        |
| 2012-2013            | 319,532                                       | 1.064                                   | 339,982                        | 453,357                                    | 1.247                                   | 565,336                        |
| 2013-2014            | 91,708  | 1.085                                   | 99,503                         | 91,708                                     | 1.312                                   | 120,321                        |
| 2014-2015            | 189,984                                       | 1.118                                   | 212,402                        | 281,331                                    | 1.418                                   | 398,927                        |
| 2015-2016            | 461,565                                       | 1.163                                   | 536,800                        | 461,565                                    | 1.560                                   | 720,041                        |
| 2016-2017            | 265,636                                       | 1.240                                   | 329,389                        | 329,364                                    | 1.811                                   | 596,478                        |
| 2017-2018            | 67,646  | 1.637                                   | 110,737                        | 67,646                                     | 2.590                                   | 175,203                        |
| Totals               | \$13,222,996                                  |   | \$13,591,647                   | \$19,511,238                               |   | \$20,946,202                   |

## Notes:

- (A) Years are 7/1 to 6/30.
- (B) Provided by the Judicial Council. These losses exclude amounts over \$100,000 per occurrence.
- (C) From Appendix J-A, Page 2.
- (D) (B) x (C). These estimated losses exclude amounts over \$100,000 per occurrence.
- (E) Losses capped at the Judicial Council's SIR. Amounts are provided by the Judicial Council.
- (F) Derived from factors on Appendix J-A, Page 4.
- (G) (E) x (F).

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

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

Judicial Branch Workers' Compensation Program - State Judiciary - Workers' Compensation  
Reported Loss Development

| Accident Year | Limited Losses Reported as of: |           |           |           |           |           |           |            |            |            |
|---------------|--------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------|------------|
|               | 18 Months                      | 30 Months | 42 Months | 54 Months | 66 Months | 78 Months | 90 Months | 102 Months | 114 Months | 126 Months |
| Prior         |                                |           |           |           |           |           |           |            |            |            |
| 1998-1999     |                                |           |           |           |           |           |           |            |            | 815,537    |
| 1999-2000     |                                |           |           |           |           |           |           |            | 505,354    | 485,048    |
| 2000-2001     |                                |           |           |           |           |           |           | 556,233    | 598,506    | 598,168    |
| 2001-2002     |                                |           |           |           |           |           | 540,859   | 532,190    | 506,663    | 516,290    |
| 2002-2003     |                                |           |           |           |           | 224,031   | 194,858   | 203,345    | 208,396    | 208,266    |
| 2003-2004     |                                |           |           |           | 286,269   | 301,363   | 314,579   | 286,077    | 286,077    | 313,119    |
| 2004-2005     |                                |           |           | 161,421   | 273,277   | 242,702   | 259,116   | 244,498    | 244,620    | 244,620    |
| 2005-2006     |                                |           | 206,938   | 291,994   | 278,945   | 251,887   | 239,738   | 274,233    | 275,012    | 226,861    |
| 2006-2007     |                                | 311,045   | 352,592   | 300,539   | 327,830   | 310,413   | 315,826   | 313,310    | 313,310    | 313,363    |
| 2007-2008     | 182,230                        | 255,251   | 163,066   | 223,161   | 285,786   | 323,191   | 319,880   | 257,090    | 279,035    | 276,348    |
| 2008-2009     | 227,884                        | 390,648   | 494,307   | 490,959   | 558,429   | 567,221   | 576,827   | 620,024    | 620,024    | 620,024    |
| 2009-2010     | 422,040                        | 493,213   | 499,430   | 483,058   | 493,254   | 493,279   | 493,305   | 489,301    | 489,301    |            |
| 2010-2011     | 148,198                        | 217,390   | 238,726   | 261,768   | 270,543   | 279,073   | 279,073   | 286,930    |            |            |
| 2011-2012     | 447,283                        | 515,762   | 598,208   | 558,075   | 539,408   | 529,308   | 541,107   |            |            |            |
| 2012-2013     | 407,603                        | 399,291   | 363,277   | 314,241   | 319,532   | 319,532   |           |            |            |            |
| 2013-2014     | 80,977                         | 101,267   | 117,468   | 91,708    | 91,708    |           |           |            |            |            |
| 2014-2015     | 160,387                        | 322,601   | 233,170   | 189,984   |           |           |           |            |            |            |
| 2015-2016     | 274,185                        | 308,294   | 461,565   |           |           |           |           |            |            |            |
| 2016-2017     | 151,356                        | 265,636   |           |           |           |           |           |            |            |            |
| 2017-2018     | 67,646                         |           |           |           |           |           |           |            |            |            |

Reported Loss Development Factors:

|           | 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 |
|-----------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|----------------|----------------|----------------|
| Prior     |              |              |              |              |              |              |               |                |                |                |
| 1998-1999 |              |              |              |              |              |              |               |                |                | 1.000          |
| 1999-2000 |              |              |              |              |              |              |               |                | 0.960          | 1.099          |
| 2000-2001 |              |              |              |              |              |              |               | 1.076          | 0.999          | 0.926          |
| 2001-2002 |              |              |              |              |              |              | 0.984         | 0.952          | 1.019          | 1.014          |
| 2002-2003 |              |              |              |              |              | 0.870        | 1.044         | 1.025          | 0.999          | 0.983          |
| 2003-2004 |              |              |              |              | 1.053        | 1.044        | 0.909         | 1.000          | 1.095          | 1.000          |
| 2004-2005 |              |              |              | 1.693        | 0.888        | 1.068        | 0.944         | 1.000          | 1.000          | 1.006          |
| 2005-2006 |              |              | 1.411        | 0.955        | 0.903        | 0.952        | 1.144         | 1.003          | 0.825          | 1.009          |
| 2006-2007 |              | 1.134        | 0.852        | 1.091        | 0.947        | 1.017        | 0.992         | 1.000          | 1.000          | 1.000          |
| 2007-2008 | 1.401        | 0.639        | 1.369        | 1.281        | 1.131        | 0.990        | 0.804         | 1.085          | 0.990          | 0.971          |
| 2008-2009 | 1.714        | 1.265        | 0.993        | 1.137        | 1.016        | 1.017        | 1.075         | 1.000          | 1.000          |                |
| 2009-2010 | 1.169        | 1.013        | 0.967        | 1.021        | 1.000        | 1.000        | 0.992         | 1.000          |                |                |
| 2010-2011 | 1.467        | 1.098        | 1.097        | 1.034        | 1.032        | 1.000        | 1.028         |                |                |                |
| 2011-2012 | 1.153        | 1.160        | 0.933        | 0.967        | 0.981        | 1.022        |               |                |                |                |
| 2012-2013 | 0.980        | 0.910        | 0.865        | 1.017        | 1.000        |              |               |                |                |                |
| 2013-2014 | 1.251        | 1.160        | 0.781        | 1.000        |              |              |               |                |                |                |
| 2014-2015 | 2.011        | 0.723        | 0.815        |              |              |              |               |                |                |                |
| 2015-2016 | 1.124        | 1.497        |              |              |              |              |               |                |                |                |
| 2016-2017 | 1.755        |              |              |              |              |              |               |                |                |                |

|                                  | 18-30 Months | 30-42 Months | 42-54 Months | 54-66 Months | 66-78 Months | 78-90 Months | 90-102 Months | 102-114 Months | 114-126 Months | 126-138 Months |
|----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|----------------|----------------|----------------|
| Average Dollar-Weighted Averages | 1.403        | 1.060        | 1.008        | 1.120        | 0.995        | 0.998        | 0.992         | 1.014          | 0.989          | 1.001          |
| 3-yr                             | 1.530        | 1.109        | 0.835        | 0.986        | 0.999        | 1.009        | 1.035         | 1.016          | 0.998          | 0.993          |
| 4-yr                             | 1.496        | 1.039        | 0.879        | 0.996        | 0.999        | 1.011        | 0.991         | 1.013          | 0.966          | 0.996          |
| Industry Factors                 | 1.262        | 1.070        | 1.020        | 1.013        | 1.010        | 1.009        | 1.009         | 1.008          | 1.006          | 1.006          |
| Prior                            | 1.299        | 1.067        | 1.040        | 1.030        | 1.020        | 1.015        | 1.010         | 1.007          | 1.006          | 1.005          |
| Selected                         | 1.320        | 1.067        | 1.040        | 1.030        | 1.020        | 1.015        | 1.010         | 1.007          | 1.006          | 1.005          |
| Cumulated                        | 1.637        | 1.240        | 1.163        | 1.118        | 1.085        | 1.064        | 1.048         | 1.038          | 1.031          | 1.025          |

Judicial Branch Workers' Compensation Program - State Judiciary - Workers' Compensation  
Reported Loss Development

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 |
|---------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Prior         | 440,902    | 441,223    | 400,139    | 400,139    | 400,139    | 400,139    | 400,139    | 400,139    | 400,139    | 400,139    | 400,139    |
| 1998-1999     | 815,537    | 796,055    | 769,747    | 769,747    | 769,747    | 769,747    | 769,747    | 769,747    | 769,747    | 769,747    | 769,747    |
| 1999-2000     | 532,978    | 533,335    | 533,130    | 535,230    | 437,869    | 537,869    | 537,869    | 537,869    | 537,869    | 537,869    |            |
| 2000-2001     | 553,684    | 553,684    | 553,684    | 553,684    | 553,684    | 553,684    | 553,684    | 553,684    | 553,684    |            |            |
| 2001-2002     | 523,770    | 551,920    | 547,115    | 511,526    | 511,782    | 611,782    | 611,782    |            |            |            |            |
| 2002-2003     | 204,695    | 204,939    | 195,771    | 195,771    | 171,866    | 171,866    |            |            |            |            |            |
| 2003-2004     | 313,119    | 313,119    | 289,343    | 289,343    | 289,343    |            |            |            |            |            |            |
| 2004-2005     | 245,971    | 245,980    | 245,980    | 245,980    |            |            |            |            |            |            |            |
| 2005-2006     | 229,011    | 227,199    | 235,295    |            |            |            |            |            |            |            |            |
| 2006-2007     | 313,363    | 313,363    |            |            |            |            |            |            |            |            |            |
| 2007-2008     | 268,273    |            |            |            |            |            |            |            |            |            |            |
| 2008-2009     |            |            |            |            |            |            |            |            |            |            |            |
| 2009-2010     |            |            |            |            |            |            |            |            |            |            |            |
| 2010-2011     |            |            |            |            |            |            |            |            |            |            |            |
| 2011-2012     |            |            |            |            |            |            |            |            |            |            |            |
| 2012-2013     |            |            |            |            |            |            |            |            |            |            |            |
| 2013-2014     |            |            |            |            |            |            |            |            |            |            |            |
| 2014-2015     |            |            |            |            |            |            |            |            |            |            |            |
| 2015-2016     |            |            |            |            |            |            |            |            |            |            |            |
| 2016-2017     |            |            |            |            |            |            |            |            |            |            |            |
| 2017-2018     |            |            |            |            |            |            |            |            |            |            |            |

Reported Loss Development Factors:

|           | 138-150 Months | 150-162 Months | 162-174 Months | 174-186 Months | 186-198 Months | 198-210 Months | 210-222 Months | 222-234 Months | 234-246 Months | 246-258 Months | 258-Ult. Months |
|-----------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|
| Prior     | 1.001          | 0.907          | 1.000          | 1.000          | 1.000          | 1.000          | 1.000          | 1.000          | 1.000          | 1.000          |                 |
| 1998-1999 | 0.976          | 0.967          | 1.000          | 1.000          | 1.000          | 1.000          | 1.000          | 1.000          | 1.000          | 1.000          |                 |
| 1999-2000 | 1.001          | 1.000          | 1.004          | 0.818          | 1.228          | 1.000          | 1.000          | 1.000          |                |                |                 |
| 2000-2001 | 1.000          | 1.000          | 1.000          | 1.000          | 1.000          | 1.000          | 1.000          |                |                |                |                 |
| 2001-2002 | 1.054          | 0.991          | 0.935          | 1.001          | 1.195          | 1.000          |                |                |                |                |                 |
| 2002-2003 | 1.001          | 0.955          | 1.000          | 0.878          | 1.000          |                |                |                |                |                |                 |
| 2003-2004 | 1.000          | 0.924          | 1.000          | 1.000          |                |                |                |                |                |                |                 |
| 2004-2005 | 1.000          | 1.000          | 1.000          |                |                |                |                |                |                |                |                 |
| 2005-2006 | 0.992          | 1.036          |                |                |                |                |                |                |                |                |                 |
| 2006-2007 | 1.000          |                |                |                |                |                |                |                |                |                |                 |
| 2007-2008 |                |                |                |                |                |                |                |                |                |                |                 |
| 2008-2009 |                |                |                |                |                |                |                |                |                |                |                 |
| 2009-2010 |                |                |                |                |                |                |                |                |                |                |                 |
| 2010-2011 |                |                |                |                |                |                |                |                |                |                |                 |
| 2011-2012 |                |                |                |                |                |                |                |                |                |                |                 |
| 2012-2013 |                |                |                |                |                |                |                |                |                |                |                 |
| 2013-2014 |                |                |                |                |                |                |                |                |                |                |                 |
| 2014-2015 |                |                |                |                |                |                |                |                |                |                |                 |
| 2015-2016 |                |                |                |                |                |                |                |                |                |                |                 |
| 2016-2017 |                |                |                |                |                |                |                |                |                |                |                 |

|                                  | 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 | 1.003          | 0.976          | 0.992          | 0.957          | 1.071          | 1.000          | 1.000          | 1.000          | 1.000          | 1.000          |                 |
| 3-yr                             | 0.998          | 0.980          | 1.000          | 0.976          | 1.081          | 1.000          | 1.000          | 1.000          |                |                |                 |
| 4-yr                             | 0.998          | 0.975          | 0.972          | 0.985          | 1.119          | 1.000          | 1.000          |                |                |                |                 |
| Industry Factors                 | 1.005          | 1.004          | 1.004          | 1.003          | 1.003          | 1.003          | 1.002          | 1.002          | 1.002          | 1.002          | 1.005           |
| Prior                            | 1.004          | 1.003          | 1.002          | 1.001          | 1.001          | 1.000          | 1.001          | 1.001          | 1.001          | 1.001          | 1.005           |
| Selected                         | 1.004          | 1.003          | 1.002          | 1.001          | 1.001          | 1.000          | 1.001          | 1.001          | 1.001          | 1.001          | 1.005           |
| Cumulated                        | 1.020          | 1.016          | 1.013          | 1.011          | 1.010          | 1.009          | 1.009          | 1.008          | 1.007          | 1.006          | 1.005           |



Judicial Branch Workers' Compensation Program - State Judiciary - Workers' Compensation  
Reported between \$100,000 and \$500,000 Loss Development

| Accident Year | <u>Losses Reported as of:</u> |           |           |           |           |           |           |            |            |            |
|---------------|-------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------|------------|
|               | 18 Months                     | 30 Months | 42 Months | 54 Months | 66 Months | 78 Months | 90 Months | 102 Months | 114 Months | 126 Months |
| Prior         |                               |           |           |           |           |           |           |            |            |            |
| 1998-1999     |                               |           |           |           |           |           |           |            |            | 329,055    |
| 1999-2000     |                               |           |           |           |           |           |           |            | 101,947    | 109,716    |
| 2000-2001     |                               |           |           |           |           |           |           | 420,285    | 412,694    | 395,413    |
| 2001-2002     |                               |           |           |           |           |           | 175,743   | 505,817    | 547,953    | 512,718    |
| 2002-2003     |                               |           |           |           |           |           |           |            |            |            |
| 2003-2004     |                               |           |           |           |           |           |           |            |            |            |
| 2004-2005     |                               |           |           |           | 215,299   | 215,299   | 215,299   | 119,890    | 119,890    | 119,890    |
| 2005-2006     |                               |           |           | 31,500    |           |           |           | 29,924     | 29,924     |            |
| 2006-2007     |                               | 24,768    |           | 48,987    | 50,405    | 112,853   | 178,973   | 285,617    | 272,323    | 272,323    |
| 2007-2008     |                               |           |           |           |           |           |           |            |            |            |
| 2008-2009     |                               | 42,100    | 119,768   | 119,768   | 101,528   | 101,791   | 104,685   | 123,670    | 193,341    | 197,798    |
| 2009-2010     | 191,500                       | 205,410   | 195,816   | 205,100   | 209,294   | 212,775   | 198,879   | 198,879    | 198,879    |            |
| 2010-2011     |                               |           |           |           |           |           |           | 11,239     |            |            |
| 2011-2012     |                               | 53,416    | 68,749    | 57,543    | 48,324    | 19,367    | 37,452    |            |            |            |
| 2012-2013     | 197,315                       | 136,141   | 133,826   | 133,826   | 133,826   | 133,826   |           |            |            |            |
| 2013-2014     |                               |           |           |           |           |           |           |            |            |            |
| 2014-2015     |                               |           | 7,314     | 91,347    |           |           |           |            |            |            |
| 2015-2016     |                               |           |           |           |           |           |           |            |            |            |
| 2016-2017     |                               | 63,728    |           |           |           |           |           |            |            |            |
| 2017-2018     |                               |           |           |           |           |           |           |            |            |            |

| Accident Year | <u>Reported Loss Development Factors:</u> |              |              |              |              |              |               |                |                |                |
|---------------|---|--------------|--------------|--------------|--------------|--------------|---------------|----------------|----------------|----------------|
|               | 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 |
| Prior         |   |              |              |              |              |              |               |                |                |                |
| 1998-1999     |   |              |              |              |              |              |               |                |                | 1.351          |
| 1999-2000     |   |              |              |              |              |              |               |                | 1.076          | 1.000          |
| 2000-2001     |   |              |              |              |              |              |               | 0.982          | 0.958          | 1.002          |
| 2001-2002     |   |              |              |              |              |              | 2.878         | 1.083          | 0.936          | 1.060          |
| 2002-2003     |   |              |              |              |              |              |               |                |                |                |
| 2003-2004     |   |              |              |              |              |              |               |                |                |                |
| 2004-2005     |   |              |              |              | 1.000        | 1.000        | 0.557         | 1.000          | 1.000          | 1.000          |
| 2005-2006     |   |              |              |              |              |              |               | 1.000          |                |                |
| 2006-2007     |   |              |              | 1.029        | 2.239        | 1.586        | 1.596         | 0.953          | 1.000          | 1.157          |
| 2007-2008     |   |              |              |              |              |              |               |                |                |                |
| 2008-2009     |   | 2.845        | 1.000        | 0.848        | 1.003        | 1.028        | 1.181         | 1.563          | 1.023          |                |
| 2009-2010     | 1.073                                     | 0.953        | 1.047        | 1.020        | 1.017        | 0.935        | 1.000         | 1.000          |                |                |
| 2010-2011     |   |              |              |              |              |              |               |                |                |                |
| 2011-2012     |   | 1.287        | 0.837        | 0.840        | 0.401        | 1.934        |               |                |                |                |
| 2012-2013     | 0.690                                     | 0.983        | 1.000        | 1.000        | 1.000        |              |               |                |                |                |
| 2013-2014     |   |              |              |              |              |              |               |                |                |                |
| 2014-2015     |   |              | 12.489       |              |              |              |               |                |                |                |
| 2015-2016     |   |              |              |              |              |              |               |                |                |                |
| 2016-2017     |   |              |              |              |              |              |               |                |                |                |

|                                  | 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 | 0.882        | 1.517        | 3.275        | 0.947        | 1.110        | 1.297        | 1.442         | 1.083          | 0.999          | 1.095          |
| 3-yr                             |              |              |              |              |              |              |               |                |                |                |
| 4-yr                             |              |              |              |              |              |              |               |                |                |                |
| Industry Factors                 | 2.127        | 1.559        | 1.316        | 1.192        | 1.114        | 1.089        | 1.075         | 1.062          | 1.053          | 1.044          |
| Prior                            | 2.127        | 1.559        | 1.316        | 1.192        | 1.114        | 1.089        | 1.075         | 1.062          | 1.053          | 1.044          |
| Selected                         | 2.127        | 1.559        | 1.316        | 1.192        | 1.114        | 1.089        | 1.075         | 1.062          | 1.053          | 1.044          |
| Cumulated                        | 9.644        | 4.534        | 2.908        | 2.210        | 1.854        | 1.664        | 1.528         | 1.421          | 1.338          | 1.271          |

Judicial Branch Workers' Compensation Program - State Judiciary - Workers' Compensation  
Reported between \$100,000 and \$500,000 Loss Development

| Accident Year | Losses Reported as of: |            |            |            |            |            |            |            |            |            |            |
|---------------|------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
|               | 138 Months             | 150 Months | 162 Months | 174 Months | 186 Months | 198 Months | 210 Months | 222 Months | 234 Months | 246 Months | 258 Months |
| Prior         | 44,769                 | 42,008     | 37,957     | 37,957     | 37,957     | 37,957     | 37,957     | 37,957     | 37,957     | 37,957     | 37,957     |
| 1998-1999     | 444,658                | 476,438    | 476,438    | 477,638    | 619,623    | 619,622    | 619,622    | 619,622    | 612,499    | 612,499    |            |
| 1999-2000     | 109,716                | 109,716    | 109,716    | 114,191    | 114,191    | 146,439    | 145,681    | 129,645    | 129,645    |            |            |
| 2000-2001     | 396,372                | 396,529    | 396,686    | 396,865    | 396,865    | 396,865    | 506,865    | 451,912    |            |            |            |
| 2001-2002     | 543,370                | 543,370    | 543,938    | 404,352    | 425,509    | 449,566    | 417,019    |            |            |            |            |
| 2002-2003     |                        |            |            |            |            |            |            |            |            |            |            |
| 2003-2004     |                        |            |            |            |            |            |            |            |            |            |            |
| 2004-2005     | 119,890                | 119,890    | 119,890    | 119,890    |            |            |            |            |            |            |            |
| 2005-2006     |                        |            |            |            |            |            |            |            |            |            |            |
| 2006-2007     | 314,969                | 291,698    |            |            |            |            |            |            |            |            |            |
| 2007-2008     |                        |            |            |            |            |            |            |            |            |            |            |
| 2008-2009     |                        |            |            |            |            |            |            |            |            |            |            |
| 2009-2010     |                        |            |            |            |            |            |            |            |            |            |            |
| 2010-2011     |                        |            |            |            |            |            |            |            |            |            |            |
| 2011-2012     |                        |            |            |            |            |            |            |            |            |            |            |
| 2012-2013     |                        |            |            |            |            |            |            |            |            |            |            |
| 2013-2014     |                        |            |            |            |            |            |            |            |            |            |            |
| 2014-2015     |                        |            |            |            |            |            |            |            |            |            |            |
| 2015-2016     |                        |            |            |            |            |            |            |            |            |            |            |
| 2016-2017     |                        |            |            |            |            |            |            |            |            |            |            |
| 2017-2018     |                        |            |            |            |            |            |            |            |            |            |            |

Reported Loss Development Factors:

|           | 138-150 Months | 150-162 Months | 162-174 Months | 174-186 Months | 186-198 Months | 198-210 Months | 210-222 Months | 222-234 Months | 234-246 Months | 246-258 Months | 258-Ult. Months |
|-----------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|
| Prior     | 0.938          | 0.904          | 1.000          | 1.000          | 1.000          | 1.000          | 1.000          | 1.000          | 1.000          | 1.000          |                 |
| 1998-1999 | 1.071          | 1.000          | 1.003          | 1.297          | 1.000          | 1.000          | 1.000          | 0.989          | 1.000          |                |                 |
| 1999-2000 | 1.000          | 1.000          | 1.041          | 1.000          | 1.282          | 0.995          | 0.890          | 1.000          |                |                |                 |
| 2000-2001 | 1.000          | 1.000          | 1.000          | 1.000          | 1.000          | 1.277          | 0.892          |                |                |                |                 |
| 2001-2002 | 1.000          | 1.001          | 0.743          | 1.052          | 1.057          | 0.928          |                |                |                |                |                 |
| 2002-2003 |                |                |                |                |                |                |                |                |                |                |                 |
| 2003-2004 |                |                |                |                |                |                |                |                |                |                |                 |
| 2004-2005 | 1.000          | 1.000          | 1.000          |                |                |                |                |                |                |                |                 |
| 2005-2006 |                |                |                |                |                |                |                |                |                |                |                 |
| 2006-2007 | 0.926          |                |                |                |                |                |                |                |                |                |                 |
| 2007-2008 |                |                |                |                |                |                |                |                |                |                |                 |
| 2008-2009 |                |                |                |                |                |                |                |                |                |                |                 |
| 2009-2010 |                |                |                |                |                |                |                |                |                |                |                 |
| 2010-2011 |                |                |                |                |                |                |                |                |                |                |                 |
| 2011-2012 |                |                |                |                |                |                |                |                |                |                |                 |
| 2012-2013 |                |                |                |                |                |                |                |                |                |                |                 |
| 2013-2014 |                |                |                |                |                |                |                |                |                |                |                 |
| 2014-2015 |                |                |                |                |                |                |                |                |                |                |                 |
| 2015-2016 |                |                |                |                |                |                |                |                |                |                |                 |
| 2016-2017 |                |                |                |                |                |                |                |                |                |                |                 |

|                                  | 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 | 0.991          | 0.984          | 0.965          | 1.070          | 1.068          | 1.040          | 0.946          | 0.996          | 1.000          | 1.000          |                 |
| 3-yr                             |                |                |                |                |                | 1.077          | 0.944          | 0.991          |                |                |                 |
| 4-yr                             |                |                |                |                |                | 1.048          | 0.946          |                |                |                |                 |
| Industry Factors                 | 1.035          | 1.030          | 1.028          | 1.025          | 1.023          | 1.017          | 1.013          | 1.010          | 1.006          | 1.004          | 1.009           |
| Prior                            | 1.035          | 1.030          | 1.028          | 1.025          | 1.023          | 1.017          | 1.013          | 1.010          | 1.006          | 1.003          | 1.010           |
| Selected                         | 1.035          | 1.030          | 1.028          | 1.025          | 1.023          | 1.017          | 1.013          | 1.010          | 1.006          | 1.003          | 1.010           |
| Cumulated                        | 1.217          | 1.176          | 1.142          | 1.111          | 1.084          | 1.060          | 1.042          | 1.029          | 1.019          | 1.013          | 1.010           |

## Judicial Branch Workers' Compensation Program - State Judiciary - Workers' Compensation

## Paid Loss Development

| Accident Year<br>(A) | Limited Paid Losses as of 12/31/18<br>(B) | Paid Loss Development Factor<br>(C) | Ultimate Limited Losses<br>(D) | Program Paid Losses of 12/31/18<br>(E) | Paid Loss Development Factor<br>(F) | Ultimate Program Losses<br>(G) |
|----------------------|---|-------------------------------------|--------------------------------|--|-------------------------------------|--------------------------------|
| Prior                | \$5,857,000                               | 1.030                               | \$6,032,710                    | \$9,013,009                            | 1.067                               | \$9,616,881                    |
| 1998-1999            | 769,747                                   | 1.031                               | 793,609                        | 1,352,922                              | 1.090                               | 1,474,685                      |
| 1999-2000            | 537,869                                   | 1.032                               | 555,081                        | 646,509                                | 1.100                               | 711,160                        |
| 2000-2001            | 553,684                                   | 1.033                               | 571,956                        | 950,967                                | 1.111                               | 1,056,524                      |
| 2001-2002            | 611,782                                   | 1.034                               | 632,583                        | 949,413                                | 1.123                               | 1,066,191                      |
| 2002-2003            | 171,866                                   | 1.036                               | 178,053                        | 171,866                                | 1.136                               | 195,240                        |
| 2003-2004            | 289,343                                   | 1.037                               | 300,049                        | 289,343                                | 1.149                               | 332,455                        |
| 2004-2005            | 245,980                                   | 1.041                               | 256,065                        | 365,870                                | 1.166                               | 426,604                        |
| 2005-2006            | 229,141                                   | 1.046                               | 239,681                        | 229,141                                | 1.186                               | 271,761                        |
| 2006-2007            | 313,363                                   | 1.052                               | 329,658                        | 574,994                                | 1.211                               | 696,318                        |
| 2007-2008            | 242,004                                   | 1.059                               | 256,282                        | 242,004                                | 1.241                               | 300,327                        |
| 2008-2009            | 589,147                                   | 1.067                               | 628,620                        | 691,003                                | 1.277                               | 882,411                        |
| 2009-2010            | 474,792                                   | 1.077                               | 511,351                        | 673,671                                | 1.320                               | 889,246                        |
| 2010-2011            | 256,181                                   | 1.088                               | 278,725                        | 256,181                                | 1.378                               | 353,017                        |
| 2011-2012            | 511,949                                   | 1.110                               | 568,263                        | 549,401                                | 1.469                               | 807,070                        |
| 2012-2013            | 295,980                                   | 1.146                               | 339,193                        | 429,805                                | 1.593                               | 684,679                        |
| 2013-2014            | 77,577                                    | 1.214                               | 94,178                         | 77,577                                 | 1.780                               | 138,087                        |
| 2014-2015            | 164,265                                   | 1.370                               | 225,043                        | 164,265                                | 2.126                               | 349,227                        |
| 2015-2016            | 282,169                                   | 1.594                               | 449,777                        | 282,169                                | 2.577                               | 727,150                        |
| 2016-2017            | 192,273                                   | 2.205                               | 423,962                        | 240,198                                | 3.738                               | 897,860                        |
| 2017-2018            | 44,578                                    | 5.056                               | 225,386                        | 44,578                                 | 8.814                               | 392,910                        |
| Totals               | \$12,710,690                              |                                     | \$13,890,225                   | \$18,194,886                           |                                     | \$22,269,803                   |

## Notes:

- (A) Years are 7/1 to 6/30.
- (B) Provided by the Judicial Council. These losses exclude amounts over \$100,000 per occurrence.
- (C) From Appendix J-B, Page 2.
- (D) (B) x (C). These estimated losses exclude amounts over \$100,000 per occurrence.
- (E) Losses capped at the Judicial Council's SIR. Amounts are provided by the Judicial Council.
- (F) Derived from factors on Appendix J-B, Page 4.
- (G) (E) x (F).

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

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

Judicial Branch Workers' Compensation Program - State Judiciary - Workers' Compensation

Paid Loss Development

| Accident Year | Limited Losses Paid as of: |           |           |           |           |           |           |            |            |            |
|---------------|----------------------------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------|------------|
|               | 18 Months                  | 30 Months | 42 Months | 54 Months | 66 Months | 78 Months | 90 Months | 102 Months | 114 Months | 126 Months |
| Prior         |                            |           |           |           |           |           |           |            |            |            |
| 1998-1999     |                            |           |           |           |           |           |           |            |            | 762,327    |
| 1999-2000     |                            |           |           |           |           |           |           |            | 473,486    | 485,048    |
| 2000-2001     |                            |           |           |           |           |           |           | 545,482    | 548,626    | 551,968    |
| 2001-2002     |                            |           |           |           |           |           | 470,017   | 477,343    | 480,710    | 495,337    |
| 2002-2003     |                            |           |           |           |           | 182,670   | 186,742   | 188,794    | 195,263    | 195,428    |
| 2003-2004     |                            |           |           |           | 277,725   | 278,063   | 283,963   | 286,077    | 286,077    | 287,998    |
| 2004-2005     |                            |           |           | 115,310   | 149,544   | 172,436   | 234,840   | 244,498    | 244,620    | 244,620    |
| 2005-2006     |                            |           | 105,402   | 126,995   | 208,376   | 215,200   | 220,746   | 224,651    | 226,776    | 226,861    |
| 2006-2007     |                            | 107,952   | 173,399   | 242,590   | 285,331   | 290,371   | 301,928   | 313,310    | 313,310    | 313,363    |
| 2007-2008     | 42,869                     | 76,942    | 85,522    | 100,926   | 129,066   | 134,527   | 141,605   | 159,251    | 207,132    | 214,469    |
| 2008-2009     | 155,054                    | 269,155   | 371,169   | 425,671   | 449,069   | 477,417   | 499,473   | 558,306    | 574,868    | 589,147    |
| 2009-2010     | 112,420                    | 275,166   | 300,157   | 344,298   | 393,422   | 466,869   | 468,446   | 472,290    | 474,792    |            |
| 2010-2011     | 43,931                     | 79,332    | 134,773   | 178,164   | 226,748   | 235,163   | 246,942   | 256,181    |            |            |
| 2011-2012     | 159,528                    | 296,493   | 416,624   | 489,136   | 493,696   | 499,081   | 511,949   |            |            |            |
| 2012-2013     | 53,096                     | 222,714   | 285,510   | 294,257   | 295,716   | 295,980   |           |            |            |            |
| 2013-2014     | 24,089                     | 38,936    | 71,070    | 76,508    | 77,577    |           |           |            |            |            |
| 2014-2015     | 44,999                     | 122,031   | 131,400   | 164,265   |           |           |           |            |            |            |
| 2015-2016     | 82,155                     | 159,301   | 282,169   |           |           |           |           |            |            |            |
| 2016-2017     | 88,693                     | 192,273   |           |           |           |           |           |            |            |            |
| 2017-2018     | 44,578                     |           |           |           |           |           |           |            |            |            |

Paid Loss Development Factors:

|           | 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 |
|-----------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|----------------|----------------|----------------|
|           | Prior        |              |              |              |              |              |               |                |                |                |
| 1998-1999 |              |              |              |              |              |              |               |                |                | 1.010          |
| 1999-2000 |              |              |              |              |              |              |               |                | 1.024          | 1.040          |
| 2000-2001 |              |              |              |              |              |              |               | 1.006          | 1.006          | 1.003          |
| 2001-2002 |              |              |              |              |              |              | 1.016         | 1.007          | 1.030          | 1.009          |
| 2002-2003 |              |              |              |              |              | 1.022        | 1.011         | 1.034          | 1.001          | 1.001          |
| 2003-2004 |              |              |              |              | 1.001        | 1.021        | 1.007         | 1.000          | 1.007          | 1.000          |
| 2004-2005 |              |              |              | 1.297        | 1.153        | 1.362        | 1.041         | 1.000          | 1.000          | 1.006          |
| 2005-2006 |              |              | 1.205        | 1.641        | 1.033        | 1.026        | 1.018         | 1.009          | 1.000          | 1.000          |
| 2006-2007 |              | 1.606        | 1.399        | 1.176        | 1.018        | 1.040        | 1.038         | 1.000          | 1.000          | 1.000          |
| 2007-2008 | 1.795        | 1.112        | 1.180        | 1.279        | 1.042        | 1.053        | 1.125         | 1.301          | 1.035          | 1.128          |
| 2008-2009 | 1.736        | 1.379        | 1.147        | 1.055        | 1.063        | 1.046        | 1.118         | 1.030          | 1.025          |                |
| 2009-2010 | 2.448        | 1.091        | 1.147        | 1.143        | 1.187        | 1.003        | 1.008         | 1.005          |                |                |
| 2010-2011 | 1.806        | 1.699        | 1.322        | 1.273        | 1.037        | 1.050        | 1.037         |                |                |                |
| 2011-2012 | 1.859        | 1.405        | 1.174        | 1.009        | 1.011        | 1.026        |               |                |                |                |
| 2012-2013 | 4.195        | 1.282        | 1.031        | 1.005        | 1.001        |              |               |                |                |                |
| 2013-2014 | 1.616        | 1.825        | 1.077        | 1.014        |              |              |               |                |                |                |
| 2014-2015 | 2.712        | 1.077        | 1.250        |              |              |              |               |                |                |                |
| 2015-2016 | 1.939        | 1.771        |              |              |              |              |               |                |                |                |
| 2016-2017 | 2.168        |              |              |              |              |              |               |                |                |                |

|                                  | 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 | 2.227        | 1.425        | 1.193        | 1.189        | 1.055        | 1.065        | 1.042         | 1.039          | 1.013          | 1.020          |
| 3-yr                             | 2.194        | 1.513        | 1.096        | 1.008        | 1.014        | 1.022        | 1.059         | 1.056          | 1.020          | 1.036          |
| 4-yr                             | 2.136        | 1.418        | 1.132        | 1.054        | 1.062        | 1.029        | 1.066         | 1.045          | 1.016          | 1.029          |
| Industry Factors                 | 1.715        | 1.266        | 1.127        | 1.069        | 1.041        | 1.026        | 1.017         | 1.014          | 1.011          | 1.009          |
| Prior                            | 2.310        | 1.373        | 1.166        | 1.144        | 1.062        | 1.032        | 1.020         | 1.010          | 1.009          | 1.008          |
| Selected                         | 2.293        | 1.383        | 1.164        | 1.129        | 1.060        | 1.032        | 1.020         | 1.010          | 1.009          | 1.008          |
| Cumulated                        | 5.056        | 2.205        | 1.594        | 1.370        | 1.214        | 1.146        | 1.110         | 1.088          | 1.077          | 1.067          |

Judicial Branch Workers' Compensation Program - State Judiciary - Workers' Compensation  
Paid Loss Development

| Accident Year | <u>Limited Losses Paid as of:</u> |         |         |         |         |         |         |         |         |         |         |
|---------------|-----------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|               | 138                               | 150     | 162     | 174     | 186     | 198     | 210     | 222     | 234     | 246     | 258     |
| Prior         | Months                            | Months  | Months  | Months  | Months  | Months  | Months  | Months  | Months  | Months  | Months  |
| Prior         | 391,618                           | 399,978 | 400,139 | 400,139 | 400,139 | 400,139 | 400,139 | 400,139 | 400,139 | 400,139 | 400,139 |
| 1998-1999     | 769,675                           | 769,747 | 769,747 | 769,747 | 769,747 | 769,747 | 769,747 | 769,747 | 769,747 | 769,747 | 769,747 |
| 1999-2000     | 504,417                           | 508,985 | 511,376 | 515,305 | 437,869 | 537,869 | 537,869 | 537,869 | 537,869 | 537,869 |         |
| 2000-2001     | 553,684                           | 553,684 | 553,684 | 553,684 | 553,684 | 553,684 | 553,684 | 553,684 | 553,684 |         |         |
| 2001-2002     | 499,831                           | 501,748 | 509,628 | 511,526 | 511,782 | 611,782 | 611,782 |         |         |         |         |
| 2002-2003     | 195,527                           | 195,771 | 195,771 | 195,771 | 171,866 | 171,866 |         |         |         |         |         |
| 2003-2004     | 288,006                           | 288,633 | 289,343 | 289,343 | 289,343 |         |         |         |         |         |         |
| 2004-2005     | 245,971                           | 245,980 | 245,980 | 245,980 |         |         |         |         |         |         |         |
| 2005-2006     | 226,861                           | 227,199 | 229,141 |         |         |         |         |         |         |         |         |
| 2006-2007     | 313,363                           | 313,363 |         |         |         |         |         |         |         |         |         |
| 2007-2008     | 242,004                           |         |         |         |         |         |         |         |         |         |         |
| 2008-2009     |                                   |         |         |         |         |         |         |         |         |         |         |
| 2009-2010     |                                   |         |         |         |         |         |         |         |         |         |         |
| 2010-2011     |                                   |         |         |         |         |         |         |         |         |         |         |
| 2011-2012     |                                   |         |         |         |         |         |         |         |         |         |         |
| 2012-2013     |                                   |         |         |         |         |         |         |         |         |         |         |
| 2013-2014     |                                   |         |         |         |         |         |         |         |         |         |         |
| 2014-2015     |                                   |         |         |         |         |         |         |         |         |         |         |
| 2015-2016     |                                   |         |         |         |         |         |         |         |         |         |         |
| 2016-2017     |                                   |         |         |         |         |         |         |         |         |         |         |
| 2017-2018     |                                   |         |         |         |         |         |         |         |         |         |         |

Paid Loss Development Factors:

|           | 138-150 | 150-162 | 162-174 | 174-186 | 186-198 | 198-210 | 210-222 | 222-234 | 234-246 | 246-258 | 258-Ult. |
|-----------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------|
|           | Months  | Months  | Months  | Months  | Months  | Months  | Months  | Months  | Months  | Months  | Months   |
| Prior     | 1.021   | 1.000   | 1.000   | 1.000   | 1.000   | 1.000   | 1.000   | 1.000   | 1.000   | 1.000   |          |
| 1998-1999 | 1.000   | 1.000   | 1.000   | 1.000   | 1.000   | 1.000   | 1.000   | 1.000   | 1.000   | 1.000   |          |
| 1999-2000 | 1.009   | 1.005   | 1.008   | 0.850   | 1.228   | 1.000   | 1.000   | 1.000   |         |         |          |
| 2000-2001 | 1.000   | 1.000   | 1.000   | 1.000   | 1.000   | 1.000   | 1.000   |         |         |         |          |
| 2001-2002 | 1.004   | 1.016   | 1.004   | 1.001   | 1.195   | 1.000   |         |         |         |         |          |
| 2002-2003 | 1.001   | 1.000   | 1.000   | 0.878   | 1.000   |         |         |         |         |         |          |
| 2003-2004 | 1.002   | 1.002   | 1.000   | 1.000   |         |         |         |         |         |         |          |
| 2004-2005 | 1.000   | 1.000   | 1.000   |         |         |         |         |         |         |         |          |
| 2005-2006 | 1.001   | 1.009   |         |         |         |         |         |         |         |         |          |
| 2006-2007 | 1.000   |         |         |         |         |         |         |         |         |         |          |
| 2007-2008 |         |         |         |         |         |         |         |         |         |         |          |
| 2008-2009 |         |         |         |         |         |         |         |         |         |         |          |
| 2009-2010 |         |         |         |         |         |         |         |         |         |         |          |
| 2010-2011 |         |         |         |         |         |         |         |         |         |         |          |
| 2011-2012 |         |         |         |         |         |         |         |         |         |         |          |
| 2012-2013 |         |         |         |         |         |         |         |         |         |         |          |
| 2013-2014 |         |         |         |         |         |         |         |         |         |         |          |
| 2014-2015 |         |         |         |         |         |         |         |         |         |         |          |
| 2015-2016 |         |         |         |         |         |         |         |         |         |         |          |
| 2016-2017 |         |         |         |         |         |         |         |         |         |         |          |

|                                  | 138-150 | 150-162 | 162-174 | 174-186 | 186-198 | 198-210 | 210-222 | 222-234 | 234-246 | 246-258 | 258-Ult. |
|----------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------|
|                                  | Months  | Months  | Months  | Months  | Months  | Months  | Months  | Months  | Months  | Months  | Months   |
| Average Dollar-Weighted Averages | 1.004   | 1.004   | 1.002   | 0.961   | 1.071   | 1.000   | 1.000   | 1.000   | 1.000   | 1.000   |          |
| 3-yr                             | 1.000   | 1.003   | 1.000   | 0.976   | 1.081   | 1.000   | 1.000   | 1.000   |         |         |          |
| 4-yr                             | 1.001   | 1.003   | 1.002   | 0.985   | 1.119   | 1.000   | 1.000   |         |         |         |          |
| Industry Factors                 | 1.009   | 1.008   | 1.006   | 1.006   | 1.005   | 1.004   | 1.004   | 1.004   | 1.004   | 1.004   | 1.011    |
| Prior                            | 1.007   | 1.006   | 1.005   | 1.004   | 1.001   | 1.002   | 1.001   | 1.001   | 1.001   | 1.001   | 1.030    |
| Selected                         | 1.007   | 1.006   | 1.005   | 1.004   | 1.001   | 1.002   | 1.001   | 1.001   | 1.001   | 1.001   | 1.030    |
| Cumulated                        | 1.059   | 1.052   | 1.046   | 1.041   | 1.037   | 1.036   | 1.034   | 1.033   | 1.032   | 1.031   | 1.030    |

Judicial Branch Workers' Compensation Program - State Judiciary - Workers' Compensation  
Paid between \$100,000 and \$500,000 Loss Development

| Accident Year | Losses Paid as of: |           |           |           |           |           |           |            |            |            |
|---------------|--------------------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------|------------|
|               | 18 Months          | 30 Months | 42 Months | 54 Months | 66 Months | 78 Months | 90 Months | 102 Months | 114 Months | 126 Months |
| Prior         |                    |           |           |           |           |           |           |            |            |            |
| 1998-1999     |                    |           |           |           |           |           |           |            |            | 240,803    |
| 1999-2000     |                    |           |           |           |           |           |           |            | 47,050     | 48,953     |
| 2000-2001     |                    |           |           |           |           |           |           | 379,345    | 386,033    | 395,413    |
| 2001-2002     |                    |           |           |           |           |           | 92,642    | 95,813     | 98,054     | 100,284    |
| 2002-2003     |                    |           |           |           |           |           |           |            |            |            |
| 2003-2004     |                    |           |           |           |           |           |           |            |            |            |
| 2004-2005     |                    |           |           |           |           |           | 116,940   | 119,890    | 119,890    | 119,890    |
| 2005-2006     |                    |           |           |           |           |           |           |            |            |            |
| 2006-2007     |                    |           |           |           | 2,690     | 37,861    | 82,818    | 133,884    | 230,153    | 244,655    |
| 2007-2008     |                    |           |           |           |           |           |           |            |            |            |
| 2008-2009     |                    | 5,000     | 27,875    | 34,876    | 101,528   | 101,791   | 101,791   | 101,856    | 101,856    | 101,856    |
| 2009-2010     |                    |           | 4,316     | 4,085     | 4,085     | 179,131   | 198,879   | 198,879    | 198,879    |            |
| 2010-2011     |                    |           |           |           |           |           |           |            |            |            |
| 2011-2012     |                    |           | 9,253     | 3,276     | 9,228     | 9,741     | 37,452    |            |            |            |
| 2012-2013     |                    | 133,826   | 133,826   | 133,826   | 133,826   | 133,826   |           |            |            |            |
| 2013-2014     |                    |           |           |           |           |           |           |            |            |            |
| 2014-2015     |                    |           |           |           |           |           |           |            |            |            |
| 2015-2016     |                    |           |           |           |           |           |           |            |            |            |
| 2016-2017     |                    | 47,925    |           |           |           |           |           |            |            |            |
| 2017-2018     |                    |           |           |           |           |           |           |            |            |            |

Paid Loss Development Factors:

| Accident Year | 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 |
|---------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|----------------|----------------|----------------|
|               | Prior        |              |              |              |              |              |               |                |                |                |
| 1998-1999     |              |              |              |              |              |              |               |                |                | 1.107          |
| 1999-2000     |              |              |              |              |              |              |               |                | 1.040          | 1.057          |
| 2000-2001     |              |              |              |              |              |              |               | 1.018          | 1.024          | 1.002          |
| 2001-2002     |              |              |              |              |              |              | 1.034         | 1.023          | 1.023          | 1.196          |
| 2002-2003     |              |              |              |              |              |              |               |                |                |                |
| 2003-2004     |              |              |              |              |              |              |               |                |                |                |
| 2004-2005     |              |              |              |              |              |              | 1.025         | 1.000          | 1.000          | 1.000          |
| 2005-2006     |              |              |              |              |              |              |               |                |                |                |
| 2006-2007     |              |              |              |              | 14.073       | 2.187        | 1.617         | 1.719          | 1.063          | 1.034          |
| 2007-2008     |              |              |              |              |              |              |               |                |                |                |
| 2008-2009     |              | 5.575        | 1.251        | 2.911        | 1.003        | 1.000        | 1.001         | 1.000          | 1.000          |                |
| 2009-2010     |              |              | 0.946        | 1.000        | 43.851       | 1.110        | 1.000         | 1.000          |                |                |
| 2010-2011     |              |              |              |              |              |              |               |                |                |                |
| 2011-2012     |              |              | 0.354        | 2.817        | 1.056        | 3.845        |               |                |                |                |
| 2012-2013     |              | 1.000        | 1.000        | 1.000        | 1.000        |              |               |                |                |                |
| 2013-2014     |              |              |              |              |              |              |               |                |                |                |
| 2014-2015     |              |              |              |              |              |              |               |                |                |                |
| 2015-2016     |              |              |              |              |              |              |               |                |                |                |
| 2016-2017     |              |              |              |              |              |              |               |                |                |                |

|                                  | 18-30 Months | 30-42 Months | 42-54 Months | 54-66 Months | 66-78 Months | 78-90 Months | 90-102 Months | 102-114 Months | 114-126 Months | 126-138 Months |
|----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|----------------|----------------|----------------|
| Average Dollar-Weighted Averages |              | 3.288        | 0.888        | 1.932        | 12.197       | 2.036        | 1.135         | 1.127          | 1.025          | 1.066          |
| 3-yr                             |              |              |              |              |              |              |               |                |                |                |
| 4-yr                             |              |              |              |              |              |              |               |                |                |                |
| Industry Factors                 | 3.280        | 2.571        | 1.941        | 1.591        | 1.380        | 1.272        | 1.209         | 1.134          | 1.089          | 1.075          |
| Prior                            | 3.280        | 2.571        | 1.941        | 1.591        | 1.380        | 1.272        | 1.209         | 1.134          | 1.089          | 1.075          |
| Selected                         | 3.280        | 2.571        | 1.941        | 1.591        | 1.380        | 1.272        | 1.209         | 1.134          | 1.089          | 1.075          |
| Cumulated                        | 132.404      | 40.367       | 15.701       | 8.089        | 5.084        | 3.684        | 2.896         | 2.395          | 2.112          | 1.939          |

Judicial Branch Workers' Compensation Program - State Judiciary - Workers' Compensation  
Paid between \$100,000 and \$500,000 Loss Development

| Accident Year | <u>Losses Paid as of:</u> |            |            |            |            |            |            |            |            |            |            |
|---------------|---------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
|               | 138 Months                | 150 Months | 162 Months | 174 Months | 186 Months | 198 Months | 210 Months | 222 Months | 234 Months | 246 Months | 258 Months |
| Prior         | 37,957                    | 37,957     | 37,957     | 37,957     | 37,957     | 37,957     | 37,957     | 37,957     | 37,957     | 37,957     | 37,957     |
| 1998-1999     | 266,531                   | 318,330    | 344,825    | 367,098    | 415,343    | 444,026    | 488,617    | 518,738    | 561,260    | 583,175    |            |
| 1999-2000     | 51,741                    | 53,894     | 57,206     | 61,429     | 68,499     | 82,057     | 91,903     | 97,334     | 108,641    |            |            |
| 2000-2001     | 396,372                   | 396,529    | 396,686    | 396,865    | 396,865    | 396,865    | 397,129    | 397,284    |            |            |            |
| 2001-2002     | 119,901                   | 125,415    | 135,058    | 267,506    | 280,071    | 319,013    | 337,632    |            |            |            |            |
| 2002-2003     |                           |            |            |            |            |            |            |            |            |            |            |
| 2003-2004     |                           |            |            |            |            |            |            |            |            |            |            |
| 2004-2005     | 119,890                   | 119,890    | 119,890    | 119,890    |            |            |            |            |            |            |            |
| 2005-2006     |                           |            |            |            |            |            |            |            |            |            |            |
| 2006-2007     | 252,853                   | 261,631    |            |            |            |            |            |            |            |            |            |
| 2007-2008     |                           |            |            |            |            |            |            |            |            |            |            |
| 2008-2009     |                           |            |            |            |            |            |            |            |            |            |            |
| 2009-2010     |                           |            |            |            |            |            |            |            |            |            |            |
| 2010-2011     |                           |            |            |            |            |            |            |            |            |            |            |
| 2011-2012     |                           |            |            |            |            |            |            |            |            |            |            |
| 2012-2013     |                           |            |            |            |            |            |            |            |            |            |            |
| 2013-2014     |                           |            |            |            |            |            |            |            |            |            |            |
| 2014-2015     |                           |            |            |            |            |            |            |            |            |            |            |
| 2015-2016     |                           |            |            |            |            |            |            |            |            |            |            |
| 2016-2017     |                           |            |            |            |            |            |            |            |            |            |            |
| 2017-2018     |                           |            |            |            |            |            |            |            |            |            |            |

|           | <u>Paid Loss Development Factors:</u> |                |                |                |                |                |                |                |                |                |                 |
|-----------|---------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|
|           | 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 |
| Prior     | 1.000                                 | 1.000          | 1.000          | 1.000          | 1.000          | 1.000          | 1.000          | 1.000          | 1.000          | 1.000          |                 |
| 1998-1999 | 1.194                                 | 1.083          | 1.065          | 1.131          | 1.069          | 1.100          | 1.062          | 1.082          | 1.039          |                |                 |
| 1999-2000 | 1.042                                 | 1.061          | 1.074          | 1.115          | 1.198          | 1.120          | 1.059          | 1.116          |                |                |                 |
| 2000-2001 | 1.000                                 | 1.000          | 1.000          | 1.000          | 1.000          | 1.001          | 1.000          |                |                |                |                 |
| 2001-2002 | 1.046                                 | 1.077          | 1.981          | 1.047          | 1.139          | 1.058          |                |                |                |                |                 |
| 2002-2003 |                                       |                |                |                |                |                |                |                |                |                |                 |
| 2003-2004 |                                       |                |                |                |                |                |                |                |                |                |                 |
| 2004-2005 | 1.000                                 | 1.000          | 1.000          |                |                |                |                |                |                |                |                 |
| 2005-2006 |                                       |                |                |                |                |                |                |                |                |                |                 |
| 2006-2007 | 1.035                                 |                |                |                |                |                |                |                |                |                |                 |
| 2007-2008 |                                       |                |                |                |                |                |                |                |                |                |                 |
| 2008-2009 |                                       |                |                |                |                |                |                |                |                |                |                 |
| 2009-2010 |                                       |                |                |                |                |                |                |                |                |                |                 |
| 2010-2011 |                                       |                |                |                |                |                |                |                |                |                |                 |
| 2011-2012 |                                       |                |                |                |                |                |                |                |                |                |                 |
| 2012-2013 |                                       |                |                |                |                |                |                |                |                |                |                 |
| 2013-2014 |                                       |                |                |                |                |                |                |                |                |                |                 |
| 2014-2015 |                                       |                |                |                |                |                |                |                |                |                |                 |
| 2015-2016 |                                       |                |                |                |                |                |                |                |                |                |                 |
| 2016-2017 |                                       |                |                |                |                |                |                |                |                |                |                 |

|                                  | 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 | 1.045          | 1.037          | 1.187          | 1.059          | 1.081          | 1.056          | 1.030          | 1.066          | 1.020          | 1.000          |                 |
| 3-yr                             |                |                |                |                |                | 1.036          | 1.037          | 1.082          |                |                |                 |
| 4-yr                             |                |                |                |                |                | 1.059          | 1.035          |                |                |                |                 |
| Industry Factors                 | 1.062          | 1.050          | 1.040          | 1.035          | 1.032          | 1.030          | 1.030          | 1.030          | 1.030          | 1.026          | 1.261           |
| Prior                            | 1.062          | 1.050          | 1.040          | 1.035          | 1.032          | 1.030          | 1.030          | 1.030          | 1.030          | 1.026          | 1.261           |
| Selected                         | 1.062          | 1.050          | 1.040          | 1.035          | 1.032          | 1.030          | 1.030          | 1.030          | 1.030          | 1.026          | 1.261           |
| Cumulated                        | 1.804          | 1.699          | 1.618          | 1.556          | 1.503          | 1.456          | 1.414          | 1.373          | 1.333          | 1.294          | 1.261           |

## Judicial Branch Workers' Compensation Program - State Judiciary - Workers' Compensation

Exposure and Development Method  
Based on Reported Losses

| Accident Year | Trended Payroll (\$00) (A) | Reported Losses as of 12/31/18 (B) | Loss Development Factor (C) | Percentage of Losses Yet to Be Reported (D) | Program Rate (E) | Incurred but not Reported (IBNR) (F) | Ultimate Program Losses (G) |
|---------------|----------------------------|------------------------------------|-----------------------------|---|------------------|--------------------------------------|-----------------------------|
| 2000-2001     | 2,909,016                  | 1,005,596                          | 1.014                       | 0.014                                       | 0.268            | 10,915                               | 1,016,511                   |
| 2001-2002     | 3,051,978                  | 1,028,801                          | 1.018                       | 0.018                                       | 0.286            | 15,712                               | 1,044,513                   |
| 2002-2003     | 3,106,962                  | 171,866                            | 1.024                       | 0.023                                       | 0.079            | 5,645                                | 177,511                     |
| 2003-2004     | 5,020,762                  | 289,343                            | 1.032                       | 0.031                                       | 0.085            | 13,230                               | 302,573                     |
| 2004-2005     | 5,202,277                  | 365,870                            | 1.041                       | 0.039                                       | 0.070            | 14,202                               | 380,072                     |
| 2005-2006     | 5,253,458                  | 235,295                            | 1.053                       | 0.050                                       | 0.068            | 17,862                               | 253,157                     |
| 2006-2007     | 5,694,220                  | 605,061                            | 1.066                       | 0.062                                       | 0.085            | 30,009                               | 635,070                     |
| 2007-2008     | 5,981,861                  | 268,273                            | 1.082                       | 0.076                                       | 0.071            | 32,278                               | 300,551                     |
| 2008-2009     | 5,916,483                  | 817,822                            | 1.103                       | 0.093                                       | 0.169            | 92,989                               | 910,811                     |
| 2009-2010     | 5,742,090                  | 688,180                            | 1.128                       | 0.113                                       | 0.141            | 91,489                               | 779,669                     |
| 2010-2011     | 5,725,103                  | 298,169                            | 1.159                       | 0.137                                       | 0.085            | 66,669                               | 364,838                     |
| 2011-2012     | 5,593,441                  | 578,560                            | 1.197                       | 0.165                                       | 0.167            | 154,127                              | 732,687                     |
| 2012-2013     | 5,313,078                  | 453,357                            | 1.247                       | 0.198                                       | 0.108            | 113,615                              | 566,972                     |
| 2013-2014     | 5,220,594                  | 91,708                             | 1.312                       | 0.238                                       | 0.105            | 130,463                              | 222,171                     |
| 2014-2015     | 5,091,011                  | 281,331                            | 1.418                       | 0.295                                       | 0.108            | 162,200                              | 443,531                     |
| 2015-2016     | 5,221,758                  | 461,565                            | 1.560                       | 0.359                                       | 0.106            | 198,709                              | 660,274                     |
| 2016-2017     | 5,210,036                  | 329,364                            | 1.811                       | 0.448                                       | 0.106            | 247,414                              | 576,778                     |
| 2017-2018     | 5,326,947                  | 67,646                             | 2.590                       | 0.614                                       | 0.110            | 359,782                              | 427,428                     |
| Totals        | 90,581,075                 | \$8,037,807                        |                             |   |                  | \$1,757,310                          | \$9,795,117                 |

## Notes:

- (A) From Appendix J-L, Column (C).
- (B) Provided by the Judicial Council. These losses exclude amounts incurred above the Judicial Council's SIR for each year.
- (C) From Appendix J-A, Page 1, Column (F).
- (D)  $1 - 1/(C)$ .
- (E) From Appendix J-C, Page 3, Column (H).
- (F)  $(A) \times (D) \times (E)$ .
- (G)  $(B) + (F)$ .

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



## Judicial Branch Workers' Compensation Program - State Judiciary - Workers' Compensation

Exposure and Development Method  
Based on Paid Losses

| Accident Year | Trended Payroll (\$00) (A) | Paid Losses as of 12/31/18 (B) | Loss Development Factor (C) | Percentage of Losses Yet to Be Paid (D) | Program Rate (E) | Incurred but not Paid (F) | Ultimate Program Losses (G) |
|---------------|----------------------------|--------------------------------|-----------------------------|---|------------------|---------------------------|-----------------------------|
| 2000-2001     | 2,909,016                  | 950,967                        | 1.111                       | 0.100                                   | 0.268            | 77,962                    | 1,028,929                   |
| 2001-2002     | 3,051,978                  | 949,413                        | 1.123                       | 0.110                                   | 0.286            | 96,015                    | 1,045,428                   |
| 2002-2003     | 3,106,962                  | 171,866                        | 1.136                       | 0.120                                   | 0.079            | 29,454                    | 201,320                     |
| 2003-2004     | 5,020,762                  | 289,343                        | 1.149                       | 0.130                                   | 0.085            | 55,479                    | 344,822                     |
| 2004-2005     | 5,202,277                  | 365,870                        | 1.166                       | 0.142                                   | 0.070            | 51,711                    | 417,581                     |
| 2005-2006     | 5,253,458                  | 229,141                        | 1.186                       | 0.157                                   | 0.068            | 56,086                    | 285,227                     |
| 2006-2007     | 5,694,220                  | 574,994                        | 1.211                       | 0.174                                   | 0.085            | 84,218                    | 659,212                     |
| 2007-2008     | 5,981,861                  | 242,004                        | 1.241                       | 0.194                                   | 0.071            | 82,394                    | 324,398                     |
| 2008-2009     | 5,916,483                  | 691,003                        | 1.277                       | 0.217                                   | 0.169            | 216,975                   | 907,978                     |
| 2009-2010     | 5,742,090                  | 673,671                        | 1.320                       | 0.242                                   | 0.141            | 195,932                   | 869,603                     |
| 2010-2011     | 5,725,103                  | 256,181                        | 1.378                       | 0.274                                   | 0.085            | 133,338                   | 389,519                     |
| 2011-2012     | 5,593,441                  | 549,401                        | 1.469                       | 0.319                                   | 0.167            | 297,979                   | 847,380                     |
| 2012-2013     | 5,313,078                  | 429,805                        | 1.593                       | 0.372                                   | 0.108            | 213,458                   | 643,263                     |
| 2013-2014     | 5,220,594                  | 77,577                         | 1.780                       | 0.438                                   | 0.105            | 240,095                   | 317,672                     |
| 2014-2015     | 5,091,011                  | 164,265                        | 2.126                       | 0.530                                   | 0.108            | 291,409                   | 455,674                     |
| 2015-2016     | 5,221,758                  | 282,169                        | 2.577                       | 0.612                                   | 0.106            | 338,746                   | 620,915                     |
| 2016-2017     | 5,210,036                  | 240,198                        | 3.738                       | 0.732                                   | 0.106            | 404,257                   | 644,455                     |
| 2017-2018     | 5,326,947                  | 44,578                         | 8.814                       | 0.887                                   | 0.110            | 519,750                   | 564,328                     |
| Totals        | 90,581,075                 | \$7,182,446                    |                             |   |                  | \$3,385,258               | \$10,567,704                |

## Notes:

- (A) From Appendix J-L, Column (C).
- (B) Provided by the Judicial Council. These losses exclude amounts paid above the Judicial Council's SIR for each year.
- (C) From Appendix J-B, Page 1, Column (F).
- (D)  $1 - 1/(C)$ .
- (E) From Appendix J-C, Page 3, Column (H).
- (F)  $(A) \times (D) \times (E)$ .
- (G)  $(B) + (F)$ .

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

Judicial Branch Workers' Compensation Program - State Judiciary - Workers' Compensation

Exposure and Development Method

| Accident Year | Trended Payroll (\$00) (A) | Ultimate Limited Losses (B) | Trend Factor (C) | Trended Limited Losses (D) | Trended Limited Loss Rate (E) | Limited Loss Rate (F) | Factor to SIR (G) | Program Loss Rate (H) |
|---------------|----------------------------|-----------------------------|------------------|----------------------------|-------------------------------|-----------------------|-------------------|-----------------------|
| 2000-2001     | 2,909,016                  | 558,000                     | 0.627            | 349,866                    | 0.120                         | 0.192                 | 1.398             | 0.268                 |
| 2001-2002     | 3,051,978                  | 617,000                     | 0.637            | 393,029                    | 0.129                         | 0.202                 | 1.417             | 0.286                 |
| 2002-2003     | 3,106,962                  | 171,866                     | 0.677            | 116,353                    | 0.037                         | 0.055                 | 1.437             | 0.079                 |
| 2003-2004     | 5,020,762                  | 289,343                     | 0.845            | 244,495                    | 0.049                         | 0.058                 | 1.458             | 0.085                 |
| 2004-2005     | 5,202,277                  | 245,980                     | 1.100            | 270,578                    | 0.052                         | 0.047                 | 1.479             | 0.070                 |
| 2005-2006     | 5,253,458                  | 238,000                     | 1.208            | 287,504                    | 0.055                         | 0.045                 | 1.502             | 0.068                 |
| 2006-2007     | 5,694,220                  | 318,000                     | 1.158            | 368,244                    | 0.065                         | 0.056                 | 1.526             | 0.085                 |
| 2007-2008     | 5,981,861                  | 274,000                     | 1.090            | 298,660                    | 0.050                         | 0.046                 | 1.550             | 0.071                 |
| 2008-2009     | 5,916,483                  | 636,000                     | 1.030            | 655,080                    | 0.111                         | 0.107                 | 1.575             | 0.169                 |
| 2009-2010     | 5,742,090                  | 504,000                     | 0.956            | 481,824                    | 0.084                         | 0.088                 | 1.601             | 0.141                 |
| 2010-2011     | 5,725,103                  | 298,000                     | 0.925            | 275,650                    | 0.048                         | 0.052                 | 1.629             | 0.085                 |
| 2011-2012     | 5,593,441                  | 567,000                     | 0.934            | 529,578                    | 0.095                         | 0.101                 | 1.657             | 0.167                 |
| 2012-2013     | 5,313,078                  | 340,000                     | 0.959            | 326,060                    | 0.061                         | 0.064                 | 1.686             | 0.108                 |
| 2013-2014     | 5,220,594                  | 100,000                     | 0.979            | 97,900                     | 0.019                         | 0.061                 | 1.717             | 0.105                 |
| 2014-2015     | 5,091,011                  | 212,000                     | 0.973            | 206,276                    | 0.041                         | 0.062                 | 1.749             | 0.108                 |
| 2015-2016     | 5,221,758                  | 537,000                     | 0.987            | 530,019                    | 0.102                         | 0.061                 | 1.737             | 0.106                 |
| 2016-2017     | 5,210,036                  | 400,000                     | 0.998            | 399,200                    | 0.077                         | 0.060                 | 1.766             | 0.106                 |
| 2017-2018     | 5,326,947                  | 197,000                     | 0.990            | 195,030                    | 0.037                         | 0.061                 | 1.796             | 0.110                 |
| Total/Avg     | 90,581,075                 | \$6,503,189                 |                  | \$6,025,346                | \$0.067                       |                       |                   |                       |
| 12/13-16/17   | 26,056,477                 | 1,589,000                   |                  | 1,559,455                  | 0.060                         |                       |                   |                       |
| 13/14-17/18   | 26,070,346                 | 1,446,000                   |                  | 1,428,425                  | 0.055                         |                       |                   |                       |

Selected Limited Rate: \$0.060  
Prior: \$0.065

Notes:

- (A) From Appendix J-L, Column (C).
- (B) Selected average of results from Appendices J and J.
- (C) From Appendix J-E, Page 1, Column (B).
- (D) (B) x (C).
- (E) (D) / (A).
- (F) Selected Limited Rate / (C). For 2012-2013 and prior (B) / (A).
- (G) Based on a Weibull distribution, a mathematical model of claim sizes.
- (H) (F) x (G).

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

## Judicial Branch Workers' Compensation Program - State Judiciary - Workers' Compensation

## Frequency and Severity Method

| Accident<br>Year | Ultimate<br>Program<br>Severity<br>(A) | Adjusted<br>Ultimate<br>Claims<br>(B) | Ultimate<br>Program<br>Losses<br>(C) |
|------------------|--|---------------------------------------|--------------------------------------|
| Prior            | \$20,720                               | 352                                   | \$7,293,440                          |
| 1998-1999        | 21,081                                 | 50                                    | 1,054,050                            |
| 1999-2000        | 27,686                                 | 27                                    | 747,522                              |
| 2000-2001        | 25,999                                 | 30                                    | 779,970                              |
| 2001-2002        | 23,630                                 | 37                                    | 874,310                              |
| 2002-2003        | 6,501                                  | 38                                    | 247,038                              |
| 2003-2004        | 14,544                                 | 29                                    | 421,776                              |
| 2004-2005        | 11,372                                 | 32                                    | 363,904                              |
| 2005-2006        | 13,242                                 | 27                                    | 357,534                              |
| 2006-2007        | 14,701                                 | 33                                    | 485,133                              |
| 2007-2008        | 19,300                                 | 22                                    | 424,600                              |
| 2008-2009        | 41,732                                 | 24                                    | 1,001,568                            |
| 2009-2010        | 31,039                                 | 26                                    | 807,014                              |
| 2010-2011        | 19,415                                 | 25                                    | 485,375                              |
| 2011-2012        | 33,554                                 | 28                                    | 939,512                              |
| 2012-2013        | 35,836                                 | 16                                    | 573,376                              |
| 2013-2014        | 26,698                                 | 11                                    | 293,678                              |
| 2014-2015        | 27,622                                 | 24                                    | 662,928                              |
| 2015-2016        | 27,335                                 | 27                                    | 738,045                              |
| 2016-2017        | 27,733                                 | 17                                    | 471,461                              |
| 2017-2018        | 28,739                                 | 26                                    | 747,214                              |
| Total            |  | 901                                   | \$19,769,448                         |

## Notes:

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

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

Judicial Branch Workers' Compensation Program - State Judiciary - Workers' Compensation

Frequency and Severity Method

| Accident Year                         | Ultimate Limited Losses (A) | Adjusted Ultimate Claims (B) | Ultimate Limited Severity (C) | Trend Factor (D) | Trended Limited Severity (E) | Limited Severity (F) | Factor to SIR (G) | Program Severity (H) |
|---------------------------------------|-----------------------------|------------------------------|-------------------------------|------------------|------------------------------|----------------------|-------------------|----------------------|
| Prior                                 | \$5,922,000                 | 352                          | \$16,824                      | 1.001            | \$16,841                     | \$16,824             | 1.232             | \$20,720             |
| 1998-1999                             | 774,000                     | 50                           | 15,480                        | 0.889            | 13,762                       | 15,480               | 1.362             | 21,081               |
| 1999-2000                             | 542,000                     | 27                           | 20,074                        | 0.795            | 15,959                       | 20,074               | 1.379             | 27,686               |
| 2000-2001                             | 558,000                     | 30                           | 18,600                        | 0.750            | 13,950                       | 18,600               | 1.398             | 25,999               |
| 2001-2002                             | 617,000                     | 37                           | 16,676                        | 0.755            | 12,590                       | 16,676               | 1.417             | 23,630               |
| 2002-2003                             | 171,866                     | 38                           | 4,523                         | 0.795            | 3,596                        | 4,523                | 1.437             | 6,501                |
| 2003-2004                             | 289,343                     | 29                           | 9,977                         | 0.983            | 9,807                        | 9,977                | 1.458             | 14,544               |
| 2004-2005                             | 245,980                     | 32                           | 7,687                         | 1.268            | 9,747                        | 7,687                | 1.479             | 11,372               |
| 2005-2006                             | 238,000                     | 27                           | 8,815                         | 1.377            | 12,138                       | 8,815                | 1.502             | 13,242               |
| 2006-2007                             | 318,000                     | 33                           | 9,636                         | 1.307            | 12,594                       | 9,636                | 1.526             | 14,701               |
| 2007-2008                             | 274,000                     | 22                           | 12,455                        | 1.217            | 15,158                       | 12,455               | 1.550             | 19,300               |
| 2008-2009                             | 636,000                     | 24                           | 26,500                        | 1.138            | 30,157                       | 26,500               | 1.575             | 41,732               |
| 2009-2010                             | 504,000                     | 26                           | 19,385                        | 1.046            | 20,277                       | 19,385               | 1.601             | 31,039               |
| 2010-2011                             | 298,000                     | 25                           | 11,920                        | 1.001            | 11,932                       | 11,920               | 1.629             | 19,415               |
| 2011-2012                             | 567,000                     | 28                           | 20,250                        | 1.001            | 20,270                       | 20,250               | 1.657             | 33,554               |
| 2012-2013                             | 340,000                     | 16                           | 21,250                        | 1.018            | 21,633                       | 21,250               | 1.686             | 35,836               |
| 2013-2014                             | 125,000                     | 11                           | 11,364                        | 1.029            | 11,694                       | 15,549               | 1.717             | 26,698               |
| 2014-2015                             | 218,000                     | 24                           | 9,083                         | 1.013            | 9,201                        | 15,795               | 1.749             | 27,622               |
| 2015-2016                             | 529,000                     | 27                           | 19,593                        | 1.017            | 19,926                       | 15,733               | 1.737             | 27,335               |
| 2016-2017                             | 393,000                     | 17                           | 23,118                        | 1.019            | 23,557                       | 15,702               | 1.766             | 27,733               |
| 2017-2018                             | 243,000                     | 26                           | 9,346                         | 1.000            | 9,346                        | 16,000               | 1.796             | 28,739               |
| Average Limited Severity:             |                             |                              |                               |                  | \$14,959                     |                      |                   |                      |
| Average 12/13-16/17 Limited Severity: |                             |                              |                               |                  | 17,202                       |                      |                   |                      |
| Average 13/14-17/18 Limited Severity: |                             |                              |                               |                  | 14,745                       |                      |                   |                      |
| Selected Limited Severity:            |                             |                              |                               |                  | \$16,000                     |                      |                   |                      |
| Prior:                                |                             |                              |                               |                  | \$16,500                     |                      |                   |                      |

Notes:

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

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

Judicial Branch Workers' Compensation Program - State Judiciary - Workers' Compensation

Frequency and Severity Method  
Projection of Ultimate Claims

| Accident Year                 | Reported Claim Development (A) | Closed Claim Development (B) | Selected Ultimate Claims (C) | Trended Payroll (\$000,000) (D) | Claim Frequency (E) | Trend Factor (F)        | Trended Claim Frequency (G) |
|-------------------------------|--------------------------------|------------------------------|------------------------------|---------------------------------|---------------------|-------------------------|-----------------------------|
| Prior                         | 352                            | 345                          | 352                          | 0.0                             |                     | 0.810                   |                             |
| 1998-1999                     | 50                             | 48                           | 50                           | 0.0                             |                     | 0.819                   |                             |
| 1999-2000                     | 27                             | 25                           | 27                           | 0.0                             |                     | 0.827                   |                             |
| 2000-2001                     | 30                             | 29                           | 30                           | 290.9                           | 0.103               | 0.835                   | 0.086                       |
| 2001-2002                     | 37                             | 34                           | 37                           | 305.2                           | 0.121               | 0.843                   | 0.102                       |
| 2002-2003                     | 38                             | 38                           | 38                           | 310.7                           | 0.122               | 0.852                   | 0.104                       |
| 2003-2004                     | 29                             | 29                           | 29                           | 502.1                           | 0.058               | 0.860                   | 0.050                       |
| 2004-2005                     | 32                             | 32                           | 32                           | 520.2                           | 0.062               | 0.868                   | 0.054                       |
| 2005-2006                     | 27                             | 26                           | 27                           | 525.3                           | 0.051               | 0.877                   | 0.045                       |
| 2006-2007                     | 33                             | 33                           | 33                           | 569.4                           | 0.058               | 0.887                   | 0.051                       |
| 2007-2008                     | 22                             | 22                           | 22                           | 598.2                           | 0.037               | 0.896                   | 0.033                       |
| 2008-2009                     | 24                             | 23                           | 24                           | 591.6                           | 0.041               | 0.905                   | 0.037                       |
| 2009-2010                     | 26                             | 26                           | 26                           | 574.2                           | 0.045               | 0.914                   | 0.041                       |
| 2010-2011                     | 25                             | 25                           | 25                           | 572.5                           | 0.044               | 0.924                   | 0.041                       |
| 2011-2012                     | 28                             | 28                           | 28                           | 559.3                           | 0.050               | 0.933                   | 0.047                       |
| 2012-2013                     | 16                             | 16                           | 16                           | 531.3                           | 0.030               | 0.942                   | 0.028                       |
| 2013-2014                     | 11                             | 12                           | 11                           | 522.1                           | 0.021               | 0.952                   | 0.020                       |
| 2014-2015                     | 24                             | 27                           | 24                           | 509.1                           | 0.047               | 0.961                   | 0.045                       |
| 2015-2016                     | 27                             | 26                           | 27                           | 522.2                           | 0.052               | 0.970                   | 0.050                       |
| 2016-2017                     | 17                             | 20                           | 17                           | 521.0                           | 0.033               | 0.979                   | 0.032                       |
| 2017-2018                     | 18                             | 33                           | 26                           | 532.7                           | 0.048               | 0.990                   | 0.048                       |
| Total                         | 893                            | 897                          | 901                          | 9,058.1                         |                     |                         | 0.047                       |
| 12/13-16/17                   | 95                             | 101                          | 95                           | 2,605.6                         |                     |                         | 0.035                       |
|                               |                                |                              |                              |                                 |                     | (H) Selected Frequency: | 0.045                       |
|                               |                                |                              |                              |                                 |                     | Prior:                  | 0.045                       |
| Program Year:                 |                                |                              |                              | 2018-2019                       | 2019-2020           | 2020-2021               | 2021-2022                   |
| (I) Trend Factor:             |                                |                              |                              | 1.000                           | 0.990               | 0.980                   | 0.970                       |
| (J) Selected Frequency:       |                                |                              |                              | 0.045                           | 0.045               | 0.044                   | 0.044                       |
| (K) Est. Payroll (\$000,000): |                                |                              |                              | 556.6                           | 572.1               | 588.1                   | 604.5                       |
| (L) Ultimate Claims:          |                                |                              |                              | 25                              | 26                  | 26                      | 27                          |

Notes:

- (A) From Appendix J-D, Page 4, (C).
- (B) From Appendix J-D, Page 5, (C).
- (C) Selected from (A) and (B).
- (D) From Appendix J-L, Column (C) / 10,000.
- (E) (C) / (D).
- (F) From Appendix J-E, Page 1, Column (H).
- (G) (E) x (F).
- (H) The selected frequency of 0.045 is based on (G).
- (I) From Appendix J-E, Page 1, Column (H).
- (J) (H) x (I).
- (K) From Appendix J-L, Column (C) / 10,000.
- (L) (J) x (K).

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

## Judicial Branch Workers' Compensation Program - State Judiciary - Workers' Compensation

Frequency and Severity Method  
Reported Claim Count Development

| Accident Year | Claims Reported as of 12/31/2018 (A) | Reported Claim Development Factor (B) | Ultimate Claims (C) | Trended Claim Frequency (D) |
|---------------|--------------------------------------|---------------------------------------|---------------------|-----------------------------|
| Prior         | 352                                  | 1.000                                 | 352                 |                             |
| 1998-1999     | 50                                   | 1.000                                 | 50                  |                             |
| 1999-2000     | 27                                   | 1.000                                 | 27                  |                             |
| 2000-2001     | 30                                   | 1.000                                 | 30                  | 0.086                       |
| 2001-2002     | 37                                   | 1.000                                 | 37                  | 0.102                       |
| 2002-2003     | 38                                   | 1.000                                 | 38                  | 0.104                       |
| 2003-2004     | 29                                   | 1.000                                 | 29                  | 0.050                       |
| 2004-2005     | 32                                   | 1.000                                 | 32                  | 0.053                       |
| 2005-2006     | 27                                   | 1.000                                 | 27                  | 0.045                       |
| 2006-2007     | 33                                   | 1.000                                 | 33                  | 0.051                       |
| 2007-2008     | 22                                   | 1.000                                 | 22                  | 0.033                       |
| 2008-2009     | 24                                   | 1.000                                 | 24                  | 0.037                       |
| 2009-2010     | 26                                   | 1.000                                 | 26                  | 0.041                       |
| 2010-2011     | 25                                   | 1.000                                 | 25                  | 0.040                       |
| 2011-2012     | 28                                   | 1.000                                 | 28                  | 0.047                       |
| 2012-2013     | 16                                   | 1.000                                 | 16                  | 0.028                       |
| 2013-2014     | 11                                   | 1.004                                 | 11                  | 0.020                       |
| 2014-2015     | 24                                   | 1.016                                 | 24                  | 0.045                       |
| 2015-2016     | 26                                   | 1.039                                 | 27                  | 0.050                       |
| 2016-2017     | 16                                   | 1.079                                 | 17                  | 0.032                       |
| 2017-2018     | 16                                   | 1.146                                 | 18                  | 0.033                       |
| Total         | 889                                  |                                       | 893                 | 0.046                       |

## Notes:

- (A) Provided by the Judicial Council.
- (B) From Appendix J-D, Page 6.
- (C) (A) x (B).
- (D) (C) / [Appendix J-D, Page 3, (D)] x [Appendix J-D, Page 3, (F)].

This exhibit shows the calculation of estimated ultimate claims for each year based on reported claims as provided by the Judicial Council. 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.

## Judicial Branch Workers' Compensation Program - State Judiciary - Workers' Compensation

Frequency and Severity Method  
Closed Claim Count Development

| Accident Year | Claims Closed as of 12/31/2018 (A) | Closed Claim Development Factor (B) | Ultimate Claims (C) | Trended Claim Frequency (D) |
|---------------|------------------------------------|-------------------------------------|---------------------|-----------------------------|
| Prior         | 343                                | 1.005                               | 345                 |                             |
| 1998-1999     | 48                                 | 1.006                               | 48                  |                             |
| 1999-2000     | 25                                 | 1.007                               | 25                  |                             |
| 2000-2001     | 29                                 | 1.008                               | 29                  | 0.083                       |
| 2001-2002     | 34                                 | 1.009                               | 34                  | 0.094                       |
| 2002-2003     | 38                                 | 1.010                               | 38                  | 0.104                       |
| 2003-2004     | 29                                 | 1.011                               | 29                  | 0.050                       |
| 2004-2005     | 32                                 | 1.012                               | 32                  | 0.053                       |
| 2005-2006     | 26                                 | 1.017                               | 26                  | 0.043                       |
| 2006-2007     | 32                                 | 1.023                               | 33                  | 0.051                       |
| 2007-2008     | 21                                 | 1.030                               | 22                  | 0.033                       |
| 2008-2009     | 22                                 | 1.038                               | 23                  | 0.035                       |
| 2009-2010     | 25                                 | 1.047                               | 26                  | 0.041                       |
| 2010-2011     | 24                                 | 1.057                               | 25                  | 0.040                       |
| 2011-2012     | 26                                 | 1.083                               | 28                  | 0.047                       |
| 2012-2013     | 14                                 | 1.115                               | 16                  | 0.028                       |
| 2013-2014     | 10                                 | 1.157                               | 12                  | 0.022                       |
| 2014-2015     | 21                                 | 1.281                               | 27                  | 0.051                       |
| 2015-2016     | 18                                 | 1.462                               | 26                  | 0.048                       |
| 2016-2017     | 11                                 | 1.780                               | 20                  | 0.038                       |
| 2017-2018     | 13                                 | 2.516                               | 33                  | 0.061                       |
| Total         | 841                                |                                     | 897                 | 0.048                       |

## Notes:

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

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

Judicial Branch Workers' Compensation Program - State Judiciary - Workers' Compensation  
Reported Claim Count Development

Claims Reported as of:

| Accident Year | 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 |
|---------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------|------------|------------|------------|------------|
| Prior         |           |           |           |           |           |           |           |            |            |            | 28         | 28         | 28         |
| 1998-1999     |           |           |           |           |           |           |           |            |            | 50         | 50         | 50         | 50         |
| 1999-2000     |           |           |           |           |           |           |           |            | 27         | 27         | 27         | 27         | 27         |
| 2000-2001     |           |           |           |           |           |           |           | 30         | 30         | 30         | 30         | 30         | 30         |
| 2001-2002     |           |           |           |           |           |           | 36        | 36         | 36         | 36         | 36         | 36         | 36         |
| 2002-2003     |           |           |           |           |           | 39        | 39        | 39         | 39         | 39         | 39         | 39         | 39         |
| 2003-2004     |           |           |           |           | 29        | 29        | 29        | 29         | 29         | 29         | 29         | 29         | 29         |
| 2004-2005     |           |           |           | 32        | 32        | 32        | 32        | 32         | 32         | 32         | 32         | 32         | 32         |
| 2005-2006     |           |           | 22        | 23        | 27        | 27        | 27        | 27         | 27         | 27         | 27         | 27         | 27         |
| 2006-2007     |           | 34        | 33        | 33        | 33        | 33        | 33        | 33         | 33         | 33         | 33         | 33         | 33         |
| 2007-2008     | 22        | 21        | 21        | 21        | 21        | 22        | 22        | 22         | 22         | 22         | 22         | 22         | 22         |
| 2008-2009     | 17        | 20        | 21        | 23        | 23        | 23        | 23        | 24         | 24         | 24         |            |            |            |
| 2009-2010     | 24        | 25        | 25        | 26        | 26        | 26        | 26        | 26         | 26         |            |            |            |            |
| 2010-2011     | 24        | 23        | 25        | 25        | 25        | 25        | 25        | 25         |            |            |            |            |            |
| 2011-2012     | 22        | 24        | 30        | 29        | 29        | 28        | 28        |            |            |            |            |            |            |
| 2012-2013     | 15        | 15        | 16        | 16        | 16        | 16        |           |            |            |            |            |            |            |
| 2013-2014     | 11        | 11        | 11        | 11        | 11        |           |           |            |            |            |            |            |            |
| 2014-2015     | 21        | 25        | 23        | 24        |           |           |           |            |            |            |            |            |            |
| 2015-2016     | 25        | 26        | 26        |           |           |           |           |            |            |            |            |            |            |
| 2016-2017     | 15        | 16        |           |           |           |           |           |            |            |            |            |            |            |
| 2017-2018     | 16        |           |           |           |           |           |           |            |            |            |            |            |            |

Reported Claim Count Development Factors:

|           | 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 |
|-----------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Prior     |              |              |              |              |              |              |               |                |                |                | 1.000          | 1.000          | 1.000          |
| 1998-1999 |              |              |              |              |              |              |               |                |                | 1.000          | 1.000          | 1.000          | 1.000          |
| 1999-2000 |              |              |              |              |              |              |               |                | 1.000          | 1.000          | 1.000          | 1.000          | 1.000          |
| 2000-2001 |              |              |              |              |              |              |               | 1.000          | 1.000          | 1.000          | 1.000          | 1.000          | 1.000          |
| 2001-2002 |              |              |              |              |              | 1.000        | 1.000         | 1.000          | 1.000          | 1.000          | 1.000          | 1.000          | 1.000          |
| 2002-2003 |              |              |              |              | 1.000        | 1.000        | 1.000         | 1.000          | 1.000          | 1.000          | 1.000          | 1.000          | 1.000          |
| 2003-2004 |              |              |              | 1.000        | 1.000        | 1.000        | 1.000         | 1.000          | 1.000          | 1.000          | 1.000          | 1.000          | 1.000          |
| 2004-2005 |              |              |              | 1.045        | 1.174        | 1.000        | 1.000         | 1.000          | 1.000          | 1.000          | 1.000          | 1.000          | 1.000          |
| 2005-2006 |              |              |              | 0.971        | 1.000        | 1.000        | 1.000         | 1.000          | 1.000          | 1.000          | 1.000          | 1.000          | 1.000          |
| 2006-2007 |              | 0.955        | 1.000        | 1.000        | 1.000        | 1.000        | 1.000         | 1.000          | 1.000          | 1.000          | 1.000          | 1.000          | 1.000          |
| 2007-2008 | 0.955        | 1.000        | 1.000        | 1.000        | 1.048        | 1.000        | 1.000         | 1.000          | 1.000          | 1.000          | 1.000          | 1.000          | 1.000          |
| 2008-2009 | 1.176        | 1.050        | 1.095        | 1.000        | 1.000        | 1.000        | 1.043         | 1.000          | 1.000          | 1.000          |                |                |                |
| 2009-2010 | 1.042        | 1.000        | 1.040        | 1.000        | 1.000        | 1.000        | 1.000         | 1.000          |                |                |                |                |                |
| 2010-2011 | 0.958        | 1.087        | 1.000        | 1.000        | 1.000        | 1.000        | 1.000         |                |                |                |                |                |                |
| 2011-2012 | 1.091        | 1.250        | 0.967        | 1.000        | 0.966        | 1.000        |               |                |                |                |                |                |                |
| 2012-2013 | 1.000        | 1.067        | 1.000        | 1.000        | 1.000        |              |               |                |                |                |                |                |                |
| 2013-2014 | 1.000        | 1.000        | 1.000        | 1.000        |              |              |               |                |                |                |                |                |                |
| 2014-2015 | 1.190        | 0.920        | 1.043        |              |              |              |               |                |                |                |                |                |                |
| 2015-2016 | 1.040        | 1.000        |              |              |              |              |               |                |                |                |                |                |                |
| 2016-2017 | 1.067        |              |              |              |              |              |               |                |                |                |                |                |                |

|                                 | 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 Claim-Weighted Averages | 1.052        | 1.035        | 1.019        | 1.017        | 1.001        | 1.000        | 1.004         | 1.000          | 1.000          | 1.000          | 1.000          | 1.000          | 1.000          |
| 3-yr                            | 1.098        | 0.968        | 1.020        | 1.000        | 0.986        | 1.000        | 1.014         | 1.000          | 1.000          | 1.000          | 1.000          | 1.000          | 1.000          |
| 4-yr                            | 1.083        | 0.987        | 1.000        | 1.000        | 0.990        | 1.000        | 1.010         | 1.000          | 1.000          | 1.000          | 1.000          | 1.000          | 1.000          |
| Industry Factors                | 1.052        | 1.005        | 1.004        | 1.002        | 1.002        | 1.001        | 1.000         | 1.000          | 1.000          | 1.000          | 1.000          | 1.000          | 1.000          |
| Prior                           | 1.065        | 1.040        | 1.023        | 1.010        | 1.005        | 1.000        | 1.000         | 1.000          | 1.000          | 1.000          | 1.000          | 1.000          | 1.000          |
| Selected                        | 1.062        | 1.039        | 1.022        | 1.012        | 1.004        | 1.000        | 1.000         | 1.000          | 1.000          | 1.000          | 1.000          | 1.000          | 1.000          |
| Cumulated                       | 1.146        | 1.079        | 1.039        | 1.016        | 1.004        | 1.000        | 1.000         | 1.000          | 1.000          | 1.000          | 1.000          | 1.000          | 1.000          |



Judicial Branch Workers' Compensation Program - State Judiciary - Workers' Compensation  
Closed Claim Development

Claims Closed as of:

| Accident Year | 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 |
|---------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------|------------|------------|------------|------------|
| Prior         |           |           |           |           |           |           |           |            |            |            | 26         | 26         | 28         |
| 1998-1999     |           |           |           |           |           |           |           |            |            | 46         | 47         | 47         | 48         |
| 1999-2000     |           |           |           |           |           |           |           |            | 25         | 26         | 25         | 25         | 25         |
| 2000-2001     |           |           |           |           |           |           |           | 27         | 27         | 28         | 30         | 30         | 30         |
| 2001-2002     |           |           |           |           |           |           | 30        | 32         | 33         | 33         | 32         | 33         | 33         |
| 2002-2003     |           |           |           |           |           | 36        | 37        | 37         | 37         | 37         | 38         | 38         | 39         |
| 2003-2004     |           |           |           |           | 27        | 28        | 27        | 29         | 29         | 28         | 28         | 28         | 29         |
| 2004-2005     |           |           |           | 27        | 28        | 30        | 30        | 32         | 32         | 32         | 32         | 32         | 32         |
| 2005-2006     |           |           | 13        | 18        | 25        | 25        | 26        | 25         | 25         | 27         | 26         | 27         | 26         |
| 2006-2007     |           | 21        | 25        | 29        | 29        | 30        | 31        | 32         | 32         | 32         | 32         | 32         |            |
| 2007-2008     | 8         | 13        | 15        | 15        | 15        | 17        | 18        | 19         | 19         | 19         | 21         |            |            |
| 2008-2009     | 10        | 13        | 15        | 17        | 20        | 21        | 21        | 22         | 22         | 22         |            |            |            |
| 2009-2010     | 12        | 17        | 21        | 22        | 24        | 24        | 25        | 25         | 25         |            |            |            |            |
| 2010-2011     | 12        | 15        | 18        | 22        | 24        | 24        | 24        | 24         |            |            |            |            |            |
| 2011-2012     | 9         | 12        | 20        | 22        | 26        | 25        | 26        |            |            |            |            |            |            |
| 2012-2013     | 6         | 10        | 12        | 15        | 14        | 14        |           |            |            |            |            |            |            |
| 2013-2014     | 7         | 10        | 10        | 10        | 10        |           |           |            |            |            |            |            |            |
| 2014-2015     | 13        | 17        | 20        | 21        |           |           |           |            |            |            |            |            |            |
| 2015-2016     | 15        | 19        | 18        |           |           |           |           |            |            |            |            |            |            |
| 2016-2017     | 8         | 11        |           |           |           |           |           |            |            |            |            |            |            |
| 2017-2018     | 13        |           |           |           |           |           |           |            |            |            |            |            |            |

Closed Claim Count Development Factors:

|           | 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 |
|-----------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Prior     |              |              |              |              |              |              |               |                |                |                | 1.000          | 1.077          | 1.000          |
| 1998-1999 |              |              |              |              |              |              |               |                |                | 1.022          | 1.000          | 1.021          | 1.000          |
| 1999-2000 |              |              |              |              |              |              |               |                | 1.040          | 0.962          | 1.000          | 1.000          | 1.000          |
| 2000-2001 |              |              |              |              |              |              |               | 1.000          | 1.037          | 1.071          | 1.000          | 1.000          | 1.000          |
| 2001-2002 |              |              |              |              |              |              | 1.067         | 1.031          | 1.000          | 0.970          | 1.031          | 1.000          | 1.030          |
| 2002-2003 |              |              |              |              |              | 1.028        | 1.000         | 1.000          | 1.000          | 1.027          | 1.000          | 1.026          | 1.000          |
| 2003-2004 |              |              |              |              | 1.037        | 0.964        | 1.074         | 1.000          | 0.966          | 1.000          | 1.000          | 1.036          | 1.000          |
| 2004-2005 |              |              |              | 1.037        | 1.071        | 1.000        | 1.067         | 1.000          | 1.000          | 1.000          | 1.000          | 1.000          | 1.000          |
| 2005-2006 |              |              | 1.385        | 1.389        | 1.000        | 1.040        | 0.962         | 1.000          | 1.080          | 0.963          | 1.038          | 0.963          |                |
| 2006-2007 |              | 1.190        | 1.160        | 1.000        | 1.034        | 1.033        | 1.032         | 1.000          | 1.000          | 1.000          | 1.000          |                |                |
| 2007-2008 | 1.625        | 1.154        | 1.000        | 1.000        | 1.133        | 1.059        | 1.056         | 1.000          | 1.000          | 1.105          |                |                |                |
| 2008-2009 | 1.300        | 1.154        | 1.133        | 1.176        | 1.050        | 1.000        | 1.048         | 1.000          | 1.000          |                |                |                |                |
| 2009-2010 | 1.417        | 1.235        | 1.048        | 1.091        | 1.000        | 1.042        | 1.000         | 1.000          |                |                |                |                |                |
| 2010-2011 | 1.250        | 1.200        | 1.222        | 1.091        | 1.000        | 1.000        | 1.000         |                |                |                |                |                |                |
| 2011-2012 | 1.333        | 1.667        | 1.100        | 1.182        | 0.962        | 1.040        |               |                |                |                |                |                |                |
| 2012-2013 | 1.667        | 1.200        | 1.250        | 0.933        | 1.000        |              |               |                |                |                |                |                |                |
| 2013-2014 | 1.429        | 1.000        | 1.000        | 1.000        |              |              |               |                |                |                |                |                |                |
| 2014-2015 | 1.308        | 1.176        | 1.050        |              |              |              |               |                |                |                |                |                |                |
| 2015-2016 | 1.267        | 0.947        |              |              |              |              |               |                |                |                |                |                |                |
| 2016-2017 | 1.375        |              |              |              |              |              |               |                |                |                |                |                |                |

|                                 | 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 Claim-Weighted Averages | 1.397        | 1.192        | 1.135        | 1.090        | 1.029        | 1.021        | 1.031         | 1.003          | 1.012          | 1.012          | 1.007          | 1.014          | 1.004          |
| 3-yr                            | 1.306        | 1.043        | 1.095        | 1.064        | 0.984        | 1.027        | 1.014         | 1.000          | 1.000          | 1.013          | 1.011          | 1.000          | 1.000          |
| 4-yr                            | 1.326        | 1.071        | 1.097        | 1.072        | 0.989        | 1.021        | 1.023         | 1.000          | 1.020          | 1.009          | 1.008          | 1.008          | 1.008          |
| Industry Factors                | 1.280        | 1.065        | 1.040        | 1.027        | 1.020        | 1.013        | 1.009         | 1.006          | 1.005          | 1.003          | 1.003          | 1.001          | 1.001          |
| Prior                           | 1.418        | 1.224        | 1.143        | 1.112        | 1.040        | 1.030        | 1.025         | 1.010          | 1.009          | 1.008          | 1.007          | 1.006          | 1.005          |
| Selected                        | 1.414        | 1.218        | 1.141        | 1.107        | 1.038        | 1.030        | 1.025         | 1.010          | 1.009          | 1.008          | 1.007          | 1.006          | 1.005          |
| Cumulated                       | 2.516        | 1.780        | 1.462        | 1.281        | 1.157        | 1.115        | 1.083         | 1.057          | 1.047          | 1.038          | 1.030          | 1.023          | 1.017          |

Judicial Branch Workers' Compensation Program - State Judiciary - Workers' Compensation

Loss Trend Factors

| Accident Year | Benefit Level Factor (A) | Factor to 2018-2019 Loss Rate Level (B) | Factor to 2019-2020 Loss Rate Level (C) | Factor to 2020-2021 Loss Rate Level (D) | Factor to 2021-2022 Loss Rate Level (E) | Factor to 2018-2019 Frequency Level (F) | Factor to 2019-2020 Frequency Level (G) | Factor to 2020-2021 Frequency Level (H) | Factor to 2021-2022 Frequency Level (I) | Factor to 2018-2019 Severity Level (J) |
|---------------|--------------------------|---|---|---|---|---|---|---|---|--|
| Prior         | 1.001                    | 0.811                                   | 0.803                                   | 0.795                                   | 0.787                                   | 0.810                                   | 0.802                                   | 0.794                                   | 0.786                                   | 1.001                                  |
| 1998-1999     | 0.889                    | 0.728                                   | 0.720                                   | 0.713                                   | 0.706                                   | 0.819                                   | 0.810                                   | 0.802                                   | 0.794                                   | 0.889                                  |
| 1999-2000     | 0.795                    | 0.658                                   | 0.651                                   | 0.644                                   | 0.638                                   | 0.827                                   | 0.818                                   | 0.810                                   | 0.802                                   | 0.795                                  |
| 2000-2001     | 0.750                    | 0.627                                   | 0.620                                   | 0.614                                   | 0.608                                   | 0.835                                   | 0.827                                   | 0.818                                   | 0.810                                   | 0.750                                  |
| 2001-2002     | 0.755                    | 0.637                                   | 0.630                                   | 0.624                                   | 0.617                                   | 0.843                                   | 0.835                                   | 0.826                                   | 0.818                                   | 0.755                                  |
| 2002-2003     | 0.795                    | 0.677                                   | 0.670                                   | 0.663                                   | 0.656                                   | 0.852                                   | 0.843                                   | 0.834                                   | 0.826                                   | 0.795                                  |
| 2003-2004     | 0.983                    | 0.845                                   | 0.837                                   | 0.828                                   | 0.820                                   | 0.860                                   | 0.851                                   | 0.842                                   | 0.834                                   | 0.983                                  |
| 2004-2005     | 1.268                    | 1.100                                   | 1.089                                   | 1.078                                   | 1.067                                   | 0.868                                   | 0.859                                   | 0.851                                   | 0.842                                   | 1.268                                  |
| 2005-2006     | 1.377                    | 1.208                                   | 1.195                                   | 1.183                                   | 1.171                                   | 0.877                                   | 0.868                                   | 0.860                                   | 0.851                                   | 1.377                                  |
| 2006-2007     | 1.307                    | 1.158                                   | 1.147                                   | 1.135                                   | 1.124                                   | 0.887                                   | 0.878                                   | 0.869                                   | 0.860                                   | 1.307                                  |
| 2007-2008     | 1.217                    | 1.090                                   | 1.079                                   | 1.068                                   | 1.058                                   | 0.896                                   | 0.887                                   | 0.878                                   | 0.869                                   | 1.217                                  |
| 2008-2009     | 1.138                    | 1.030                                   | 1.020                                   | 1.009                                   | 0.999                                   | 0.905                                   | 0.896                                   | 0.887                                   | 0.878                                   | 1.138                                  |
| 2009-2010     | 1.046                    | 0.956                                   | 0.947                                   | 0.937                                   | 0.928                                   | 0.914                                   | 0.905                                   | 0.896                                   | 0.887                                   | 1.046                                  |
| 2010-2011     | 1.001                    | 0.925                                   | 0.915                                   | 0.906                                   | 0.897                                   | 0.924                                   | 0.914                                   | 0.905                                   | 0.896                                   | 1.001                                  |
| 2011-2012     | 1.001                    | 0.934                                   | 0.924                                   | 0.915                                   | 0.906                                   | 0.933                                   | 0.923                                   | 0.914                                   | 0.905                                   | 1.001                                  |
| 2012-2013     | 1.018                    | 0.959                                   | 0.950                                   | 0.940                                   | 0.931                                   | 0.942                                   | 0.933                                   | 0.923                                   | 0.914                                   | 1.018                                  |
| 2013-2014     | 1.029                    | 0.979                                   | 0.969                                   | 0.959                                   | 0.950                                   | 0.952                                   | 0.942                                   | 0.932                                   | 0.923                                   | 1.029                                  |
| 2014-2015     | 1.013                    | 0.973                                   | 0.963                                   | 0.954                                   | 0.944                                   | 0.961                                   | 0.951                                   | 0.941                                   | 0.932                                   | 1.013                                  |
| 2015-2016     | 1.017                    | 0.987                                   | 0.977                                   | 0.967                                   | 0.957                                   | 0.970                                   | 0.960                                   | 0.951                                   | 0.941                                   | 1.017                                  |
| 2016-2017     | 1.019                    | 0.998                                   | 0.988                                   | 0.978                                   | 0.968                                   | 0.979                                   | 0.969                                   | 0.960                                   | 0.950                                   | 1.019                                  |
| 2017-2018     | 1.000                    | 0.990                                   | 0.980                                   | 0.970                                   | 0.960                                   | 0.990                                   | 0.980                                   | 0.970                                   | 0.960                                   | 1.000                                  |
| 2018-2019     | 1.000                    | 1.000                                   | 0.990                                   | 0.980                                   | 0.970                                   | 1.000                                   | 0.990                                   | 0.980                                   | 0.970                                   | 1.000                                  |
| 2019-2020     | 1.000                    | --                                      | 1.000                                   | 0.990                                   | 0.980                                   | --                                      | 1.000                                   | 0.990                                   | 0.980                                   | --                                     |
| 2020-2021     | 1.000                    | --                                      | --                                      | 1.000                                   | 0.990                                   | --                                      | --                                      | 1.000                                   | 0.990                                   | --                                     |
| 2021-2022     | 1.000                    | --                                      | --                                      | --                                      | 1.000                                   | --                                      | --                                      | --                                      | 1.000                                   | --                                     |

Notes:

- (A) Based on WCIRB.
- (B) - (E) (A) adjusted for a -1.0% annual loss rate trend.
- (F) - (I) (A) adjusted for a -1.0% annual frequency trend.
- (J) (A) adjusted for a 0.0% annual severity trend.

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

Judicial Branch Workers' Compensation Program - State Judiciary - Workers' Compensation

Residual Trend Factors

| Accident Year | Initial Estimate of Ultimate Limited Losses (A) | Ultimate Reported Claims (B) | BLF (C) | Adjusted Limited Severity (D) | Trended Payroll (\$00) (E) | Ultimate Frequency (F) |
|---------------|---|------------------------------|---------|-------------------------------|----------------------------|------------------------|
| Prior         | \$5,922,000                                     | 352                          | 1.001   | 16,846                        |                            |                        |
| 1998-1999     | 774,000   | 50                           | 0.889   | 13,765                        |                            |                        |
| 1999-2000     | 542,000   | 27                           | 0.795   | 15,967                        |                            |                        |
| 2000-2001     | 558,000   | 30                           | 0.750   | 13,958                        | 2,909,016                  | 0.103                  |
| 2001-2002     | 617,000   | 37                           | 0.755   | 12,588                        | 3,051,978                  | 0.121                  |
| 2002-2003     | 171,866   | 38                           | 0.795   | 3,594                         | 3,106,962                  | 0.122                  |
| 2003-2004     | 289,343   | 29                           | 0.983   | 9,808                         | 5,020,762                  | 0.058                  |
| 2004-2005     | 245,980   | 32                           | 1.268   | 9,745                         | 5,202,277                  | 0.062                  |
| 2005-2006     | 238,000   | 27                           | 1.377   | 12,134                        | 5,253,458                  | 0.051                  |
| 2006-2007     | 318,000   | 33                           | 1.307   | 12,591                        | 5,694,220                  | 0.058                  |
| 2007-2008     | 274,000   | 22                           | 1.217   | 15,157                        | 5,981,861                  | 0.037                  |
| 2008-2009     | 636,000   | 24                           | 1.138   | 30,161                        | 5,916,483                  | 0.041                  |
| 2009-2010     | 504,000   | 26                           | 1.046   | 20,275                        | 5,742,090                  | 0.045                  |
| 2010-2011     | 298,000   | 25                           | 1.001   | 11,932                        | 5,725,103                  | 0.044                  |
| 2011-2012     | 567,000   | 28                           | 1.001   | 20,272                        | 5,593,441                  | 0.050                  |
| 2012-2013     | 340,000   | 16                           | 1.018   | 21,635                        | 5,313,078                  | 0.030                  |
| 2013-2014     | 100,000   | 11                           | 1.029   | 9,353                         | 5,220,594                  | 0.021                  |
| 2014-2015     | 212,000   | 24                           | 1.013   | 8,948                         | 5,091,011                  | 0.047                  |
| 2015-2016     | 537,000   | 27                           | 1.017   | 20,229                        | 5,221,758                  | 0.052                  |
| 2016-2017     | 400,000   | 17                           | 1.019   | 23,974                        | 5,210,036                  | 0.033                  |
| 2017-2018     | 197,000   | 26                           | 1.000   | 7,577                         | 5,326,947                  | 0.049                  |

|                         | Severity Trend Factors | Frequency Trend Factors |
|-------------------------|------------------------|-------------------------|
| Latest 10 x 2017-2018   | 0.979                  | 0.989                   |
| Latest 5 x 2017-2018    | 1.103                  | 1.112                   |
| Prior                   | 1.000                  | 0.980                   |
| Default                 | 1.025                  | 0.980                   |
| Selected Residual Trend | 1.000                  | 0.990                   |

Notes:

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

Judicial Branch Workers' Compensation Program - State Judiciary - Workers' Compensation

Outstanding Liability for  
Unallocated Loss Adjustment Expenses  
as of 6/30/18

| Fiscal Year<br>(A) | Number of Claims Active During Fiscal Year<br>(B) | Average ULAE Charge per Active Claim<br>(C) | Inflation Trend Factor<br>(D) | Trended ULAE Charge per Active Claim<br>(E) | ULAE Paid During Year<br>(F) |
|--------------------|---|---|-------------------------------|---|------------------------------|
| 2018-2019          | 47.0  | \$3,940                                     | 1.000                         | \$3,940                                     | \$185,180                    |
| 2019-2020          | 35.1  | 3,940                                       | 1.050                         | 4,137                                       | 145,209                      |
| 2020-2021          | 23.8  | 3,940                                       | 1.103                         | 4,346                                       | 103,435                      |
| 2021-2022          | 17.9  | 3,940                                       | 1.158                         | 4,563                                       | 81,678                       |
| 2022-2023          | 12.9  | 3,940                                       | 1.216                         | 4,791                                       | 61,804                       |
| 2023-2024          | 9.7   | 3,940                                       | 1.277                         | 5,031                                       | 48,801                       |
| 2024-2025          | 7.3   | 3,940                                       | 1.341                         | 5,284                                       | 38,573                       |
| 2025-2026          | 5.5   | 3,940                                       | 1.408                         | 5,548                                       | 30,514                       |
| 2026-2027          | 4.1   | 3,940                                       | 1.478                         | 5,823                                       | 23,874                       |
| 2027-2028          | 3.0   | 3,940                                       | 1.552                         | 6,115                                       | 18,345                       |
| 2028-2029          | 2.3   | 3,940                                       | 1.630                         | 6,422                                       | 14,771                       |
| 2029-2030          | 1.8   | 3,940                                       | 1.712                         | 6,745                                       | 12,141                       |
| 2030-2031          | 1.2   | 3,940                                       | 1.798                         | 7,084                                       | 8,501                        |
| 2031-2032          | 0.9   | 3,940                                       | 1.888                         | 7,439                                       | 6,695                        |
| 2032-2033          | 0.7   | 3,940                                       | 1.982                         | 7,809                                       | 5,466                        |
| 2033-2034          | 0.6   | 3,940                                       | 2.081                         | 8,199                                       | 4,919                        |
| 2034-2035          | 0.4   | 3,940                                       | 2.185                         | 8,609                                       | 3,444                        |
| 2035-2036          | 0.3   | 3,940                                       | 2.294                         | 9,038                                       | 2,711                        |

(G) Total ULAE Outstanding as of 6/30/18: \$796,061

(H) Total ULAE Outstanding as of 12/31/18: \$841,268

Notes:

- (A) We assume fiscal years will be 7/1 to 6/30.
- (B) Based on an estimated claim closing pattern.
- (C) Based on claims administration payment information provided by the Judicial Council.
- (D) We assume ULAE costs will increase at 5.0% per year.
- (E) (C) x (D).
- (F) (B) x (E).
- (G) Total of Column (F).
- (H) (G) from this page and the next, interpolated to 12/31/18.

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

## Judicial Branch Workers' Compensation Program - State Judiciary - Workers' Compensation

Outstanding Liability for  
Unallocated Loss Adjustment Expenses  
as of 6/30/19

| Fiscal Year<br>(A) | Number of Claims Active During Fiscal Year<br>(B) | Average ULAE Charge per Active Claim<br>(C) | Inflation Trend Factor<br>(D) | Trended ULAE Charge per Active Claim<br>(E) | ULAE Paid During Year<br>(F) |
|--------------------|---|---|-------------------------------|---|------------------------------|
| 2019-2020          | 50.2  | \$3,940                                     | 1.050                         | \$4,137                                     | \$207,677                    |
| 2020-2021          | 35.6  | 3,940                                       | 1.103                         | 4,346                                       | 154,718                      |
| 2021-2022          | 27.1  | 3,940                                       | 1.158                         | 4,563                                       | 123,657                      |
| 2022-2023          | 19.2  | 3,940                                       | 1.216                         | 4,791                                       | 91,987                       |
| 2023-2024          | 13.8  | 3,940                                       | 1.277                         | 5,031                                       | 69,428                       |
| 2024-2025          | 10.1  | 3,940                                       | 1.341                         | 5,284                                       | 53,368                       |
| 2025-2026          | 7.6   | 3,940                                       | 1.408                         | 5,548                                       | 42,165                       |
| 2026-2027          | 5.6   | 3,940                                       | 1.478                         | 5,823                                       | 32,609                       |
| 2027-2028          | 4.1   | 3,940                                       | 1.552                         | 6,115                                       | 25,072                       |
| 2028-2029          | 3.2   | 3,940                                       | 1.630                         | 6,422                                       | 20,550                       |
| 2029-2030          | 2.5   | 3,940                                       | 1.712                         | 6,745                                       | 16,863                       |
| 2030-2031          | 1.7   | 3,940                                       | 1.798                         | 7,084                                       | 12,043                       |
| 2031-2032          | 1.3   | 3,940                                       | 1.888                         | 7,439                                       | 9,671                        |
| 2032-2033          | 1.0   | 3,940                                       | 1.982                         | 7,809                                       | 7,809                        |
| 2033-2034          | 0.8   | 3,940                                       | 2.081                         | 8,199                                       | 6,559                        |
| 2034-2035          | 0.6   | 3,940                                       | 2.185                         | 8,609                                       | 5,165                        |
| 2035-2036          | 0.5   | 3,940                                       | 2.294                         | 9,038                                       | 4,519                        |
| 2036-2037          | 0.2   | 3,940                                       | 2.409                         | 9,491                                       | 1,898                        |

(G) Total ULAE Outstanding as of 6/30/19: \$885,758

## Notes:

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

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

## Judicial Branch Workers' Compensation Program - State Judiciary - Workers' Compensation

## Payment and Reserve Forecast

| <u>Accident Year</u>    | <u>As of</u><br><u>12/31/2018</u> | <u>Calendar Period</u>                           |  |  |  |
|-------------------------|-----------------------------------|--|--|--|--|
|                         |                                   | <u>1/1/2019</u><br><u>to</u><br><u>6/30/2019</u> | <u>7/1/2019</u><br><u>to</u><br><u>6/30/2020</u> | <u>7/1/2020</u><br><u>to</u><br><u>6/30/2021</u> | <u>7/1/2021</u><br><u>to</u><br><u>6/30/2022</u> |
| Prior                   |                                   |  |  |  |  |
| Ultimate Loss           | \$13,615,000                      | \$13,615,000                                     | \$13,615,000                                     | \$13,615,000                                     | \$13,615,000                                     |
| Paid in Calendar Period | -                                 | 34,984   | 87,823   | 82,353   | 74,006   |
| Paid to Date            | 12,912,820                        | 12,947,804                                       | 13,035,627                                       | 13,117,980                                       | 13,191,986                                       |
| Outstanding Liability   | 702,180                           | 667,196  | 579,373  | 497,020  | 423,014  |
| 2002-2003               |                                   |  |  |  |  |
| Ultimate Loss           | \$171,866                         | \$171,866  | \$171,866  | \$171,866  | \$171,866  |
| Paid in Calendar Period | -                                 |  |  |  |  |
| Paid to Date            | 171,866                           | 171,866  | 171,866  | 171,866  | 171,866  |
| Outstanding Liability   |                                   |  |  |  |  |
| 2003-2004               |                                   |  |  |  |  |
| Ultimate Loss           | \$289,343                         | \$289,343  | \$289,343  | \$289,343  | \$289,343  |
| Paid in Calendar Period | -                                 |  |  |  |  |
| Paid to Date            | 289,343                           | 289,343  | 289,343  | 289,343  | 289,343  |
| Outstanding Liability   |                                   |  |  |  |  |
| 2004-2005               |                                   |  |  |  |  |
| Ultimate Loss           | \$365,870                         | \$365,870  | \$365,870  | \$365,870  | \$365,870  |
| Paid in Calendar Period | -                                 |  |  |  |  |
| Paid to Date            | 365,870                           | 365,870  | 365,870  | 365,870  | 365,870  |
| Outstanding Liability   |                                   |  |  |  |  |
| 2005-2006               |                                   |  |  |  |  |
| Ultimate Loss           | \$248,000                         | \$248,000  | \$248,000  | \$248,000  | \$248,000  |
| Paid in Calendar Period | -                                 | 868  | 1,673  | 1,371  | 1,211  |
| Paid to Date            | 229,141                           | 230,009  | 231,682  | 233,053  | 234,264  |
| Outstanding Liability   | 18,859                            | 17,991   | 16,318   | 14,947   | 13,736   |
| 2006-2007               |                                   |  |  |  |  |
| Ultimate Loss           | \$645,000                         | \$645,000  | \$645,000  | \$645,000  | \$645,000  |
| Paid in Calendar Period | -                                 | 3,570  | 6,245  | 5,598  | 4,586  |
| Paid to Date            | 574,994                           | 578,564  | 584,809  | 590,407  | 594,993  |
| Outstanding Liability   | 70,006                            | 66,436   | 60,191   | 54,593   | 50,007   |
| 2007-2008               |                                   |  |  |  |  |
| Ultimate Loss           | \$290,000                         | \$290,000  | \$290,000  | \$290,000  | \$290,000  |
| Paid in Calendar Period | -                                 | 2,448  | 4,691  | 3,841  | 3,442  |
| Paid to Date            | 242,004                           | 244,452  | 249,143  | 252,984  | 256,426  |
| Outstanding Liability   | 47,996                            | 45,548   | 40,857   | 37,016   | 33,574   |
| 2008-2009               |                                   |  |  |  |  |
| Ultimate Loss           | \$902,000                         | \$902,000  | \$902,000  | \$902,000  | \$902,000  |
| Paid in Calendar Period | -                                 | 10,972   | 20,803   | 18,460   | 15,112   |
| Paid to Date            | 691,003                           | 701,975  | 722,778  | 741,238  | 756,350  |
| Outstanding Liability   | 210,997                           | 200,025  | 179,222  | 160,762  | 145,650  |

## Judicial Branch Workers' Compensation Program - State Judiciary - Workers' Compensation

## Payment and Reserve Forecast

| <u>Accident Year</u>    | <u>As of</u><br><u>12/31/2018</u> | <u>Calendar Period</u>                           |  |  |  |
|-------------------------|-----------------------------------|--|--|--|--|
|                         |                                   | <u>1/1/2019</u><br><u>to</u><br><u>6/30/2019</u> | <u>7/1/2019</u><br><u>to</u><br><u>6/30/2020</u> | <u>7/1/2020</u><br><u>to</u><br><u>6/30/2021</u> | <u>7/1/2021</u><br><u>to</u><br><u>6/30/2022</u> |
| 2009-2010               |                                   |  |  |  |  |
| Ultimate Loss           | \$776,000                         | \$776,000  | \$776,000  | \$776,000  | \$776,000  |
| Paid in Calendar Period | -                                 | 5,423  | 10,078   | 9,030  | 8,013  |
| Paid to Date            | 673,671                           | 679,094  | 689,172  | 698,202  | 706,215  |
| Outstanding Liability   | 102,329                           | 96,906   | 86,828   | 77,798   | 69,785   |
| 2010-2011               |                                   |  |  |  |  |
| Ultimate Loss           | \$346,000                         | \$346,000  | \$346,000  | \$346,000  | \$346,000  |
| Paid in Calendar Period | -                                 | 5,299  | 9,382  | 7,814  | 7,002  |
| Paid to Date            | 256,181                           | 261,480  | 270,862  | 278,676  | 285,678  |
| Outstanding Liability   | 89,819                            | 84,520   | 75,138   | 67,324   | 60,322   |
| 2011-2012               |                                   |  |  |  |  |
| Ultimate Loss           | \$693,000                         | \$693,000  | \$693,000  | \$693,000  | \$693,000  |
| Paid in Calendar Period | -                                 | 10,052   | 17,361   | 12,897   | 10,742   |
| Paid to Date            | 549,401                           | 559,453  | 576,814  | 589,711  | 600,453  |
| Outstanding Liability   | 143,599                           | 133,547  | 116,186  | 103,289  | 92,547   |
| 2012-2013               |                                   |  |  |  |  |
| Ultimate Loss           | \$565,000                         | \$565,000  | \$565,000  | \$565,000  | \$565,000  |
| Paid in Calendar Period | -                                 | 9,734  | 17,690   | 14,010   | 10,407   |
| Paid to Date            | 429,805                           | 439,539  | 457,229  | 471,239  | 481,646  |
| Outstanding Liability   | 135,195                           | 125,461  | 107,771  | 93,761   | 83,354   |
| 2013-2014               |                                   |  |  |  |  |
| Ultimate Loss           | \$270,000                         | \$270,000  | \$270,000  | \$270,000  | \$270,000  |
| Paid in Calendar Period | -                                 | 14,624   | 26,136   | 21,384   | 16,936   |
| Paid to Date            | 77,577                            | 92,201   | 118,337  | 139,721  | 156,657  |
| Outstanding Liability   | 192,423                           | 177,799  | 151,663  | 130,279  | 113,343  |
| 2014-2015               |                                   |  |  |  |  |
| Ultimate Loss           | \$501,000                         | \$501,000  | \$501,000  | \$501,000  | \$501,000  |
| Paid in Calendar Period | -                                 | 28,959   | 50,167   | 37,869   | 30,983   |
| Paid to Date            | 164,265                           | 193,224  | 243,391  | 281,260  | 312,243  |
| Outstanding Liability   | 336,735                           | 307,776  | 257,609  | 219,740  | 188,757  |
| 2015-2016               |                                   |  |  |  |  |
| Ultimate Loss           | \$682,000                         | \$682,000  | \$682,000  | \$682,000  | \$682,000  |
| Paid in Calendar Period | -                                 | 26,789   | 56,702   | 51,563   | 38,922   |
| Paid to Date            | 282,169                           | 308,958  | 365,660  | 417,223  | 456,145  |
| Outstanding Liability   | 399,831                           | 373,042  | 316,340  | 264,777  | 225,855  |
| 2016-2017               |                                   |  |  |  |  |
| Ultimate Loss           | \$679,000                         | \$679,000  | \$679,000  | \$679,000  | \$679,000  |
| Paid in Calendar Period | -                                 | 35,982   | 60,826   | 51,983   | 47,272   |
| Paid to Date            | 240,198                           | 276,180  | 337,006  | 388,989  | 436,261  |
| Outstanding Liability   | 438,802                           | 402,820  | 341,994  | 290,011  | 242,739  |

## Judicial Branch Workers' Compensation Program - State Judiciary - Workers' Compensation

## Payment and Reserve Forecast

| <u>Accident Year</u>               | <u>As of</u><br><u>12/31/2018</u> | <u>Calendar Period</u>                           |  |  |  |
|------------------------------------|-----------------------------------|--|--|--|--|
|                                    |                                   | <u>1/1/2019</u><br><u>to</u><br><u>6/30/2019</u> | <u>7/1/2019</u><br><u>to</u><br><u>6/30/2020</u> | <u>7/1/2020</u><br><u>to</u><br><u>6/30/2021</u> | <u>7/1/2021</u><br><u>to</u><br><u>6/30/2022</u> |
| 2017-2018                          |                                   |  |  |  |  |
| Ultimate Loss                      | \$530,000                         | \$530,000  | \$530,000  | \$530,000  | \$530,000  |
| Paid in Calendar Period            | -                                 | 42,232   | 75,342   | 55,545   | 47,470   |
| Paid to Date                       | 44,578                            | 86,810   | 162,152  | 217,697  | 265,167  |
| Outstanding Liability              | 485,422                           | 443,190  | 367,848  | 312,303  | 264,833  |
| 2018-2019                          |                                   |  |  |  |  |
| Ultimate Loss                      | \$329,000                         | \$657,000  | \$657,000  | \$657,000  | \$657,000  |
| Paid in Calendar Period            | -                                 | 20,759   | 73,473   | 94,265   | 69,495   |
| Paid to Date                       | 8,269                             | 29,028   | 102,501  | 196,766  | 266,261  |
| Outstanding Liability              | 320,731                           | 627,972  | 554,499  | 460,234  | 390,739  |
| 2019-2020                          |                                   |  |  |  |  |
| Ultimate Loss                      | -                                 | -  | \$681,000  | \$681,000  | \$681,000  |
| Paid in Calendar Period            | -                                 | -  | 56,523   | 73,064   | 93,740   |
| Paid to Date                       | -                                 | -  | 56,523   | 129,587  | 223,327  |
| Outstanding Liability              | -                                 | -  | 624,477  | 551,413  | 457,673  |
| 2020-2021                          |                                   |  |  |  |  |
| Ultimate Loss                      | -                                 | -  | -  | \$706,000  | \$706,000  |
| Paid in Calendar Period            | -                                 | -  | -  | 58,598   | 75,746   |
| Paid to Date                       | -                                 | -  | -  | 58,598   | 134,344  |
| Outstanding Liability              | -                                 | -  | -  | 647,402  | 571,656  |
| 2021-2022                          |                                   |  |  |  |  |
| Ultimate Loss                      | -                                 | -  | -  | -  | \$725,000  |
| Paid in Calendar Period            | -                                 | -  | -  | -  | 60,175   |
| Paid to Date                       | -                                 | -  | -  | -  | 60,175   |
| Outstanding Liability              | -                                 | -  | -  | -  | 664,825  |
| Totals                             |                                   |  |  |  |  |
| Ultimate Loss                      | \$21,898,079                      | \$22,226,079                                     | \$22,907,079                                     | \$23,613,079                                     | \$24,338,079                                     |
| Paid in Calendar Period            | -                                 | 252,695  | 574,915  | 599,645  | 615,260  |
| Paid to Date                       | 18,203,155                        | 18,455,850                                       | 19,030,765                                       | 19,630,410                                       | 20,245,670                                       |
| Outstanding Liability              | 3,694,924                         | 3,770,229  | 3,876,314  | 3,982,669  | 4,092,409  |
| Total Outstanding ULAE             | 841,268                           | 885,758  | 990,976  | 1,099,182  | 1,207,642  |
| Outstanding Liability<br>plus ULAE | 4,536,192                         | 4,655,987  | 4,867,290  | 5,081,851  | 5,300,051  |

Notes appear on the next page.



## Judicial Branch Workers' Compensation Program - State Judiciary - Workers' Compensation

## Payment and Reserve Forecast

## Notes to previous page:

- Accident Year is associated with date of loss. Calendar Period is associated with date of transaction. For example, for the losses which occurred during 2016-2017, \$35,982 is expected to be paid between 1/1/19 and 6/30/19, \$276,180 will have been paid by 6/30/19, and the reserve for remaining payments on these claims should be \$402,820.
- Ultimate Losses for each accident year are from Exhibit J-4, Page 1.
- Paid in Calendar Period is a proportion of the Outstanding Liability from the previous calendar period. These proportions are derived from the paid loss development pattern selected in Appendix B. For example,  $\$60,826 = \$402,820 \times 15.1\%$ .
- Paid to Date is Paid in Calendar Period plus Paid to Date from previous calendar period. For example,  $\$337,006 = \$60,826 + \$276,180$ .
- Outstanding Liability is Ultimate Loss minus Paid to Date. For example,  $\$402,820 = \$679,000 - \$276,180$ .

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.

## Judicial Branch Workers' Compensation Program - State Judiciary - Workers' Compensation

## Short- and Long-Term Liabilities

| <u>Liabilities as of 12/31/18:</u> |                          | <u>Expected</u>    | <u>Discounted</u>  |
|------------------------------------|--------------------------|--------------------|--------------------|
| <u>Current (Short Term)</u>        | Loss and ALAE:           | \$483,554          | \$483,554          |
|                                    | ULAE:                    | 185,180            | 185,180            |
|                                    | Short-Term Loss and LAE: | <u>\$668,734</u>   | <u>\$668,734</u>   |
| <u>Non-Current (Long Term)</u>     | Loss and ALAE:           | \$3,211,370        | \$3,211,370        |
|                                    | ULAE:                    | 656,088            | 656,088            |
|                                    | Long-Term Loss and LAE:  | <u>\$3,867,459</u> | <u>\$3,867,458</u> |
| <u>Total Liability</u>             | Loss and ALAE:           | \$3,694,924        | \$3,694,924        |
|                                    | ULAE:                    | 841,268            | 841,268            |
|                                    | Total Loss and LAE:      | <u>\$4,536,192</u> | <u>\$4,536,192</u> |
| <u>Liabilities as of 6/30/19:</u>  |                          |                    |                    |
| <u>Current (Short Term)</u>        | Loss and ALAE:           | \$518,392          | \$518,392          |
|                                    | ULAE:                    | 207,677            | 207,677            |
|                                    | Short-Term Loss and LAE: | <u>\$726,069</u>   | <u>\$726,069</u>   |
| <u>Non-Current (Long Term)</u>     | Loss and ALAE:           | \$3,251,837        | \$3,251,837        |
|                                    | ULAE:                    | 678,081            | 678,081            |
|                                    | Long-Term Loss and LAE:  | <u>\$3,929,918</u> | <u>\$3,929,918</u> |
| <u>Total Liability</u>             | Loss and ALAE:           | \$3,770,229        | \$3,770,229        |
|                                    | ULAE:                    | 885,758            | 885,758            |
|                                    | Total Loss and LAE:      | <u>\$4,655,987</u> | <u>\$4,655,987</u> |

|                                    |                          | <u>Discounted with a Margin for Contingencies</u> |                    |                    |                    |                    |
|------------------------------------|--------------------------|---|--------------------|--------------------|--------------------|--------------------|
|                                    |                          | <u>70%</u>  | <u>75%</u>         | <u>80%</u>         | <u>85%</u>         | <u>90%</u>         |
|                                    |                          | <u>Confidence</u>                                 | <u>Confidence</u>  | <u>Confidence</u>  | <u>Confidence</u>  | <u>Confidence</u>  |
| <u>Liabilities as of 12/31/18:</u> |                          |   |                    |                    |                    |                    |
| <u>Current (Short Term)</u>        | Loss and ALAE:           | \$543,998   | \$570,594          | \$602,025          | \$641,193          | \$692,933          |
|                                    | ULAE:                    | 208,328   | 218,512            | 230,549            | 245,549            | 265,363            |
|                                    | Short-Term Loss and LAE: | <u>\$752,326</u>                                  | <u>\$789,106</u>   | <u>\$832,574</u>   | <u>\$886,742</u>   | <u>\$958,296</u>   |
| <u>Non-Current (Long Term)</u>     | Loss and ALAE:           | \$3,612,792                                       | \$3,789,416        | \$3,998,155        | \$4,258,276        | \$4,601,893        |
|                                    | ULAE:                    | 738,098   | 774,185            | 816,830            | 869,973            | 940,174            |
|                                    | Long-Term Loss and LAE:  | <u>\$4,350,890</u>                                | <u>\$4,563,601</u> | <u>\$4,814,985</u> | <u>\$5,128,249</u> | <u>\$5,542,067</u> |
| <u>Total Liability</u>             | Loss and ALAE:           | \$4,156,790                                       | \$4,360,010        | \$4,600,180        | \$4,899,469        | \$5,294,826        |
|                                    | ULAE:                    | 946,426   | 992,697            | 1,047,379          | 1,115,522          | 1,205,537          |
|                                    | Total Loss and LAE:      | <u>\$5,103,216</u>                                | <u>\$5,352,707</u> | <u>\$5,647,559</u> | <u>\$6,014,991</u> | <u>\$6,500,363</u> |
| <u>Liabilities as of 6/30/19:</u>  |                          |   |                    |                    |                    |                    |
| <u>Current (Short Term)</u>        | Loss and ALAE:           | \$583,191   | \$611,703          | \$645,398          | \$687,388          | \$742,856          |
|                                    | ULAE:                    | 233,637   | 245,059            | 258,558            | 275,380            | 297,601            |
|                                    | Short-Term Loss and LAE: | <u>\$816,828</u>                                  | <u>\$856,762</u>   | <u>\$903,956</u>   | <u>\$962,768</u>   | <u>\$1,040,457</u> |
| <u>Non-Current (Long Term)</u>     | Loss and ALAE:           | \$3,658,317                                       | \$3,837,167        | \$4,048,537        | \$4,311,936        | \$4,659,882        |
|                                    | ULAE:                    | 762,840   | 800,136            | 844,211            | 899,135            | 971,690            |
|                                    | Long-Term Loss and LAE:  | <u>\$4,421,157</u>                                | <u>\$4,637,303</u> | <u>\$4,892,748</u> | <u>\$5,211,071</u> | <u>\$5,631,572</u> |
| <u>Total Liability</u>             | Loss and ALAE:           | \$4,241,508                                       | \$4,448,870        | \$4,693,935        | \$4,999,324        | \$5,402,738        |
|                                    | ULAE:                    | 996,477   | 1,045,195          | 1,102,769          | 1,174,515          | 1,269,291          |
|                                    | Total Loss and LAE:      | <u>\$5,237,985</u>                                | <u>\$5,494,065</u> | <u>\$5,796,704</u> | <u>\$6,173,839</u> | <u>\$6,672,029</u> |

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

Judicial Branch Workers' Compensation Program - State Judiciary - Workers' Compensation

Confidence Level Table

| Probability | Projected Losses | Outstanding Losses |
|-------------|------------------|--------------------|
| 95%         | 2.650            | 1.611              |
| 90%         | 2.045            | 1.433              |
| 85%         | 1.710            | 1.326              |
| 80%         | 1.480            | 1.245              |
| 75%         | 1.305            | 1.180              |
| 70%         | 1.164            | 1.125              |
| 65%         | 1.045            | 1.076              |
| 60%         | 0.943            | 1.031              |
| 55%         | 0.851            | 0.990              |
| 50%         | 0.769            | 0.951              |
| 45%         | 0.693            | 0.914              |
| 40%         | 0.622            | 0.877              |
| 35%         | 0.555            | 0.841              |
| 30%         | 0.491            | 0.804              |
| 25%         | 0.429            | 0.765              |

To read table: For the above retention, there is a 90% chance that final loss settlements will be less than 2.045 times the average expected amount of losses.

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

Judicial Branch Workers' Compensation Program - State Judiciary - Workers' Compens:

Program History

| Policy Year Start Date | Policy Year End Date             | Policy Year | Self-Insured Retention |           |
|------------------------|----------------------------------|-------------|------------------------|-----------|
|                        |                                  |             | Per Occurrence         | Aggregate |
| 1/1/1969               | 6/30/1998                        | Prior       | Unlimited              | (none)    |
| 7/1/1998               | 6/30/1999                        | 1998-1999   | Unlimited              | (none)    |
| 7/1/1999               | 6/30/2000                        | 1999-2000   | Unlimited              | (none)    |
| 7/1/2000               | 6/30/2001                        | 2000-2001   | Unlimited              | (none)    |
| 7/1/2001               | 6/30/2002                        | 2001-2002   | Unlimited              | (none)    |
| 7/1/2002               | 6/30/2003                        | 2002-2003   | Unlimited              | (none)    |
| 7/1/2003               | 6/30/2004                        | 2003-2004   | Unlimited              | (none)    |
| 7/1/2004               | 6/30/2005                        | 2004-2005   | Unlimited              | (none)    |
| 7/1/2005               | 6/30/2006                        | 2005-2006   | Unlimited              | (none)    |
| 7/1/2006               | 6/30/2007                        | 2006-2007   | Unlimited              | (none)    |
| 7/1/2007               | 6/30/2008                        | 2007-2008   | Unlimited              | (none)    |
| 7/1/2008               | 6/30/2009                        | 2008-2009   | Unlimited              | (none)    |
| 7/1/2009               | 6/30/2010                        | 2009-2010   | Unlimited              | (none)    |
| 7/1/2010               | 6/30/2011                        | 2010-2011   | Unlimited              | (none)    |
| 7/1/2011               | 6/30/2012                        | 2011-2012   | Unlimited              | (none)    |
| 7/1/2012               | 6/30/2013                        | 2012-2013   | Unlimited              | (none)    |
| 7/1/2013               | 6/30/2014                        | 2013-2014   | Unlimited              | (none)    |
| 7/1/2014               | 6/30/2015                        | 2014-2015   | Unlimited              | (none)    |
| 7/1/2015               | 6/30/2016                        | 2015-2016   | 2,000,000              | (none)    |
| 7/1/2016               | 6/30/2017                        | 2016-2017   | 2,000,000              | (none)    |
| 7/1/2017               | 6/30/2018                        | 2017-2018   | 2,000,000              | (none)    |
| 7/1/2018               | 6/30/2019                        | 2018-2019   | 2,000,000              | (none)    |
| 7/1/2019               | 6/30/2020                        | 2019-2020   | 2,000,000              | (none)    |
|                        | Third Party Claims Administrator |             | Begin Date             | End Date  |
|                        | Corvel                           |             | 7/1/2008               | 9/30/2014 |
|                        | AIMS                             |             | 10/1/2014              | Current   |

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

Judicial Branch Workers' Compensation Program - State Judiciary - Workers' Compensation

Incurred Losses as of 12/31/18

| Accident Year (A) | Unlimited Incurred (B) | Additions to Losses (C) | Subtractions from Losses (D) | Adjusted Incurred (E) | Incurred Over SIR (F) | Incurred Over \$100,000 (G) | Incurred Capped at \$100,000 (H) | Incurred \$100,000 to SIR Layer (I) | Incurred Capped at SIR (J) | Incurred Capped at SIR & Aggregate (K) |
|-------------------|------------------------|-------------------------|------------------------------|-----------------------|-----------------------|-----------------------------|----------------------------------|-------------------------------------|----------------------------|--|
| Prior             | \$9,292,843            | \$0                     | \$14                         | \$9,292,829           | \$0                   | \$3,400,468                 | \$5,892,361                      | \$3,400,468                         | \$9,292,829                | \$9,292,829                            |
| 1998-1999         | 1,517,738              | 0                       | 4,650                        | 1,513,088             | 0                     | 743,341                     | 769,747                          | 743,341                             | 1,513,088                  | 1,513,088                              |
| 1999-2000         | 667,514                | 0                       | 0                            | 667,514               | 0                     | 129,645                     | 537,869                          | 129,645                             | 667,514                    | 667,514                                |
| 2000-2001         | 1,005,596              | 0                       | 0                            | 1,005,596             | 0                     | 451,912                     | 553,684                          | 451,912                             | 1,005,596                  | 1,005,596                              |
| 2001-2002         | 1,028,801              | 0                       | 0                            | 1,028,801             | 0                     | 417,019                     | 611,782                          | 417,019                             | 1,028,801                  | 1,028,801                              |
| 2002-2003         | 171,866                | 0                       | 0                            | 171,866               | 0                     | 0                           | 171,866                          | 0                                   | 171,866                    | 171,866                                |
| 2003-2004         | 289,343                | 0                       | 0                            | 289,343               | 0                     | 0                           | 289,343                          | 0                                   | 289,343                    | 289,343                                |
| 2004-2005         | 365,870                | 0                       | 0                            | 365,870               | 0                     | 119,890                     | 245,980                          | 119,890                             | 365,870                    | 365,870                                |
| 2005-2006         | 235,295                | 0                       | 0                            | 235,295               | 0                     | 0                           | 235,295                          | 0                                   | 235,295                    | 235,295                                |
| 2006-2007         | 605,061                | 0                       | 0                            | 605,061               | 0                     | 291,698                     | 313,363                          | 291,698                             | 605,061                    | 605,061                                |
| 2007-2008         | 275,709                | 0                       | 7,436                        | 268,273               | 0                     | 0                           | 268,273                          | 0                                   | 268,273                    | 268,273                                |
| 2008-2009         | 817,822                | 0                       | 0                            | 817,822               | 0                     | 197,798                     | 620,024                          | 197,798                             | 817,822                    | 817,822                                |
| 2009-2010         | 688,180                | 0                       | 0                            | 688,180               | 0                     | 198,879                     | 489,301                          | 198,879                             | 688,180                    | 688,180                                |
| 2010-2011         | 298,169                | 0                       | 0                            | 298,169               | 0                     | 11,239                      | 286,930                          | 11,239                              | 298,169                    | 298,169                                |
| 2011-2012         | 616,622                | 0                       | 38,062                       | 578,560               | 0                     | 37,452                      | 541,107                          | 37,452                              | 578,560                    | 578,560                                |
| 2012-2013         | 453,357                | 0                       | 0                            | 453,357               | 0                     | 133,826                     | 319,532                          | 133,826                             | 453,357                    | 453,357                                |
| 2013-2014         | 91,708                 | 0                       | 0                            | 91,708                | 0                     | 0                           | 91,708                           | 0                                   | 91,708                     | 91,708                                 |
| 2014-2015         | 281,331                | 0                       | 0                            | 281,331               | 0                     | 91,347                      | 189,984                          | 91,347                              | 281,331                    | 281,331                                |
| 2015-2016         | 474,322                | 0                       | 12,757                       | 461,565               | 0                     | 0                           | 461,565                          | 0                                   | 461,565                    | 461,565                                |
| 2016-2017         | 329,364                | 0                       | 0                            | 329,364               | 0                     | 63,728                      | 265,636                          | 63,728                              | 329,364                    | 329,364                                |
| 2017-2018         | 67,646                 | 0                       | 0                            | 67,646                | 0                     | 0                           | 67,646                           | 0                                   | 67,646                     | 67,646                                 |
| 2018-2019         | 79,605                 | 0                       | 0                            | 79,605                | 0                     | 0                           | 79,605                           | 0                                   | 79,605                     | 79,605                                 |
| <b>Total</b>      | <b>\$19,653,761</b>    | <b>\$0</b>              | <b>\$62,919</b>              | <b>\$19,590,842</b>   | <b>\$0</b>            | <b>\$6,288,243</b>          | <b>\$13,302,600</b>              | <b>\$6,288,243</b>                  | <b>\$19,590,842</b>        | <b>\$19,590,842</b>                    |

Notes:

794,847

- (A) Years are 7/1 to 6/30.
- (B) Provided by the Judicial Council.
- (C) No adjustments were made.
- (D) Recoveries
- (E) (B) + (C) - (D).
- (F) Sum of incurred losses in excess of SIR.
- (G) Sum of incurred losses in excess of \$100,000.
- (H) (E) - (G).
- (I) (G) - (F).
- (J) (E) - (F).
- (K) Minimum of (J) and the aggregate stop loss. See Appendix J-J.

Judicial Branch Workers' Compensation Program - State Judiciary - Workers' Compensation

Paid Losses as of 12/31/18

| Accident Year (A) | Unlimited Paid (B)  | Additions to Losses (C) | Subtractions from Losses (D) | Adjusted Paid (E)   | Paid Over SIR (F) | Paid Over \$100,000 (G) | Paid Capped at \$100,000 (H) | Paid \$100,000 to SIR Layer (I) | Paid Capped at SIR (J) | Paid Capped at SIR & Aggregate (K) |
|-------------------|---------------------|-------------------------|------------------------------|---------------------|-------------------|-------------------------|------------------------------|---------------------------------|------------------------|------------------------------------|
| Prior             | \$9,013,023         | \$0                     | \$14                         | \$9,013,009         | \$0               | \$3,156,010             | \$5,857,000                  | \$3,156,010                     | \$9,013,009            | \$9,013,009                        |
| 1998-1999         | 1,357,572           | 0                       | 4,650                        | 1,352,922           | 0                 | 583,175                 | 769,747                      | 583,175                         | 1,352,922              | 1,352,922                          |
| 1999-2000         | 646,509             | 0                       | 0                            | 646,509             | 0                 | 108,641                 | 537,869                      | 108,641                         | 646,509                | 646,509                            |
| 2000-2001         | 950,967             | 0                       | 0                            | 950,967             | 0                 | 397,284                 | 553,684                      | 397,284                         | 950,967                | 950,967                            |
| 2001-2002         | 949,413             | 0                       | 0                            | 949,413             | 0                 | 337,632                 | 611,782                      | 337,632                         | 949,413                | 949,413                            |
| 2002-2003         | 171,866             | 0                       | 0                            | 171,866             | 0                 | 0                       | 171,866                      | 0                               | 171,866                | 171,866                            |
| 2003-2004         | 289,343             | 0                       | 0                            | 289,343             | 0                 | 0                       | 289,343                      | 0                               | 289,343                | 289,343                            |
| 2004-2005         | 365,870             | 0                       | 0                            | 365,870             | 0                 | 119,890                 | 245,980                      | 119,890                         | 365,870                | 365,870                            |
| 2005-2006         | 229,141             | 0                       | 0                            | 229,141             | 0                 | 0                       | 229,141                      | 0                               | 229,141                | 229,141                            |
| 2006-2007         | 574,994             | 0                       | 0                            | 574,994             | 0                 | 261,631                 | 313,363                      | 261,631                         | 574,994                | 574,994                            |
| 2007-2008         | 249,440             | 0                       | 7,436                        | 242,004             | 0                 | 0                       | 242,004                      | 0                               | 242,004                | 242,004                            |
| 2008-2009         | 691,003             | 0                       | 0                            | 691,003             | 0                 | 101,856                 | 589,147                      | 101,856                         | 691,003                | 691,003                            |
| 2009-2010         | 673,671             | 0                       | 0                            | 673,671             | 0                 | 198,879                 | 474,792                      | 198,879                         | 673,671                | 673,671                            |
| 2010-2011         | 256,181             | 0                       | 0                            | 256,181             | 0                 | 0                       | 256,181                      | 0                               | 256,181                | 256,181                            |
| 2011-2012         | 587,463             | 0                       | 38,062                       | 549,401             | 0                 | 37,452                  | 511,949                      | 37,452                          | 549,401                | 549,401                            |
| 2012-2013         | 429,805             | 0                       | 0                            | 429,805             | 0                 | 133,826                 | 295,980                      | 133,826                         | 429,805                | 429,805                            |
| 2013-2014         | 77,577              | 0                       | 0                            | 77,577              | 0                 | 0                       | 77,577                       | 0                               | 77,577                 | 77,577                             |
| 2014-2015         | 164,265             | 0                       | 0                            | 164,265             | 0                 | 0                       | 164,265                      | 0                               | 164,265                | 164,265                            |
| 2015-2016         | 294,927             | 0                       | 12,757                       | 282,169             | 0                 | 0                       | 282,169                      | 0                               | 282,169                | 282,169                            |
| 2016-2017         | 240,198             | 0                       | 0                            | 240,198             | 0                 | 47,925                  | 192,273                      | 47,925                          | 240,198                | 240,198                            |
| 2017-2018         | 44,578              | 0                       | 0                            | 44,578              | 0                 | 0                       | 44,578                       | 0                               | 44,578                 | 44,578                             |
| 2018-2019         | 8,269               | 0                       | 0                            | 8,269               | 0                 | 0                       | 8,269                        | 0                               | 8,269                  | 8,269                              |
| <b>Total</b>      | <b>\$18,266,075</b> | <b>\$0</b>              | <b>\$62,919</b>              | <b>\$18,203,156</b> | <b>\$0</b>        | <b>\$5,484,200</b>      | <b>\$12,718,956</b>          | <b>\$5,484,200</b>              | <b>\$18,203,156</b>    | <b>\$18,203,156</b>                |

Notes:

- (A) Years are 7/1 to 6/30.
- (B) Provided by the Judicial Council.
- (C) No adjustments were made.
- (D) Recoveries
- (E) (B) + (C) - (D).
- (F) Sum of paid losses in excess of SIR.
- (G) Sum of paid losses in excess of \$100,000.
- (H) (E) - (G).
- (I) (G) - (F).
- (J) (E) - (F).
- (K) Minimum of (J) and the aggregate stop loss. See Appendix J-J.

Judicial Branch Workers' Compensation Program - State Judiciary - Workers' Compensation

Case Reserves as of 12/31/18

| Accident Year (A) | Unlimited Reserves (B) | Additions to Losses (C) | Subtractions from Losses (D) | Adjusted Reserves (E) | Reserves Over SIR (F) | Reserves Over \$100,000 (G) | Reserves Capped at \$100,000 (H) | Reserves \$100,000 to SIR Layer (I) | Reserves Capped at SIR (J) | Reserves Capped at SIR & Aggregate (K) |
|-------------------|------------------------|-------------------------|------------------------------|-----------------------|-----------------------|-----------------------------|----------------------------------|-------------------------------------|----------------------------|--|
| Prior             | \$279,820              | \$0                     | \$0                          | \$279,820             | \$0                   | \$244,458                   | \$35,362                         | \$244,458                           | \$279,820                  | \$279,820                              |
| 1998-1999         | 160,167                | 0                       | 0                            | 160,167               | 0                     | 160,167                     | 0                                | 160,167                             | 160,167                    | 160,167                                |
| 1999-2000         | 21,004                 | 0                       | 0                            | 21,004                | 0                     | 21,004                      | 0                                | 21,004                              | 21,004                     | 21,004                                 |
| 2000-2001         | 54,628                 | 0                       | 0                            | 54,628                | 0                     | 54,628                      | 0                                | 54,628                              | 54,628                     | 54,628                                 |
| 2001-2002         | 79,387                 | 0                       | 0                            | 79,387                | 0                     | 79,387                      | 0                                | 79,387                              | 79,387                     | 79,387                                 |
| 2002-2003         | 0                      | 0                       | 0                            | 0                     | 0                     | 0                           | 0                                | 0                                   | 0                          | 0                                      |
| 2003-2004         | 0                      | 0                       | 0                            | 0                     | 0                     | 0                           | 0                                | 0                                   | 0                          | 0                                      |
| 2004-2005         | 0                      | 0                       | 0                            | 0                     | 0                     | 0                           | 0                                | 0                                   | 0                          | 0                                      |
| 2005-2006         | 6,154                  | 0                       | 0                            | 6,154                 | 0                     | 0                           | 6,154                            | 0                                   | 6,154                      | 6,154                                  |
| 2006-2007         | 30,067                 | 0                       | 0                            | 30,067                | 0                     | 30,067                      | 0                                | 30,067                              | 30,067                     | 30,067                                 |
| 2007-2008         | 26,269                 | 0                       | 0                            | 26,269                | 0                     | 0                           | 26,269                           | 0                                   | 26,269                     | 26,269                                 |
| 2008-2009         | 126,819                | 0                       | 0                            | 126,819               | 0                     | 95,942                      | 30,877                           | 95,942                              | 126,819                    | 126,819                                |
| 2009-2010         | 14,509                 | 0                       | 0                            | 14,509                | 0                     | 0                           | 14,509                           | 0                                   | 14,509                     | 14,509                                 |
| 2010-2011         | 41,988                 | 0                       | 0                            | 41,988                | 0                     | 11,239                      | 30,749                           | 11,239                              | 41,988                     | 41,988                                 |
| 2011-2012         | 29,158                 | 0                       | 0                            | 29,158                | 0                     | 0                           | 29,158                           | 0                                   | 29,158                     | 29,158                                 |
| 2012-2013         | 23,552                 | 0                       | 0                            | 23,552                | 0                     | 0                           | 23,552                           | 0                                   | 23,552                     | 23,552                                 |
| 2013-2014         | 14,131                 | 0                       | 0                            | 14,131                | 0                     | 0                           | 14,131                           | 0                                   | 14,131                     | 14,131                                 |
| 2014-2015         | 117,066                | 0                       | 0                            | 117,066               | 0                     | 91,347                      | 25,719                           | 91,347                              | 117,066                    | 117,066                                |
| 2015-2016         | 179,395                | 0                       | 0                            | 179,395               | 0                     | 0                           | 179,395                          | 0                                   | 179,395                    | 179,395                                |
| 2016-2017         | 89,166                 | 0                       | 0                            | 89,166                | 0                     | 15,803                      | 73,363                           | 15,803                              | 89,166                     | 89,166                                 |
| 2017-2018         | 23,068                 | 0                       | 0                            | 23,068                | 0                     | 0                           | 23,068                           | 0                                   | 23,068                     | 23,068                                 |
| 2018-2019         | 71,336                 | 0                       | 0                            | 71,336                | 0                     | 0                           | 71,336                           | 0                                   | 71,336                     | 71,336                                 |
| <b>Total</b>      | <b>\$1,387,686</b>     | <b>\$0</b>              | <b>\$0</b>                   | <b>\$1,387,686</b>    | <b>\$0</b>            | <b>\$804,043</b>            | <b>\$583,643</b>                 | <b>\$804,043</b>                    | <b>\$1,387,686</b>         | <b>\$1,387,686</b>                     |

Notes:

- (A) Years are 7/1 to 6/30.
- (B) Appendix J-K, Page 1, Column (B) - Appendix J-K, Page 2, Column (B).
- (C) Appendix J-K, Page 1, Column (C) - Appendix J-K, Page 2, Column (C).
- (D) Appendix J-K, Page 1, Column (D) - Appendix J-K, Page 2, Column (D).
- (E) (B) + (C) - (D).
- (F) Sum of case reserves in excess of SIR.
- (G) Sum of case reserves in excess of \$100,000.
- (H) (E) - (G).
- (I) (G) - (F).
- (J) (E) - (F).
- (K) Minimum of (J) and the aggregate stop loss. See Appendix J-J.

Judicial Branch Workers' Compensation Program - State Judiciary - Workers' Compensation

Claim Counts as of 12/31/18

| Accident Year<br>(A) | Reported Claims<br>(B) | Additions to Reported Claims<br>(C) | Subtractions from Reported Claims<br>(D) | Adjusted Reported Claims<br>(E) | Closed Claims<br>(F) | Additions to Closed Claims<br>(G) | Subtractions from Closed Claims<br>(H) | Adjusted Closed Claims<br>(I) | Open Claims<br>(J) | Adjusted Open Claims<br>(K) |
|----------------------|------------------------|-------------------------------------|--|---------------------------------|----------------------|-----------------------------------|--|-------------------------------|--------------------|-----------------------------|
| Prior                | 352                    | 0                                   | 0  | 352                             | 343                  | 0                                 | 0                                      | 343                           | 9                  | 9                           |
| 1998-1999            | 50                     | 0                                   | 0  | 50                              | 48                   | 0                                 | 0                                      | 48                            | 2                  | 2                           |
| 1999-2000            | 27                     | 0                                   | 0  | 27                              | 25                   | 0                                 | 0                                      | 25                            | 2                  | 2                           |
| 2000-2001            | 30                     | 0                                   | 0  | 30                              | 29                   | 0                                 | 0                                      | 29                            | 1                  | 1                           |
| 2001-2002            | 37                     | 0                                   | 0  | 37                              | 34                   | 0                                 | 0                                      | 34                            | 3                  | 3                           |
| 2002-2003            | 38                     | 0                                   | 0  | 38                              | 38                   | 0                                 | 0                                      | 38                            | 0                  | 0                           |
| 2003-2004            | 29                     | 0                                   | 0  | 29                              | 29                   | 0                                 | 0                                      | 29                            | 0                  | 0                           |
| 2004-2005            | 32                     | 0                                   | 0  | 32                              | 32                   | 0                                 | 0                                      | 32                            | 0                  | 0                           |
| 2005-2006            | 27                     | 0                                   | 0  | 27                              | 26                   | 0                                 | 0                                      | 26                            | 1                  | 1                           |
| 2006-2007            | 33                     | 0                                   | 0  | 33                              | 32                   | 0                                 | 0                                      | 32                            | 1                  | 1                           |
| 2007-2008            | 22                     | 0                                   | 0  | 22                              | 21                   | 0                                 | 0                                      | 21                            | 1                  | 1                           |
| 2008-2009            | 24                     | 0                                   | 0  | 24                              | 22                   | 0                                 | 0                                      | 22                            | 2                  | 2                           |
| 2009-2010            | 26                     | 0                                   | 0  | 26                              | 25                   | 0                                 | 0                                      | 25                            | 1                  | 1                           |
| 2010-2011            | 25                     | 0                                   | 0  | 25                              | 24                   | 0                                 | 0                                      | 24                            | 1                  | 1                           |
| 2011-2012            | 28                     | 0                                   | 0  | 28                              | 26                   | 0                                 | 0                                      | 26                            | 2                  | 2                           |
| 2012-2013            | 16                     | 0                                   | 0  | 16                              | 14                   | 0                                 | 0                                      | 14                            | 2                  | 2                           |
| 2013-2014            | 11                     | 0                                   | 0  | 11                              | 10                   | 0                                 | 0                                      | 10                            | 1                  | 1                           |
| 2014-2015            | 24                     | 0                                   | 0  | 24                              | 21                   | 0                                 | 0                                      | 21                            | 3                  | 3                           |
| 2015-2016            | 26                     | 0                                   | 0  | 26                              | 18                   | 0                                 | 0                                      | 18                            | 8                  | 8                           |
| 2016-2017            | 16                     | 0                                   | 0  | 16                              | 11                   | 0                                 | 0                                      | 11                            | 5                  | 5                           |
| 2017-2018            | 16                     | 0                                   | 0  | 16                              | 13                   | 0                                 | 0                                      | 13                            | 3                  | 3                           |
| 2018-2019            | 8                      | 0                                   | 0  | 8                               | 0                    | 0                                 | 0                                      | 0                             | 8                  | 8                           |
| Total                | 897                    | 0                                   | 0  | 897                             | 841                  | 0                                 | 0                                      | 841                           | 56                 | 56                          |

Notes:

- (A) Years are 7/1 to 6/30.
- (B) Provided by the Judicial Council.
- (C) No adjustments were made.
- (D) No adjustments were made.
- (E) (B) + (C) - (D).
- (F) Provided by the Judicial Council.
- (G) No adjustments were made.
- (H) No adjustments were made.
- (I) (F) + (G) - (H).
- (J) (B) - (F).
- (K) (E) - (I).



## Judicial Branch Workers' Compensation Program - State Judiciary - Workers' Compensation

## Exposure Measures

| Accident<br>Year | Total<br>Payroll<br>(\$00)<br>(A) | Inflation<br>Trend<br>Factor<br>(B) | Trended<br>Payroll<br>(\$00)<br>(C) |
|------------------|-----------------------------------|-------------------------------------|-------------------------------------|
| 2000-2001        | 1,865,950                         | 1.559                               | 2,909,016                           |
| 2001-2002        | 2,006,560                         | 1.521                               | 3,051,978                           |
| 2002-2003        | 2,093,640                         | 1.484                               | 3,106,962                           |
| 2003-2004        | 3,467,377                         | 1.448                               | 5,020,762                           |
| 2004-2005        | 3,681,725                         | 1.413                               | 5,202,277                           |
| 2005-2006        | 3,809,614                         | 1.379                               | 5,253,458                           |
| 2006-2007        | 4,233,621                         | 1.345                               | 5,694,220                           |
| 2007-2008        | 4,559,345                         | 1.312                               | 5,981,861                           |
| 2008-2009        | 4,622,252                         | 1.280                               | 5,916,483                           |
| 2009-2010        | 4,597,350                         | 1.249                               | 5,742,090                           |
| 2010-2011        | 4,696,557                         | 1.219                               | 5,725,103                           |
| 2011-2012        | 4,704,324                         | 1.189                               | 5,593,441                           |
| 2012-2013        | 4,580,240                         | 1.160                               | 5,313,078                           |
| 2013-2014        | 4,611,832                         | 1.132                               | 5,220,594                           |
| 2014-2015        | 4,611,423                         | 1.104                               | 5,091,011                           |
| 2015-2016        | 4,848,429                         | 1.077                               | 5,221,758                           |
| 2016-2017        | 4,957,218                         | 1.051                               | 5,210,036                           |
| 2017-2018        | 5,197,021                         | 1.025                               | 5,326,947                           |
| 2018-2019        | 5,566,098                         | 1.000                               | 5,566,098                           |
| 2019-2020        | 5,721,442                         | 1.000                               | 5,721,442                           |
| 2020-2021        | 5,881,150                         | 1.000                               | 5,881,150                           |
| 2021-2022        | 6,045,346                         | 1.000                               | 6,045,346                           |

## Notes:

- (A) Provided by the Judicial Council.
- (B) Based on WCIRB.
- (C) (A) x (B).

**TAB 7**



# Actuarial Review of the Self-Insured Judicial Branch Workers' Compensation Program

*Member Premium Allocation for Fiscal Year 2019-20*

*Presented to*  
Judicial Council of California

February 12, 2019 - DRAFT

DRAFT



Tuesday, February 12, 2019

Mr. Patrick Farrales  
Supervising Analyst  
Human Resources / Administrative Division  
Judicial Council of California  
455 Golden Gate Avenue  
San Francisco, CA 94102-3688

Re: Member Premium Allocation for Fiscal Year 2019-20

Dear Mr. Farrales:

We have completed our review of the Judicial Council of California (the Judicial Council), Judicial Branch Workers' Compensation Program (JBWCP), and have updated the member cost allocation for fiscal year 2019-20 program premiums. The premiums include a provision for:

- Expected Ultimate loss and ALAE
- Third-Party Claims Administration Fees
- Excess Insurance
- Consulting and Brokerage Expenses

The JBWCP is a self-funded program in which each entity pays a share of cost based on each member's workers' compensation claims experience and historical payroll. The total cost for this program is broken up into three groups: 1) Trial Court employees and volunteers, which includes the membership of 57 out of the 58 California Trial Courts, 2) Judicial, which includes member coverage for the Appellate Justices, Trial Court Judges, and Retired Judges in the Assigned Judges Program, and 3) State Judiciary, which includes the membership of the Supreme Court (including California Judicial Center Library), Courts of Appeal, Habeas Corpus Resource Center, Commission on Judicial Performance, and the Judicial Council and provides coverage for all of their employees and volunteers.

Given the low volume of loss experience and exposure, and in order to provide a credible actuarial estimate, the Judicial and the State Judiciary groups are valued together for purposes of determining total program cost. Thus for the purpose of the analysis, the three groups are consolidated to two groups, Trial Courts and the State Judiciary.

### ***JBWCP Methodology***

The methodology used by the JBWCP utilizes a calculation derived from experience and exposure, along with program costs, such as excess insurance, third party administrator (TPA) claim handling, and brokerage fees. Given the relative sizes of the courts and judiciary entities participating in the JBWCP, the JBWCP's methodology has features which make it appropriate for entities of all sizes.

Each year JBWCP retains an actuary to undertake an actuarial analysis and estimate of loss costs. The actuarial projections are based on loss data from the inception of the JBWCP program (1/1/2001), provided by the Judicial Council and the third party claims administrators. Additionally, historical and projected payroll is provided. The actuary determines the estimated outstanding liabilities since program inception and the forecasted program costs for the upcoming policy term. They also provide an estimate of the loss payments that will be made during the upcoming fiscal year. It is the amount of loss payments expected to be made that is allocated among the participating courts.

For purposes of calculating the allocation, the actuarial data is combined with cost data, consisting of excess insurance premiums, TPA fees, and brokerage and consulting costs. The allocation formula uses a combination of a 3-year loss distribution and a 3-year payroll distribution for calculating the annual charge to each member using a weighting formula. For determining 2019-20 premiums, the experience period used includes the 2015-16, 2016-17, and 2017-18 program years.

The weighting formula was developed with the following goals in mind:

- To establish adequate funding to cover the annual expected loss payments, excess premiums, and expenses associated with the JBWCP.
- To provide incentives to control workers' compensation losses by making the allocation responsive to recent loss experience.
- To minimize year-to-year volatility for budgetary planning purposes.
- To recognize that thresholds of acceptable volatility will vary according to the size of the court.

The weight given to the loss component of the allocation for each individual court is calculated using the following formula:

$$\sqrt[3]{\frac{\text{Individual Court Payroll for 3 - Yr Period (\$000's)}}{606,963}}$$

where 606,963 is a constant derived to set the weight given to the largest court at 80%.

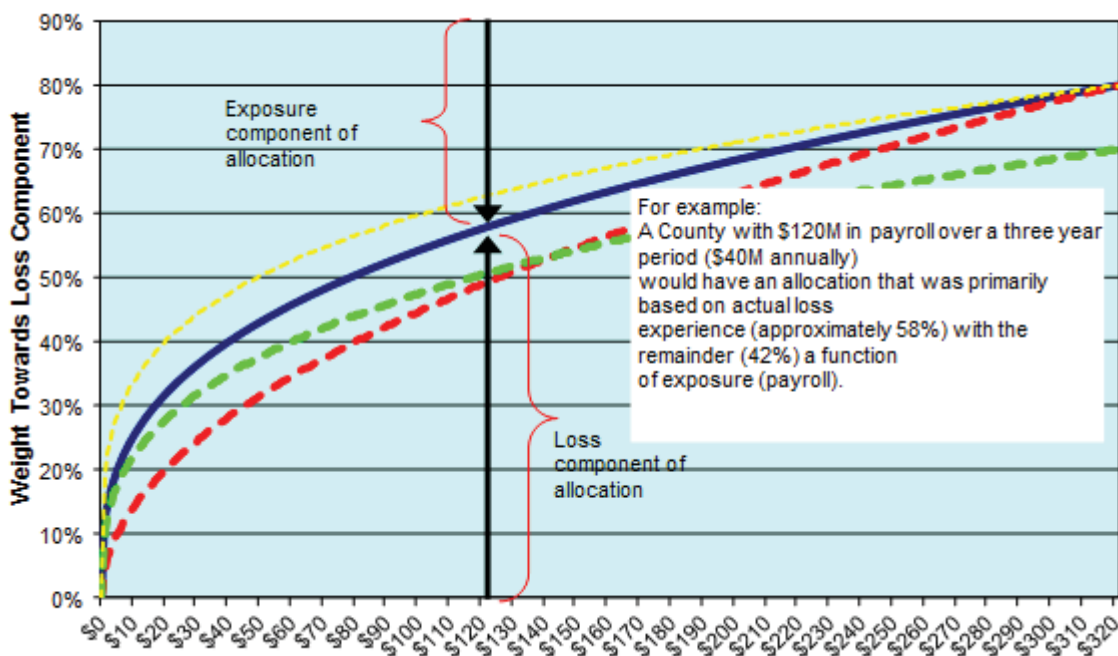
Inputs:

- 310,765 = Largest Court Payroll for 3-Yr Period (\$000's)
- 80% = Weight Given to Loss Component for Largest Court
- 3 = Exponent

For purposes of determining loss distribution, a cap of \$75,000 per occurrence is applied. This eliminates the volatility of large loss impact on distribution to individual courts. Ninety-five percent of all claims are within \$75,000 per occurrence.

The largest court by 3-year payroll size has a weighting of 80% of loss experience and 20% payroll. The smallest court by payroll size has a weighting of at least 10% loss experience. All other courts are weighted by payroll and loss experience along that continuum. This ensures that the larger courts with more predictable losses are subject to an allocation that emphasizes losses, while the smaller courts' allocations are more reliant upon payroll to ensure more year-to-year budget stability.

Here is a graphic illustration of the continuum:



The selected parameters of 80% weight and power of 3 are shown as the solid line above. Other parameters are shown as dashed lines for comparison.

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The claims handling fees are allocated based upon the distribution of Loss and ALAE premium by member. Brokerage fees and Excess insurance costs are allocated based upon the distribution of payroll by member.

We appreciate the opportunity to be of service the Judicial Council of California 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

**DRAFT**

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Mike Harrington, FCAS, MAAA  
President, Actuarial Consulting, Bickmore  
Fellow, Casualty Actuarial Society  
Member, American Academy of Actuaries

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

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## Judicial Branch Workers' Compensation Program Workers' Compensation Fiscal Year 2019-20 Premium Trial Courts

### 2019-20 Premium

| Court           | 2015-16 to<br>2017-18<br>Payroll<br>(\$000)<br>(A) | Percent<br>Payroll<br>(B) | 2019-20<br>Indicated<br>Loss & ALAE<br>Premium<br>Based on<br>Payroll<br>(C) | 2015-16 to<br>2017-18<br>Incurred<br>Limited to \$75K<br>(D) | Percent<br>Limited<br>Losses<br>(E) | 2019-20<br>Indicated<br>Loss & ALAE<br>Premium<br>Based on<br>Losses<br>(F) | Weighting<br>(G) | 2019-20<br>Weighted<br>Loss & ALAE<br>Premium<br>(H) | 2019-20<br>Weighted<br>Loss & ALAE<br>Premium<br>(I) | 2019-20<br>Excess<br>Premium<br>(J) | 2019-20<br>Claims<br>Handling<br>(TPA) Fees<br>(K) | 2019-20<br>Program<br>Admin.<br>Premium<br>(L) | 2019-20<br>Brokerage /<br>Consulting<br>Premium<br>(M) | 2019-20<br>Total<br>Premium<br>(N) | 2019-20<br>Percent<br>of<br>Premium<br>(O) |
|-----------------|--|---------------------------|--|--|-------------------------------------|---|------------------|--|--|-------------------------------------|--|--|--|------------------------------------|--|
| Alameda         | \$149,323  | 5.77%                     | \$865,739  | \$951,200  | 4.86%                               | \$728,857   | 62.66%           | \$779,969  | \$779,862  | \$25,743                            | \$125,202  | \$0  | \$21,356   | \$952,164                          | 5.23%                                      |
| Alpine          | 892  | 0.03%                     | 5,174  | 0  | 0.00%                               | 0   | 11.37%           | 4,586  | 4,585  | 154                                 | 736  | 0  | 128  | \$5,603                            | 0.03%                                      |
| Amador          | 4,783  | 0.18%                     | 27,729   | 77,728   | 0.40%                               | 59,559  | 19.90%           | 34,063   | 34,059   | 825                                 | 5,468  | 0  | 684  | \$41,035                           | 0.23%                                      |
| Butte           | 18,982   | 0.73%                     | 110,052  | 274,295  | 1.40%                               | 210,179   | 31.51%           | 141,598  | 141,578  | 3,272                               | 22,730   | 0  | 2,715  | \$170,295                          | 0.93%                                      |
| Calaveras       | 4,366  | 0.17%                     | 25,313   | 279  | 0.00%                               | 214   | 19.30%           | 20,468   | 20,465   | 753                                 | 3,286  | 0  | 624  | \$25,128                           | 0.14%                                      |
| Colusa          | 2,235  | 0.09%                     | 12,959   | 0  | 0.00%                               | 0   | 15.44%           | 10,957   | 10,956   | 385                                 | 1,759  | 0  | 320  | \$13,420                           | 0.07%                                      |
| Contra Costa    | 74,422   | 2.88%                     | 431,479  | 531,206  | 2.71%                               | 407,037   | 49.68%           | 419,336  | 419,279  | 12,830                              | 67,313   | 0  | 10,644   | \$510,065                          | 2.80%                                      |
| Del Norte       | 4,469  | 0.17%                     | 25,910   | 80,300   | 0.41%                               | 61,530  | 19.45%           | 32,840   | 32,835   | 770                                 | 5,271  | 0  | 639  | \$39,516                           | 0.22%                                      |
| El Dorado       | 14,029   | 0.54%                     | 81,338   | 118,918  | 0.61%                               | 91,121  | 28.49%           | 84,125   | 84,113   | 2,419                               | 13,504   | 0  | 2,006  | \$102,042                          | 0.56%                                      |
| Fresno          | 82,723   | 3.20%                     | 479,608  | 294,092  | 1.50%                               | 225,348   | 51.46%           | 348,761  | 348,713  | 14,261                              | 55,984   | 0  | 11,831   | \$430,789                          | 2.36%                                      |
| Glenn           | 3,585  | 0.14%                     | 20,784   | 26   | 0.00%                               | 20  | 18.08%           | 17,030   | 17,028   | 618                                 | 2,734  | 0  | 513  | \$20,892                           | 0.11%                                      |
| Humboldt        | 12,263   | 0.47%                     | 71,097   | 411,313  | 2.10%                               | 315,169   | 27.24%           | 137,572  | 137,554  | 2,114                               | 22,083   | 0  | 1,754  | \$163,505                          | 0.90%                                      |
| Imperial        | 20,031   | 0.77%                     | 116,133  | 234,353  | 1.20%                               | 179,573   | 32.08%           | 136,481  | 136,463  | 3,453                               | 21,908   | 0  | 2,865  | \$164,689                          | 0.90%                                      |
| Inyo            | 2,895  | 0.11%                     | 16,787   | 0  | 0.00%                               | 0   | 16.83%           | 13,961   | 13,959   | 499                                 | 2,241  | 0  | 414  | \$17,113                           | 0.09%                                      |
| Kern            | 86,762   | 3.35%                     | 503,027  | 610,703  | 3.12%                               | 467,951   | 52.29%           | 484,687  | 484,621  | 14,958                              | 77,803   | 0  | 12,409   | \$589,790                          | 3.24%                                      |
| Kings           | 12,712   | 0.49%                     | 73,703   | 290,384  | 1.48%                               | 222,507   | 27.56%           | 114,721  | 114,705  | 2,192                               | 18,415   | 0  | 1,818  | \$137,130                          | 0.75%                                      |
| Lake            | 5,397  | 0.21%                     | 31,293   | 17   | 0.00%                               | 13  | 20.72%           | 24,812   | 24,809   | 930                                 | 3,983  | 0  | 772  | \$30,494                           | 0.17%                                      |
| Lassen          | 3,691  | 0.14%                     | 21,398   | 895  | 0.00%                               | 686   | 18.25%           | 17,618   | 17,615   | 636                                 | 2,828  | 0  | 528  | \$21,607                           | 0.12%                                      |
| Madera          | 15,071   | 0.58%                     | 87,380   | 229,125  | 1.17%                               | 175,567   | 29.17%           | 113,108  | 113,092  | 2,598                               | 18,156   | 0  | 2,156  | \$136,002                          | 0.75%                                      |
| Marin           | 23,659   | 0.91%                     | 137,168  | 62,908   | 0.32%                               | 48,203  | 33.91%           | 107,004  | 106,989  | 4,079                               | 17,176   | 0  | 3,384  | \$131,628                          | 0.72%                                      |
| Mariposa        | 2,056  | 0.08%                     | 11,920   | 0  | 0.00%                               | 0   | 15.02%           | 10,130   | 10,129   | 354                                 | 1,626  | 0  | 294  | \$12,403                           | 0.07%                                      |
| Mendocino       | 9,791  | 0.38%                     | 56,768   | 116,322  | 0.59%                               | 89,132  | 25.27%           | 64,946   | 64,937   | 1,688                               | 10,425   | 0  | 1,400  | \$78,451                           | 0.43%                                      |
| Merced          | 18,636   | 0.72%                     | 108,048  | 30,367   | 0.16%                               | 23,269  | 31.31%           | 81,500   | 81,489   | 3,213                               | 13,083   | 0  | 2,665  | \$100,450                          | 0.55%                                      |
| Modoc           | 1,576  | 0.06%                     | 9,138  | 872  | 0.00%                               | 668   | 13.74%           | 7,974  | 7,973  | 272                                 | 1,280  | 0  | 225  | \$9,750                            | 0.05%                                      |
| Mono            | 2,381  | 0.09%                     | 13,802   | 78,293   | 0.40%                               | 59,992  | 15.77%           | 21,086   | 21,083   | 410                                 | 3,385  | 0  | 340  | \$25,219                           | 0.14%                                      |
| Monterey        | 36,046   | 1.39%                     | 208,987  | 144,029  | 0.74%                               | 110,362   | 39.02%           | 170,508  | 170,485  | 6,214                               | 27,370   | 0  | 5,155  | \$209,225                          | 1.15%                                      |
| Napa            | 15,368   | 0.59%                     | 89,098   | 45,152   | 0.23%                               | 34,597  | 29.36%           | 73,095   | 73,085   | 2,649                               | 11,733   | 0  | 2,198  | \$89,665                           | 0.49%                                      |
| Nevada          | 10,413   | 0.40%                     | 60,370   | 26,137   | 0.13%                               | 20,028  | 25.79%           | 49,965   | 49,959   | 1,795                               | 8,021  | 0  | 1,489  | \$61,263                           | 0.34%                                      |
| Orange          | 310,765  | 12.01%                    | 1,801,744  | 2,060,499  | 10.53%                              | 1,578,858   | 80.00%           | 1,623,435  | 1,623,213  | 53,575                              | 260,597  | 0  | 44,446   | \$1,981,831                        | 10.88%                                     |
| Placer          | 25,003   | 0.97%                     | 144,963  | 68,073   | 0.35%                               | 52,161  | 34.54%           | 112,913  | 112,897  | 4,311                               | 18,125   | 0  | 3,576  | \$138,909                          | 0.76%                                      |
| Plumas          | 1,946  | 0.08%                     | 11,284   | 0  | 0.00%                               | 0   | 14.75%           | 9,620  | 9,619  | 336                                 | 1,544  | 0  | 278  | \$11,777                           | 0.06%                                      |
| Riverside       | 224,124  | 8.66%                     | 1,299,419  | 1,328,480  | 6.79%                               | 1,017,948   | 71.74%           | 1,097,486  | 1,097,335  | 38,639                              | 176,171  | 0  | 32,054   | \$1,344,199                        | 7.38%                                      |
| Sacramento      | 144,128  | 5.57%                     | 835,619  | 264,428  | 1.35%                               | 202,618   | 61.92%           | 443,637  | 443,576  | 24,847                              | 71,214   | 0  | 20,613   | \$560,250                          | 3.07%                                      |
| San Benito      | 4,541  | 0.18%                     | 26,328   | 207  | 0.00%                               | 158   | 19.56%           | 21,209   | 21,207   | 783                                 | 3,405  | 0  | 649  | \$26,043                           | 0.14%                                      |
| San Bernardino  | 188,926  | 7.30%                     | 1,095,348  | 832,157  | 4.25%                               | 637,641   | 67.77%           | 785,156  | 785,048  | 32,571                              | 126,035  | 0  | 27,020   | \$970,674                          | 5.33%                                      |
| San Diego       | 252,926  | 9.78%                     | 1,466,403  | 3,222,508  | 16.46%                              | 2,469,249   | 74.69%           | 2,215,453  | 2,215,149  | 43,604                              | 355,629  | 0  | 36,174   | \$2,650,556                        | 14.55%                                     |
| San Francisco   | 119,786  | 4.63%                     | 694,490  | 873,543  | 4.46%                               | 669,353   | 58.22%           | 679,855  | 679,762  | 20,651                              | 109,132  | 0  | 17,132   | \$826,676                          | 4.54%                                      |
| San Joaquin     | 58,186   | 2.25%                     | 337,347  | 523,514  | 2.67%                               | 401,143   | 45.77%           | 366,544  | 366,494  | 10,031                              | 58,838   | 0  | 8,322  | \$443,685                          | 2.43%                                      |
| San Luis Obispo | 27,057   | 1.05%                     | 156,869  | 80,115   | 0.41%                               | 61,388  | 35.46%           | 123,014  | 122,997  | 4,665                               | 19,746   | 0  | 3,870  | \$151,278                          | 0.83%                                      |
| San Mateo       | 64,044   | 2.48%                     | 371,313  | 449,215  | 2.29%                               | 344,211   | 47.25%           | 358,506  | 358,457  | 11,041                              | 57,548   | 0  | 9,160  | \$436,206                          | 2.39%                                      |
| Santa Barbara   | 42,213   | 1.63%                     | 244,743  | 493,682  | 2.52%                               | 378,284   | 41.12%           | 299,661  | 299,620  | 7,278                               | 48,102   | 0  | 6,037  | \$361,037                          | 1.98%                                      |
| Santa Clara     | 146,002  | 5.64%                     | 846,483  | 2,137,821  | 10.92%                              | 1,638,106   | 62.19%           | 1,338,806  | 1,338,622  | 25,170                              | 214,908  | 0  | 20,881   | \$1,599,582                        | 8.78%                                      |
| Santa Cruz      | 24,621   | 0.95%                     | 142,746  | 10,536   | 0.05%                               | 8,073   | 34.36%           | 96,473   | 96,460   | 4,245                               | 15,486   | 0  | 3,521  | \$119,711                          | 0.66%                                      |
| Shasta          | 29,259   | 1.13%                     | 169,636  | 362,633  | 1.85%                               | 277,868   | 36.39%           | 209,026  | 208,997  | 5,044                               | 33,553   | 0  | 4,185  | \$251,779                          | 1.38%                                      |



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**Judicial Branch Workers' Compensation Program  
Workers' Compensation Fiscal Year 2019-20 Premium  
Trial Courts**

2019-20 Premium

| Court      | 2015-16 to<br>2017-18<br>Payroll<br>(\$000)<br>(A) | Percent<br>Payroll<br>(B) | 2019-20<br>Indicated<br>Loss & ALAE<br>Premium<br>Based on<br>Payroll<br>(C) | 2015-16 to<br>2017-18<br>Incurred<br>Limited to \$75K<br>(D) | Percent<br>Limited<br>Losses<br>(E) | 2019-20<br>Indicated<br>Loss & ALAE<br>Premium<br>Based on<br>Losses<br>(F) | Weighting<br>(G) | 2019-20<br>Weighted<br>Loss & ALAE<br>Premium<br>(H) | 2019-20<br>Weighted<br>Loss & ALAE<br>Premium<br>(I) | 2019-20<br>Excess<br>Premium<br>(J) | 2019-20<br>Claims<br>Handling<br>(TPA) Fees<br>(K) | 2019-20<br>Program<br>Admin.<br>Premium<br>(L) | 2019-20<br>Brokerage /<br>Consulting<br>Premium<br>(M) | 2019-20<br>Total<br>Premium<br>(N) | 2019-20<br>Percent<br>of<br>Premium<br>(O) |
|------------|--|---------------------------|--|--|-------------------------------------|---|------------------|--|--|-------------------------------------|--|--|--|------------------------------------|--|
| Sierra     | 1,025  | 0.04%                     | 5,940  | 0  | 0.00%                               | 0   | 11.91%           | 5,233  | 5,232  | 177                                 | 840  | 0  | 147  | \$6,395                            | 0.04%                                      |
| Siskiyou   | 5,628  | 0.22%                     | 32,632   | 36,618   | 0.19%                               | 28,059  | 21.01%           | 31,671   | 31,667   | 970                                 | 5,084  | 0  | 805  | \$38,526                           | 0.21%                                      |
| Solano     | 39,400   | 1.52%                     | 228,433  | 757,657  | 3.87%                               | 580,555   | 40.19%           | 369,949  | 369,898  | 6,793                               | 59,385   | 0  | 5,635  | \$441,711                          | 2.42%                                      |
| Sonoma     | 39,120   | 1.51%                     | 226,810  | 236,527  | 1.21%                               | 181,239   | 40.09%           | 208,538  | 208,510  | 6,744                               | 33,475   | 0  | 5,595  | \$254,324                          | 1.40%                                      |
| Stanislaus | 38,783   | 1.50%                     | 224,852  | 88,423   | 0.45%                               | 67,754  | 39.98%           | 162,047  | 162,025  | 6,686                               | 26,012   | 0  | 5,547  | \$200,270                          | 1.10%                                      |
| Sutter     | 9,238  | 0.36%                     | 53,561   | 56,487   | 0.29%                               | 43,283  | 24.78%           | 51,014   | 51,007   | 1,593                               | 8,189  | 0  | 1,321  | \$62,110                           | 0.34%                                      |
| Tehama     | 6,984  | 0.27%                     | 40,491   | 2,886  | 0.01%                               | 2,212   | 22.58%           | 31,849   | 31,845   | 1,204                               | 5,112  | 0  | 999  | \$39,160                           | 0.21%                                      |
| Trinity    | 2,712  | 0.10%                     | 15,724   | 0  | 0.00%                               | 0   | 16.47%           | 13,135   | 13,133   | 468                                 | 2,108  | 0  | 388  | \$16,097                           | 0.09%                                      |
| Tulare     | 38,211   | 1.48%                     | 221,536  | 391,079  | 2.00%                               | 299,665   | 39.78%           | 252,616  | 252,581  | 6,587                               | 40,550   | 0  | 5,465  | \$305,184                          | 1.67%                                      |
| Tuolumne   | 5,786  | 0.22%                     | 33,548   | 39,675   | 0.20%                               | 30,401  | 21.20%           | 32,880   | 32,876   | 998                                 | 5,278  | 0  | 828  | \$39,979                           | 0.22%                                      |
| Ventura    | 72,276   | 2.79%                     | 419,038  | 489,451  | 2.50%                               | 375,042   | 49.20%           | 397,393  | 397,339  | 12,460                              | 63,790   | 0  | 10,337   | \$483,927                          | 2.66%                                      |
| Yolo       | 16,990   | 0.66%                     | 98,502   | 89,429   | 0.46%                               | 68,525  | 30.36%           | 89,400   | 89,388   | 2,929                               | 14,351   | 0  | 2,430  | \$109,097                          | 0.60%                                      |
| Yuba       | 8,796  | 0.34%                     | 50,996   | 69,981   | 0.36%                               | 53,623  | 24.38%           | 51,636   | 51,629   | 1,516                               | 8,289  | 0  | 1,258  | \$62,692                           | 0.34%                                      |
| All Courts | \$2,587,031  | 100.00%                   | \$14,999,000   | \$19,574,536   | 100.00%                             | \$14,999,000  |                  | \$15,001,059   | \$14,999,000   | \$446,000                           | \$2,408,000  | \$0  | \$370,000  | \$18,223,000                       | 100.00%                                    |

Notes:

- (A): From Exhibit TC-2.
- (B): (A)/[Total (A)]
- (C): (B) x [Total (C)]. Total (C) was provided by Judicial Branch Workers' Compensation Program.
- (D): From Exhibit TC-3.
- (E): (D)/[Total (D)]
- (F): (E) x [Total (F)].
- (G): Based on relative size (according the (A)) of each court. The largest is subjectively set to an 80.00% weight. The weight of all other courts are based on that standard.
- (H): (G) x (F) + [1-(G)] x (C)
- (I): [Total (F) / Total (H)] x (H)
- (J): (B) x [Total (J)]. Total (J) was provided by Judicial Branch Workers' Compensation Program.
- (K): [(I) / Total (I)] x Total (K). Total (K) was provided by Judicial Branch Workers' Compensation Program.
- (L): (B) x [Total (L)]. Total (L) was provided by Judicial Branch Workers' Compensation Program.
- (M): (B) x [Total (M)]. Total (M) was provided by Judicial Branch Workers' Compensation Program.
- (N): Sum[(I)..(M)]
- (O): (N) x [Total (N)].

**Judicial Branch Workers' Compensation Program**  
**Workers' Compensation Fiscal Year 2019-20 Premium**  
**Trial Courts**

Summary of Payroll

| Court           | Payroll      |              |              |
|-----------------|--------------|--------------|--------------|
|                 | 2015-16      | 2016-17      | 2017-18      |
| Alameda         | \$51,245,619 | \$49,310,192 | \$48,767,088 |
| Alpine          | 285,257      | 295,296      | 311,859      |
| Amador          | 1,534,912    | 1,608,113    | 1,639,764    |
| Butte           | 6,228,346    | 6,325,398    | 6,428,064    |
| Calaveras       | 1,482,859    | 1,449,194    | 1,434,016    |
| Colusa          | 732,834      | 737,363      | 764,891      |
| Contra Costa    | 24,804,870   | 24,827,716   | 24,788,954   |
| Del Norte       | 1,506,353    | 1,529,303    | 1,433,307    |
| El Dorado       | 4,612,376    | 4,725,069    | 4,691,692    |
| Fresno          | 27,054,074   | 28,164,713   | 27,504,206   |
| Glenn           | 1,311,008    | 1,156,405    | 1,117,341    |
| Humboldt        | 3,930,548    | 4,152,745    | 4,179,550    |
| Imperial        | 6,776,881    | 6,806,798    | 6,446,892    |
| Inyo            | 919,428      | 985,924      | 989,990      |
| Kern            | 27,062,031   | 29,573,567   | 30,126,594   |
| Kings           | 4,146,164    | 4,188,347    | 4,377,861    |
| Lake            | 1,791,041    | 1,798,429    | 1,807,895    |
| Lassen          | 1,206,873    | 1,233,697    | 1,250,186    |
| Madera          | 4,834,170    | 5,044,600    | 5,192,583    |
| Marin           | 7,544,203    | 8,212,662    | 7,901,955    |
| Mariposa        | 679,852      | 684,180      | 691,997      |
| Mendocino       | 3,111,398    | 3,284,324    | 3,395,718    |
| Merced          | 5,949,523    | 6,371,735    | 6,314,823    |
| Modoc           | 509,694      | 537,354      | 529,057      |
| Mono            | 750,490      | 762,766      | 867,274      |
| Monterey        | 11,278,687   | 12,236,418   | 12,530,957   |
| Napa            | 4,987,731    | 5,084,055    | 5,295,902    |
| Nevada          | 3,608,557    | 3,416,057    | 3,388,016    |
| Orange          | 103,165,722  | 104,334,906  | 103,264,589  |
| Placer          | 8,030,431    | 8,164,073    | 8,808,805    |
| Plumas          | 632,850      | 654,168      | 659,331      |
| Riverside       | 74,362,204   | 74,686,540   | 75,075,388   |
| Sacramento      | 47,301,366   | 48,389,568   | 48,436,897   |
| San Benito      | 1,590,786    | 1,497,440    | 1,452,787    |
| San Bernardino  | 59,633,246   | 62,798,802   | 66,493,936   |
| San Diego       | 84,335,535   | 85,912,175   | 82,677,865   |
| San Francisco   | 40,412,514   | 40,714,593   | 38,658,753   |
| San Joaquin     | 18,851,546   | 19,546,776   | 19,787,421   |
| San Luis Obispo | 8,816,343    | 9,170,351    | 9,070,135    |
| San Mateo       | 20,255,613   | 21,683,009   | 22,105,506   |
| Santa Barbara   | 13,649,086   | 14,516,565   | 14,047,699   |
| Santa Clara     | 46,883,537   | 48,555,701   | 50,562,354   |
| Santa Cruz      | 8,196,207    | 8,268,761    | 8,155,842    |
| Shasta          | 9,179,380    | 9,780,398    | 10,299,080   |
| Sierra          | 263,656      | 331,546      | 429,322      |
| Siskiyou        | 2,017,899    | 1,940,672    | 1,669,735    |

**Judicial Branch Workers' Compensation Program  
Workers' Compensation Fiscal Year 2019-20 Premium  
Trial Courts**

Summary of Payroll

| Court      | Payroll       |               |               |
|------------|---------------|---------------|---------------|
|            | 2015-16       | 2016-17       | 2017-18       |
| Solano     | 12,896,516    | 12,920,623    | 13,583,088    |
| Sonoma     | 12,829,282    | 13,007,129    | 13,283,800    |
| Stanislaus | 12,681,724    | 13,056,422    | 13,044,382    |
| Sutter     | 3,091,111     | 3,061,714     | 3,085,419     |
| Tehama     | 2,240,284     | 2,290,138     | 2,453,499     |
| Trinity    | 924,540       | 906,649       | 880,974       |
| Tulare     | 12,249,528    | 12,498,618    | 13,462,391    |
| Tuolumne   | 1,906,230     | 1,919,418     | 1,960,641     |
| Ventura    | 22,950,540    | 23,858,039    | 25,467,281    |
| Yolo       | 5,448,847     | 5,770,856     | 5,769,951     |
| Yuba       | 2,805,505     | 2,837,553     | 3,152,661     |
| All Courts | \$847,487,805 | \$867,575,621 | \$871,967,969 |

## Notes:

Provided by Judicial Branch Workers' Compensation Program.

**Judicial Branch Workers' Compensation Program  
Workers' Compensation Fiscal Year 2019-20 Premium  
Trial Courts**

Summary of Loss Data

| Court           | Incurred Losses |           |          | Incurred Losses Capped at \$75K |           |          |
|-----------------|-----------------|-----------|----------|---------------------------------|-----------|----------|
|                 | 2015-16         | 2016-17   | 2017-18  | 2015-16                         | 2016-17   | 2017-18  |
| Alameda         | \$552,135       | \$409,903 | \$90,109 | \$485,838                       | \$375,252 | \$90,109 |
| Alpine          | 0               | 0         | 0        | 0                               | 0         | 0        |
| Amador          | 147,994         | 527       | 2,201    | 75,000                          | 527       | 2,201    |
| Butte           | 137,033         | 300       | 136,963  | 137,033                         | 300       | 136,963  |
| Calaveras       | 279             | 0         | 0        | 279                             | 0         | 0        |
| Colusa          | 0               | 0         | 0        | 0                               | 0         | 0        |
| Contra Costa    | 231,599         | 314,343   | 172,119  | 178,382                         | 180,705   | 172,119  |
| Del Norte       | 80,300          | 0         | 0        | 80,300                          | 0         | 0        |
| El Dorado       | 0               | 111,150   | 7,768    | 0                               | 111,150   | 7,768    |
| Fresno          | 131,848         | 132,664   | 46,202   | 131,848                         | 116,042   | 46,202   |
| Glenn           | 0               | 26        | 0        | 0                               | 26        | 0        |
| Humboldt        | 495,674         | 56,273    | 0        | 355,040                         | 56,273    | 0        |
| Imperial        | 175,443         | 6,476     | 134,375  | 93,502                          | 6,476     | 134,375  |
| Inyo            | 0               | 0         | 0        | 0                               | 0         | 0        |
| Kern            | 195,638         | 274,651   | 256,188  | 184,362                         | 262,018   | 164,322  |
| Kings           | 301,842         | 190,770   | 41,305   | 170,072                         | 79,007    | 41,305   |
| Lake            | 0               | 17        | 0        | 0                               | 17        | 0        |
| Lassen          | 0               | 895       | 0        | 0                               | 895       | 0        |
| Madera          | 341,272         | 26,962    | 1,777    | 200,387                         | 26,962    | 1,777    |
| Marin           | 0               | 1,368     | 61,540   | 0                               | 1,368     | 61,540   |
| Mariposa        | 0               | 0         | 0        | 0                               | 0         | 0        |
| Mendocino       | 8,213           | 97,250    | 28,140   | 8,213                           | 79,969    | 28,140   |
| Merced          | 14,690          | 0         | 15,677   | 14,690                          | 0         | 15,677   |
| Modoc           | 872             | 0         | 0        | 872                             | 0         | 0        |
| Mono            | 0               | 80,478    | 377      | 0                               | 77,917    | 377      |
| Monterey        | 26,607          | 13,386    | 104,036  | 26,607                          | 13,386    | 104,036  |
| Napa            | 41,349          | 3,226     | 576      | 41,349                          | 3,226     | 576      |
| Nevada          | 1,434           | 24,514    | 189      | 1,434                           | 24,514    | 189      |
| Orange          | 773,407         | 1,226,523 | 674,490  | 630,115                         | 800,160   | 630,223  |
| Placer          | 7,179           | 8,233     | 52,661   | 7,179                           | 8,233     | 52,661   |
| Plumas          | 0               | 0         | 0        | 0                               | 0         | 0        |
| Riverside       | 546,093         | 573,310   | 382,285  | 445,602                         | 500,593   | 382,285  |
| Sacramento      | 238,890         | 77,260    | 43,266   | 143,902                         | 77,260    | 43,266   |
| San Benito      | 207             | 0         | 0        | 207                             | 0         | 0        |
| San Bernardino  | 360,069         | 125,383   | 382,237  | 338,546                         | 125,383   | 368,227  |
| San Diego       | 1,696,003       | 1,970,054 | 636,213  | 1,119,909                       | 1,472,144 | 630,455  |
| San Francisco   | 547,983         | 251,201   | 320,964  | 301,378                         | 251,201   | 320,964  |
| San Joaquin     | 90,457          | 417,974   | 111,682  | 90,457                          | 321,375   | 111,682  |
| San Luis Obispo | 59,952          | 5,076     | 15,088   | 59,952                          | 5,076     | 15,088   |
| San Mateo       | 264,779         | 111,278   | 139,176  | 198,761                         | 111,278   | 139,176  |
| Santa Barbara   | 180,019         | 209,083   | 165,162  | 180,019                         | 208,837   | 104,826  |
| Santa Clara     | 1,024,975       | 978,845   | 549,598  | 895,964                         | 743,158   | 498,698  |
| Santa Cruz      | 5,725           | 4,629     | 181      | 5,725                           | 4,629     | 181      |
| Shasta          | 425,606         | 35,461    | 97,130   | 230,042                         | 35,461    | 97,130   |
| Sierra          | 0               | 0         | 0        | 0                               | 0         | 0        |
| Siskiyou        | 0               | 0         | 36,618   | 0                               | 0         | 36,618   |

**Judicial Branch Workers' Compensation Program**  
**Workers' Compensation Fiscal Year 2019-20 Premium**  
**Trial Courts**

Summary of Loss Data

| Court      | Incurred Losses |           |           | Incurred Losses Capped at \$75K |           |           |
|------------|-----------------|-----------|-----------|---------------------------------|-----------|-----------|
|            | 2015-16         | 2016-17   | 2017-18   | 2015-16                         | 2016-17   | 2017-18   |
| Solano     | 363,322         | 337,896   | 187,260   | 292,957                         | 280,776   | 183,924   |
| Sonoma     | 4,465           | 116,114   | 120,370   | 4,465                           | 111,692   | 120,370   |
| Stanislaus | 8,574           | 68,527    | 11,322    | 8,574                           | 68,527    | 11,322    |
| Sutter     | 1,406           | 55,081    | 0         | 1,406                           | 55,081    | 0         |
| Tehama     | 0               | 2,886     | 0         | 0                               | 2,886     | 0         |
| Trinity    | 0               | 0         | 0         | 0                               | 0         | 0         |
| Tulare     | 427,285         | 56,733    | 40,253    | 294,094                         | 56,733    | 40,253    |
| Tuolumne   | 0               | 0         | 39,675    | 0                               | 0         | 39,675    |
| Ventura    | 315,586         | 121,913   | 152,148   | 215,390                         | 121,913   | 152,148   |
| Yolo       | 51,180          | 2,280     | 35,968    | 51,180                          | 2,280     | 35,968    |
| Yuba       | 45,801          | 22,237    | 1,943     | 45,801                          | 22,237    | 1,943     |
| All Courts | 10,323,182      | 8,523,155 | 5,295,232 | 7,746,834                       | 6,802,942 | 5,024,760 |

## Notes:

Provided by Judicial Branch Workers' Compensation Program.

**Judicial Branch Workers' Compensation Program**  
**Workers' Compensation Fiscal Year 2019-20 Premium**  
**Trial Courts**

Comparison to Prior Premium

| Court           | 2018-19<br>Total<br>Premium<br>(A) | 2019-20<br>Total<br>Premium<br>(B) | Difference<br>(C) | Percent<br>Change<br>(D) |
|-----------------|------------------------------------|------------------------------------|-------------------|--------------------------|
| Alameda         | \$1,002,362                        | \$952,164                          | -\$50,198         | -5.01%                   |
| Alpine          | 5,697                              | 5,603                              | -94               | -1.65%                   |
| Amador          | 48,834                             | 41,035                             | -7,798            | -15.97%                  |
| Butte           | 165,736                            | 170,295                            | 4,560             | 2.75%                    |
| Calaveras       | 27,655                             | 25,128                             | -2,526            | -9.14%                   |
| Colusa          | 14,461                             | 13,420                             | -1,041            | -7.20%                   |
| Contra Costa    | 609,049                            | 510,065                            | -98,984           | -16.25%                  |
| Del Norte       | 41,078                             | 39,516                             | -1,562            | -3.80%                   |
| El Dorado       | 105,374                            | 102,042                            | -3,332            | -3.16%                   |
| Fresno          | 632,238                            | 430,789                            | -201,449          | -31.86%                  |
| Glenn           | 23,588                             | 20,892                             | -2,695            | -11.43%                  |
| Humboldt        | 212,064                            | 163,505                            | -48,559           | -22.90%                  |
| Imperial        | 145,422                            | 164,689                            | 19,267            | 13.25%                   |
| Inyo            | 17,845                             | 17,113                             | -732              | -4.10%                   |
| Kern            | 515,967                            | 589,790                            | 73,823            | 14.31%                   |
| Kings           | 175,924                            | 137,130                            | -38,794           | -22.05%                  |
| Lake            | 33,274                             | 30,494                             | -2,779            | -8.35%                   |
| Lassen          | 23,082                             | 21,607                             | -1,474            | -6.39%                   |
| Madera          | 148,533                            | 136,002                            | -12,531           | -8.44%                   |
| Marin           | 122,594                            | 131,628                            | 9,034             | 7.37%                    |
| Mariposa        | 22,862                             | 12,403                             | -10,458           | -45.75%                  |
| Mendocino       | 71,911                             | 78,451                             | 6,540             | 9.09%                    |
| Merced          | 102,577                            | 100,450                            | -2,127            | -2.07%                   |
| Modoc           | 10,299                             | 9,750                              | -550              | -5.34%                   |
| Mono            | 26,256                             | 25,219                             | -1,038            | -3.95%                   |
| Monterey        | 222,285                            | 209,225                            | -13,060           | -5.88%                   |
| Napa            | 93,575                             | 89,665                             | -3,910            | -4.18%                   |
| Nevada          | 62,753                             | 61,263                             | -1,489            | -2.37%                   |
| Orange          | 1,749,054                          | 1,981,831                          | 232,777           | 13.31%                   |
| Placer          | 176,772                            | 138,909                            | -37,863           | -21.42%                  |
| Plumas          | 12,744                             | 11,777                             | -967              | -7.59%                   |
| Riverside       | 1,114,471                          | 1,344,199                          | 229,728           | 20.61%                   |
| Sacramento      | 672,649                            | 560,250                            | -112,398          | -16.71%                  |
| San Benito      | 29,138                             | 26,043                             | -3,094            | -10.62%                  |
| San Bernardino  | 1,113,836                          | 970,674                            | -143,162          | -12.85%                  |
| San Diego       | 3,004,050                          | 2,650,556                          | -353,494          | -11.77%                  |
| San Francisco   | 845,994                            | 826,676                            | -19,318           | -2.28%                   |
| San Joaquin     | 476,175                            | 443,685                            | -32,490           | -6.82%                   |
| San Luis Obispo | 174,322                            | 151,278                            | -23,044           | -13.22%                  |
| San Mateo       | 478,045                            | 436,206                            | -41,839           | -8.75%                   |
| Santa Barbara   | 318,802                            | 361,037                            | 42,235            | 13.25%                   |
| Santa Clara     | 1,749,860                          | 1,599,582                          | -150,278          | -8.59%                   |
| Santa Cruz      | 129,451                            | 119,711                            | -9,739            | -7.52%                   |
| Shasta          | 242,384                            | 251,779                            | 9,395             | 3.88%                    |
| Sierra          | 5,762                              | 6,395                              | 633               | 10.98%                   |
| Siskiyou        | 37,073                             | 38,526                             | 1,453             | 3.92%                    |

**Judicial Branch Workers' Compensation Program  
Workers' Compensation Fiscal Year 2019-20 Premium  
Trial Courts**

Comparison to Prior Premium

| Court      | 2018-19<br>Total<br>Premium<br>(A) | 2019-20<br>Total<br>Premium<br>(B) | Difference<br>(C) | Percent<br>Change<br>(D) |
|------------|------------------------------------|------------------------------------|-------------------|--------------------------|
| Solano     | 444,998                            | 441,711                            | -3,287            | -0.74%                   |
| Sonoma     | 221,531                            | 254,324                            | 32,793            | 14.80%                   |
| Stanislaus | 210,377                            | 200,270                            | -10,107           | -4.80%                   |
| Sutter     | 84,829                             | 62,110                             | -22,719           | -26.78%                  |
| Tehama     | 40,361                             | 39,160                             | -1,201            | -2.97%                   |
| Trinity    | 16,974                             | 16,097                             | -878              | -5.17%                   |
| Tulare     | 340,112                            | 305,184                            | -34,928           | -10.27%                  |
| Tuolumne   | 36,002                             | 39,979                             | 3,977             | 11.05%                   |
| Ventura    | 508,243                            | 483,927                            | -24,317           | -4.78%                   |
| Yolo       | 102,033                            | 109,097                            | 7,065             | 6.92%                    |
| Yuba       | 64,666                             | 62,692                             | -1,974            | -3.05%                   |
| All Courts | \$19,084,000                       | \$18,223,000                       | -\$861,000        | -4.51%                   |

Notes:

- (A): From Prior Premium Report.
- (B): From Exhibit TC-1.
- (C): (B) - (A)
- (D): (C) / (A)

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**Judicial Branch Workers' Compensation Program  
Workers' Compensation Fiscal Year 2019-20 Premium  
State Judiciary**

2019-20 Premium

| Court              | 2015-16 to 2017-18 |                 | 2019-20 Indicated Loss & ALAE |                              | 2015-16 to 2017-18      |                        | 2019-20 Indicated Loss & ALAE |                       | 2019-20 Weighted    |                     | 2019-20          |                            | 2019-20                |                                | 2019-20        |                    |
|--------------------|--------------------|-----------------|-------------------------------|------------------------------|-------------------------|------------------------|-------------------------------|-----------------------|---------------------|---------------------|------------------|----------------------------|------------------------|--------------------------------|----------------|--------------------|
|                    | Payroll (\$000)    | Percent Payroll | Loss & ALAE Based on Payroll  | Loss & ALAE Limited to \$75K | Incurred Limited Losses | Percent Limited Losses | Loss & ALAE Based on Losses   | Loss & ALAE Weighting | Loss & ALAE Premium | Loss & ALAE Premium | Excess Premium   | Claims Handling (TPA) Fees | Program Admin. Premium | Brokerage / Consulting Premium | Total Premium  | Percent of Premium |
|                    | (A)                | (B)             | (C)                           | (D)                          | (E)                     | (F)                    | (G)                           | (H)                   | (I)                 | (J)                 | (K)              | (L)                        | (M)                    | (N)                            | (O)            |                    |
| Supreme Court      | \$52,878           | 3.52%           | \$24,002                      | \$1,224                      | 0.17%                   | \$1,146                | 30.72%                        | \$16,980              | \$19,688            | \$5,992             | \$7,921          | \$0                        | \$7,543                | \$41,143                       | 3.07%          |                    |
| 1st District Court | 44,171             | 2.94%           | 20,050                        | 5,067                        | 0.70%                   | 4,741                  | 28.93%                        | 15,621                | 18,111              | 5,005               | 7,287            | 0                          | 6,301                  | 36,704                         | 2.74%          |                    |
| 2nd District Court | 87,916             | 5.86%           | 39,907                        | 25,395                       | 3.49%                   | 23,766                 | 36.40%                        | 34,032                | 39,458              | 9,962               | 15,876           | 0                          | 12,540                 | 77,837                         | 5.81%          |                    |
| 3rd District Court | 31,039             | 2.07%           | 14,089                        | 328                          | 0.05%                   | 307                    | 25.72%                        | 10,544                | 12,225              | 3,517               | 4,919            | 0                          | 4,427                  | 25,089                         | 1.87%          |                    |
| 4th District Court | 70,689             | 4.71%           | 32,087                        | 6,123                        | 0.84%                   | 5,730                  | 33.84%                        | 23,167                | 26,861              | 8,010               | 10,807           | 0                          | 10,083                 | 55,761                         | 4.16%          |                    |
| 5th District Court | 26,370             | 1.76%           | 11,970                        | 1,337                        | 0.18%                   | 1,251                  | 24.36%                        | 9,358                 | 10,850              | 2,988               | 4,366            | 0                          | 3,761                  | 21,966                         | 1.64%          |                    |
| 6th District Court | 19,976             | 1.33%           | 9,067                         | 0                            | 0.00%                   | 0                      | 22.21%                        | 7,054                 | 8,178               | 2,264               | 3,291            | 0                          | 2,849                  | 16,582                         | 1.24%          |                    |
| Judicial Council   | 206,020            | 13.73%          | 93,516                        | 633,264                      | 87.02%                  | 592,619                | 48.34%                        | 334,792               | 388,172             | 23,345              | 156,181          | 0                          | 29,387                 | 597,084                        | 44.59%         |                    |
| CJP                | 7,238              | 0.48%           | 3,286                         | 0                            | 0.00%                   | 0                      | 15.83%                        | 2,765                 | 3,206               | 820                 | 1,290            | 0                          | 1,033                  | 6,349                          | 0.47%          |                    |
| HCRC               | 20,274             | 1.35%           | 9,203                         | 51                           | 0.01%                   | 48                     | 22.32%                        | 7,159                 | 8,301               | 2,297               | 3,340            | 0                          | 2,892                  | 16,830                         | 1.26%          |                    |
| Trial Court Judges | 933,696            | 62.24%          | 423,823                       | 54,918                       | 7.55%                   | 51,394                 | 80.00%                        | 125,879               | 145,950             | 105,800             | 58,723           | 0                          | 133,184                | 443,656                        | 33.13%         |                    |
| <b>All Courts</b>  | <b>\$1,500,267</b> | <b>100.00%</b>  | <b>\$681,000</b>              | <b>\$727,706</b>             | <b>100.00%</b>          | <b>\$681,000</b>       |                               | <b>\$587,353</b>      | <b>\$681,000</b>    | <b>\$170,000</b>    | <b>\$274,000</b> | <b>\$0</b>                 | <b>\$214,000</b>       | <b>\$1,339,000</b>             | <b>100.00%</b> |                    |

Notes:

- (A): From Exhibit J-2.
- (B): (A)/[Total (A)]
- (C): (B) x [Total (C)]. Total (C) was provided by Judicial Branch Workers' Compensation Program.
- (D): From Exhibit J-3.
- (E): (D)/[Total (D)]
- (F): (E) x [Total (F)].
- (G): Based on relative size (according the (A)) of each court. The largest is subjectively set to an 80.00% weight. The weight of all other courts are based on that standard.
- (H): (G) x (F) + [1-(G)] x (C)
- (I): [Total (F) / Total (H)] x (H)
- (J): (B) x [Total (J)]. Total (J) was provided by Judicial Branch Workers' Compensation Program.
- (K): [(I) / Total (I)] x Total (K). Total (K) was provided by Judicial Branch Workers' Compensation Program.
- (L): (B) x [Total (L)]. Total (L) was provided by Judicial Branch Workers' Compensation Program.
- (M): (B) x [Total (M)]. Total (M) was provided by Judicial Branch Workers' Compensation Program.
- (N): Sum[(I)..(M)]
- (O): (N) x [Total (N)].

\* Supreme Court includes the California Judicial Center Library



**Judicial Branch Workers' Compensation Program  
Workers' Compensation Fiscal Year 2019-20 Premium  
State Judiciary**

Summary of Payroll

| Court              | Payroll       |               |               |
|--------------------|---------------|---------------|---------------|
|                    | 2015-16       | 2016-17       | 2017-18       |
| Supreme Court      | \$16,908,239  | \$17,558,908  | \$18,410,646  |
| 1st District Court | 14,152,370    | 14,702,252    | 15,316,570    |
| 2nd District Court | 28,462,891    | 29,034,914    | 30,418,269    |
| 3rd District Court | 9,801,921     | 10,415,011    | 10,822,301    |
| 4th District Court | 22,653,677    | 23,474,686    | 24,560,574    |
| 5th District Court | 8,429,258     | 8,833,214     | 9,107,436     |
| 6th District Court | 6,491,330     | 6,751,226     | 6,733,060     |
| Judicial Council   | 66,032,259    | 67,205,124    | 72,782,506    |
| CJP                | 2,107,899     | 2,447,511     | 2,683,044     |
| HCRC               | 6,195,564     | 6,605,907     | 7,472,052     |
| Trial Court Judges | 303,607,527   | 308,693,047   | 321,395,608   |
| All Courts         | \$484,842,935 | \$495,721,800 | \$519,702,066 |

Notes:

Provided by Judicial Branch Workers' Compensation Program.

\* Supreme Court includes the California Judicial Center Library

**Judicial Branch Workers' Compensation Program**  
**Workers' Compensation Fiscal Year 2019-20 Premium**  
**State Judiciary**

Summary of Loss Data

| Court              | Incurred Losses |         |         | Incurred Losses Capped at \$75K |         |         |
|--------------------|-----------------|---------|---------|---------------------------------|---------|---------|
|                    | 2015-16         | 2016-17 | 2017-18 | 2015-16                         | 2016-17 | 2017-18 |
| Supreme Court      | \$1,224         | \$0     | \$0     | \$1,224                         | \$0     | \$0     |
| 1st District Court | 390             | 747     | 3,930   | 390                             | 747     | 3,930   |
| 2nd District Court | 0               | 0       | 25,395  | 0                               | 0       | 25,395  |
| 3rd District Court | 0               | 0       | 328     | 0                               | 0       | 328     |
| 4th District Court | 2,662           | 3,461   | 0       | 2,662                           | 3,461   | 0       |
| 5th District Court | 0               | 0       | 1,337   | 0                               | 0       | 1,337   |
| 6th District Court | 0               | 0       | 0       | 0                               | 0       | 0       |
| Judicial Council   | 450,853         | 303,251 | 10,029  | 425,372                         | 197,863 | 10,029  |
| CJP                | 0               | 0       | 0       | 0                               | 0       | 0       |
| HCRC               | 0               | 0       | 51      | 0                               | 0       | 51      |
| Trial Court Judges | 6,436           | 21,905  | 26,577  | 6,436                           | 21,905  | 26,577  |
| All Courts         | 461,565         | 329,364 | 67,646  | 436,084                         | 223,976 | 67,646  |

Notes:

Provided by Judicial Branch Workers' Compensation Program.

\* Supreme Court includes the California Judicial Center Library

**Judicial Branch Workers' Compensation Program  
Workers' Compensation Fiscal Year 2019-20 Premium  
State Judiciary**

Comparison to Prior Premium

| Court              | 2018-19<br>Total<br>Premium<br>(A) | 2019-20<br>Total<br>Premium<br>(B) | Difference<br>(C) | Percent<br>Change<br>(D) |
|--------------------|------------------------------------|------------------------------------|-------------------|--------------------------|
| Supreme Court      | \$82,988                           | \$41,143                           | -\$41,845         | -50.42%                  |
| 1st District Court | 36,997                             | 36,704                             | -293              | -0.79%                   |
| 2nd District Court | 67,827                             | 77,837                             | 10,010            | 14.76%                   |
| 3rd District Court | 26,202                             | 25,089                             | -1,114            | -4.25%                   |
| 4th District Court | 75,483                             | 55,761                             | -19,722           | -26.13%                  |
| 5th District Court | 22,794                             | 21,966                             | -828              | -3.63%                   |
| 6th District Court | 17,669                             | 16,582                             | -1,088            | -6.16%                   |
| Judicial Council   | 544,556                            | 597,084                            | 52,528            | 9.65%                    |
| CJP                | 6,332                              | 6,349                              | 17                | 0.28%                    |
| HCRC               | 17,401                             | 16,830                             | -571              | -3.28%                   |
| Trial Court Judges | 474,750                            | 443,656                            | -31,094           | -6.55%                   |
| All Courts         | \$1,373,000                        | \$1,339,000                        | -\$34,000         | -2.48%                   |

Notes:

- (A): From Prior Premium Report
- (B): From Exhibit J-1.
- (C): (B) - (A)
- (D): (C) / (A)

\* Supreme Court includes the California Judicial Center Library

**Judicial Branch Workers' Compensation Program  
Workers' Compensation Fiscal Year 2019-20 Premium  
State Judiciary**

Trial Court and State Judiciary Claims Handling, Program Admin and Brokerage/Consulting Premium

| Division        | 2015-16 to                           |                           | 2015-16 to                                     | Percent                  | 2019-20                   | 2019-20                  | 2019-20                          |
|-----------------|--------------------------------------|---------------------------|--|--------------------------|---------------------------|--------------------------|----------------------------------|
|                 | 2017-18<br>Payroll<br>(\$000)<br>(A) | Percent<br>Payroll<br>(B) | 2017-18<br>Incurred<br>Limited to \$75K<br>(C) | Limited<br>Losses<br>(D) | Claims<br>Handling<br>(E) | Program<br>Admin.<br>(F) | Brokerage /<br>Consulting<br>(G) |
| Trial Courts    | \$2,587,031                          | 63.29%                    | \$19,574,536                                   | 96.42%                   | \$2,408,000               | \$0                      | \$370,000                        |
| State Judiciary | 1,500,267                            | 36.71%                    | 727,706  | 3.58%                    | 274,000                   | 0                        | 214,000                          |
| <b>Total</b>    | <b>\$4,087,298</b>                   | <b>100.00%</b>            | <b>\$20,302,242</b>                            | <b>100.00%</b>           | <b>\$2,682,000</b>        | <b>\$0</b>               | <b>\$584,000</b>                 |

Notes:

- (A): Provided by Judicial Branch Workers' Compensation Program.
- (B): (A)/[Total (A)]
- (C): Provided by Judicial Branch Workers' Compensation Program.
- (D): (C)/[Total (C)]
- (E): Total (E) x [80% x (D) + 20% x (B)]
- (F): (B) x [Total (F)]. Total (F) was provided by Judicial Branch Workers' Compensation Program.
- (G): (B) x [Total (G)]. Total (G) was provided by Judicial Branch Workers' Compensation Program.

**TAB 8**



June 5, 2018

Mr. Patrick Farrales, Supervising Analyst  
Human Resources | Administrative Division  
Judicial Council of California  
455 Golden Gate Avenue  
San Francisco, CA 94102-3688

E-mail: [patrick.farrales@jud.ca.gov](mailto:patrick.farrales@jud.ca.gov)

**RE: *Quarterly Spot Check Summary Final Report April 2018***

Dear Mr. Farrales:

Please find attached our final report of the spot check review conducted for the Judicial Branch Workers' Compensation Program, following the review of additional information supplied by Acclamation Insurance Management Services (AIMS).

Sincerely,

A handwritten signature in black ink, appearing to read "J. Miller".

Jacquelyn Miller  
Workers' Compensation Advisor

cc: Beth Harville [bharville@Aims4Claims.com](mailto:bharville@Aims4Claims.com)

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## **Tables**

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## **Appendices**

- A. Recommended Reserve Changes
- B. Scoring by Claim Summary
- C. Files Selected for Review
- D. AIMS Spot Check Response and Plans for Improvement

## I. Executive Summary

A quarterly review of the work product of the Third Party Administrator and JBWCP Member participation in the claims process was conducted April 15, 2018 through May 15, 2018.

30 files were randomly selected for review from the open claims inventory as of February 28, 2018. Files were evaluated against 32 specific criteria noted below.

| Member Issues                 |
|-------------------------------|
| D1 Reported Timely            |
| D2 Mod Duty Available         |
| D3 Participates in Claim      |
| D4 Response to Adjuster       |
|                               |
| Technical                     |
| A1 Benefits Paid Correctly    |
| A2 Employer Communication     |
| A3 Investigation              |
| A4 Attny Assignment Thorough  |
| A5 Assigned to Specific Attny |
| A6 Attny Monitored            |
| A7 QME Docs Sub Timely        |
| A8 Medical Well Mgd           |
| A9 Reserves Accurate          |
| A10 Resolution Focus          |
| A11 RTW Issues Well Mgd       |
| A12 Subrogation               |
| A13 Mgt Guidance Effective    |
| A14 Mgt Address Concerns      |
|                               |



| TPA Diaries/Contract          |
|-------------------------------|
| B1 Excess Reporting Timely    |
| B2 POA Review Timely          |
| B3 Reserve Review Timely      |
| B4 Supervisory Review Timely  |
| B5 Proactive Diaries Set      |
| B6 Sup Review Thorough        |
| B7 Sup Rev Follows Guidelines |
| B8 Timely Resp to Members     |
| B9 Prof Resp to Members       |
| B10 Issues Recog/Escalated    |
| B11 Settlement Pursuit Timely |
| B12 SAR Well Documented       |
| B13 Settlement Guide Followed |
| B14 Settlement Sub Approp     |

The work product from November 1, 2017 to March 31, 2018, was evaluated with an established target score of 85%. We score the overall compliance as shown in Table I-3, at 82% with comparison to the prior Spot Check and Annual reviews where applicable. This scoring is separated into three specific sections: Member Issues at 87%; Technical Score at 81%; and TPA Diaries/Contractual Score at 82%. The two areas reflecting only the work performance of AIMS (Technical and TPA Diaries/Contract) demonstrate a final audit score of 81%.

**Areas of Success are identified and recognized where actual scores at the criteria level (See Table I-1) achieve or exceed 85% compliance.**

**Opportunities for Improvement with Recommendations are identified where actual scores at the criteria level (see Table I-2) are below 85%.**

Worksheets were provided to AIMS for review of the findings and were used in determining the final score.

Appendix A provides “Recommended Reserve Changes” detailing our recommended reserve for the claims sample reviewed with a *decrease* of \$76,931 a 3% decrease from the Incurred total for the 30 files reviewed. Additional files were identified for a review of the outstanding reserves, with non-specific recommendations. A listing of these claims has been provided to AIMS for further review.

**Table I-1**  
**Areas of Success**

| Component                      | Actual Score | Target Score | Recommendations   |
|--------------------------------|--------------|--------------|---|
| <b>Member Issues</b>           |              |              |   |
| Modified Duty Available        | 85%          | 85%          | The member involvement in identifying modified duty opportunities is recognized in this review. This area shows a 2% decrease from the Annual Audit.  |
| Participation in Claim         | 100%         | 85%          | Each member involved in the claims reviewed actively participated with the claims staff. This area agrees with the Annual Audit result.   |
| <b>Technical</b>               |              |              |   |
| Employer Communication         | 90%          | 85%          | The review indicates that the claims staff is providing the members with ongoing appropriate communication regarding the claims overall with a 2% increase over the Annual Audit.   |
| Employer Assignment Thorough   | 100%         | 85%          | This category indicates the AIMS staff is appropriately assigning cases to attorneys, providing them sufficient information regarding the issues in dispute. This represents a 35% increase over the Annual Audit. There were less than 5 applicable files reviewed.        |
| Assigned to Specific Attorney  | 100%         | 85%          | Claims staff has documented referral to specific attorneys, rather than assigning the case to a firm and allowing the firm to determine who will represent the program. This is a 24% increase over the Annual Audit. There were less than 5 applicable files reviewed.     |
| QME Documents Submitted Timely | 100%         | 85%          | QME documents were provided in sufficient time for the evaluator to review and did not require supplemental reports or increase cost. This is a 10% increase over the Annual Audit.   |
| RTW Issues Well Managed        | 86%          | 85%          | This category measures the ability of AIMS staff to monitor, coordinate and document return to work activities and impact. This category now meets the target score. This is a 5% decrease from the Annual Audit.   |
| Management Addresses Concerns  | 100%         | 85%          | This category indicates the AIMS management staff has recognized specific issues which may have a negative impact of the program and provided appropriate guidance. This represents a 19% increase over the Annual Audit. There were less than 5 applicable files reviewed. |

| Component                              | Actual Score | Target Score | Recommendations   |
|--|--------------|--------------|---|
| <b>TPA Diaries/Contract Compliance</b> |              |              |   |
| Reserve Review Timely                  | 90%          | 85%          | Files reviewed indicated the staff was meeting the contractual requirements for timely review of reserves. This is a 6% increase over the Annual Audit.   |
| Supervisor Review Follows Guidelines   | 96%          | 85%          | The review indicates that supervisors have followed the Service Guideline requirements overall. This is an 8% increase over the Annual Audit.   |
| Timely Response to Members             | 100%         | 85%          | The claims staff has demonstrated consistent and timely response to member inquiries. This responsiveness encourages the members continued involvement in the claims process as demonstrated in the members Participation score noted above. This is a 1% increase over the Annual Audit. |
| Professional Response to Members       | 86%          | 85%          | Communication documented in the files reviewed indicates the claims staff is providing professional responses to member inquiries. However, this is a 10% decrease from the Annual Audit.   |
| Settlement Guidelines Followed         | 100%         | 85%          | This category indicates for those applicable files, AIMS followed the guidelines in place at the time of settlement. This is a 17% increase over the Annual Audit.  |

**Table I-2**  
**Recommendations to Improve Performance**

| Component               | Actual Score | Target Score | Recommendations   |
|-------------------------|--------------|--------------|---|
| <b>Member Issues</b>    |              |              |   |
| Reported Timely         | 75%          | 85%          | While the claims staff is discussing late reporting on a claim by claim basis with the member, it is noted the claims staff has started to address timely reporting during the claim review process. While not reaching the target goal, this is a 5% increase over the Annual Audit. There were less than 5 applicable files reviewed.                               |
| Response to Adjuster    | %76          | 85%          | This category has fallen below the target score and dropped 16% from the Annual Audit score. A review of the files in which improvement is required indicates delays in providing wage information and settlement authority.  |
| <b>Technical</b>        |              |              |   |
| Benefits Paid Correctly | 78%          | 85%          | This category dropped 2% from the Annual Audit due to payments made on incorrect files; clarification needed to support TD and Wage Loss payments, as well as delayed payment of permanent disability to injured workers. Clarify employment status in cases involving advancement of Permanent Disability.   |
| Investigation           | 80%          | 85%          | This category dropped 1% from the Annual Audit. Continued follow up and management of the investigator is recommended.  |
| Attorney Monitored      | 80%          | 85%          | This category increased 2% over the Annual Audit. It is again recommended the claims staff clearly document conversations and correspondence with the defense attorney in the file notes to demonstrate management of the legal aspect of the claim and provide current. Follow up on case management and plans to resolve the case by settlement must be documented. |
| Medical Managed Well    | 75%          | 85%          | This category dropped 12% from the Annual Audit. Issues involving care both in the MPN and with outside physicians should be addressed as well as treatment for unrelated injuries.   |
| Reserves Accurate       | 83%          | 85%          | This category dropped 1% from the Annual Audit. Appendix C reflects our service recommendations for each of the 5 claims identified with an overall reserve decrease of \$76,391.   |

| Component                              | Actual Score | Target Score | Recommendations   |
|--|--------------|--------------|---|
| Resolution Focus                       | 69%          | 85%          | This category dropped 11% from the Annual Audit. Recommend claims staff set proactive diaries for follow up and management of case resolution, timely and accurate submission of settlements requests as well as documentation of resolution activities on companion files.   |
| Subrogation                            | 33%          | 85%          | The category dropped 29% from the Annual Audit with all applicable files needing improvement. Although subrogation opportunities are rare on this program, it is recommended staff follow through on determination of subrogation potential and supervisors consider subrogation when approving settlement plans. There were less than 5 applicable files reviewed. |
| Management Guidance Effective          | 78%          | 85%          | This category dropped 5% from the Annual Audit. We continue to recommend consistent management focus on identifying issues that may not have been noted by the adjuster and providing specific guidance to address them.  |
| <b>TPA Diaries/Contract Compliance</b> |              |              |   |
| Excess Reporting Timely                | 0%           | 85%          | This category dropped 70% from the Annual Audit with all applicable files needing improvement. Although this category applied to only one file, clarification of Excess reporting is required.  |
| Plan of Action Review Timely           | 83%          | 85%          | This category increased by 11 over the Annual Audit. While the Plan of Action diaries were completed, they did not meet the Service Guidelines for timeliness. We continue to recommend a review of the Service Guideline diary targets be conducted by all claims staff.   |
| Supervisor Review Timely               | 78%          | 85%          | This category increased by 21% over the Annual Audit, continued focus on the Service Guidelines diary review targets for all supervisory staff is recommended.  |
| Proactive Diaries                      | 72%          | 85%          | This category dropped by 13% from the Annual Audit. Use of diaries in a proactive and planned manner as a tool focused on case resolution will help the adjusters manage their cases.   |

| <b>Component</b>                              | <b>Actual Score</b> | <b>Target Score</b> | <b>Recommendations</b>  |
|---|---------------------|---------------------|---|
| Supervisor Review Thorough                    | 81%                 | 85%                 | This category dropped 3% from the Annual Audit. Continue to recommend supervisory reviews provide a review of all open claim issues and provide appropriate guidance to claims staff as necessary regarding case resolution.  |
| Issues Recognized and Escalated               | 50%                 | 85%                 | This category dropped by 33% from the Annual Audit and applied to only 2 of the files reviewed. It is recommended all claims staff receive training on the important of recognizing service issues, such as MPN issues and escalating them appropriately.   |
| Settlement Pursuit Timely                     | 44%                 | 85%                 | This category dropped by 16% from the Annual Audit. We recommend claims staff be provided with an overview of the items noted for delayed settlement pursuit in this review and discussions and/or training provided on how to reduce these delays in the future, specifically regarding completion and submission of Settlement Requests to the members. |
| Settlement Authority Requests Well Documented | 60%                 | 85%                 | This category reflects a 25% drop from the Annual Audit, it is noted the category applied to only 4 files reviewed. Completion of Settlement Requests should include all issues resolved, recognizing overpayments and reflecting accurate financial information.   |
| Settlement Submitted Appropriately            | 75%                 | 85%                 | This category dropped by 10% from the Annual Audit, with 4 files reviewed. Appropriate completion of the settlement documents should be reviewed with staff.  |

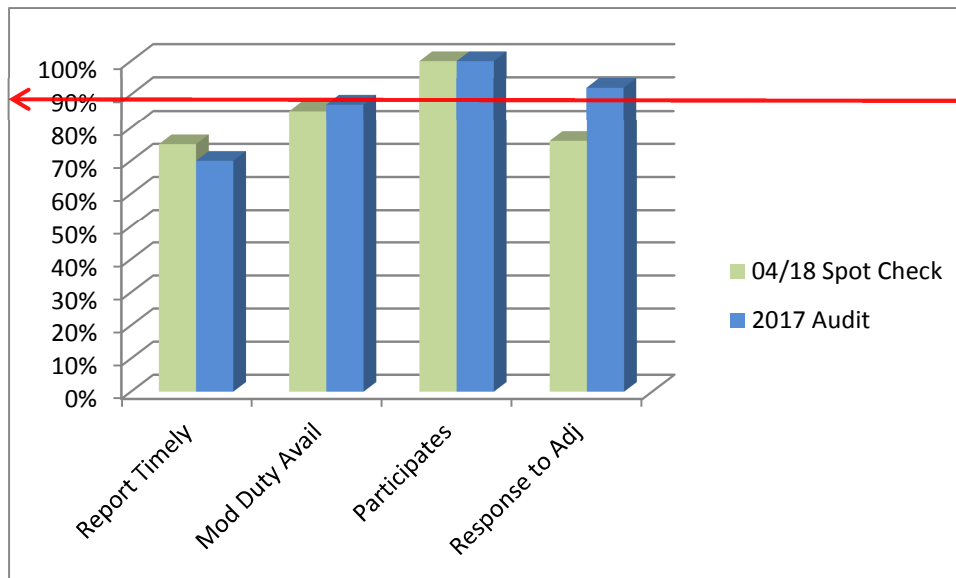
**Table I-3**  
**Summary Scores by Criteria with Comparisons**

| <b>Member Issues</b>               | <b>04/18<br/>Spot<br/>Check</b> | <b>2017<br/>Annual<br/>Audit</b> | <b>Comparison<br/>to 2017<br/>Audit</b> | <b>Target</b> | <b>Comparison to<br/>Target</b> |
|------------------------------------|---------------------------------|----------------------------------|---|---------------|---------------------------------|
| D1 Reported Timely                 | 75%                             | 70%                              | 5%                                      | 85%           | -10%                            |
| D2 Mod Duty Available              | 85%                             | 87%                              | -2%                                     | 85%           | Meets                           |
| D3 Participates in Claim           | 100%                            | 100%                             | 0%                                      | 85%           | 15%                             |
| D4 Response to Adjuster            | 76%                             | 92%                              | -16%                                    | 85%           | -9%                             |
| <b>Member Issues Overall Score</b> | <b>87%</b>                      | <b>90%</b>                       | <b>-3%</b>                              | <b>85%</b>    | <b>2%</b>                       |
| <b>Technical</b>                   | <b>04/18<br/>Spot<br/>Check</b> | <b>2017<br/>Annual<br/>Audit</b> | <b>Comparison<br/>to 2017<br/>Audit</b> | <b>Target</b> | <b>Comparison to<br/>Target</b> |
| A1 Benefits Paid Correctly         | 78%                             | 80%                              | -2%                                     | 85%           | -7%                             |
| A2 Employer Communication          | 90%                             | 88%                              | 2%                                      | 85%           | 5%                              |
| A3 Investigation                   | 80%                             | 81%                              | -1%                                     | 85%           | -5%                             |
| A4 Attny Assignment<br>Thorough    | 100%                            | 65%                              | 35%                                     | 85%           | 15%                             |
| A5 Assigned to Specific Attny      | 100%                            | 76%                              | 24%                                     | 85%           | 15%                             |
| A6 Attny Monitored                 | 80%                             | 78%                              | 2%                                      | 85%           | -5%                             |
| A7 QME Docs Sub Timely             | 100%                            | 90%                              | 10%                                     | 85%           | 15%                             |
| A8 Medical Well Mgd                | 75%                             | 87%                              | -12%                                    | 85%           | -10%                            |
| A9 Reserves Accurate               | 83%                             | 84%                              | -1%                                     | 85%           | -2%                             |
| A10 Resolution Focus               | 69%                             | 80%                              | -11%                                    | 85%           | -16%                            |
| A11 RTW Issues Well Mgd            | 86%                             | 91%                              | -5%                                     | 85%           | 1%                              |
| A12 Subrogation                    | 33%                             | 62%                              | -29%                                    | 85%           | -52%                            |
| A13 Mgt Guidance Effective         | 78%                             | 83%                              | -5%                                     | 85%           | -7%                             |
| A14 Mgt Address Concerns           | 100%                            | 81%                              | 19%                                     | 85%           | 19%                             |
| <b>Technical Overall Score</b>     | <b>81%</b>                      | <b>83%</b>                       | <b>-2%</b>                              | <b>85%</b>    | <b>-4%</b>                      |

| TPA Diaries/Contract          | 04/18 Spot Check | 2017 Annual Audit | Comparison to 2017 Audit | Target     | Comparison to Target |
|-------------------------------|------------------|-------------------|--------------------------|------------|----------------------|
| B1 Excess Reporting Timely    | 0%               | 70%               | -70%                     | 85%        | -85%                 |
| B2 POA Review Timely          | 83%              | 72%               | 11%                      | 85%        | -2%                  |
| B3 Reserve Review Timely      | 90%              | 84%               | 6%                       | 85%        | 5%                   |
| B4 Supervisory Review Timely  | 78%              | 57%               | 21%                      | 85%        | -7%                  |
| B5 Proactive Diaries Set      | 72%              | 85%               | -13%                     | 85%        | -13%                 |
| B6 Sup Review Thorough        | 81%              | 84%               | -3%                      | 85%        | -5%                  |
| B7 Sup Rev Follows Guidelines | 96%              | 88%               | 8%                       | 85%        | 11%                  |
| B8 Timely Resp to Members     | 100%             | 99%               | 1%                       | 85%        | 15%                  |
| B9 Prof Resp to Members       | 86%              | 96%               | -10%                     | 85%        | 1%                   |
| B10 Issues Recog/Escalated    | 50%              | 83%               | -33%                     | 85%        | -35%                 |
| B11 Settlement Pursuit Timely | 44%              | 60%               | -16%                     | 85%        | -41%                 |
| B12 SAR Well Documented       | 60%              | 85%               | -25%                     | 85%        | -25%                 |
| B13 Settlement Guide Followed | 100%             | 83%               | 17%                      | 85%        | 15%                  |
| B14 Settlement Sub Approp     | 75%              | 85%               | -10%                     | 85%        | -10%                 |
| <b>TPA Diaries/Contract</b>   | <b>82%</b>       | <b>81%</b>        | <b>1%</b>                | <b>85%</b> | <b>-4%</b>           |
| <b>Overall Audit Score</b>    | <b>82%</b>       | <b>83%</b>        | <b>-1%</b>               | <b>85%</b> | <b>-3%</b>           |

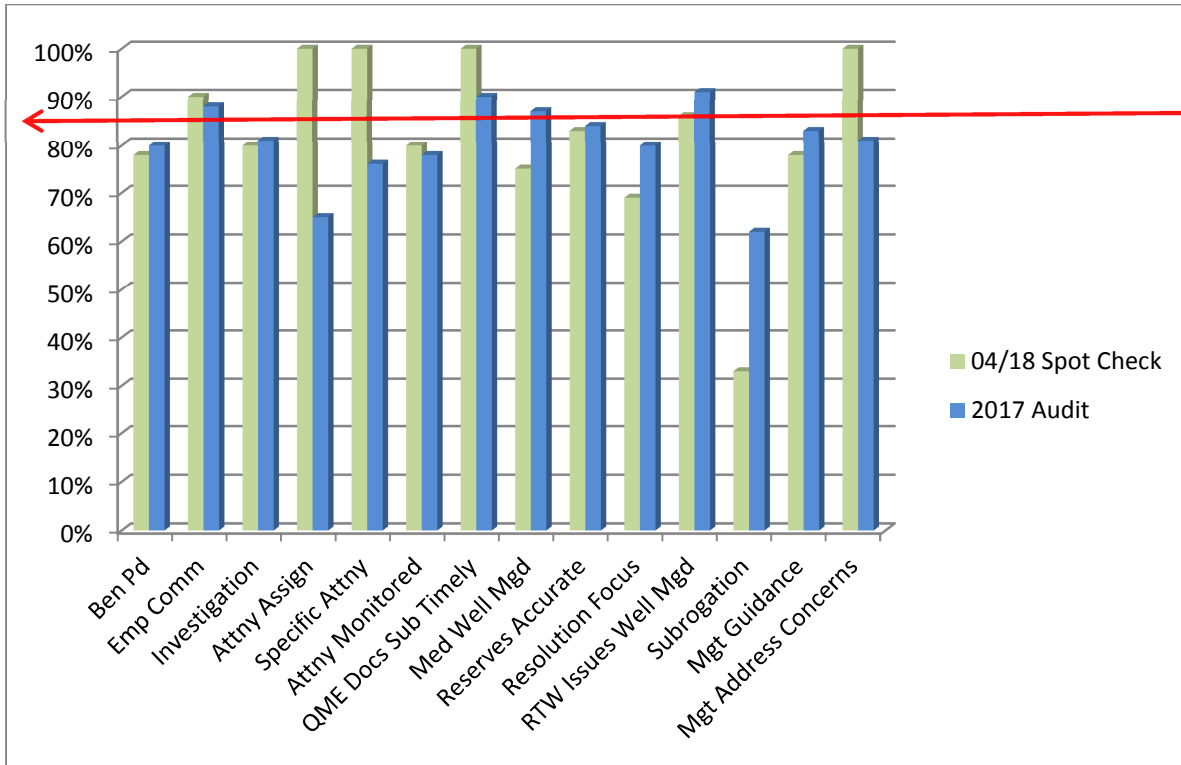
### Member Issues

Goal 85%

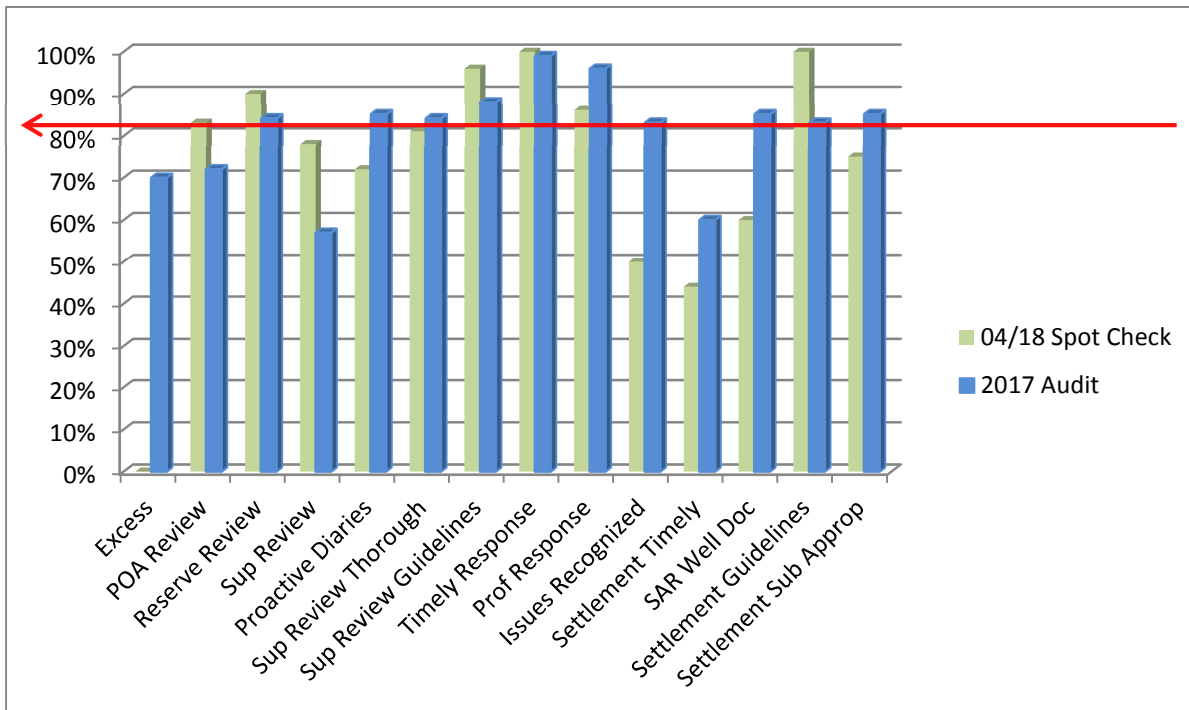




### Technical



### Diaries/Contract Compliance



We recommend our report be read in its entirety.

## II. Spot Check Analysis

The April 2018 Spot Check analyzed the work product of AIMS and interaction with the JBWCP Members for the period of November 1, 2017 – March 31, 2018 only. In reviewing this report, consideration of this short review period will indicate there are many categories with limited work product for evaluation. As there are 6 categories with less than 5 applicable files reviewed, this may not reflect the overall work product of AIMS. However, future Spot Check reviews will provide an increased number of applicable files and information regarding the work product.

The active Indemnity caseload for the adjusters as of March 31, 2018 was 71 files, with the Future Medical adjuster assigned 188 files. This is a decrease of 7 files for the active Indemnity adjusters and 10 files for the Future Medical adjuster when compared to the 2017 Audit report.

Files were reviewed against established audit criteria. The evaluation of staffing turnover indicated only 1 file reviewed involved assignment of 3 or more adjusters. Therefore further analysis of turnover impact has not been included in this report.

Files were reviewed for increased costs due to administrative error, after obtaining additional information and clarification from AIMS, a finding of no files demonstrating increased costs resulted.

## **Appendix A**

### **Recommended Reserve Changes**

### Recommended Reserve Changes

| Item #             | Original Incurred | Recommended Change | Recommended Incurred | Comments  |
|--------------------|-------------------|--------------------|----------------------|---|
| 2                  | \$171,591         | \$14,679           | \$186,270            | Medical Liens unresolved                                    |
| 4                  | \$92,679          | -\$38,000          | \$54,679             | Surgeries not considered probable                           |
| 5                  | \$259,850         | -\$53,070          | \$206,780            | PD belongs on CT claim                                      |
| 12                 | \$10,833          | TBD                | \$10,833             | PD may belong to companion file                             |
| 28                 | \$51,073          | TBD                | \$51,073             | Medical reserve reduction removing Life Expectancy estimate |
|                    |                   |                    |                      |   |
| <b>Grand Total</b> | <b>\$586,026</b>  | <b>-\$76,391</b>   | <b>\$509,635</b>     |   |

### Recommended Reserve Increases by Reserve Category

| CATEGORY            | RECOMMENDED CHANGE |
|---------------------|--------------------|
| Medical             | \$(23,321)         |
| Indemnity           | \$(53,070)         |
| <b>TOTAL CHANGE</b> | <b>\$(76,391)</b>  |

## **Appendix B**

### **Scoring by Claim Summary**



## **Appendix C**

### **Files Selected For Review**

## Files Selected for Review

| Ref # | Claim Number |
|-------|--------------|
| 1     | 170000650JUD |
| 2     | JC10000706   |
| 3     | 180000176JUD |
| 4     | JC14020448   |
| 5     | 160000525JUD |
| 6     | JC99000018   |
| 7     | 180000253JUD |
| 8     | 180000373JUD |
| 9     | JC12020421   |
| 10    | 170000194JUD |

| Ref # | Claim Number |
|-------|--------------|
| 11    | JC14020131   |
| 12    | 150000445JUD |
| 13    | 180000032JUD |
| 14    | 160000399JUD |
| 15    | 180000196JUD |
| 16    | 180000259JUD |
| 17    | 180000009JUD |
| 18    | 170000485JUD |
| 19    | 170000723JUD |
| 20    | JC05001124   |

| Ref # | Claim Number |
|-------|--------------|
| 21    | JC13020503   |
| 22    | 180000473JUD |
| 23    | JC12020575   |
| 24    | JC14020138   |
| 25    | 180000063JUD |
| 26    | JC01000022   |
| 27    | JC06000319   |
| 28    | JC06000548   |
| 29    | JC11000094   |
| 30    | JC06000321   |



## **Appendix D**

### **AIMS Spot Check Response and Plans for Improvement**

## AIMS' RESPONSE AND IMPROVEMENT STRATEGY

### Reserve change recommendations:

Reserve changes have been completed as outlined below. The total recommendation for changes was a decrease of \$76,391 and our adjustment was a decrease of \$95,347.32.

| Item #             | Recommended Change | Comments  | AIMS Recommended Change | AIMS Rebuttal  |
|--------------------|--------------------|---|-------------------------|--|
| 2                  | \$14,679           | Medical Liens unresolved.                                   | \$0.00                  | Thorough evaluation of all claims and liens, including research on the EAMS website suggests that the primary lien has not filed the proper paperwork and should be dismissed by operation of law. Examiner is moving forward in pursuit of that dismissal. This may be the situation with one of the other liens as well. The last one is for less than \$2000 and examiner's analysis is that we have appropriate reserves to cover current treatment and any nominal sum needed to resolve any lien potential. We did not dispute the deficiency in the Reserve category because of poor documentation. |
| 4                  | (\$38,000)         | Surgeries not considered probable                           | (\$34,187.32)           | Actual change made of -\$34,187.32   |
| 5                  | (\$53,070)         | PD belongs on CT claim                                      | (\$50,470.00)           | Removed all but 9% which is attributed to this claim. \$37,990 will be added to the C-T claim so the actual decrease to the overall Program is only \$7,250.   |
| 12                 | TBD                | PD may belong to companion file                             | \$0.00                  | No PD assessed against this file based on AME report. It is contained on the correct files. Not disputing the deficiency because the reserve analysis is incomplete.   |
| 28                 | TBD                | Medical reserve reduction removing Life Expectancy estimate | (\$10,690.00)           | Reduced reserve to reflect approved SAR and small amount of intervening care.  |
| <b>Grand Total</b> | <b>(\$76,391)</b>  |   | <b>(\$95,347.32)</b>    |  |

The reserve accuracy component scored 83%, missing a passing score by a single file.

I would predict that medical reserve accuracy may continue to be an area of difficulty as we move forward. The Program's standard of 'most probable outcome' is largely subjective, involving the individual claim handler's experience and expertise. As a result, each individual reviewer is going to come to a file with different experience and expectations for outcome, which will always leave opportunity for differences of opinion when another party with different expectations views the file. We continue to gain insight into our particular reviewer's views on what may be probable, and what is not, through the audits and other file discussions, and will continue to work with the examiners to share what we learn as we go. It is not likely that we will ever have complete concurrence on what is to be expected in a particular situation. My primary

goal is to increase the examiners' performance with regard to documenting how they reached their particular estimation, so others reviewing can see the expectations used in formulating the estimate. Even if there are later differences of opinion due to different experiences and expertise, clear documentation will make it easier to determine what changes, if any, are needed.

Reserve evaluation timeliness scored 90%, a passing score, and an improvement from the Annual Audit.

### **Increased Costs due to Administrative Error:**

This audit did not identify any increased costs to the Program as a result of administrative error.

### **Overall Performance Scoring:**

#### **Areas of Success**

In review of the final draft of Bickmore's report, of the 28 components assessing AIMS' performance, we achieved the 85% compliance threshold on 11. Ordered by category and score, these were:

#### Technical:

- A4: Attorney Assignment Thorough: 100%
- A5: Assigned to Specific Attorney: 100%
- A7: QME Documents Submitted Timely: 100%
- A14: Management Addresses Concerns: 100%
- A2: Employer Communication: 90%
- A11: RTW Issues Managed Well: 86%

#### TPA Diaries/Contract Compliance:

- B8: Timely Response to Members: 100%
- B13: Settlement Guidelines Followed: 100%
- B7: Supervisor Review Follows Guidelines: 96%
- B3: Reserve Review Timely: 90%
- B9: Professional Response to Members: 86%

We will continue to manage these areas according to the Claim Handling Guidelines and Best Practices in order to maintain or increase these scores in 2018.

### **Improvement recommendations**

The remaining 17 components did not pass. Of the 17 components, 15 are only one to three files away from a passing score.

#### Technical:

- A1: Benefits paid correctly: 78% (2 from a passing score)
- A3: Investigation: 80% (1 from a passing score)
- A6: Attorney monitored: 80% (1 from a passing score)
- A8: Medical managed well: 75% (2 from a passing score)
- A9: Reserves accurate: 83% (1 away from a passing score)

A10: Resolution focus: 69% (4 from a passing score)  
A12: Subrogation: 33% (2 from a passing score)  
A13: Management guidance effective: 78% (1 from a passing score)

TPA Diaries/Contract Compliance:

B1: Excess reporting timely: 0% (1 from a passing score)  
B2: Plan of Action review timely: 83% (1 from a passing score)  
B4: Supervisor review timely: 78%. (2 from a passing score)  
B5: Proactive diaries set: 72% (3 from a passing score)  
B6: Supervisor review thorough: 81% (1 away from a passing score)  
B10: Issues recognized and escalated: 50% (1 from a passing score)  
B11: Settlement pursuit timely 44% (4 from a passing score)  
B12: SAR well documented: 60% (1 from a passing score)  
B14: Settlement submitted appropriately: 75% (1 from a passing score)

We note the Auditor's comment that there are 6 categories with less than 5 applicable files. There are actually 7 and we further note that there needs to be at least 7 files in any given category before a single deficiency renders that category unpassable. There are 10 categories that fall into that range in this audit, and 6 of them failed (albeit, by only 1 file each).

We agree with the Auditor's assessment that this audit may not reflect the overall work product of AIMS. We note that in the largest result swings, from 24% to 70%, both positive and negative, covering 6 categories, all contained fewer than 5 applicable files. With such a small sample, it is difficult to confirm that the gains or losses in score are truly substantive.

**AIMS Improvement Strategy**

Based on review of the audit findings, AIMS plans to continue to focus on the following areas to improve results.

- Communication
  - This is a key issue driving results in many of the audit categories. Timely and accurate information is needed to complete investigations, provide benefits in a proper fashion, and maintain necessary focus on claim resolution.
  - Examiners shall continue team building with their member contacts, establishing what is needed to provide appropriate benefit administration and brings claims to optimal resolution. This should help alleviate errors that result from a breakdown in information flow, such as late initiation of benefits, and decisions made without knowledge of all factors.
  - This will also likely improve the Members' scores related to their Response to Adjuster. If all parties are cognizant of file needs, they are easier to fulfill.
- Documentation
  - As was noted at the time of the Annual Audit, there are many categories where the work is likely done, but it cannot be confirmed via file documentation. This

was again noted in review of this Audit, where review of some deficiencies found that there was no actual error in action, but since the file was not documented appropriately, the deficiency cannot be rebutted.

- Examiners shall continue to maintain focus on improving documentation, recording all activity undertaken on the file, their thought process in making decisions, and memorializing calculations in detail.
  - In addition, examiners shall ensure that companion files where action is not actually occurring are documented clearly so the individual file's detail is supported, as well as how that file fits into the larger picture with the companion files.
- Oversight
    - Timeliness of supervisor review is one of the larger gains in score in this audit. Due to the short audit period and small number of files, it is difficult to assess the significance of this gain over the entire case load but it does bode well. It is imperative that the management team be in the files in order to confirm that all issues are being addressed in a proper fashion and give additional recommendations for handling if needed.
    - Supervisors, assisted by the Program Manager and Assistant Program Manager, shall continue their efforts to comply with the Program Guidelines for timely and thorough review.

In addition to continuing efforts in these areas that were identified in our last Audit, AIMS will also focus on:

- Increasing verification of data and improving attention to detail.
  - This includes the area of file material being directed to the correct file (or files) in situations of multiple files for a single employee. This gave rise to deficiencies on this audit where payments were made, or reserves were held, on one file when another of the employee's files should have issued those payments, or contained those reserves.
  - Another area that will be positively impacted by this heightened focus will be in calculation and payment of benefits, and completion of SARs. Determining earnings and integrating WC benefits with Member-administered benefits can be complex. Evaluating when benefits are due, or are not due, can also be complicated. It is only with proper focus on the details that we can ensure consistent provision of proper benefits.

To facilitate ongoing improvement in claims handling, we will continue with regular training with the examiners on focused topics. These will include the items discussed above and any other issues that arise in ongoing claims handling.

In closing, AIMS values the trust and confidence the Judicial Council of California has placed in our organization to provide Workers' Compensation Third Party Administration and Managed Care Services. We are committed to ongoing partnership and this program's overall success. Please be assured that all areas of deficiency has been noted, and all applicable processes and expectations will be thoroughly reviewed with our Judicial claims staff, as we are fully committed to providing you with a superior level of claims service.

Should you have any questions, please feel free to contact me. I may be reached by calling (916) 340-2349 or via email at [BHarville@aims4claims.com](mailto:BHarville@aims4claims.com).

Beth Harville, Program Manager  
Acclamation Insurance Management Services (AIMS)



September 5, 2018

Mr. Patrick Farrales, Supervising Analyst  
Human Resources | Administrative Division  
Judicial Council of California  
455 Golden Gate Avenue  
San Francisco, CA 94102-3688

E-mail: [patrick.farrales@jud.ca.gov](mailto:patrick.farrales@jud.ca.gov)

**RE: *Quarterly Spot Check Summary Final Report July 2018***

Dear Mr. Farrales:

Please find attached our final report of the spot check review conducted for the Judicial Branch Workers' Compensation Program, following the review of additional information supplied by Acclamation Insurance Management Services (AIMS).

Sincerely,

A handwritten signature in black ink, appearing to read "J. Miller".

Jacquelyn Miller  
Workers' Compensation Advisor

cc: Beth Harville [bharville@Aims4Claims.com](mailto:bharville@Aims4Claims.com)

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## Appendices

- A. Recommended Reserve Changes
- B. Scoring by Claim Summary
- C. Files Selected for Review
- D. AIMS Spot Check Response and Plans for Improvement



## I. Executive Summary

A quarterly review of the work product of the Third Party Administrator and JBWCP Member participation in the claims process was conducted July 15, 2018 through August 15, 2018.

30 files were randomly selected for review from the open claims inventory as of June 30, 2018. Files were evaluated against 32 specific criteria noted below.

| Member Issues                 |
|-------------------------------|
| D1 Reported Timely            |
| D2 Mod Duty Available         |
| D3 Participates in Claim      |
| D4 Response to Adjuster       |
|                               |
| Technical                     |
| A1 Benefits Paid Correctly    |
| A2 Employer Communication     |
| A3 Investigation              |
| A4 Attny Assignment Thorough  |
| A5 Assigned to Specific Attny |
| A6 Attny Monitored            |
| A7 QME Docs Sub Timely        |
| A8 Medical Well Mgd           |
| A9 Reserves Accurate          |
| A10 Resolution Focus          |
| A11 RTW Issues Well Mgd       |
| A12 Subrogation               |
| A13 Mgt Guidance Effective    |
| A14 Mgt Address Concerns      |
|                               |

| <b>TPA Diaries/Contract</b>   |
|-------------------------------|
| B1 Excess Reporting Timely    |
| B2 POA Review Timely          |
| B3 Reserve Review Timely      |
| B4 Supervisory Review Timely  |
| B5 Proactive Diaries Set      |
| B6 Sup Review Thorough        |
| B7 Sup Rev Follows Guidelines |
| B8 Timely Resp to Members     |
| B9 Prof Resp to Members       |
| B10 Issues Recog/Escalated    |
| B11 Settlement Pursuit Timely |
| B12 SAR Well Documented       |
| B13 Settlement Guide Followed |
| B14 Settlement Sub Approp     |

The work product from November 1, 2017 to June 30, 2018, was evaluated with an established target score of 85%. We score the overall compliance as shown in Table I-3, at 84% with comparison to the prior Spot Check and Annual reviews where applicable. This scoring is separated into three specific sections: Member Issues at 93%; Technical Score at 82%; and TPA Diaries/Contractual Score at 84%. The two areas reflecting only the work performance of AIMS (Technical and TPA Diaries/Contract) demonstrate a final audit score of 83%.

**Areas of Success are identified and recognized where actual scores at the criteria level (See Table I-1) achieve or exceed 85% compliance.**

**Opportunities for Improvement with Recommendations are identified where actual scores at the criteria level (see Table I-2) are below 85%.**

Worksheets were provided to AIMS for review of the findings and were used in providing audit feedback prior to this finalized report.

Appendix A provides “Recommended Reserve Changes” detailing our recommended reserve for the claims sample reviewed with a *decrease* of \$40,000, a 1.5% decrease from the Incurred total for the 30 files reviewed. It is noted the reserve recommendations are not limited to any one adjuster and were primarily due to over-reserving without application of “probable outcome” considerations.

**Table I-1**  
**Areas of Success**

| <b>Component</b>              | <b>Actual Score</b> | <b>Target Score</b> | <b>Recommendations</b>   |
|-------------------------------|---------------------|---------------------|--|
| <b>Member Issues</b>          |                     |                     |  |
| Reported Timely               | 100%                | 85%                 | All files reviewed during this period were reported timely by the members. This reflects a 25% increase over the prior Spot Check.   |
| Modified Duty Available       | 100%                | 85%                 | The member involvement in identifying modified duty opportunities is recognized in this review. This area shows an increase from the prior Spot Check of 15%   |
| Participation in Claim        | 95%                 | 85%                 | This area shows a decrease from the prior Spot Check of 5%, with one member showing a lack of timely response to the request for MSA vendor referral.  |
| Response to Adjuster          | 89%                 | 85%                 | This category shows an improvement of 13% over the prior Spot Check, with files noted for delayed response to a settlement request or vendor referral.   |
| <b>Technical</b>              |                     |                     |  |
| Benefits Paid Correctly       | 85%                 | 85%                 | This category demonstrated an increase of 7% over the prior Spot Check.  |
| Employer Communication        | 87%                 | 85%                 | While reaching the target score, this category showed a decrease of 3% from the prior Spot Check review, with improvement in accurate communication recommended.   |
| Investigation                 | 100%                | 85%                 | This category applied to less than 5 files and resulted in an increase of 20% over the prior Spot Check.   |
| Assigned to Specific Attorney | 100%                | 85%                 | Claims staff has documented referral to specific attorneys, rather than assigning the case to a firm and allowing the firm to determine who will represent the program. This review maintained the 100% rating of the prior Spot Check.                                      |
| Attorney Monitored            | 90%                 | 85%                 | This category showed a continued improvement with an increase of 10% over the prior Spot Check.  |
| Medical Mgd Well              | 86%                 | 85%                 | This category increased by 11% over the prior Spot Check. Communication with the injured worker and follow up on medical issues is recommended for continued improvement.  |
| Reserves Accurate             | 87%                 | 85%                 | An increase of 4% is noted in this category when compared to the prior Spot Check. A focus on "probable outcome" remains an area for continued work.   |
| RTW Issues Well Managed       | 86%                 | 85%                 | This category showed no change from the prior Spot Check with one file requiring verification of continued modified duty.  |
| Management Guidance Effective | 100%                | 85%                 | This category increased by 22% over the prior Spot Check.  |
| Management Addresses Concerns | 100%                | 85%                 | This category indicates the AIMS management staff has recognized specific issues which may have a negative impact on the program and provided appropriate guidance. This category continues to show success by AIMS staff. There were less than 5 applicable files reviewed. |

| Component                              | Actual Score | Target Score | Recommendations  |
|--|--------------|--------------|--|
| <b>TPA Diaries/Contract Compliance</b> |              |              |  |
| Plan of Action Review Timely           | 100%         | 85%          | This category improved by 17% over the prior Spot Check with all files demonstrating timely reviews.   |
| Reserve Review Timely                  | 93%          | 85%          | Files reviewed indicated the staff was meeting the contractual requirements for timely review of reserves. This is a 3% increase over the prior Spot Check.  |
| Supervisor Review Follows Guidelines   | 93%          | 85%          | The review indicates that supervisors have followed the Service Guideline requirements overall. This is a 3% decrease from the prior Spot Check.   |
| Timely Response to Members             | 92%          | 85%          | This represents an 8% decrease from the prior Spot Check, while exceeding the target goal.   |
| Professional Response to Members       | 85%          | 85%          | Communication documented in the files reviewed indicates the claims staff is providing professional responses to member inquiries. However, this is a 1% decrease from the prior Spot Check.                                     |
| Settlement Guidelines Followed         | 100%         | 85%          | This category indicates for those applicable files, AIMS followed the guidelines in place at the time of settlement. This continues to be an area of success for AIMS. It is noted only 4 files were reviewed for this category. |

**Table I-2**  
**Recommendations to Improve Performance**

| Component  | Actual Score | Target Score | Recommendations   |
|--|--------------|--------------|---|
| <b>Member Issues – No Categories Below the Target.</b> |              |              |   |
| <b>Technical</b>                                       |              |              |   |
| Attorney Assignment Thorough                           | 80%          | 85%          | This category shows a decrease from the prior Spot Check of 20%, there were only 5 applicable files and one file failed to contain an actual legal referral, specific to the file.  |
| QME Documents Submitted Timely                         | 80%          | 85%          | This review demonstrates a decrease of 20% from the prior Spot Check and applied to only 5 files, with one file noted for delayed submission of the QME letter.   |
| Resolution Focus                                       | 50%          | 85%          | The category dropped 19% from the prior Spot Check. Recommend claims staff set proactive diaries for follow up and management of case resolution. Focus on timely and accurate provision of benefit notices and information to the DWC is required.   |
| Subrogation  | N/A          | 85%          | No files selected for review involved Subrogation.  |
| <b>TPA Diaries/Contract Compliance</b>                 |              |              |   |
| Excess Reporting Timely                                | 0%           | 85%          | As with the prior Spot Check review, this category applied to only 1 file, which demonstrated delayed reporting.  |
| Supervisor Review Timely                               | 79%          | 85%          | This category increased by 1% over the prior Spot Check, continued focus on Service Guidelines diary review targets for all supervisory staff is recommended.   |
| Proactive Diaries                                      | 73%          | 85%          | This category increased by 1% over the prior Spot Check. Use of diaries in a proactive and planned manner as a tool focused on case resolution will help the adjusters manage their cases. Some files had Proactive Diaries, but were reviewed late.  |
| Supervisor Review Thorough                             | 79%          | 85%          | This category dropped 2% from the prior Spot Check. Continue to recommend supervisory reviews provide a review of all open claim issues and provide appropriate guidance to claims staff as necessary regarding case resolution.  |
| Issues Recognized and Escalated                        | 75%          | 85%          | While this category only applied to 4 files, an increase by 25% is noted. It is recommended all claims staff receive training on the importance of recognizing service issues, such as delayed response from Courts and escalating them appropriately.  |
| Settlement Pursuit Timely                              | 17%          | 85%          | This category dropped by 27% from the prior Spot Check. We recommend claims staff be provided with an overview of the items noted for delayed settlement pursuit in this review and discussions and/or training provided on how to reduce these delays in the future, specifically regarding completion and submission of Settlement Requests to the members. |

| Component                                     | Actual Score | Target Score | Recommendations   |
|---|--------------|--------------|---|
| Settlement Authority Requests Well Documented | 75%          | 85%          | While this category applied to only 4 files, this review reflects an increase of 15% over the prior Spot Check review. Completions of Settlement Requests should include all issues resolved, recognizing overpayments and reflecting accurate financial information. |
| Settlement Submitted Appropriately            | 75%          | 85%          | There has been no change in this category, with 4 files reviewed. Appropriate completion of the settlement documents should be reviewed with staff.   |
|   |              |              |   |

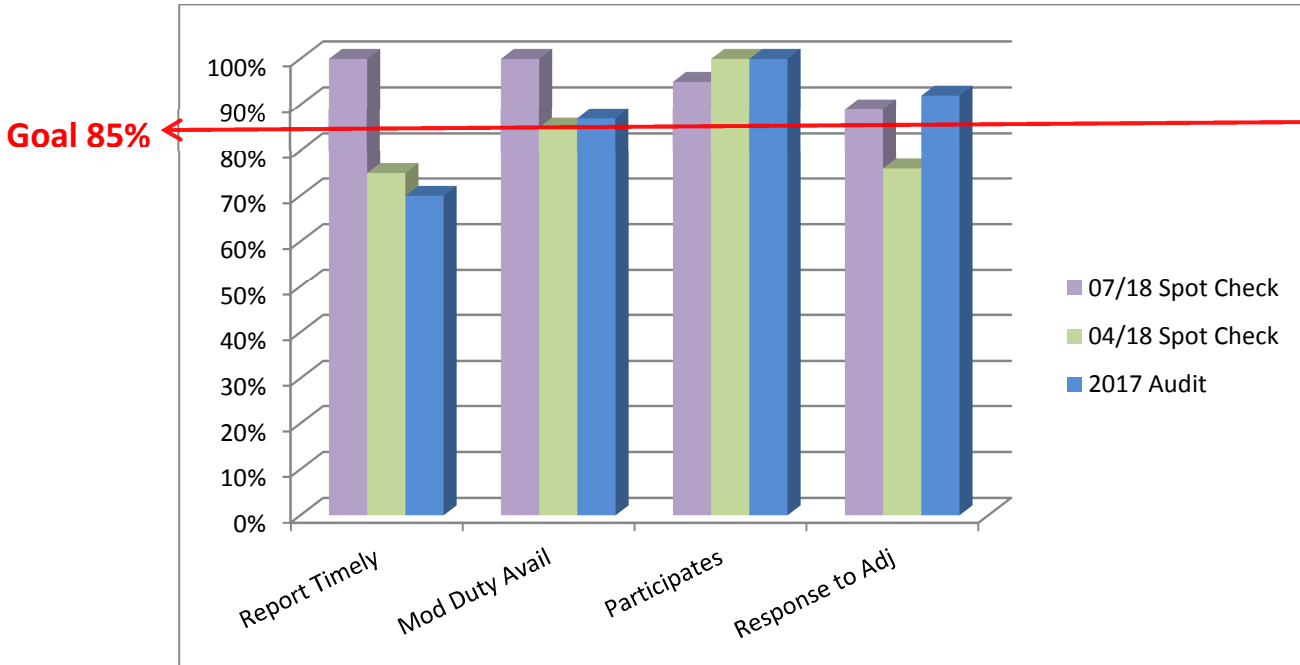
**Table I-3**  
**Summary Scores by Criteria with Comparisons**

| Member Issues                 | Target     | 07/18 Spot Check | Comparison To Target | 04/18 Spot Check | Comparison 07/18 - 04/18 | 2017 Annual Audit | Comparison 07/19 - Annual Audit |
|-------------------------------|------------|------------------|----------------------|------------------|--------------------------|-------------------|---------------------------------|
| D1 Reported Timely            | 85%        | 100%             | 15%                  | 75%              | 25%                      | 70%               | 30%                             |
| D2 Mod Duty Available         | 85%        | 100%             | 15%                  | 85%              | 15%                      | 87%               | 13%                             |
| D3 Participates in Claim      | 85%        | 95%              | 10%                  | 100%             | -5%                      | 100%              | -5%                             |
| D4 Response to Adjuster       | 85%        | 89%              | 4%                   | 76%              | 13%                      | 92%               | -3%                             |
| <b>Member Issues Overall</b>  | <b>85%</b> | <b>93%</b>       | <b>8%</b>            | <b>87%</b>       | <b>6%</b>                | <b>90%</b>        | <b>3%</b>                       |
| Technical                     | Target     | 07/18 Spot Check | Comparison To Target | 04/18 Spot Check | Comparison 07/18 - 04/18 | 2017 Annual Audit | Comparison 07/19 - Annual Audit |
| A1 Benefits Paid Correctly    | 85%        | 85%              | On Target            | 78%              | 7%                       | 80%               | 5%                              |
| A2 Employer Communication     | 85%        | 87%              | 2%                   | 90%              | -3                       | 88%               | -1%                             |
| A3 Investigation              | 85%        | 100%             | 15%                  | 80%              | 20%                      | 81%               | 19%                             |
| A4 Attny Assignment Thorough  | 85%        | 80%              | -5%                  | 100%             | -20%                     | 65%               | 15%                             |
| A5 Assigned to Specific Attny | 85%        | 100%             | 15%                  | 100%             | No Change                | 76%               | 24%                             |
| A6 Attny Monitored            | 85%        | 90%              | 5%                   | 80%              | 10%                      | 78%               | 12%                             |
| A7 QME Docs Sub Timely        | 85%        | 80%              | -5%                  | 100%             | -20%                     | 90%               | -10%                            |
| A8 Medical Well Mgd           | 85%        | 86%              | 1%                   | 75%              | 11%                      | 87%               | -1%                             |
| A9 Reserves Accurate          | 85%        | 87%              | 2%                   | 83%              | 4%                       | 84%               | 3%                              |
| A10 Resolution Focus          | 85%        | 50%              | -35%                 | 69%              | -19%                     | 80%               | -30%                            |
| A11 RTW Issues Well Mgd       | 85%        | 86%              | 1%                   | 86%              | No Change                | 91%               | -5%                             |
| A12 Subrogation               | 85%        | N/A              | N/A                  | 33%              | N/A                      | 62%               | N/A                             |
| A13 Mgt Guidance Effective    | 85%        | 100%             | 15%                  | 78%              | 22%                      | 83%               | 17%                             |
| A14 Mgt Address Concerns      | 85%        | 100%             | 15%                  | 100%             | No Change                | 81%               | 19%                             |
| <b>Technical Overall</b>      | <b>85%</b> | <b>82%</b>       | <b>-3%</b>           | <b>81%</b>       | <b>1%</b>                | <b>83%</b>        | <b>-1%</b>                      |

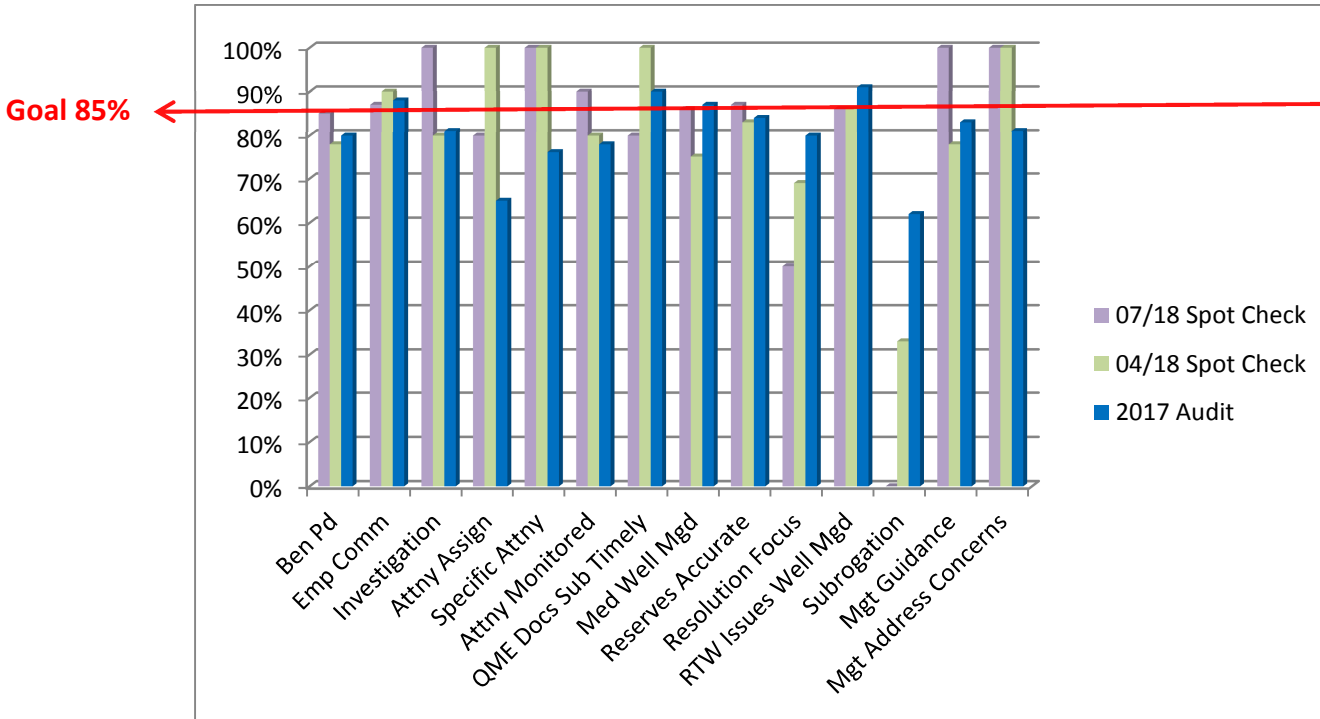
| TPA Diaries/Contract            | Target     | 07/18 Spot Check | Comparison To Target | 04/18 Spot Check | Comparison 07/18 - 04/18 | 2017 Annual Audit | Comparison 07/19 - Annual Audit |
|---------------------------------|------------|------------------|----------------------|------------------|--------------------------|-------------------|---------------------------------|
| B1 Excess Reporting Timely      | 85%        | 0%               | -85%                 | 0%               | No Change                | 70%               | -70%                            |
| B2 POA Review Timely            | 85%        | 100%             | 15%                  | 83%              | 17%                      | 72%               | 28%                             |
| B3 Reserve Review Timely        | 85%        | 93%              | 8%                   | 90%              | 3%                       | 84%               | 9%                              |
| B4 Supervisory Review Timely    | 85%        | 79%              | -6%                  | 78%              | 1%                       | 57%               | 22%                             |
| B5 Proactive Diaries Set        | 85%        | 73%              | -12%                 | 72%              | 1%                       | 85%               | -12%                            |
| B6 Sup Review Thorough          | 85%        | 79%              | -6%                  | 81%              | -2%                      | 84%               | -5%                             |
| B7 Sup Rev Follows Guidelines   | 85%        | 93%              | 8%                   | 96%              | -3%                      | 88%               | 5%                              |
| B8 Timely Resp to Members       | 85%        | 92%              | 7%                   | 100%             | -8%                      | 99%               | -7%                             |
| B9 Prof Resp to Members         | 85%        | 85%              | On Target            | 86%              | -1%                      | 96%               | -11%                            |
| B10 Issues Recog/Escalated      | 85%        | 75%              | -10%                 | 50%              | 25%                      | 83%               | -8%                             |
| B11 Settlement Pursuit Timely   | 85%        | 17%              | -68%                 | 44%              | -27%                     | 60%               | -43%                            |
| B12 SAR Well Documented         | 85%        | 75%              | -10%                 | 60%              | 15%                      | 85%               | -10%                            |
| B13 Settlement Guide Followed   | 85%        | 100%             | 15%                  | 100%             | No Change                | 83%               | 17%                             |
| B14 Settlement Sub Approp       | 85%        | 75%              | -10%                 | 75%              | No Change                | 85%               | -10%                            |
| <b>TPA Diaries/Contract</b>     | <b>85%</b> | <b>84%</b>       | <b>-1%</b>           | <b>82%</b>       | <b>2%</b>                | <b>81%</b>        | <b>3%</b>                       |
| <b>Overall Spot Check Score</b> | <b>85%</b> | <b>84%</b>       | <b>-1%</b>           | <b>82%</b>       | <b>2%</b>                | <b>83%</b>        | <b>1%</b>                       |



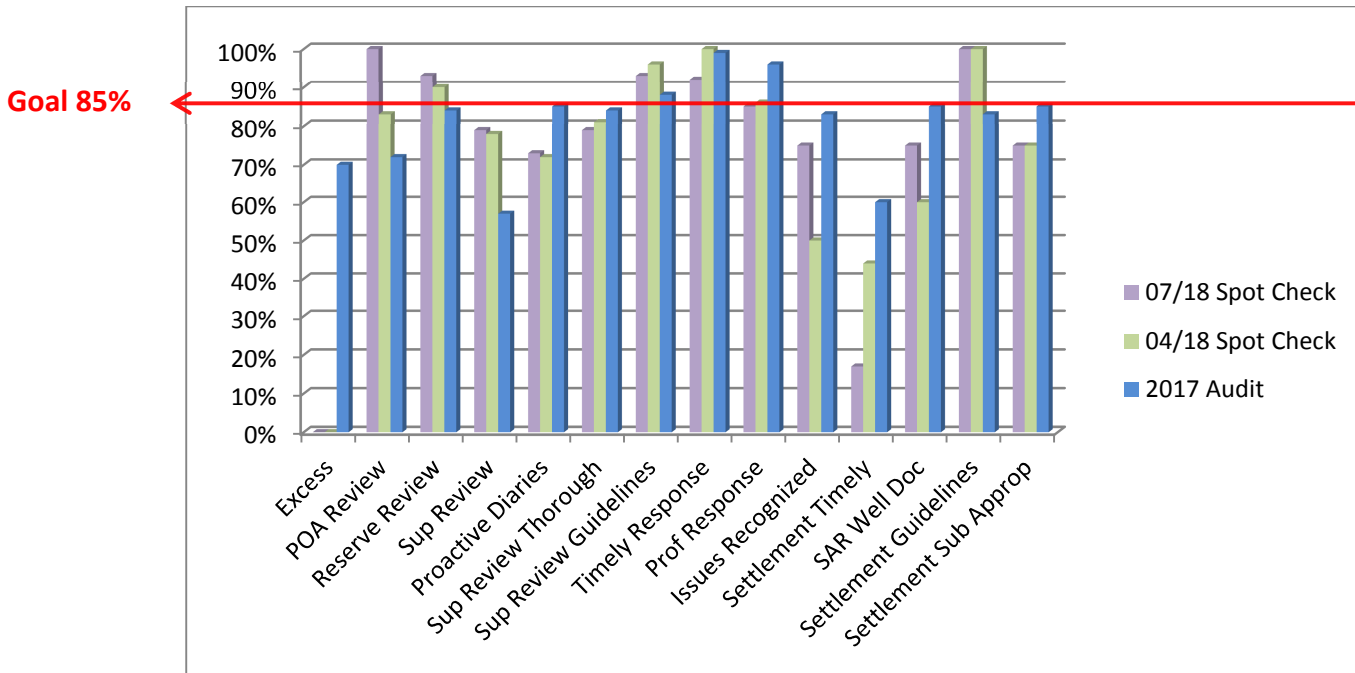
### Member Issues



### Technical



### Diaries/Contract Compliance



We recommend our report be read in its entirety.

## II. Spot Check Analysis

The July 2018 Spot Check analyzed the work product of AIMS and interaction with the JBWCP Members for the period of November 1, 2017 – June 30, 2018 only. In reviewing this report, consideration of this short review period will indicate there are many categories with limited work product for evaluation. As there are 8 categories with less than 5 applicable files reviewed, this may not reflect the overall work product of AIMS. Future Spot Check reviews as well as the 2018 Annual Audit will provide an increased number of applicable files and information regarding the work product.

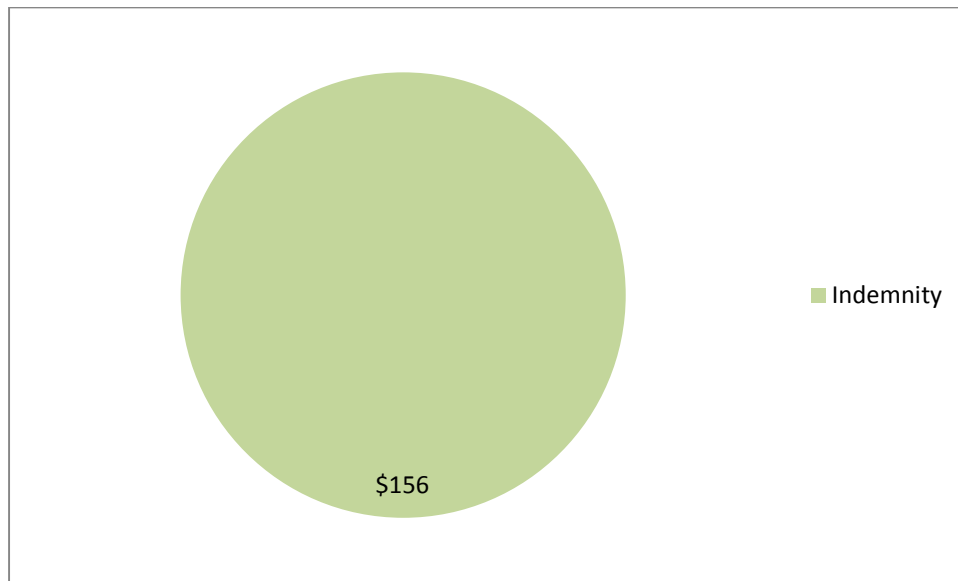
The active Indemnity caseload for the adjusters as of June 30, 2018 was 81 files; this is an increase of 10 files when compared to March 31, 2018. The Future Medical adjuster is assigned 192 files, an increase of 4 files. One adjuster (CVC) is noted for an overall caseload of 137 files, 4 Medical Only, 31 Future Medical and 102 active Indemnity cases which places her well above the average active indemnity caseload of 81 files. 3 files were selected for this adjuster and demonstrate an overall compliance rating of 91%. The prior Spot Check provided a compliance rating of 79% (again for 3 files). Considering the limited number of files reviewed, the results do not indicate significant compliance difference when compared to all adjusters evaluated.

Files were reviewed against established audit criteria. The evaluation of staffing turnover indicated only 2 files reviewed involved assignment of 3 or more adjusters. Therefore further analysis of turnover impact has not been included in this report.

Files were also reviewed for increased costs due to administrative error, finding a total of \$156 incurred relating to delayed or overpaid Temporary Disability. This increased cost has been noticed to AIMS for reimbursement to the program as appropriate.

**Exhibit II-1**

**Increased Costs Due to Administrative Error**



**Table II-1**

**Files Identified for Specific Increased Costs**

| Item #                      | Member  | Amount Incurred | Medical   | Legal     | Indemnity    | Comment            |
|-----------------------------|---------|-----------------|-----------|-----------|--------------|--------------------|
| 13                          | Ventura | \$156           |           |           | \$156        | Late payment of TD |
| <b>Total Costs Incurred</b> |         | <b>\$156</b>    | <b>\$</b> | <b>\$</b> | <b>\$156</b> |                    |

## **Appendix A**

### **Recommended Reserve Changes**

### Recommended Reserve Changes

| Item #             | Original Incurred | Recommended Change | Recommended Incurred | Comments                          |
|--------------------|-------------------|--------------------|----------------------|-----------------------------------|
| 5                  | \$9,000           | -\$1,500           | \$7,500              | QME Paid on other claim           |
| 10                 | \$37,000          | -\$13,500          | \$23,500             | Surgeries not considered probable |
| 11                 | \$117,239         | -\$15,000          | \$102,239            | Surgeries not considered probable |
| 21                 | \$125,585         | \$10,000           | \$115,585            | Surgeries not considered probable |
| <b>Grand Total</b> | <b>\$288,824</b>  | <b>-\$40,000</b>   | <b>\$248,824</b>     |                                   |

### Recommended Reserve Changes by Reserve Category

| CATEGORY            | RECOMMENDED CHANGE |
|---------------------|--------------------|
| Medical             | \$(39,500)         |
| Bill Review         | \$(500)            |
| <b>TOTAL CHANGE</b> | <b>\$(40,000)</b>  |

## **Appendix B**

### **Scoring by Claim Summary**



## **Appendix C**

### **Files Selected For Review**



## Files Selected for Review

| Ref # | Claim Number |
|-------|--------------|
| 1     | 170000671JUD |
| 2     | 170000158JUD |
| 3     | 160000020JUD |
| 4     | JC14020367   |
| 5     | 160000643JUD |
| 6     | 170000123JUD |
| 7     | JC07000339   |
| 8     | JC08000594   |
| 9     | JC10000803   |
| 10    | 180000214JUD |

| Ref # | Claim Number |
|-------|--------------|
| 11    | JC13020421   |
| 12    | JC11000281   |
| 13    | 170000769JUD |
| 14    | JC13020519   |
| 15    | 180000409JUD |
| 16    | JC13020463   |
| 17    | 180000612JUD |
| 18    | 170000630JUD |
| 19    | JC13020003   |
| 20    | 170000050JUD |

| Ref # | Claim Number |
|-------|--------------|
| 21    | JC03000282   |
| 22    | 160000463JUD |
| 23    | JC04001062   |
| 24    | JC90000007   |
| 25    | JC06000173   |
| 26    | 170000509JUD |
| 27    | JC04000924   |
| 28    | JC12020592   |
| 29    | JC02000320   |
| 30    | JC07000125   |

## **Appendix D**

### **AIMS Spot Check Response and Plans for Improvement**

## July 2018 Spot Check Audit Response

**FROM:** Beth Harville, Program Manager, Acclamation Insurance Management Services  
**TO:** Patrick Farrales, Supervising Analysis, Judicial Council of California  
**CC:** Jacquelyn Miller, Workers' Compensation Advisor, Bickmore

**Report Date:** August 25, 2018

Dear Patrick:

I have reviewed the July 2018 Quarterly Spot Check Summary Preliminary Report, received on 8/13/18, and have prepared my summary and response as directed below.

### **AUDIT SUMMARY:**

The passing score on this audit was 85%. Our total score after rebuttals is 83%.

The Bickmore audit team examined and scored a sample of 30 claims for technical administration during the period November 1, 2017, through June 30, 2018.

This audit format remains consistent with the Annual Audit completed in November 2017 and our last Spot Check Audit which took place in April-May 2018 with another 30 files. Our Annual Audit is upcoming in November 2018 and will review a total of 180 files.

As previously noted, there are three components to this audit: Member Issues, Technical, and TPA Diaries/Contract Compliance. Member Issues evaluates four categories related to Member actions, and the other two have fourteen categories each, evaluating the Claims Administrator's actions. This results in a final score for each separate component, an overall score for all components jointly, and a Claims Administrator final score using the information from both Technical and TPA Diaries/Contract Compliance.

A breakdown of the key points noted in the audit, by way of the narrative or the addendums is outlined below, followed by our response and improvement strategy to make up any deficits noted.

**Reserve change recommendations:** Appendix A provides of the audit report "Recommended Reserve Changes" showing the auditor's recommended net reserve change for the claims sample reviewed program-wide as a decrease of \$40,000 over 4 files. We do not dispute these changes and they have already been completed on the impacted files.

**Increased Costs due to Administrative Error:** The Preliminary Audit Report identified increased costs to the claims totaling \$222, but after further rebuttal, this increase has been lowered to \$156. This error took place in November 2017 and had been identified by AIMS prior to the Audit and was reimbursed to the Program on 1/26/18.

**Scoring Analysis:** Although the final score of 83% remains below the 85% compliance level, it represents an increase in score from the last Spot Check of two percentage points and one point over the last Annual Audit. We have increased our number of passing audit categories from 10 in the Annual Audit to 11 in the April Spot Check to 16 in this one.

## **AIMS' RESPONSE AND IMPROVEMENT STRATEGY**

### **Areas of Success**

In review of the Bickmore's preliminary report and subsequent rebuttal responses, of the 28 categories assessing AIMS' performance, we achieved the 85% or greater compliance threshold on 16. One category, Subrogation, was not applicable in any of the audited file so no score was recorded.

Ordered by category and score, the areas of success were:

#### Technical:

- A3: Investigation: 100%
- A5: Assigned to Specific Attorney: 100%
- A13: Management guidance effective: 100%
- A14: Management Addresses Concerns: 100%
- A6: Attorney monitored: 90%
- A2: Employer Communication: 87%
- A9: Reserves accurate: 87%
- A8: Medical managed well: 86%
- A11: RTW Issues Managed Well: 86%
- A1: Benefits paid correctly: 85%

#### TPA Diaries/Contract Compliance:

- B2: Plan of Action review timely: 100%
- B13: Settlement Guidelines Followed: 100%
- B3: Reserve Review Timely: 93%
- B7: Supervisor Review Follows Guidelines: 93%
- B8: Timely Response to Members: 92%
- B9: Professional Response to Members: 85%

We will continue to manage these areas according to the Claim Handling Guidelines and Best Practices in order to maintain or increase these scores in the upcoming Annual Audit and all other audits moving forward.

### **Improvement recommendations**

The remaining 11 categories did not pass. Of the 11, 6 are only one files away from a passing score.

#### Technical:

- A4: Attorney Assignment Thorough: 80% (1 from a passing score)
- A7: QME Documents Submitted Timely: 80% (1 from a passing score)
- A10: Resolution focus: 50% (9 from a passing score)

TPA Diaries/Contract Compliance:

- B4: Supervisor review timely: 79%. (2 from a passing score)
- B6: Supervisor review thorough: 79% (2 from a passing score)
- B10: Issues recognized and escalated: 75% (1 from a passing score)
- B12: SAR well documented: 75% (1 from a passing score)
- B14: Settlement submitted appropriately: 75% (1 from a passing score)
- B5: Proactive diaries set: 73% (3 from a passing score)
- B11: Settlement pursuit timely 17% (4 from a passing score)
- B1: Excess reporting timely: 0% (1 from a passing score)

We note the Auditor's comment that there are 8 categories with less than 5 applicable files. As we noted in our last Audit Response, there needs to be 7 applicable files in any given category or a single error will render that category unpassable. There are 14 categories that fall into that range in this audit, and 7 of them failed (6 of them by only 1 file each). Because of this issue with applicability of some of these categories to a sufficient number of files, we agree with the Auditor's assessment that this audit may not reflect the overall work product of AIMS.

**AIMS Improvement Strategy**

Based on review of the audit findings, our greatest areas of concern have been identified as the following categories:

- A10: Resolution Focus: 50% (13 deficiencies)
- B4: Supervisor Review Timely: 79% (6 deficiencies)
- B5: Proactive Diaries: 73% (7 deficiencies)
- B6: Supervisor Review Thorough: 79% (6 deficiencies)
- B11: Settlement Pursuit Timely: 17% (5 deficiencies)

AIMS plans to focus on the following areas to improve results.

- Documentation – We continue to address the issue of documentation with the staff. As has been noted on prior audits, there is often an explanation to support the action being taken, or to explain why certain other actions have not been taken, but without the explanation in the file, the auditor, or others reviewing the file, will not be able to see this. With the level of scrutiny on these files, we must be extremely clear in what is being planned, what is being done, and what the ongoing goals are on each file.
- Sense of Urgency – In the areas of Resolution Focus and Timely Settlement Pursuit, there were deficiencies noted due to the length of time between receipt of a permanent and stationary report and initiation of the SAR process. There may be times when there is a need to obtain additional information, and this needs to be documented thoroughly to demonstrate the plan. In other situations, we need to move more quickly on completing the process of bringing the file to conclusion.

- Attention to detail – There were again a few deficiencies noted related to file material being directed to incorrect file(s) in situations of multiple files for a single employee, incorrect notices sent, or diaries missed. While handling claims can be fast-paced, these caseloads have been designed to enable us to increase our focus on the details to consistently provide more accurate file management.
- Communication – This has been a key issue in our improvement plan over the last two audits and it appears to have had results. Review of the individual deficiencies does not appear to be as driven by this issue as it was in the past. We will continue to maintain our focus on this area in order to continue our improvement.
- Oversight – Two of the five areas identified above relate to oversight by way of the supervisor reviews. Timeliness of supervisor reviews continues to improve but thoroughness score has decreased. There may be a correlation there in that getting into more files may have caused the time spent on each file to lessen. The management team as a whole continues to strive to increase supervisory presence in the files while ensuring that all issues are being noted and addressed thoroughly.

A training session was held with the staff on 8/23/18 regarding the audit findings, with particular attention paid to the categories of Resolution Focus, Proactive Diaries, and Timely Settlement Pursuit. We went through the deficiencies in these categories one by one, noting that all three of these areas tend to impact each other a great deal. A deficiency in B5 or B11 will almost always result in a corresponding deficiency in A10, Resolution Focus, which is a primary area of concern for this Program. We discussed Program expectations, along with AIMS' expectations, in order to improve our file, and ultimately audit, results.

We will continue with regular training with the examiners on general claims topics and on specific Program issues. Our next Program-specific training is expected to be completed when the updated Claims Handling Service Guidelines are finalized. The plan at this time is to go through the entire document to ensure that everyone is clear on all Program requirements. In closing, AIMS values the trust and confidence the Judicial Council of California has placed in our organization to provide Workers' Compensation Third Party Administration and Managed Care Services. We are committed to our ongoing partnership and this program's overall success. Please be assured that all areas of deficiency have been noted, and all applicable processes and expectations will continue to be thoroughly reviewed with our Judicial claims staff, as we are fully committed to providing you with a superior level of claims service.

Should you have any questions, please feel free to contact me. I may be reached by calling (916) 340-2349 or via email at [BHarville@aims4claims.com](mailto:BHarville@aims4claims.com).

Beth Harville, Program Manager  
Acclamation Insurance Management Services (AIMS)

**TAB 9**

January 16, 2019

Mr. Patrick Farrales, Supervising Analyst  
Human Resources | Administrative Division  
Judicial Council of California  
455 Golden Gate Avenue  
San Francisco, CA 94102-3688

E-mail: [patrick.farrales@jud.ca.gov](mailto:patrick.farrales@jud.ca.gov)

**RE: 2018 Claims Technical and Contractual Administration Audit – Final Draft Report**

Dear Mr. Farrales:

Please find attached our preliminary draft report of audit findings for the technical and contractual audit of claims administration conducted for the Judicial Branch Workers' Compensation Program in 2018.

York appreciates the opportunity to provide claims auditing services and the assistance received from personnel of the Judicial Branch Workers' Compensation Program and staff at the third-party administrator, Acclamation Insurance Management Services, Inc., in completing this audit.

This report has been provided to Acclamation Insurance Management Services, Inc. for their review and response, which has been included.

Sincerely,

**DRAFT**

Jacquelyn Miller  
Senior Advisor, Workers' Compensation  
916.290.4615  
[Jacquelyn.Miller@yorkrisk.com](mailto:Jacquelyn.Miller@yorkrisk.com)

cc: Beth Harville [bharville@Aims4Claims.com](mailto:bharville@Aims4Claims.com)  
Angela Bernard [Angela.Bernard@yorkrisk.com](mailto:Angela.Bernard@yorkrisk.com)  
Jeff Johnston [Jeffrey.Johnston@yorkrisk.com](mailto:Jeffrey.Johnston@yorkrisk.com)



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| II-1 Increased Costs Due to Administrative Error..... | 13 |

## Appendices

- A Files Selected for Review
- B Recommended Reserve Changes
- C Scoring by Claim Summary
- D AIMS Audit Response

## I. Executive Summary

The Judicial Branch Workers' Compensation Program (JBWCP) is a permissibly uninsured workers' compensation program. The third party administrator (TPA), Acclamation Insurance Management Services, Inc. (AIMS), has provided claims administration services to the program since October 1, 2014. The JBWCP requires an annual audit of the claim administration services be conducted and presented to the JBWCP Advisory Committee to ensure workers' compensation benefits are provided accurately, and within regulatory and contractual standards.

To assist the JBWCP in assessing the performance of contracted workers' compensation technical services, we:

- Solicited and analyzed claims data and considered the audit report and audit criteria from the amended criteria utilized in the 2017 audit. Under the direction of the Advisory Committee, we have evaluated 30 claims each in two Spot Check reviews, which are included for comparison purposes. We selected a cross section of claims related to the Program with sufficient claims in the sampling to represent overall performance;
- Examined and scored a sample of 180 claims (the audit sampling was increased by 30 files to represent a final Spot Check review for 2018) for technical administration and contractual compliance for the work performed during the period of November 1, 2017 through October 31, 2018. The audit was conducted by review of electronic claim files offsite by Jacquelyn Miller and Dennis Mitchell via remote access to AIMS' NavRisk system. It is recognized that access to the system provides some limitations, and where necessary the AIMS staff has provided additional information or clarification to the audit findings which are considered in the finalization of this report;
- Communicated with AIMS Management throughout the audit, providing feedback on individual claim findings. AIMS was given the opportunity to provide rebuttals to the feedback for the auditors' reconsideration of scoring; and
- Provided preliminary audit results to the JBWCP staff and AIMS by teleconference on December 20, 2018.

**The target score identified for compliance by the Committee has been established at 85%. We score the overall compliance as shown in Table I-3 at 90% with comparison to the 2017 Audit and Spot Check reviews where applicable, showing the change in percentage score.**

This scoring is separated into three specific sections:

- Member Issues at 95%;
- Technical Score at 88%; and
- TPA Diaries/Contractual Score at 90%.

The two areas reflecting only the work performance of AIMS (Technical and TPA Diaries/Contractual) demonstrate a final audit score of 89%.

Table I-3 demonstrates improvement in both the AIMS Overall Score and the Final Audit Score. It is recommended consideration for adjusting the target score to 90% compliance be considered to promote continued improvement.

The Scoring Calculation followed the same process as prior audits. Each category was evaluated for the number of applicable items within that category against the number of applicable items meeting the criteria, generating a true average per category.

The overall audit compliance evaluated ALL items applicable in ALL categories against those items in ALL categories meeting the criteria. This provides for a true average score by category, as well as a true average score overall.

Due to prior staffing turnover issues, the data point tracking the number of Indemnity Adjusters and Supervisors assigned to each file during the review period was evaluated. This allows for the identification of audit criteria impacted by staff turnover and discussed in detail in the Audit Analysis.

To arrive at our performance assessment, we graded each claim included in Appendix A, "Files Selected for Review".

Files were evaluated against 32 specific criteria noted below.

| Member Issues            |
|--------------------------|
| D1 Reported Timely       |
| D2 Mod Duty Available    |
| D3 Participates in Claim |
| D4 Response to Adjuster  |

| Technical                     |
|-------------------------------|
| A1 Benefits Paid Correctly    |
| A2 Employer Communication     |
| A3 Investigation              |
| A4 Attny Assignment Thorough  |
| A5 Assigned to Specific Attny |
| A6 Attny Monitored            |
| A7 QME Docs Sub Timely        |
| A8 Medical Well Mgd           |
| A9 Reserves Accurate          |
| A10 Resolution Focus          |
| A11 RTW Issues Well Mgd       |
| A12 Subrogation               |
| A13 Mgt Guidance Effective    |
| A14 Mgt Address Concerns      |
| TPA Diaries/Contract          |
| B1 Excess Reporting Timely    |
| B2 POA Review Timely          |
| B3 Reserve Review Timely      |
| B4 Supervisory Review Timely  |
| B5 Proactive Diaries Set      |
| B6 Sup Review Thorough        |
| B7 Sup Rev Follows Guidelines |
| B8 Timely Resp to Members     |
| B9 Prof Resp to Members       |
| B10 Issues Recog/Escalated    |
| B11 Settlement Pursuit Timely |
| B12 SAR Well Documented       |
| B13 Settlement Guide Followed |
| B14 Settlement Sub Approp     |

**Areas of Success** are identified and recognized where actual scores at the criteria level (See Table I-1) achieve or exceed 85% compliance.

**Opportunities for Improvement with Recommendations** are identified where actual scores at the criteria level (see Table I-2) are below 85% compliance.

Worksheets were provided to AIMS for review of the findings and were used in providing audit feedback prior to the finalized draft report. To maintain confidentiality these worksheets are not included with this report, but will be made available to authorized readers upon request.

Appendix B provides "Recommended Reserve Changes" detailing our recommended reserves for the claims sample reviewed with a *decrease* of \$60,974, a less than 1% decrease from the incurred total for the 180 files reviewed. Additional files were identified for a review of the outstanding reserves, with non-specific recommendations. AIMS has been provided information on each of these claims in the audit worksheets.

**Table I-1**  
**Areas of Success**

| Component                      | Actual Score | Target Score | Recommendations  |
|--------------------------------|--------------|--------------|--|
| <b>Member Issues</b>           |              |              |  |
| Modified Duty Available        | 91%          | 85%          | The member involvement in identifying modified duty opportunities is recognized in this review. This area shows an increase from the prior Audit of 4%.  |
| Participation in Claim         | 100%         | 85%          | This area continues to be a success for the members. Each member involved in the claims review, actively participated with the claims staff. This category remains unchanged from the prior Audit. |
| Response to Adjuster           | 99%          | 85%          | This category shows an improvement of 7% over the prior Audit, with the members remaining responsive to adjusters' request for information and authorization.                                      |
| <b>Technical</b>               |              |              |  |
| Benefits Paid Correctly        | 88%          | 85%          | This category demonstrated an increase of 8% over the prior Audit.   |
| Employer Communication         | 94%          | 85%          | This category demonstrated an increase of 6% over the prior Audit.   |
| Investigation                  | 90%          | 85%          | This category demonstrated an increase of 9% over the prior Audit.   |
| Attorney Assignment Thorough   | 93%          | 85%          | This category demonstrated a significant increase of 28% over the prior Audit. It is recognized, this increase was supported by increased file documentation when the file assignment issued.      |
| Assigned to Specific Attorney  | 100%         | 85%          | This category showed a significant improvement of 24% over the prior Audit.  |
| Attorney Monitored             | 99%          | 85%          | This category increased by 21% over the prior Audit, with improvement in file documentation demonstrating attorney monitoring as required.   |
| QME Documents Submitted Timely | 92%          | 85%          | An increase of 2% is noted in this category when compared to the prior Audit.  |
| Medical Managed Well           | 93%          | 85%          | This category an increase of 6% over the prior Audit.  |

| Component                                    | Actual Score | Target Score | Recommendations  |
|--|--------------|--------------|--|
| RTW Issues Well Managed                      | 88%          | 85%          | While in compliance and exceeding the target of 85%, this category decreased by 8% from the prior Audit. Improved documentation of RTW efforts and discussions is recommended.   |
| Subrogation                                  | 91%          | 85%          | This category demonstrated a significant increase of 29% over the prior Audit, with AIMS improving file documentation regarding pursuit of Subrogation opportunities.            |
| Management Guidance Effective                | 85%          | 85%          | This category meets the target of 85%, with an increase of 2% over the prior Audit.  |
| Management Addresses Concerns                | 91%          | 85%          | This category increased by 10% over the prior Audit.   |
| <b>TPA Diaries/Contract Compliance</b>       |              |              |  |
| Plan of Action Review Timely                 | 94%          | 85%          | This category improved by 22% over the prior Audit, with a majority of the files demonstrating timely reviews.   |
| Reserve Review Timely                        | 97%          | 85%          | This category improved by 13% over the prior Audit.  |
| Proactive Diaries Set                        | 93%          | 85%          | The review indicates the adjusters are setting proactive diaries focused on moving the cases through the system. This category demonstrates an 8% increase over the prior Audit. |
| Supervisor Review Thorough                   | 85%          | 85%          | This represents a 1% increase over the prior Audit, bringing this category in to compliance. Continued review, documentation and guidance provided on all issues is recommended. |
| Supervisor Review Follows Guidelines         | 98%          | 85%          | This review indicates a 10% increase over the prior Audit.   |
| Timely Response to Members                   | 99%          | 85%          | This claims staff continues to demonstrate consistent and timely response to member inquiries with this category again scoring 99% compliance.                                   |
| Professional Response to Members             | 100%         | 85%          | This category continues to show professional and appropriate response to member inquiries, with an increase of 4% over the prior Audit.  |
| Settlement Authority Request Well Documented | 95%          | 85%          | This category indicates a 10% increase over the prior Audit.   |
| Settlement Follows Guidelines                | 90%          | 85%          | A 7% increase is noted in this category over the prior Audit. Use of the settlement guidelines and authority levels is well documented in the claims files.                      |
| Settlement Submitted Appropriately           | 85%          | 85%          | No change in this audit category, it remains in compliance with the 85% target.  |

**Table I-2**  
**Recommendations to Improve Performance**

| Component                              | Actual Score | Target Score | Recommendations   |
|--|--------------|--------------|---|
| <b>Member Issues</b>                   |              |              |   |
| Reported Timely                        | 76%          | 85%          | This category shows an increase of 6% over the prior Audit. Files are required to be reported within five days of the employer's knowledge that employee is seeking benefits; the average for those files reviewed with specific delays noted is ten days due to various reasons around whether a claim is reportable or not. AIMS staff has concentrated efforts in discussing timely reporting with members as they present claim reviews and while discussing individual claims.                       |
| <b>Technical</b>                       |              |              |   |
| Reserves Accurate                      | 80%          | 85%          | This category demonstrated a decrease of 4% from the prior Audit. Continued focus on the JBWCP reserving guidelines is recommended focusing on <i>probable outcome</i> . As recommended in the prior Audit, the guidelines should be reviewed with the claims staff on an annual basis, and specific reserve training provided for all new staff as they are brought on board. Appendix B reflects our reserve recommendations for each of the 180 files identified with an overall decrease of \$60,974. |
| Resolution Focus                       | 79%          | 85%          | This category decreased by 1% from the prior Audit. While the use of Proactive Diaries has increased, recognition of all issues outstanding must be improved. It is recommended supervisory staff identify areas of delay and provide guidance moving the cases to resolution.  |
| <b>TPA Diaries/Contract Compliance</b> |              |              |   |
| Excess Reporting Timely                | 63%          | 85%          | This category decreased by 7% from the prior Audit. Although this category applies to a very limited number of files, adjusters and supervisors must recognize timely reporting and responsiveness to excess inquiries.   |
| Supervisory Review Timely              | 73%          | 85%          | While this category did show a 16% increase over the prior Audit, continued focus on setting and maintaining timely supervisory review of the files is required. A review of the Service Guidelines regarding supervisory reviews is recommended.   |
| Issues Recognized and Escalated        | 81%          | 85%          | This category decreased by 2% from the prior Audit. As stated before, training is recommended for all claims staff on the importance of recognizing service issues or member concerns, and escalating them to management and JBWCP in an appropriate and expeditious manner.  |
| Settlement Pursuit Timely              | 78%          | 85%          | While this category did show an increase of 5% over the prior Audit, it is again recommended that staff be provided with an overview of the items noted for delayed settlement pursuit in this review, specifically regarding timely review by supervisory staff, as this is noted to have delayed submission to members.   |

**Table I-3**  
**Summary Scores by Criteria with Comparisons**

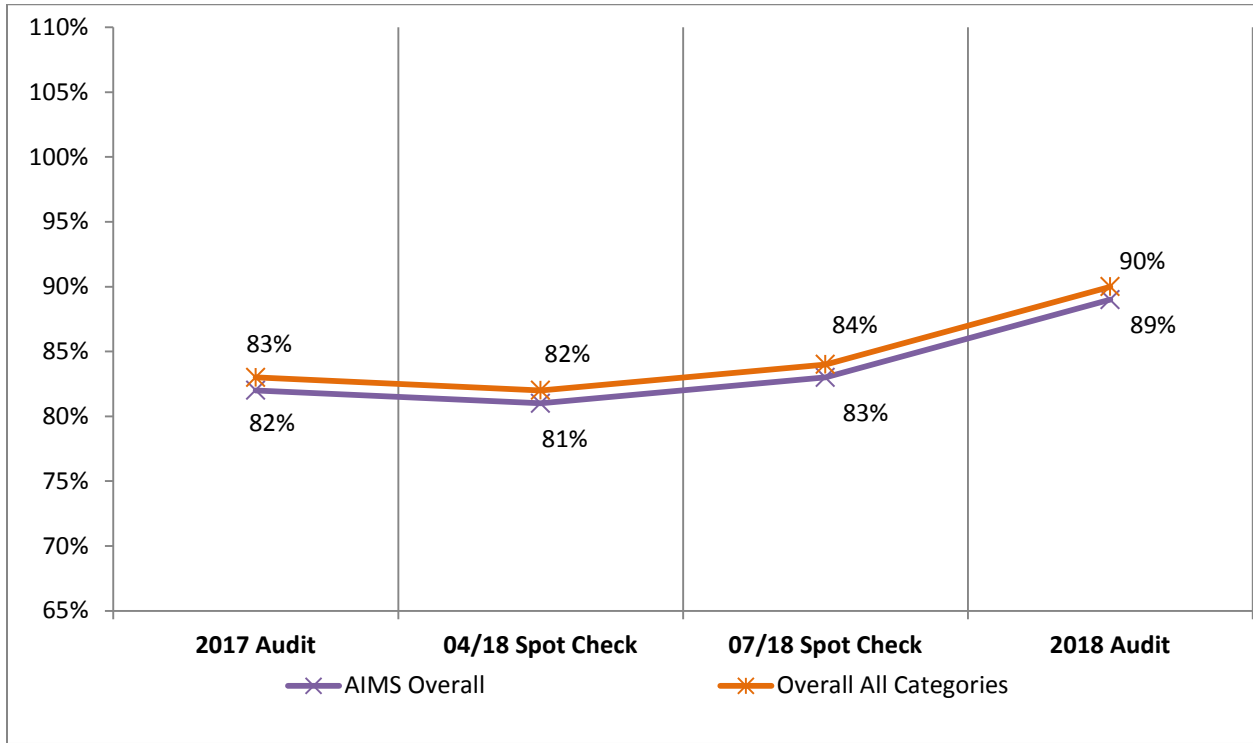
| Member Issues                       | 2018 % Comparison to Target | 2018 Audit | 07/18 Spot Check | 04/18 Spot Check | 2017 Audit | Target     |
|-------------------------------------|-----------------------------|------------|------------------|------------------|------------|------------|
| Reported Timely                     | -9%                         | 76%        | 100%             | 75%              | 70%        | 85%        |
| Mod Duty Available                  | 6%                          | 91%        | 100%             | 85%              | 87%        | 85%        |
| Participates in Claim               | 15%                         | 100%       | 95%              | 100%             | 100%       | 85%        |
| Response to Adjuster                | 14%                         | 99%        | 89%              | 76%              | 92%        | 85%        |
| <b>Members Issues Overall Score</b> | <b>10%</b>                  | <b>95%</b> | <b>93%</b>       | <b>87%</b>       | <b>90%</b> | <b>85%</b> |

| Technical                      | 2018 % Comparison to Target | 2018 Audit | 07/18 Spot Check | 04/18 Spot Check | 2017 Audit | Target     |
|--------------------------------|-----------------------------|------------|------------------|------------------|------------|------------|
| Benefits Paid Correctly        | 3%                          | 88%        | 85%              | 78%              | 80%        | 85%        |
| Employer Communication         | 9%                          | 94%        | 87%              | 90%              | 88%        | 85%        |
| Investigation                  | 5%                          | 90%        | 100%             | 80%              | 81%        | 85%        |
| Attny Assignment Thorough      | 8%                          | 93%        | 80%              | 100%             | 65%        | 85%        |
| Assigned to Specific Attny     | 15%                         | 100%       | 100%             | 100%             | 76%        | 85%        |
| Attny Monitored                | 14%                         | 99%        | 90%              | 80%              | 78%        | 85%        |
| QME Docs Sub Timely            | 7%                          | 92%        | 80%              | 100%             | 90%        | 85%        |
| Medical Mgd Well               | 8%                          | 93%        | 86%              | 75%              | 87%        | 85%        |
| Reserves Accurate              | -5%                         | 80%        | 87%              | 83%              | 84%        | 85%        |
| Resolution Focus               | -6%                         | 79%        | 50%              | 69%              | 80%        | 85%        |
| RTW Issues Well Mgd            | 3%                          | 88%        | 86%              | 86%              | 91%        | 85%        |
| Subrogation                    | 6%                          | 91%        | N/A              | 33%              | 62%        | 85%        |
| Mgt Guidance Effective         | On Target                   | 85%        | 100%             | 78%              | 83%        | 85%        |
| Mgt Address Concerns           | 6%                          | 91%        | 100%             | 100%             | 81%        | 85%        |
| <b>Technical Overall Score</b> | <b>3%</b>                   | <b>88%</b> | <b>82%</b>       | <b>81%</b>       | <b>83%</b> | <b>85%</b> |

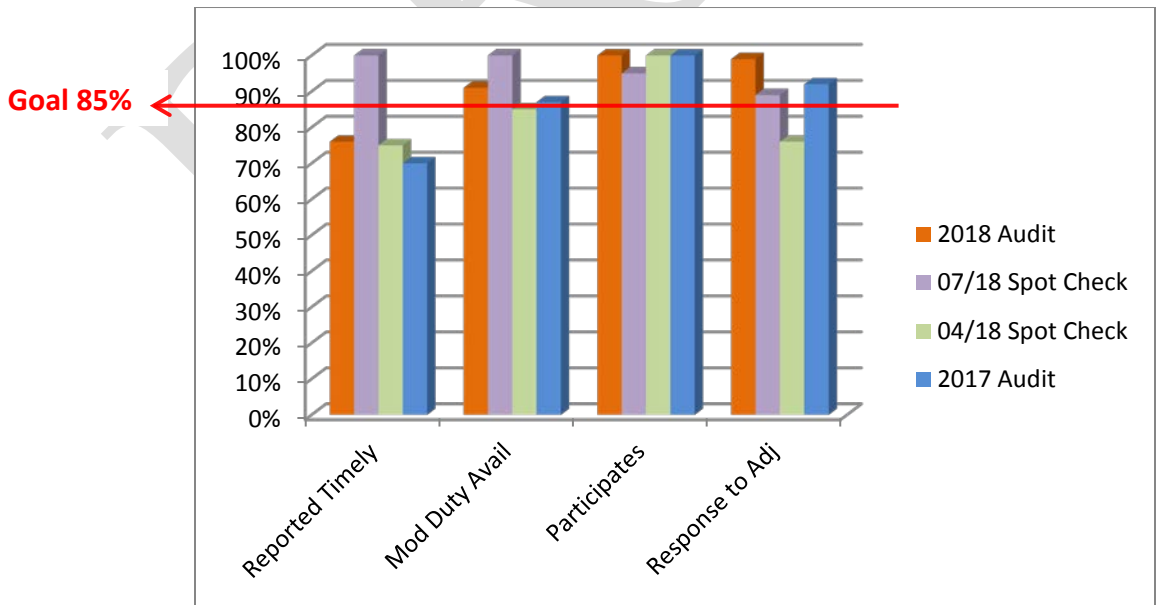


| TPA Diaries/Contract                      | 2018 % Comparison to Target | 2018 Audit | 07/18 Spot Check | 04/18 Spot Check | 2017 Audit | Target     |
|---|-----------------------------|------------|------------------|------------------|------------|------------|
| Excess Reporting                          | -22%                        | 63%        | 0%               | 0%               | 70%        | 85%        |
| POA Review Timely                         | 9%                          | 94%        | 100%             | 83%              | 72%        | 85%        |
| Reserve Review Timely                     | 12%                         | 97%        | 935%             | 90%              | 84%        | 85%        |
| Supervisory Review Timely                 | -12%                        | 73%        | 79%              | 78%              | 57%        | 85%        |
| Proactive Diaries Set                     | 8%                          | 93%        | 73%              | 72%              | 85%        | 85%        |
| Sup Review Thorough                       | On Target                   | 85%        | 79%              | 81%              | 84%        | 85%        |
| Sup Rev Follows Guidelines                | 13%                         | 98%        | 93%              | 96%              | 88%        | 85%        |
| Timely Resp to Members                    | 14%                         | 99%        | 92%              | 100%             | 99%        | 85%        |
| Prof Resp to Members                      | 15%                         | 100%       | 85%              | 86%              | 96%        | 85%        |
| Issues Recog/Escalated                    | -4%                         | 81%        | 75%              | 50%              | 83%        | 85%        |
| Settlement Pursuit Timely                 | -7%                         | 78%        | 17%              | 44%              | 60%        | 85%        |
| SAR Well Documented                       | 10%                         | 95%        | 75               | 60%              | 85%        | 85%        |
| Settlement Guide Followed                 | 5%                          | 90%        | 100%             | 100%             | 83%        | 85%        |
| Settlement Sub Approp                     | On Target                   | 85%        | 75%              | 75%              | 85%        | 85%        |
| <b>TPA Diaries/Contract Overall Score</b> | <b>5%</b>                   | <b>90%</b> | <b>84%</b>       | <b>82%</b>       | <b>81%</b> | <b>85%</b> |
| <b>AIMS OVERALL SCORES</b>                | <b>4%</b>                   | <b>89%</b> | <b>83%</b>       | <b>81%</b>       | <b>82%</b> | <b>85%</b> |
| <b>OVERALL SCORES ALL CATEGORIES</b>      | <b>5%</b>                   | <b>90%</b> | <b>84%</b>       | <b>82%</b>       | <b>83%</b> | <b>85%</b> |

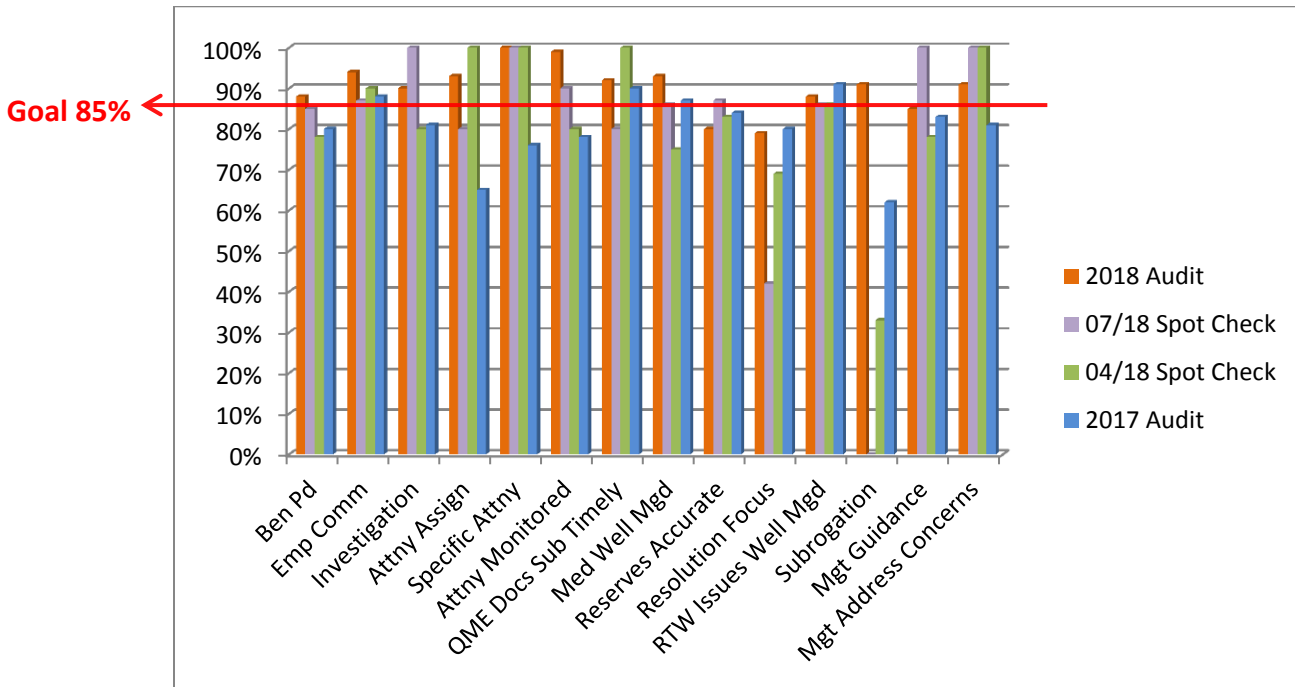
### Exhibit I-1 Continued Improvement



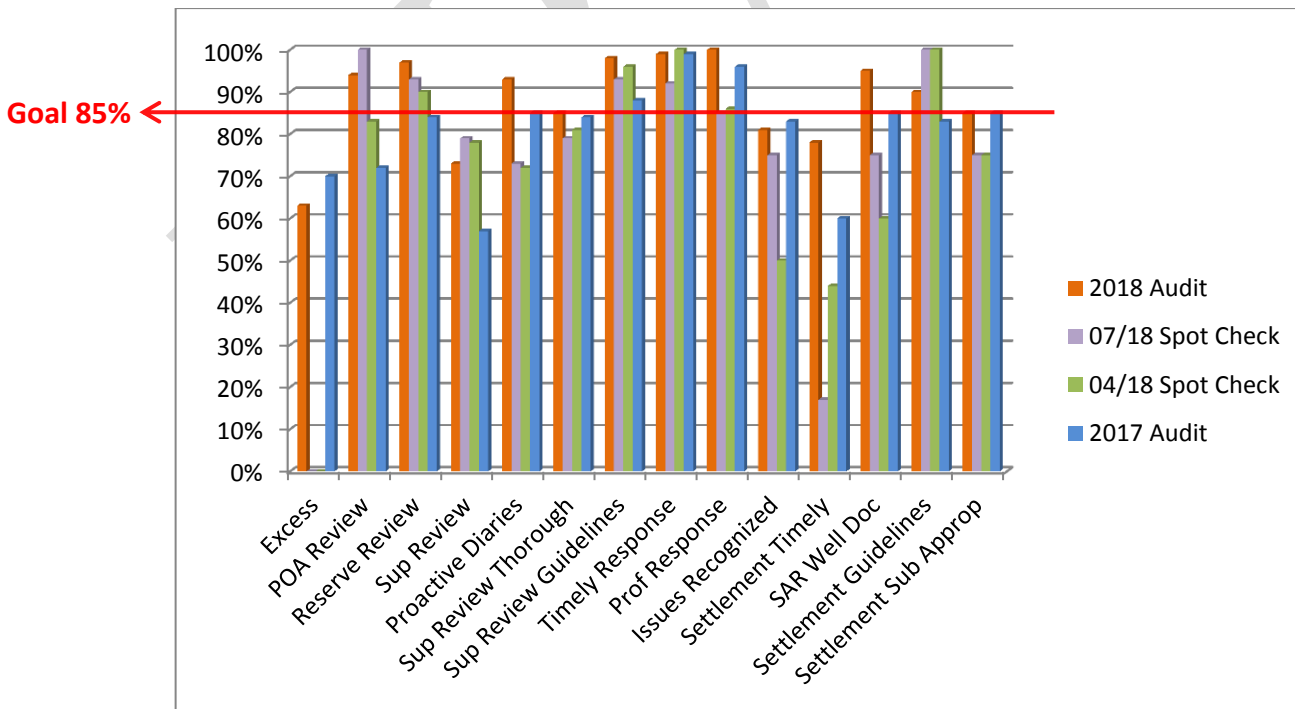
### Exhibit I-2 Member Issues



### Exhibit I-3 Technical



### Exhibit I-4 TPA Diaries/Contract Compliance



We recommend our report be read in its entirety.

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## II. Audit Analysis

AIMS initiated third party claims administration services on October 1, 2014. Claims are administered primarily from the AIMS' Sacramento office, with a small assignment of staff in the AIMS' Concord office. The JBWCP claims administrative team is dedicated to the JBWCP and includes:

- One Program Manager;
- One Assistant Program Manager;
- Two Claim Supervisors;
- Nine Senior Adjusters;
- One Future Medical (FM) Adjuster;
- One Medical Only (MO) Adjuster; and
- Three Administrative Support Staff.

The two supervisors and Assistant Program Manager provide oversight of day-to-day claim administration, and are guided by the Service Guidelines which set forth required supervision timeframes. While the majority of FM cases are assigned to one FM Adjuster, caseloads have been adjusted once again to allow some FM cases to remain with the Senior Adjuster handling a current, unresolved claim for the same individual. At the time of the file selection, the active Indemnity caseload average was 88 files (a ten file increase over the 2017 audit), with the overall Indemnity Adjuster caseload (when combined with a small number of FM and MO files) at 105 claims. While this is well below the contracted 130 caseload per adjuster, it does demonstrate an increase over the prior audit of four claims. Staff turnover was a significant issue during the last review period, but staff has remained relatively stable during the current review period.

Supervisors and the Assistant Program Manager do not maintain a caseload, allowing their focus on quality control and staff guidance. The claims technical team receives support for medical cost containment activities and management of the Medical Provide Network (MPN) from Allied Managed Care, Inc. (AMC), an AIMS subsidiary with separate contract provisions.

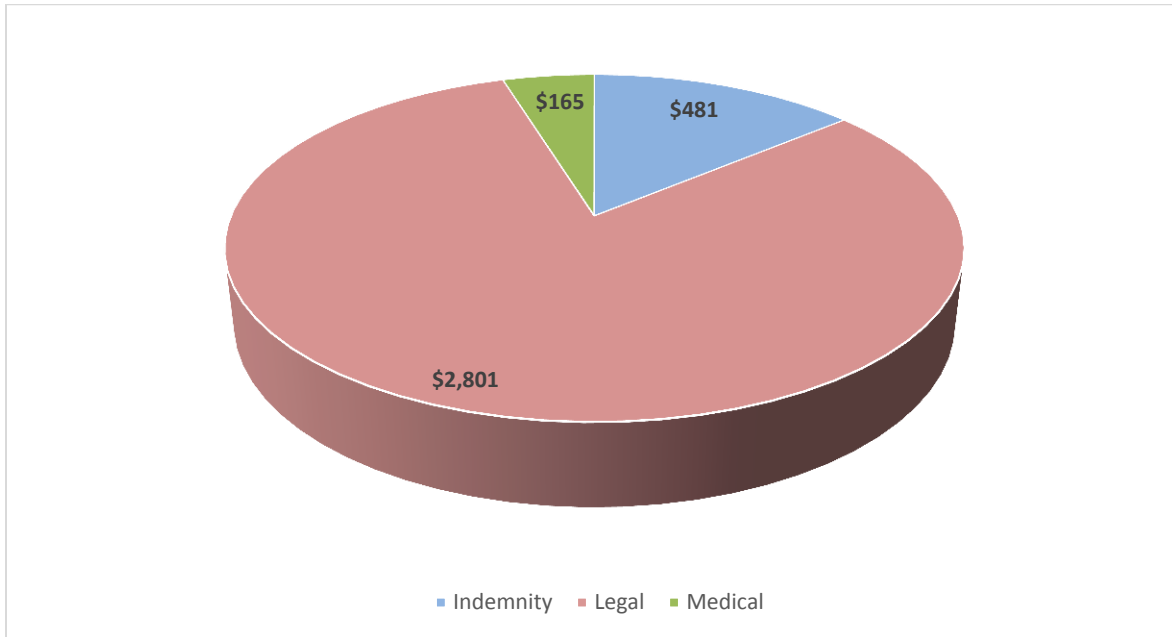
This audit analysis relies upon the adjusted audit criteria outlined in the 2017 audit, which allowed for analysis of timely reporting of injuries, as well as the impact of staffing and additional costs associated with administrative error.

As noted above, staff turnover has significantly decreased in this review period. The evaluation of staffing turnover indicated only seven files reviewed involved assignment of three or more adjusters, although no increased costs were noted due to these files, it was noted that five of the files involved delayed supervisory reviews. The importance of supervisory review and guidance is increased with the change in adjusters. The Assistant Program Manager has provided some additional coverage for the supervisory staff; Supervisory Review Timely is an area requiring improvement at 73% compliance. Continued focus on meeting the Service Guidelines regarding supervisory review is recommended.

Files were also reviewed for increased costs due to administrative error, finding a total of \$3,447 incurred relating to delayed Permanent Disability (\$481), duplicate or delayed Medical payments (\$165), and unnecessary or unauthorized Legal or Medicare Set-Aside (MSA) fees (\$2,801). There is no correspondence between the files incurring increased costs and those with three or more adjusters.

These increased costs have been noticed to AIMS for reimbursement to the program as appropriate.

### Exhibit II-1 Increased Costs Due to Administrative Error



**Table II-1  
Files Identified for Specific Increased Costs**

| Item # | Member        | Amount Incurred | Medical      | Legal          | Indemnity    | Comment  |
|--------|---------------|-----------------|--------------|----------------|--------------|--|
| 11     | Riverside     | \$175           |              | \$175          |              | Attny fees after decision to no longer pursue the claim. |
| 22     | Siskiyou      | \$2,100         |              | \$2,100        |              | Unnecessary MSA Cost                                     |
| 72     | Orange        | \$526           |              | \$526          |              | Attny fee without authorization from court               |
| 130    | Judiciary     | \$85            | \$85         |                |              | Duplicate payment  |
| 162    | Orange        | \$80            | \$80         |                |              | Payment delay - Self-Imposed Increase                    |
| 177    | Judiciary     | \$481           |              |                | \$481        | Delayed PD - Self-Imposed Increase                       |
|        | <b>Totals</b> | <b>\$3,447</b>  | <b>\$165</b> | <b>\$2,801</b> | <b>\$481</b> |  |

## Appendix A

### Files Selected For Review

DRAFT

## Files Selected for Review

| Ref # | Claim Number |
|-------|--------------|
| 1     | 180000559JUD |
| 2     | JC12020001   |
| 3     | 180000211JUD |
| 4     | JC13020029   |
| 5     | 180000443JUD |
| 6     | 160000261JUD |
| 7     | JC04000468   |
| 8     | JC05020001   |
| 9     | JC14020297   |
| 10    | 180000047JUD |
| 11    | 170000530JUD |
| 12    | JC10000899   |
| 13    | 190000078JUD |
| 14    | 180000544JUD |
| 15    | 180000413JUD |
| 16    | JC12020161   |
| 17    | JC14020425   |
| 18    | JC04000915   |
| 19    | JC09020540   |
| 20    | 150000454JUD |
| 21    | JC02000647   |
| 22    | JC11000400   |
| 23    | JC08000009   |
| 24    | JC14020447   |
| 25    | 160000541JUD |
| 26    | JC10000444   |
| 27    | 190000122JUD |
| 28    | 180000175JUD |
| 29    | 180000348JUD |
| 30    | JC14020503   |
| 31    | 150000422JUD |
| 32    | JC01000077   |
| 33    | JC13020675   |
| 34    | 190000010JUD |
| 35    | JC14020357   |
| 36    | 180000220JUD |

| Ref # | Claim Number |
|-------|--------------|
| 37    | 180000362JUD |
| 38    | JC10000411   |
| 39    | 190000131JUD |
| 40    | 150000421JUD |
| 41    | 180000554JUD |
| 42    | 160000662JUD |
| 43    | JC11000099   |
| 44    | JC03000828   |
| 45    | JC12020052   |
| 46    | 180000204JUD |
| 47    | JC13020707   |
| 48    | JC09020763   |
| 49    | 180000615JUD |
| 50    | 180000149JUD |
| 51    | 180000026JUD |
| 52    | JC11000027   |
| 53    | 170000381JUD |
| 54    | JC14020630   |
| 55    | JC13020560   |
| 56    | 150000575JUD |
| 57    | 190000052JUD |
| 58    | 180000583JUD |
| 59    | 170000411JUD |
| 60    | JC09020137   |
| 61    | 180000604JUD |
| 62    | JC11000405   |
| 63    | JC15020106   |
| 64    | 190000068JUD |
| 65    | JC09020918   |
| 66    | JC10000877   |
| 67    | JC10000523   |
| 68    | 160000713JUD |
| 69    | JC13020390   |
| 70    | JC11000724   |
| 71    | JC11000076   |
| 72    | JC12020732   |

| Ref # | Claim Number |
|-------|--------------|
| 73    | 170000692JUD |
| 74    | 180000642JUD |
| 75    | 180000126JUD |
| 76    | JC10000310   |
| 77    | 180000618JUD |
| 78    | 190000042JUD |
| 79    | 180000068JUD |
| 80    | 160000202JUD |
| 81    | JC10000859   |
| 82    | 170000187JUD |
| 83    | 180000195JUD |
| 84    | 180000507JUD |
| 85    | JC11000680   |
| 86    | 170000722JUD |
| 87    | 180000629JUD |
| 88    | JC10000332   |
| 89    | JC12020651   |
| 90    | 190000102JUD |
| 91    | JC14020597   |
| 92    | 170000520JUD |
| 93    | 160000318JUD |
| 94    | 180000718JUD |
| 95    | 150000532JUD |
| 96    | JC13020245   |
| 97    | JC11000331   |
| 98    | 170000697JUD |
| 99    | 180000399JUD |
| 100   | 170000571JUD |
| 101   | JC07000038   |
| 102   | JC11000523   |
| 103   | 190000091JUD |
| 104   | 160000551JUD |
| 105   | JC12020665   |
| 106   | 180000388JUD |
| 107   | 160000570JUD |
| 108   | JC14020126   |

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| Ref # | Claim Number |
|-------|--------------|
| 109   | JC07000849   |
| 110   | 170000661JUD |
| 111   | JC10000721   |
| 112   | 180000226JUD |
| 113   | JC010020050  |
| 114   | JC14020043   |
| 115   | JC09020345   |
| 116   | 180000646JUD |
| 117   | JC11000011   |
| 118   | JC05001115   |
| 119   | 170000770JUD |
| 120   | JC13020352   |
| 121   | JC12020360   |
| 122   | 150000242JUD |
| 123   | JC12020529   |
| 124   | 170000282JUD |
| 125   | 150000560JUD |
| 126   | 190000064JUD |
| 127   | JC10000068   |
| 128   | 190000135JUD |
| 129   | JC02000599   |
| 130   | JC12020201   |
| 131   | 170000303JUD |
| 132   | JC10000625   |
| 133   | JC05000447   |
| 134   | JC07020010   |
| 135   | 190000136JUD |
| 136   | JC14020548   |
| 137   | JC13020684   |
| 138   | 190000006JUD |
| 139   | JC05001126   |
| 140   | JC10000159   |
| 141   | 160000528JUD |
| 142   | JC13020641   |
| 143   | JC15020023   |
| 144   | JC11000847   |

| Ref # | Claim Number |
|-------|--------------|
| 145   | JC13020158   |
| 146   | JC06000068   |
| 147   | JC11000218   |
| 148   | JC12020019   |
| 149   | 180000437JUD |
| 150   | JC11000134   |
| 151   | JC08000680   |
| 152   | JC07000157   |
| 153   | 180000423JUD |
| 154   | 160000222JUD |
| 155   | JC08000707   |
| 156   | JC13020739   |
| 157   | 180000658JUD |
| 158   | JC12020408   |
| 159   | JC11000490   |
| 160   | 160000695JUD |
| 161   | JC10000757   |
| 162   | JC13020479   |
| 163   | 190000128JUD |
| 164   | JC06000673   |
| 165   | 180000397JUD |
| 166   | 190000054JUD |
| 167   | 180000225JUD |
| 168   | 190000063JUD |
| 169   | JC09000020   |
| 170   | 180000538JUD |
| 171   | JC08020070   |
| 172   | 180000360JUD |
| 173   | JC13020465   |
| 174   | JC07000727   |
| 175   | 160000232JUD |
| 176   | 180000213JUD |
| 177   | 150000535JUD |
| 178   | 150000555JUD |
| 179   | 180000478JUD |
| 180   | 180000294JUD |

## Appendix B

### Recommended Reserve Changes

DRAFT

## Recommended Reserve Changes

| Item # | Original Incurred  | Recommended Change | Recommended Incurred | Comments                                  |
|--------|--------------------|--------------------|----------------------|---|
| 81     | \$45,968           | -\$17,250          | \$28,718             | Life Expectancy Used                      |
| 84     | \$13,037           | \$3,000            | \$16,037             | Discovery continues                       |
| 93     | \$68,068           | -\$5,000           | \$63,068             | Life Expectancy Used                      |
| 97     | \$46,259           | -\$2,500           | \$43,759             | Reserved for LC4850                       |
| 98     | \$127,166          | \$5,000            | \$132,166            | Continued litigation                      |
| 110    | \$39,105           | \$4,036            | \$43,141             | Surgery not probable, no further Legal    |
| 111    | \$123,496          | -\$3,900           | \$119,596            | Over-reserve PD, insufficient Bill Review |
| 114    | \$46,689           | -\$2,800           | \$43,889             | Over-reserved Bill Review                 |
| 134    | \$404,652          | \$23,407           | \$428,059            | Low medical and Bill reserve              |
| 150    | \$2,000            | \$6,140            | \$8,140              | Low PD and medical reserve                |
| 151    | \$44,398           | -\$16,913          | \$27,485             | Ready for closure                         |
| 155    | \$50,565           | -\$34,000          | \$16,565             | Over-reserve Medical and Bill Review      |
| 156    | \$116,898          | -\$4,000           | \$112,898            | No attorney on file - reduce Legal        |
| 159    | \$68,946           | -\$621             | \$68,325             | Over-reserved PD                          |
| 162    | \$228,023          | \$800              | \$228,823            | Outstanding Medical bills                 |
| 164    | \$16,685           | -\$3,500           | \$13,185             | Over-reserve Other/Bill Review            |
| 169    | \$60,234           | -\$7,523           | \$52,711             | Over-reserve PD                           |
| 176    | \$2,039            | -\$1,000           | \$1,039              | Denied, no outstanding issues             |
| 180    | \$31,006           | -\$4,350           | \$26,656             | Over-reserve PD                           |
|        | <b>\$1,535,234</b> | <b>-\$60,974</b>   | <b>\$1,474,260</b>   |   |

### Recommended Reserve Changes by Reserve Category

| CATEGORY            | RECOMMENDED CHANGE |
|---------------------|--------------------|
| Indemnity           | (\$10,854)         |
| Medical             | (\$49,049)         |
| Bill Review/Legal   | (\$1,071)          |
| <b>TOTAL CHANGE</b> | <b>(\$60,974)</b>  |

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## Appendix C

### Scoring by Claim Summary

DRAFT

| CLM Ref | D. MEMBER ISSUES |    |    |    |     | A. TECHNICAL |    |    |    |    |    |    |    |   |    |    |    |    |     | B. TPA DIARIES/CONTRACT COMPLIANCE |    |   |   |   |   |    |    |    |    |    |    |    |    | GR  |     |     |     |    |
|---------|------------------|----|----|----|-----|--------------|----|----|----|----|----|----|----|---|----|----|----|----|-----|------------------------------------|----|---|---|---|---|----|----|----|----|----|----|----|----|-----|-----|-----|-----|----|
|         | 1                | 2  | 3  | 4  | TOT | 1            | 2  | 3  | 4  | 5  | 6  | 7  | 8  | 9 | 10 | 11 | 12 | 13 | 14  | TOT                                | 1  | 2 | 3 | 4 | 5 | 6  | 7  | 8  | 9  | 10 | 11 | 12 | 13 |     | 14  | TOT |     |    |
| 1       | Y                | Y  | Y  | Y  | 100 | Y            | Y  | Y  | na | na | na | na | Y  | Y | Y  | na | Y  | na | 100 | na                                 | Y  | Y | Y | Y | Y | Y  | Y  | Y  | Y  | na | na | na | na | 100 | 100 |     |     |    |
| 2       | na               | na | na | na |     | na           | na | na | Y  | Y  | Y  | na | na | Y | Y  | na | Y  | na | 100 | na                                 | Y  | Y | Y | Y | Y | Y  | na | Y  | na | na | na | na | na | 100 | 100 |     |     |    |
| 3       | Y                | Y  | Y  | Y  | 100 | Y            | Y  | Y  | na | na | na | na | Y  | N | Y  | Y  | na | Y  | Y   | 89                                 | na | Y | Y | Y | Y | Y  | Y  | Y  | Y  | N  | Y  | Y  | na | 92  | 92  |     |     |    |
| 4       | na               | na | Y  | Y  | 100 | na           | Y  | Y  | na | na | na | na | Y  | N | Y  | na | na | Y  | na  | 83                                 | na | Y | Y | Y | Y | N  | Y  | na | na | na | na | na | na | 83  | 86  |     |     |    |
| 5       | N                | Y  | Y  | Y  | 75  | Y            | Y  | Y  | na | na | na | na | N  | Y | na | N  | Y  | Y  | na  | 75                                 | na | Y | Y | N | Y | Y  | Y  | Y  | Y  | na | na | na | na | na  | 88  | 80  |     |    |
| 6       | na               | Y  | na | na | 100 | na           | na | na | na | na | na | na | Y  | Y | Y  | Y  | na | na | na  | 100                                | na | N | Y | N | Y | Y  | Y  | na | na | na | Y  | na | na | na  | 71  | 83  |     |    |
| 7       | na               | na | Y  | Y  | 100 | na           | Y  | na | na | na | Y  | na | Y  | Y | Y  | na | Y  | Y  | na  | 100                                | na | Y | Y | N | Y | Y  | Y  | na | na | na | Y  | na | na | na  | 86  | 94  |     |    |
| 8       | na               | na | na | na |     | na           | Y  | na | na | na | na | na | N  | N | Y  | na | na | N  | na  | 40                                 | na | Y | Y | N | Y | Y  | Y  | na | na | N  | na | na | na | na  | 71  | 58  |     |    |
| 9       | na               | na | na | na |     | na           | N  | na | na | Y  | Y  | na | na | N | Y  | na | na | na | na  | 60                                 | na | Y | Y | N | Y | N  | Y  | na | na | N  | na | na | na | na  | 57  | 58  |     |    |
| 10      | na               | Y  | Y  | Y  | 100 | na           | Y  | Y  | na | na | na | na | Y  | Y | Y  | na | na | na | na  | 100                                | na | Y | Y | Y | Y | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | 100 | 100 |     |     |    |
| 11      | na               | Y  | Y  | Y  | 100 | Y            | Y  | na | na | na | na | na | Y  | N | Y  | Y  | na | na | na  | 83                                 | na | Y | N | N | Y | Y  | Y  | Y  | na | na | na | na | na | na  | 75  | 82  |     |    |
| 12      | na               | na | Y  | Y  | 100 | Y            | Y  | na | na | Y  | Y  | na | na | Y | Y  | na | na | na | na  | 100                                | na | Y | Y | N | Y | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y   | 92  | 95  |     |    |
| 13      | N                | Y  | Y  | Y  | 75  | na           | Y  | Y  | na | na | na | na | Y  | Y | na | Y  | na | N  | na  | 83                                 | na | Y | Y | N | Y | na | na | Y  | Y  | na | na | na | na | na  | 83  | 81  |     |    |
| 14      | N                | Y  | Y  | Y  | 75  | Y            | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y | Y  | Y  | Y  | na | na  | 100                                | na | Y | Y | N | Y | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | na  | 88  | 92  |     |    |
| 15      | Y                | na | Y  | Y  | 100 | na           | Y  | Y  | na | na | na | Y  | Y  | Y | na | na | na | Y  | na  | 100                                | na | Y | Y | Y | Y | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | na  | 100 | 100 |     |    |
| 16      | na               | na | Y  | Y  | 100 | Y            | Y  | na | na | na | Y  | na | na | Y | Y  | na | na | Y  | Y   | 100                                | na | Y | Y | Y | Y | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y   | na  | 100 | 100 |    |
| 17      | na               | na | Y  | Y  | 100 | Y            | Y  | na | na | Y  | Y  | na | na | Y | Y  | na | na | na | na  | 100                                | na | Y | Y | Y | Y | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y   | Y   | 100 | 100 |    |
| 18      | na               | na | Y  | Y  | 100 | na           | Y  | na | na | na | Y  | na | na | Y | Y  | na | na | Y  | na  | 100                                | na | Y | Y | Y | Y | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y   | Y   | 100 | 100 |    |
| 19      | N                | na | na | na | 0   | na           | Y  | na | na | Y  | Y  | na | Y  | N | Y  | na | na | na | na  | 83                                 | na | N | Y | N | Y | na | na | Y  | Y  | na | Y  | na | na | na  | 71  | 71  |     |    |
| 20      | na               | na | na | na |     | na           | Y  | na | na | Y  | Y  | na | na | Y | Y  | na | na | na | na  | 100                                | na | N | Y | N | Y | na | na | na | na | na | Y  | na | na | na  | na  | 60  | 80  |    |
| 21      | na               | Y  | Y  | Y  | 100 | Y            | Y  | na | na | Y  | Y  | na | Y  | Y | Y  | Y  | na | na | na  | 100                                | N  | Y | Y | N | Y | N  | Y  | Y  | Y  | na | na | na | na | na  | na  | 67  | 85  |    |
| 22      | na               | na | Y  | Y  | 100 | Y            | Y  | na | na | na | Y  | na | Y  | Y | Y  | na | na | N  | na  | 86                                 | na | Y | Y | Y | Y | N  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y   | Y   | 92  | 91  |    |
| 23      | na               | na | Y  | Y  | 100 | Y            | na | na | na | na | na | na | Y  | Y | Y  | na | na | N  | na  | 80                                 | na | N | Y | Y | Y | N  | Y  | Y  | Y  | na | na | na | na | na  | na  | 75  | 80  |    |
| 24      | na               | na | na | na |     | na           | Y  | na | Y  | Y  | Y  | na | na | Y | Y  | na | na | na | na  | 100                                | na | Y | Y | N | Y | Y  | Y  | Y  | Y  | Y  | na | na | na | na  | na  | na  | 89  | 94 |



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| CLM Ref | D. MEMBER ISSUES   |                       |                          |                           |                  | A. TECHNICAL               |                           |                  |                          |                               |                    |                        |                     |                      |                      |                         |                 |                            |                          | B. TPA DIARIES/CONTRACT COMPLIANCE |                            |                      |                          |                              |                          |                        |                                  |                               |                             |                                   |                               |                         |                                    | GR  |                                 |                      |
|---------|--------------------|-----------------------|--------------------------|---------------------------|------------------|----------------------------|---------------------------|------------------|--------------------------|-------------------------------|--------------------|------------------------|---------------------|----------------------|----------------------|-------------------------|-----------------|----------------------------|--------------------------|------------------------------------|----------------------------|----------------------|--------------------------|------------------------------|--------------------------|------------------------|----------------------------------|-------------------------------|-----------------------------|-----------------------------------|-------------------------------|-------------------------|------------------------------------|-----|---------------------------------|----------------------|
|         | 1                  | 2                     | 3                        | 4                         | TOT              | 1                          | 2                         | 3                | 4                        | 5                             | 6                  | 7                      | 8                   | 9                    | 10                   | 11                      | 12              | 13                         | 14                       | TOT                                | 1                          | 2                    | 3                        | 4                            | 5                        | 6                      | 7                                | 8                             | 9                           | 10                                | 11                            | 12                      | 13                                 |     | 14                              | TOT                  |
|         | 1. Reported timely | 2. MOD duty available | 3. Participates in claim | 4. Responsive to adjuster | MEMBER TOTAL (%) | 1. Benefits Paid Correctly | 2. Employer Communication | 3. Investigation | 4. Attny Assgmt Thorough | 5. Assigned To Specific Attny | 6. Attny Monitored | 7. Qme Docs Sub Timely | 8. Medical Mgd Well | 9. Reserves Accurate | 10. Resolution Focus | 11. Rtw Issues Well Mgd | 12. Subrogation | 13. Mgt Guidance Effective | 14. Mgt Address Concerns | TECH TOTAL (%)                     | 1. Excess Reporting Timely | 2. Poa Review Timely | 3. Reserve Review Timely | 4. Supervisory Review Timely | 5. Proactive Diaries Set | 6. Sup Review Thorough | 7. Sup Review Follows Guidelines | 8. Timely Response To Members | 9. Prof Response To Members | 10. Issues Recognized & Escalated | 11. Settlement Pursuit Timely | 12. Sar Well Documented | 13. Settlement Guidelines Followed |     | 14. Settlement Submitted Approp | DIARY/CONT TOTAL (%) |
| 25      | na                 | na                    | Y                        | Y                         | 100              | na                         | Y                         | na               | na                       | na                            | Y                  | na                     | na                  | Y                    | Y                    | na                      | na              | Y                          | na                       | 100                                | na                         | Y                    | Y                        | N                            | Y                        | Y                      | Y                                | Y                             | Y                           | na                                | Y                             | na                      | na                                 | na  | 89                              | 94                   |
| 26      | na                 | na                    | na                       | na                        |                  | na                         | Y                         | na               | na                       | Y                             | Y                  | na                     | Y                   | N                    | Y                    | na                      | na              | na                         | na                       | 83                                 | na                         | Y                    | Y                        | N                            | Y                        | N                      | Y                                | na                            | na                          | na                                | Y                             | na                      | na                                 | na  | 71                              | 77                   |
| 27      | Y                  | Y                     | Y                        | Y                         | 100              | na                         | Y                         | Y                | na                       | na                            | na                 | na                     | Y                   | Y                    | Y                    | na                      | na              | na                         | na                       | 100                                | na                         | Y                    | Y                        | Y                            | Y                        | Y                      | Y                                | Y                             | Y                           | na                                | na                            | na                      | na                                 | na  | 100                             | 100                  |
| 28      | Y                  | na                    | Y                        | Y                         | 100              | na                         | Y                         | Y                | na                       | Y                             | Y                  | Y                      | na                  | Y                    | Y                    | na                      | na              | na                         | na                       | 100                                | na                         | Y                    | Y                        | Y                            | Y                        | Y                      | Y                                | Y                             | Y                           | na                                | na                            | na                      | na                                 | na  | 100                             | 100                  |
| 29      | N                  | Y                     | Y                        | Y                         | 75               | Y                          | Y                         | Y                | Y                        | Y                             | Y                  | Y                      | Y                   | Y                    | Y                    | Y                       | Y               | na                         | na                       | 100                                | na                         | Y                    | Y                        | Y                            | Y                        | Y                      | Y                                | Y                             | na                          | na                                | na                            | na                      | na                                 | 100 | 96                              |                      |
| 30      | na                 | na                    | Y                        | Y                         | 100              | na                         | Y                         | na               | na                       | Y                             | Y                  | na                     | Y                   | Y                    | Y                    | na                      | na              | na                         | na                       | 100                                | na                         | N                    | na                       | Y                            | Y                        | Y                      | Y                                | Y                             | na                          | na                                | na                            | na                      | na                                 | 86  | 93                              |                      |
| 31      | na                 | na                    | Y                        | Y                         | 100              | Y                          | Y                         | na               | na                       | na                            | na                 | Y                      | na                  | Y                    | Y                    | na                      | na              | Y                          | Y                        | 100                                | na                         | Y                    | Y                        | Y                            | Y                        | Y                      | Y                                | Y                             | na                          | Y                                 | Y                             | Y                       | Y                                  | 100 | 100                             |                      |
| 32      | na                 | na                    | na                       | na                        |                  | Y                          | Y                         | na               | na                       | na                            | na                 | na                     | Y                   | Y                    | Y                    | na                      | na              | na                         | na                       | 100                                | na                         | Y                    | Y                        | Y                            | N                        | N                      | Y                                | na                            | na                          | na                                | Y                             | na                      | na                                 | na  | 71                              | 83                   |
| 33      | na                 | na                    | na                       | na                        |                  | Y                          | na                        | na               | na                       | na                            | na                 | na                     | Y                   | Y                    | Y                    | na                      | na              | Y                          | na                       | 100                                | na                         | Y                    | Y                        | Y                            | Y                        | Y                      | Y                                | na                            | na                          | na                                | na                            | na                      | na                                 | na  | 100                             | 100                  |
| 34      | Y                  | Y                     | Y                        | Y                         | 100              | Y                          | Y                         | Y                | na                       | na                            | na                 | na                     | Y                   | Y                    | Y                    | Y                       | Y               | na                         | Y                        | 100                                | na                         | Y                    | Y                        | N                            | Y                        | na                     | na                               | na                            | na                          | na                                | na                            | na                      | na                                 | na  | 75                              | 94                   |
| 35      | na                 | na                    | Y                        | Y                         | 100              | Y                          | Y                         | Y                | Y                        | Y                             | N                  | na                     | Y                   | Y                    | Y                    | na                      | na              | na                         | na                       | 89                                 | na                         | Y                    | Y                        | N                            | Y                        | Y                      | Y                                | Y                             | na                          | na                                | na                            | na                      | na                                 | na  | 88                              | 89                   |
| 36      | Y                  | Y                     | Y                        | Y                         | 100              | Y                          | Y                         | Y                | na                       | na                            | na                 | na                     | Y                   | Y                    | Y                    | Y                       | na              | na                         | na                       | 100                                | na                         | Y                    | Y                        | Y                            | Y                        | Y                      | Y                                | Y                             | na                          | Y                                 | Y                             | na                      | na                                 | na  | 100                             | 100                  |
| 37      | N                  | Y                     | Y                        | Y                         | 75               | Y                          | Y                         | N                | Y                        | Y                             | Y                  | na                     | Y                   | Y                    | Y                    | Y                       | Y               | na                         | na                       | 91                                 | na                         | Y                    | Y                        | Y                            | Y                        | Y                      | Y                                | Y                             | Y                           | na                                | na                            | na                      | na                                 | na  | 100                             | 92                   |
| 38      | na                 | na                    | na                       | Y                         | 100              | na                         | Y                         | na               | na                       | Y                             | Y                  | Y                      | na                  | N                    | Y                    | na                      | na              | na                         | na                       | 83                                 | na                         | Y                    | N                        | Y                            | Y                        | N                      | Y                                | Y                             | na                          | na                                | na                            | na                      | na                                 | na  | 75                              | 80                   |
| 39      | Y                  | na                    | na                       | na                        | 100              | na                         | Y                         | Y                | na                       | na                            | na                 | na                     | Y                   | Y                    | Y                    | na                      | na              | na                         | na                       | 100                                | na                         | Y                    | Y                        | Y                            | Y                        | Y                      | Y                                | na                            | na                          | na                                | na                            | na                      | na                                 | na  | 100                             | 100                  |
| 40      | na                 | Y                     | Y                        | Y                         | 100              | Y                          | Y                         | na               | na                       | Y                             | Y                  | na                     | Y                   | Y                    | Y                    | Y                       | na              | na                         | na                       | 100                                | na                         | Y                    | Y                        | Y                            | Y                        | Y                      | Y                                | Y                             | na                          | na                                | na                            | na                      | na                                 | na  | 100                             | 100                  |
| 41      | Y                  | Y                     | Y                        | Y                         | 100              | Y                          | Y                         | Y                | na                       | na                            | na                 | na                     | Y                   | Y                    | Y                    | Y                       | na              | na                         | na                       | 100                                | na                         | Y                    | Y                        | Y                            | Y                        | Y                      | Y                                | Y                             | na                          | na                                | na                            | na                      | na                                 | na  | 100                             | 100                  |
| 42      | na                 | na                    | Y                        | Y                         | 100              | na                         | Y                         | na               | Y                        | Y                             | Y                  | na                     | Y                   | Y                    | Y                    | na                      | na              | Y                          | na                       | 100                                | na                         | Y                    | Y                        | Y                            | Y                        | Y                      | Y                                | Y                             | na                          | Y                                 | Y                             | Y                       | Y                                  | 100 | 100                             |                      |
| 43      | na                 | na                    | na                       | na                        |                  | Y                          | na                        | na               | na                       | na                            | Y                  | na                     | na                  | N                    | N                    | na                      | na              | na                         | na                       | 50                                 | na                         | N                    | N                        | N                            | Y                        | Y                      | Y                                | na                            | na                          | na                                | Y                             | na                      | na                                 | na  | 57                              | 55                   |
| 44      | na                 | na                    | na                       | na                        |                  | na                         | na                        | na               | na                       | na                            | na                 | na                     | N                   | N                    | na                   | na                      | na              | N                          | na                       | 0                                  | na                         | N                    | N                        | N                            | na                       | N                      | na                               | na                            | na                          | na                                | na                            | na                      | na                                 | na  | 0                               | 0                    |
| 45      | na                 | na                    | na                       | Y                         | 100              | Y                          | Y                         | na               | na                       | Y                             | Y                  | na                     | na                  | N                    | N                    | na                      | na              | na                         | na                       | 67                                 | na                         | N                    | Y                        | N                            | N                        | N                      | Y                                | na                            | na                          | na                                | na                            | na                      | na                                 | na  | 33                              | 54                   |
| 46      | Y                  | na                    | na                       | Y                         | 100              | na                         | Y                         | Y                | na                       | na                            | na                 | Y                      | Y                   | Y                    | na                   | na                      | na              | Y                          | na                       | 100                                | na                         | Y                    | Y                        | Y                            | Y                        | Y                      | Y                                | na                            | na                          | na                                | na                            | na                      | na                                 | na  | 100                             | 100                  |
| 47      | na                 | Y                     | Y                        | Y                         | 100              | na                         | Y                         | na               | na                       | Y                             | Y                  | na                     | Y                   | N                    | Y                    | Y                       | na              | na                         | na                       | 86                                 | na                         | Y                    | Y                        | N                            | Y                        | na                     | na                               | Y                             | Y                           | na                                | na                            | na                      | na                                 | na  | 83                              | 88                   |
| 48      | na                 | na                    | na                       | na                        |                  | na                         | Y                         | na               | na                       | Y                             | Y                  | na                     | Y                   | Y                    | N                    | na                      | na              | na                         | na                       | 83                                 | na                         | Y                    | Y                        | Y                            | Y                        | Y                      | Y                                | na                            | na                          | na                                | Y                             | na                      | na                                 | na  | 100                             | 92                   |

| CLM Ref | D. MEMBER ISSUES   |                       |                          |                           |                  | A. TECHNICAL               |                           |                  |                          |                               |                    |                        |                     |                      |                      |                         |                 |                            |                          | B. TPA DIARIES/CONTRACT COMPLIANCE |                            |                      |                          |                              |                          |                        |                                  |                               |                             |                                   |                               |                         |                                    | GR  |                                 |                      |
|---------|--------------------|-----------------------|--------------------------|---------------------------|------------------|----------------------------|---------------------------|------------------|--------------------------|-------------------------------|--------------------|------------------------|---------------------|----------------------|----------------------|-------------------------|-----------------|----------------------------|--------------------------|------------------------------------|----------------------------|----------------------|--------------------------|------------------------------|--------------------------|------------------------|----------------------------------|-------------------------------|-----------------------------|-----------------------------------|-------------------------------|-------------------------|------------------------------------|-----|---------------------------------|----------------------|
|         | 1                  | 2                     | 3                        | 4                         | TOT              | 1                          | 2                         | 3                | 4                        | 5                             | 6                  | 7                      | 8                   | 9                    | 10                   | 11                      | 12              | 13                         | 14                       | TOT                                | 1                          | 2                    | 3                        | 4                            | 5                        | 6                      | 7                                | 8                             | 9                           | 10                                | 11                            | 12                      | 13                                 |     | 14                              | TOT                  |
|         | 1. Reported timely | 2. MOD duty available | 3. Participates in claim | 4. Responsive to adjuster | MEMBER TOTAL (%) | 1. Benefits Paid Correctly | 2. Employer Communication | 3. Investigation | 4. Attny Assgmt Thorough | 5. Assigned To Specific Attny | 6. Attny Monitored | 7. Qme Docs Sub Timely | 8. Medical Mgd Well | 9. Reserves Accurate | 10. Resolution Focus | 11. Rtw Issues Well Mgd | 12. Subrogation | 13. Mgt Guidance Effective | 14. Mgt Address Concerns | TECH TOTAL (%)                     | 1. Excess Reporting Timely | 2. Poa Review Timely | 3. Reserve Review Timely | 4. Supervisory Review Timely | 5. Proactive Diaries Set | 6. Sup Review Thorough | 7. Sup Review Follows Guidelines | 8. Timely Response To Members | 9. Prof Response To Members | 10. Issues Recognized & Escalated | 11. Settlement Pursuit Timely | 12. Sar Well Documented | 13. Settlement Guidelines Followed |     | 14. Settlement Submitted Approp | DIARY/CONT TOTAL (%) |
| 49      | Y                  | Y                     | Y                        | Y                         | 100              | na                         | Y                         | Y                | na                       | na                            | na                 | na                     | Y                   | Y                    | Y                    | na                      | na              | na                         | na                       | 100                                | na                         | Y                    | Y                        | Y                            | Y                        | Y                      | Y                                | Y                             | Y                           | na                                | na                            | na                      | na                                 | na  | 100                             | 100                  |
| 50      | na                 | Y                     | Y                        | Y                         | 100              | Y                          | Y                         | Y                | Y                        | Y                             | na                 | Y                      | Y                   | Y                    | Y                    | na                      | na              | na                         | na                       | 100                                | na                         | Y                    | Y                        | Y                            | Y                        | Y                      | Y                                | Y                             | Y                           | na                                | Y                             | na                      | na                                 | na  | 100                             | 100                  |
| 51      | na                 | na                    | Y                        | Y                         | 100              | na                         | Y                         | Y                | na                       | Y                             | na                 | na                     | Y                   | Y                    | Y                    | na                      | Y               | na                         | na                       | 100                                | na                         | Y                    | Y                        | Y                            | Y                        | Y                      | Y                                | Y                             | na                          | N                                 | Y                             | Y                       | Y                                  | 92  | 95                              |                      |
| 52      | na                 | na                    | Y                        | Y                         | 100              | na                         | Y                         | na               | na                       | na                            | na                 | na                     | N                   | N                    | Y                    | na                      | na              | na                         | na                       | 50                                 | na                         | Y                    | Y                        | Y                            | Y                        | Y                      | Y                                | Y                             | na                          | Y                                 | Y                             | Y                       | Y                                  | 100 | 89                              |                      |
| 53      | na                 | na                    | Y                        | Y                         | 100              | Y                          | Y                         | na               | na                       | Y                             | Y                  | na                     | na                  | Y                    | Y                    | na                      | na              | na                         | na                       | 100                                | na                         | Y                    | Y                        | Y                            | Y                        | Y                      | Y                                | na                            | na                          | na                                | Y                             | Y                       | Y                                  | Y   | 100                             | 100                  |
| 54      | na                 | na                    | na                       | Y                         | 100              | Y                          | Y                         | na               | na                       | na                            | na                 | Y                      | na                  | N                    | Y                    | na                      | na              | na                         | na                       | 80                                 | na                         | Y                    | Y                        | Y                            | Y                        | Y                      | Y                                | na                            | na                          | na                                | Y                             | Y                       | Y                                  | N   | 90                              | 88                   |
| 55      | na                 | na                    | na                       | na                        |                  | Y                          | Y                         | na               | na                       | Y                             | Y                  | na                     | Y                   | Y                    | Y                    | na                      | na              | na                         | na                       | 100                                | na                         | Y                    | Y                        | Y                            | Y                        | Y                      | Y                                | na                            | na                          | na                                | Y                             | na                      | na                                 | na  | 100                             | 100                  |
| 56      | na                 | na                    | na                       | na                        |                  | na                         | Y                         | na               | na                       | Y                             | Y                  | na                     | na                  | Y                    | Y                    | na                      | na              | na                         | na                       | 100                                | na                         | Y                    | Y                        | N                            | Y                        | Y                      | Y                                | na                            | na                          | na                                | na                            | na                      | na                                 | na  | 83                              | 91                   |
| 57      | Y                  | Y                     | Y                        | Y                         | 100              | Y                          | Y                         | Y                | na                       | na                            | na                 | na                     | Y                   | Y                    | N                    | N                       | na              | na                         | na                       | 71                                 | na                         | Y                    | Y                        | Y                            | N                        | Y                      | Y                                | na                            | na                          | Y                                 | na                            | na                      | na                                 | na  | 86                              | 83                   |
| 58      | Y                  | N                     | Y                        | Y                         | 75               | Y                          | Y                         | Y                | na                       | na                            | na                 | na                     | Y                   | Y                    | Y                    | Y                       | na              | na                         | na                       | 100                                | na                         | Y                    | Y                        | Y                            | Y                        | Y                      | Y                                | Y                             | Y                           | Y                                 | na                            | na                      | na                                 | na  | 100                             | 95                   |
| 59      | na                 | na                    | na                       | na                        |                  | Y                          | Y                         | na               | na                       | na                            | na                 | na                     | Y                   | Y                    | na                   | na                      | na              | na                         | na                       | 100                                | na                         | Y                    | Y                        | Y                            | Y                        | Y                      | Y                                | na                            | na                          | na                                | na                            | na                      | na                                 | na  | 100                             | 100                  |
| 60      | na                 | na                    | na                       | Y                         | 100              | na                         | Y                         | na               | na                       | na                            | Y                  | na                     | Y                   | Y                    | Y                    | na                      | na              | na                         | na                       | 100                                | na                         | Y                    | Y                        | N                            | Y                        | Y                      | Y                                | na                            | na                          | na                                | na                            | na                      | na                                 | na  | 83                              | 92                   |
| 61      | Y                  | N                     | Y                        | Y                         | 75               | Y                          | Y                         | na               | na                       | na                            | na                 | na                     | Y                   | Y                    | Y                    | Y                       | na              | na                         | na                       | 100                                | na                         | Y                    | Y                        | Y                            | Y                        | Y                      | Y                                | Y                             | na                          | na                                | na                            | na                      | na                                 | na  | 100                             | 94                   |
| 62      | na                 | na                    | Y                        | Y                         | 100              | N                          | Y                         | na               | na                       | na                            | na                 | na                     | Y                   | Y                    | na                   | na                      | na              | na                         | na                       | 75                                 | na                         | Y                    | Y                        | Y                            | Y                        | Y                      | Y                                | na                            | na                          | na                                | na                            | na                      | na                                 | na  | 100                             | 92                   |
| 63      | na                 | na                    | Y                        | Y                         | 100              | Y                          | Y                         | na               | na                       | na                            | na                 | Y                      | Y                   | Y                    | Y                    | na                      | na              | Y                          | Y                        | 100                                | na                         | Y                    | Y                        | Y                            | Y                        | Y                      | Y                                | na                            | na                          | na                                | na                            | na                      | na                                 | na  | 100                             | 100                  |
| 64      | N                  | na                    | Y                        | Y                         | 67               | Y                          | Y                         | na               | na                       | na                            | na                 | na                     | Y                   | Y                    | Y                    | Y                       | na              | na                         | na                       | 100                                | na                         | Y                    | Y                        | Y                            | Y                        | Y                      | Y                                | Y                             | na                          | na                                | na                            | na                      | na                                 | na  | 100                             | 94                   |
| 65      | na                 | na                    | Y                        | Y                         | 100              | Y                          | Y                         | na               | na                       | na                            | na                 | na                     | Y                   | Y                    | na                   | na                      | na              | na                         | na                       | 100                                | na                         | Y                    | Y                        | Y                            | Y                        | Y                      | Y                                | Y                             | na                          | na                                | na                            | na                      | na                                 | na  | 100                             | 100                  |
| 66      | na                 | na                    | Y                        | Y                         | 100              | N                          | Y                         | na               | na                       | na                            | na                 | na                     | Y                   | Y                    | na                   | N                       | na              | na                         | na                       | 60                                 | Y                          | Y                    | Y                        | N                            | Y                        | Y                      | Y                                | na                            | na                          | na                                | na                            | na                      | na                                 | na  | 86                              | 79                   |
| 67      | na                 | na                    | Y                        | Y                         | 100              | Y                          | Y                         | na               | Y                        | Y                             | Y                  | Y                      | Y                   | Y                    | Y                    | Y                       | na              | na                         | na                       | 100                                | Y                          | Y                    | Y                        | N                            | Y                        | Y                      | Y                                | na                            | na                          | na                                | Y                             | Y                       | Y                                  | na  | 90                              | 95                   |
| 68      | na                 | na                    | na                       | na                        |                  | Y                          | Y                         | na               | na                       | na                            | Y                  | na                     | Y                   | Y                    | Y                    | Y                       | na              | na                         | na                       | 100                                | na                         | Y                    | Y                        | N                            | Y                        | Y                      | Y                                | na                            | na                          | na                                | Y                             | na                      | na                                 | Y   | 88                              | 93                   |
| 69      | na                 | na                    | Y                        | Y                         | 100              | Y                          | Y                         | na               | na                       | na                            | na                 | Y                      | Y                   | Y                    | N                    | na                      | na              | na                         | na                       | 83                                 | na                         | Y                    | Y                        | Y                            | Y                        | Y                      | Y                                | na                            | na                          | na                                | na                            | na                      | na                                 | na  | 100                             | 93                   |
| 70      | na                 | Y                     | Y                        | Y                         | 100              | Y                          | Y                         | na               | na                       | na                            | Y                  | Y                      | Y                   | Y                    | Y                    | Y                       | na              | na                         | na                       | 100                                | N                          | Y                    | Y                        | Y                            | Y                        | N                      | Y                                | Y                             | Y                           | na                                | na                            | na                      | na                                 | na  | 78                              | 90                   |
| 71      | na                 | na                    | Y                        | Y                         | 100              | Y                          | Y                         | na               | na                       | na                            | Y                  | na                     | Y                   | Y                    | Y                    | Y                       | na              | Y                          | Y                        | 100                                | na                         | Y                    | Y                        | Y                            | Y                        | N                      | Y                                | Y                             | Y                           | na                                | na                            | na                      | na                                 | na  | 89                              | 95                   |
| 72      | na                 | na                    | Y                        | Y                         | 100              | N                          | N                         | na               | na                       | na                            | na                 | na                     | N                   | Y                    | N                    | na                      | na              | na                         | N                        | 17                                 | N                          | N                    | Y                        | Y                            | Y                        | N                      | Y                                | na                            | na                          | na                                | na                            | na                      | na                                 | na  | 57                              | 47                   |



| CLM<br>Ref | D. MEMBER ISSUES   |                       |                          |                           |                  | A. TECHNICAL               |                           |                  |                            |                               |                    |                        |                     |                      |                      |                         |                 |                            |                          | B. TPA DIARIES/CONTRACT COMPLIANCE |                            |                      |                          |                              |                          |                        |                                  |                               |                             |                                   |                               |                         |                                    | GR  |                                 |                      |
|------------|--------------------|-----------------------|--------------------------|---------------------------|------------------|----------------------------|---------------------------|------------------|----------------------------|-------------------------------|--------------------|------------------------|---------------------|----------------------|----------------------|-------------------------|-----------------|----------------------------|--------------------------|------------------------------------|----------------------------|----------------------|--------------------------|------------------------------|--------------------------|------------------------|----------------------------------|-------------------------------|-----------------------------|-----------------------------------|-------------------------------|-------------------------|------------------------------------|-----|---------------------------------|----------------------|
|            | 1                  | 2                     | 3                        | 4                         | TOT              | 1                          | 2                         | 3                | 4                          | 5                             | 6                  | 7                      | 8                   | 9                    | 10                   | 11                      | 12              | 13                         | 14                       | TOT                                | 1                          | 2                    | 3                        | 4                            | 5                        | 6                      | 7                                | 8                             | 9                           | 10                                | 11                            | 12                      | 13                                 |     | 14                              | TOT                  |
|            | 1. Reported timely | 2. MOD duty available | 3. Participates in claim | 4. Responsive to adjuster | MEMBER TOTAL (%) | 1. Benefits Paid Correctly | 2. Employer Communication | 3. Investigation | 4. Attny Assgmetn Thorough | 5. Assigned To Specific Attny | 6. Attny Monitored | 7. Qme Docs Sub Timely | 8. Medical Mgd Well | 9. Reserves Accurate | 10. Resolution Focus | 11. Rtw Issues Well Mgd | 12. Subrogation | 13. Mgt Guidance Effective | 14. Mgt Address Concerns | TECH TOTAL (%)                     | 1. Excess Reporting Timely | 2. Poa Review Timely | 3. Reserve Review Timely | 4. Supervisory Review Timely | 5. Proactive Diaries Set | 6. Sup Review Thorough | 7. Sup Review Follows Guidelines | 8. Timely Response To Members | 9. Prof Response To Members | 10. Issues Recognized & Escalated | 11. Settlement Pursuit Timely | 12. Sar Well Documented | 13. Settlement Guidelines Followed |     | 14. Settlement Submitted Approp | DIARY/CONT TOTAL (%) |
| 73         | na                 | na                    | Y                        | Y                         | 100              | Y                          | Y                         | na               | na                         | na                            | Y                  | Y                      | na                  | Y                    | na                   | na                      | Y               | Y                          | 100                      | na                                 | Y                          | Y                    | Y                        | Y                            | Y                        | Y                      | Y                                | na                            | na                          | na                                | na                            | na                      | 100                                | 100 |                                 |                      |
| 74         | Y                  | na                    | Y                        | Y                         | 100              | na                         | Y                         | na               | na                         | na                            | na                 | na                     | Y                   | Y                    | na                   | na                      | na              | na                         | 100                      | na                                 | Y                          | Y                    | Y                        | Y                            | Y                        | Y                      | Y                                | na                            | na                          | na                                | na                            | na                      | 100                                | 100 |                                 |                      |
| 75         | na                 | na                    | Y                        | Y                         | 100              | Y                          | Y                         | na               | na                         | na                            | na                 | Y                      | Y                   | N                    | na                   | na                      | na              | na                         | 80                       | na                                 | Y                          | Y                    | N                        | Y                            | Y                        | Y                      | Y                                | na                            | Y                           | Y                                 | N                             | 83                      | 84                                 |     |                                 |                      |
| 76         | na                 | Y                     | Y                        | Y                         | 100              | Y                          | Y                         | na               | na                         | na                            | Y                  | na                     | Y                   | Y                    | Y                    | na                      | na              | na                         | 100                      | na                                 | Y                          | Y                    | Y                        | Y                            | Y                        | Y                      | na                               | na                            | na                          | na                                | na                            | na                      | 100                                | 100 |                                 |                      |
| 77         | na                 | na                    | Y                        | Y                         | 100              | Y                          | Y                         | na               | na                         | na                            | Y                  | na                     | na                  | Y                    | Y                    | na                      | na              | na                         | 100                      | na                                 | Y                          | Y                    | Y                        | N                            | Y                        | Y                      | na                               | na                            | na                          | N                                 | Y                             | Y                       | 80                                 | 88  |                                 |                      |
| 78         | Y                  | Y                     | Y                        | Y                         | 100              | Y                          | Y                         | na               | na                         | na                            | na                 | na                     | Y                   | Y                    | Y                    | na                      | na              | na                         | 100                      | na                                 | Y                          | Y                    | Y                        | Y                            | Y                        | Y                      | na                               | na                            | na                          | na                                | na                            | na                      | 100                                | 100 |                                 |                      |
| 79         | na                 | Y                     | Y                        | Y                         | 100              | Y                          | Y                         | na               | na                         | na                            | Y                  | na                     | Y                   | Y                    | Y                    | na                      | na              | na                         | 100                      | na                                 | Y                          | Y                    | Y                        | Y                            | Y                        | Y                      | na                               | na                            | na                          | N                                 | Y                             | Y                       | 90                                 | 95  |                                 |                      |
| 80         | na                 | na                    | na                       | na                        |                  | Y                          | na                        | na               | na                         | na                            | na                 | Y                      | Y                   | Y                    | N                    | na                      | na              | na                         | 80                       | na                                 | Y                          | Y                    | N                        | Y                            | Y                        | Y                      | na                               | na                            | na                          | na                                | na                            | na                      | 83                                 | 82  |                                 |                      |
| 81         | na                 | na                    | Y                        | Y                         | 100              | na                         | Y                         | na               | na                         | na                            | na                 | na                     | Y                   | N                    | Y                    | na                      | na              | Y                          | na                       | 80                                 | na                         | Y                    | Y                        | N                            | Y                        | Y                      | Y                                | na                            | na                          | na                                | Y                             | na                      | Y                                  | 89  | 88                              |                      |
| 82         | na                 | na                    | na                       | na                        |                  | Y                          | na                        | na               | na                         | na                            | Y                  | na                     | N                   | Y                    | Y                    | na                      | na              | na                         | 80                       | na                                 | Y                          | Y                    | Y                        | Y                            | N                        | Y                      | na                               | na                            | N                           | na                                | na                            | na                      | 71                                 | 75  |                                 |                      |
| 83         | na                 | Y                     | na                       | na                        | 100              | Y                          | Y                         | na               | na                         | na                            | na                 | N                      | Y                   | Y                    | N                    | na                      | na              | Y                          | 75                       | na                                 | Y                          | Y                    | N                        | N                            | na                       | na                     | na                               | na                            | na                          | na                                | na                            | na                      | 50                                 | 69  |                                 |                      |
| 84         | Y                  | N                     | Y                        | Y                         | 75               | Y                          | Y                         | na               | N                          | Y                             | Y                  | na                     | Y                   | N                    | Y                    | N                       | na              | Y                          | na                       | 70                                 | na                         | Y                    | Y                        | Y                            | Y                        | Y                      | Y                                | Y                             | na                          | na                                | na                            | na                      | na                                 | 100 | 82                              |                      |
| 85         | na                 | Y                     | na                       | na                        | 100              | Y                          | na                        | na               | na                         | na                            | Y                  | na                     | Y                   | Y                    | na                   | N                       | na              | Y                          | 86                       | na                                 | Y                          | Y                    | Y                        | Y                            | Y                        | Y                      | na                               | na                            | na                          | na                                | na                            | na                      | na                                 | 100 | 93                              |                      |
| 86         | na                 | na                    | Y                        | Y                         | 100              | Y                          | Y                         | na               | na                         | na                            | na                 | na                     | Y                   | Y                    | N                    | na                      | na              | na                         | 80                       | na                                 | Y                          | Y                    | Y                        | Y                            | Y                        | Y                      | Y                                | na                            | N                           | Y                                 | N                             | Y                       | 83                                 | 84  |                                 |                      |
| 87         | N                  | Y                     | Y                        | Y                         | 75               | Y                          | Y                         | na               | na                         | na                            | na                 | na                     | Y                   | Y                    | Y                    | Y                       | na              | na                         | na                       | 100                                | na                         | Y                    | Y                        | Y                            | Y                        | Y                      | Y                                | Y                             | na                          | na                                | na                            | na                      | na                                 | 100 | 94                              |                      |
| 88         | na                 | na                    | Y                        | Y                         | 100              | Y                          | Y                         | na               | na                         | na                            | Y                  | na                     | Y                   | Y                    | na                   | Y                       | na              | na                         | na                       | 100                                | Y                          | Y                    | N                        | Y                            | Y                        | Y                      | Y                                | Y                             | na                          | na                                | na                            | na                      | na                                 | 89  | 94                              |                      |
| 89         | na                 | na                    | Y                        | Y                         | 100              | Y                          | Y                         | na               | na                         | na                            | Y                  | Y                      | na                  | Y                    | Y                    | na                      | na              | na                         | na                       | 100                                | na                         | Y                    | Y                        | N                            | Y                        | Y                      | Y                                | na                            | na                          | na                                | na                            | na                      | na                                 | 83  | 93                              |                      |
| 90         | N                  | na                    | Y                        | Y                         | 67               | Y                          | N                         | Y                | na                         | na                            | na                 | na                     | na                  | Y                    | Y                    | na                      | na              | na                         | 80                       | na                                 | Y                          | Y                    | Y                        | Y                            | Y                        | Y                      | na                               | na                            | na                          | na                                | na                            | na                      | 100                                | 86  |                                 |                      |
| 91         | na                 | Y                     | Y                        | Y                         | 100              | Y                          | Y                         | na               | na                         | na                            | na                 | Y                      | Y                   | Y                    | Y                    | Y                       | na              | Y                          | na                       | 100                                | na                         | Y                    | Y                        | Y                            | Y                        | Y                      | Y                                | Y                             | na                          | na                                | na                            | na                      | na                                 | 100 | 100                             |                      |
| 92         | na                 | Y                     | Y                        | Y                         | 100              | Y                          | Y                         | na               | na                         | na                            | na                 | na                     | Y                   | Y                    | Y                    | Y                       | na              | Y                          | Y                        | 100                                | na                         | Y                    | Y                        | Y                            | Y                        | Y                      | Y                                | Y                             | na                          | na                                | na                            | na                      | na                                 | 100 | 100                             |                      |
| 93         | na                 | na                    | Y                        | Y                         | 100              | Y                          | Y                         | na               | na                         | na                            | na                 | Y                      | na                  | N                    | Y                    | na                      | na              | na                         | 80                       | na                                 | Y                          | Y                    | N                        | Y                            | Y                        | Y                      | Y                                | na                            | na                          | na                                | na                            | na                      | 88                                 | 87  |                                 |                      |
| 94         | Y                  | Y                     | Y                        | Y                         | 100              | Y                          | Y                         | na               | na                         | na                            | na                 | na                     | Y                   | Y                    | Y                    | Y                       | na              | na                         | na                       | 100                                | na                         | Y                    | Y                        | Y                            | Y                        | Y                      | Y                                | Y                             | na                          | na                                | na                            | na                      | na                                 | 100 | 100                             |                      |
| 95         | na                 | na                    | na                       | na                        |                  | Y                          | na                        | na               | na                         | na                            | Y                  | na                     | Y                   | Y                    | Y                    | na                      | na              | Y                          | Y                        | 100                                | na                         | Y                    | Y                        | Y                            | Y                        | Y                      | Y                                | na                            | na                          | Y                                 | Y                             | na                      | Y                                  | 100 | 100                             |                      |
| 96         | na                 | Y                     | Y                        | Y                         | 100              | Y                          | Y                         | na               | na                         | na                            | Y                  | Y                      | Y                   | Y                    | N                    | Y                       | na              | Y                          | Y                        | 90                                 | na                         | Y                    | Y                        | Y                            | Y                        | Y                      | N                                | na                            | na                          | Y                                 | Y                             | N                       | 80                                 | 87  |                                 |                      |

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| CLM Ref | D. MEMBER ISSUES |    |    |    |     | A. TECHNICAL |    |    |    |    |    |    |    |   |    |    |    |    |    | B. TPA DIARIES/CONTRACT COMPLIANCE |    |   |   |   |   |    |    |    |    |    |    |    |    | GR  |     |     |
|---------|------------------|----|----|----|-----|--------------|----|----|----|----|----|----|----|---|----|----|----|----|----|------------------------------------|----|---|---|---|---|----|----|----|----|----|----|----|----|-----|-----|-----|
|         | 1                | 2  | 3  | 4  | TOT | 1            | 2  | 3  | 4  | 5  | 6  | 7  | 8  | 9 | 10 | 11 | 12 | 13 | 14 | TOT                                | 1  | 2 | 3 | 4 | 5 | 6  | 7  | 8  | 9  | 10 | 11 | 12 | 13 |     | 14  | TOT |
| 97      | na               | na | Y  | Y  | 100 | Y            | Y  | na | na | na | na | na | Y  | N | Y  | na | na | Y  | na | 83                                 | na | Y | Y | Y | Y | Y  | Y  | na | Y  | N  | N  | na | 82 | 84  |     |     |
| 98      | na               | Y  | Y  | Y  | 100 | Y            | Y  | na | Y  | Y  | Y  | na | Y  | N | Y  | Y  | na | na | na | 89                                 | na | Y | Y | N | Y | na | na | Y  | Y  | na | na | na | na | 83  | 89  |     |
| 99      | Y                | Y  | Y  | Y  | 100 | Y            | Y  | na | na | na | Y  | na | Y  | Y | Y  | Y  | na | na | na | 100                                | na | Y | Y | N | Y | Y  | Y  | Y  | na | na | na | na | na | 88  | 95  |     |
| 100     | na               | na | Y  | Y  | 100 | Y            | Y  | na | na | na | na | na | Y  | Y | Y  | N  | na | na | na | 83                                 | na | Y | Y | Y | Y | N  | Y  | na | na | Y  | Y  | N  | N  | 70  | 78  |     |
| 101     | na               | Y  | Y  | Y  | 100 | N            | Y  | na | na | na | Y  | na | Y  | Y | na | Y  | na | na | na | 83                                 | na | Y | Y | Y | Y | Y  | Y  | Y  | na | na | na | na | na | 100 | 94  |     |
| 102     | na               | na | Y  | Y  | 100 | na           | Y  | na | na | na | na | na | na | Y | N  | na | na | na | na | 67                                 | na | Y | Y | Y | Y | Y  | Y  | Y  | na | na | na | na | na | 100 | 92  |     |
| 103     | N                | N  | Y  | Y  | 50  | Y            | Y  | Y  | na | na | na | Y  | Y  | Y | Y  | Y  | Y  | na | na | 100                                | na | Y | Y | Y | Y | N  | Y  | Y  | Y  | na | na | na | na | na  | 88  | 86  |
| 104     | na               | na | Y  | Y  | 100 | Y            | Y  | na | na | na | na | Y  | Y  | Y | Y  | na | na | na | na | 100                                | na | Y | Y | N | Y | Y  | Y  | Y  | Y  | na | na | na | na | na  | 88  | 94  |
| 105     | na               | na | na | na |     | N            | na | na | na | na | na | na | na | Y | na | na | na | na | na | 50                                 | na | Y | Y | N | Y | Y  | Y  | na | na | na | na | na | na | 83  | 75  |     |
| 106     | Y                | na | na | na | 100 | Y            | na | na | na | na | na | na | Y  | Y | N  | na | na | na | na | 75                                 | na | Y | Y | Y | Y | Y  | Y  | na | na | na | na | na | na | 100 | 91  |     |
| 107     | na               | na | Y  | Y  | 100 | na           | Y  | na | na | na | Y  | na | na | Y | Y  | na | na | Y  | Y  | 100                                | na | Y | Y | Y | Y | Y  | Y  | na | na | na | na | na | na | 100 | 100 |     |
| 108     | na               | na | na | na |     | Y            | na | na | na | na | na | na | Y  | Y | N  | na | na | na | na | 75                                 | na | Y | Y | N | N | Y  | Y  | na | na | na | na | na | na | 67  | 70  |     |
| 109     | na               | na | na | na |     | Y            | Y  | na | na | na | Y  | na | Y  | Y | N  | na | na | Y  | Y  | 88                                 | na | Y | Y | Y | Y | Y  | Y  | na | na | na | na | na | na | 100 | 93  |     |
| 110     | na               | na | Y  | Y  | 100 | Y            | Y  | na | na | na | na | na | Y  | N | Y  | na | na | na | na | 80                                 | na | Y | Y | Y | Y | Y  | Y  | na | na | na | Y  | Y  | Y  | Y   | 100 | 94  |
| 111     | na               | na | na | na |     | Y            | na | na | na | na | Y  | na | Y  | N | Y  | na | na | na | N  | 67                                 | na | Y | Y | N | Y | Y  | Y  | na | na | na | na | na | na | 83  | 75  |     |
| 112     | na               | na | Y  | Y  | 100 | Y            | Y  | na | na | na | na | na | Y  | Y | Y  | na | na | na | na | 100                                | na | Y | Y | Y | Y | Y  | Y  | Y  | Y  | na | na | na | na | na  | 100 | 100 |
| 113     | na               | na | Y  | Y  | 100 | Y            | Y  | na | na | na | na | na | Y  | Y | na | na | na | na | na | 100                                | na | Y | Y | Y | Y | Y  | Y  | na | na | na | na | na | na | 100 | 100 |     |
| 114     | na               | na | Y  | Y  | 100 | Y            | Y  | na | na | na | Y  | na | Y  | N | Y  | na | na | na | na | 83                                 | na | Y | Y | Y | Y | Y  | Y  | na | na | na | Y  | Y  | Y  | na  | 100 | 94  |
| 115     | na               | na | Y  | Y  | 100 | Y            | Y  | na | na | na | na | na | na | Y | na | na | na | na | na | 100                                | na | Y | Y | Y | Y | Y  | Y  | na | na | na | na | na | na | 100 | 100 |     |
| 116     | Y                | na | Y  | Y  | 100 | Y            | N  | na | na | na | na | na | Y  | Y | Y  | na | na | N  | na | 67                                 | na | Y | Y | Y | Y | N  | Y  | na | na | na | na | na | na | 83  | 80  |     |
| 117     | na               | na | na | na |     | N            | na | na | na | na | na | N  | na | Y | N  | na | na | na | na | 25                                 | na | Y | Y | Y | Y | Y  | Y  | na | na | na | na | na | na | 100 | 70  |     |
| 118     | na               | na | Y  | Y  | 100 | Y            | Y  | na | na | na | na | na | Y  | Y | na | na | na | na | na | 100                                | na | Y | Y | Y | Y | Y  | Y  | na | na | na | na | na | na | 100 | 100 |     |
| 119     | na               | na | Y  | Y  | 100 | Y            | Y  | na | na | na | na | na | Y  | Y | Y  | na | na | na | na | 100                                | na | N | Y | Y | Y | Y  | Y  | na | na | na | na | na | na | 83  | 92  |     |
| 120     | na               | na | Y  | Y  | 100 | N            | Y  | na | na | na | na | na | Y  | Y | Y  | na | na | na | na | 80                                 | na | Y | Y | Y | Y | N  | Y  | na | na | na | na | na | na | 83  | 85  |     |

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| CLM Ref | D. MEMBER ISSUES   |                       |                          |                           |                  | A. TECHNICAL               |                           |                  |                          |                               |                    |                        |                     |                      |                      |                         |                 |                            |                          | B. TPA DIARIES/CONTRACT COMPLIANCE |                            |                      |                          |                              |                          |                        |                                  |                               |                             |                                   |                               |                         |                                    | GR |                                 |                      |
|---------|--------------------|-----------------------|--------------------------|---------------------------|------------------|----------------------------|---------------------------|------------------|--------------------------|-------------------------------|--------------------|------------------------|---------------------|----------------------|----------------------|-------------------------|-----------------|----------------------------|--------------------------|------------------------------------|----------------------------|----------------------|--------------------------|------------------------------|--------------------------|------------------------|----------------------------------|-------------------------------|-----------------------------|-----------------------------------|-------------------------------|-------------------------|------------------------------------|----|---------------------------------|----------------------|
|         | 1                  | 2                     | 3                        | 4                         | TOT              | 1                          | 2                         | 3                | 4                        | 5                             | 6                  | 7                      | 8                   | 9                    | 10                   | 11                      | 12              | 13                         | 14                       | TOT                                | 1                          | 2                    | 3                        | 4                            | 5                        | 6                      | 7                                | 8                             | 9                           | 10                                | 11                            | 12                      | 13                                 |    | 14                              | TOT                  |
|         | 1. Reported timely | 2. MOD duty available | 3. Participates in claim | 4. Responsive to adjuster | MEMBER TOTAL (%) | 1. Benefits Paid Correctly | 2. Employer Communication | 3. Investigation | 4. Attny Assgmt Thorough | 5. Assigned To Specific Attny | 6. Attny Monitored | 7. Ome Docs Sub Timely | 8. Medical Mgd Well | 9. Reserves Accurate | 10. Resolution Focus | 11. Rtw Issues Well Mgd | 12. Subrogation | 13. Mgt Guidance Effective | 14. Mgt Address Concerns | TECH TOTAL (%)                     | 1. Excess Reporting Timely | 2. Poa Review Timely | 3. Reserve Review Timely | 4. Supervisory Review Timely | 5. Proactive Diaries Set | 6. Sup Review Thorough | 7. Sup Review Follows Guidelines | 8. Timely Response To Members | 9. Prof Response To Members | 10. Issues Recognized & Escalated | 11. Settlement Pursuit Timely | 12. Sar Well Documented | 13. Settlement Guidelines Followed |    | 14. Settlement Submitted Approp | DIARY/CONT TOTAL (%) |
| 121     | na                 | na                    | na                       | na                        |                  | Y                          | na                        | na               | na                       | na                            | na                 | na                     | Y                   | Y                    | Y                    | na                      | na              | na                         | na                       | 100                                | na                         | Y                    | Y                        | N                            | Y                        | Y                      | Y                                | na                            | na                          | na                                | na                            | Y                       | na                                 | na | 86                              | 91                   |
| 122     | na                 | na                    | Y                        | Y                         | 100              | Y                          | Y                         | na               | na                       | na                            | na                 | na                     | na                  | Y                    | N                    | na                      | na              | na                         | na                       | 75                                 | na                         | Y                    | Y                        | Y                            | N                        | Y                      | Y                                | na                            | na                          | na                                | N                             | Y                       | Y                                  | na | 78                              | 80                   |
| 123     | na                 | na                    | na                       | na                        |                  | na                         | N                         | na               | na                       | na                            | na                 | na                     | Y                   | Y                    | na                   | na                      | na              | na                         | na                       | 67                                 | na                         | Y                    | Y                        | Y                            | na                       | Y                      | Y                                | na                            | na                          | na                                | na                            | na                      | na                                 | na | 100                             | 88                   |
| 124     | na                 | na                    | Y                        | Y                         | 100              | Y                          | Y                         | na               | na                       | na                            | na                 | Y                      | na                  | Y                    | Y                    | na                      | na              | na                         | na                       | 100                                | na                         | Y                    | Y                        | Y                            | Y                        | Y                      | Y                                | na                            | na                          | na                                | Y                             | Y                       | Y                                  | Y  | 100                             | 100                  |
| 125     | na                 | na                    | Y                        | Y                         | 100              | Y                          | Y                         | na               | na                       | na                            | na                 | na                     | N                   | Y                    | Y                    | na                      | na              | Y                          | na                       | 83                                 | na                         | Y                    | Y                        | Y                            | Y                        | Y                      | Y                                | na                            | na                          | na                                | Y                             | Y                       | Y                                  | Y  | 100                             | 94                   |
| 126     | Y                  | Y                     | Y                        | Y                         | 100              | Y                          | Y                         | na               | na                       | na                            | na                 | na                     | Y                   | Y                    | Y                    | Y                       | na              | na                         | na                       | 100                                | na                         | Y                    | Y                        | Y                            | Y                        | Y                      | Y                                | na                            | na                          | na                                | na                            | na                      | na                                 | na | 100                             | 100                  |
| 127     | na                 | Y                     | Y                        | Y                         | 100              | Y                          | Y                         | na               | na                       | na                            | Y                  | na                     | Y                   | Y                    | Y                    | na                      | na              | na                         | na                       | 100                                | na                         | Y                    | Y                        | N                            | Y                        | Y                      | Y                                | na                            | na                          | na                                | Y                             | na                      | na                                 | Y  | 88                              | 94                   |
| 128     | Y                  | na                    | Y                        | Y                         | 100              | Y                          | Y                         | na               | na                       | na                            | na                 | na                     | Y                   | Y                    | N                    | na                      | N               | na                         | na                       | 67                                 | na                         | Y                    | Y                        | Y                            | N                        | N                      | Y                                | na                            | na                          | na                                | na                            | na                      | na                                 | na | 67                              | 73                   |
| 129     | na                 | na                    | Y                        | Y                         | 100              | Y                          | Y                         | N                | na                       | na                            | na                 | na                     | N                   | N                    | na                   | na                      | na              | na                         | na                       | 40                                 | na                         | Y                    | Y                        | Y                            | Y                        | Y                      | Y                                | na                            | na                          | na                                | Y                             | Y                       | Y                                  | na | 100                             | 81                   |
| 130     | na                 | na                    | Y                        | Y                         | 100              | N                          | Y                         | na               | na                       | na                            | na                 | Y                      | Y                   | Y                    | N                    | na                      | na              | na                         | na                       | 67                                 | na                         | Y                    | Y                        | na                           | Y                        | na                     | na                               | Y                             | Y                           | na                                | N                             | Y                       | Y                                  | na | 88                              | 81                   |
| 131     | na                 | Y                     | Y                        | Y                         | 100              | N                          | Y                         | na               | na                       | na                            | na                 | na                     | Y                   | Y                    | Y                    | N                       | na              | na                         | na                       | 67                                 | na                         | Y                    | Y                        | Y                            | Y                        | Y                      | Y                                | Y                             | na                          | na                                | na                            | na                      | na                                 | na | 100                             | 88                   |
| 132     | na                 | na                    | Y                        | Y                         | 100              | Y                          | Y                         | na               | na                       | na                            | Y                  | na                     | Y                   | Y                    | na                   | na                      | na              | na                         | na                       | 100                                | Y                          | Y                    | Y                        | N                            | Y                        | Y                      | Y                                | na                            | na                          | na                                | na                            | na                      | na                                 | na | 86                              | 93                   |
| 133     | na                 | na                    | Y                        | Y                         | 100              | Y                          | Y                         | na               | na                       | na                            | na                 | na                     | Y                   | Y                    | na                   | na                      | na              | na                         | na                       | 100                                | na                         | Y                    | Y                        | Y                            | Y                        | Y                      | Y                                | na                            | na                          | na                                | na                            | na                      | na                                 | na | 100                             | 100                  |
| 134     | na                 | N                     | Y                        | Y                         | 67               | Y                          | Y                         | Y                | na                       | na                            | Y                  | Y                      | Y                   | N                    | Y                    | Y                       | na              | Y                          | Y                        | 91                                 | na                         | Y                    | Y                        | Y                            | Y                        | Y                      | Y                                | na                            | na                          | Y                                 | na                            | na                      | na                                 | na | 100                             | 90                   |
| 135     | Y                  | Y                     | Y                        | Y                         | 100              | Y                          | Y                         | na               | Y                        | na                            | na                 | na                     | Y                   | Y                    | N                    | Y                       | Y               | na                         | na                       | 88                                 | na                         | Y                    | Y                        | Y                            | Y                        | N                      | Y                                | Y                             | Y                           | na                                | na                            | na                      | na                                 | na | 88                              | 90                   |
| 136     | na                 | Y                     | Y                        | Y                         | 100              | Y                          | Y                         | na               | na                       | na                            | na                 | Y                      | Y                   | Y                    | Y                    | Y                       | na              | na                         | Y                        | 100                                | na                         | Y                    | Y                        | Y                            | Y                        | Y                      | Y                                | Y                             | Y                           | na                                | Y                             | Y                       | Y                                  | Y  | 100                             | 100                  |
| 137     | na                 | na                    | Y                        | Y                         | 100              | Y                          | Y                         | na               | Y                        | Y                             | Y                  | na                     | na                  | Y                    | Y                    | na                      | na              | na                         | na                       | 100                                | na                         | Y                    | Y                        | Y                            | Y                        | Y                      | Y                                | na                            | na                          | na                                | N                             | Y                       | Y                                  | Y  | 90                              | 95                   |
| 138     | Y                  | Y                     | Y                        | Y                         | 100              | Y                          | Y                         | na               | na                       | na                            | na                 | na                     | Y                   | Y                    | Y                    | Y                       | na              | na                         | na                       | 100                                | na                         | Y                    | Y                        | Y                            | Y                        | Y                      | Y                                | na                            | na                          | na                                | na                            | na                      | na                                 | na | 100                             | 100                  |
| 139     | na                 | na                    | Y                        | Y                         | 100              | Y                          | Y                         | na               | na                       | na                            | Y                  | na                     | na                  | Y                    | Y                    | na                      | na              | na                         | na                       | 100                                | na                         | Y                    | Y                        | Y                            | Y                        | Y                      | Y                                | na                            | na                          | na                                | na                            | na                      | na                                 | na | 100                             | 100                  |
| 140     | na                 | na                    | Y                        | Y                         | 100              | Y                          | Y                         | na               | na                       | na                            | Y                  | Y                      | Y                   | Y                    | Y                    | na                      | na              | na                         | na                       | 100                                | Y                          | Y                    | Y                        | Y                            | Y                        | Y                      | Y                                | na                            | na                          | na                                | Y                             | Y                       | Y                                  | na | 100                             | 100                  |
| 141     | na                 | na                    | Y                        | Y                         | 100              | Y                          | N                         | na               | na                       | na                            | Y                  | na                     | Y                   | Y                    | na                   | na                      | na              | na                         | na                       | 80                                 | na                         | Y                    | Y                        | N                            | Y                        | N                      | Y                                | na                            | na                          | na                                | na                            | na                      | na                                 | na | 67                              | 77                   |
| 142     | na                 | na                    | Y                        | Y                         | 100              | na                         | Y                         | na               | na                       | na                            | na                 | na                     | na                  | Y                    | N                    | na                      | na              | Y                          | Y                        | 80                                 | na                         | Y                    | Y                        | Y                            | Y                        | Y                      | Y                                | na                            | na                          | na                                | na                            | na                      | na                                 | na | 100                             | 92                   |
| 143     | na                 | na                    | Y                        | Y                         | 100              | Y                          | Y                         | na               | na                       | na                            | Y                  | na                     | Y                   | Y                    | Y                    | na                      | na              | na                         | na                       | 100                                | na                         | Y                    | Y                        | Y                            | Y                        | Y                      | Y                                | na                            | na                          | na                                | Y                             | na                      | na                                 | Y  | 100                             | 100                  |
| 144     | na                 | na                    | na                       | na                        |                  | N                          | na                        | na               | na                       | na                            | Y                  | na                     | na                  | Y                    | na                   | na                      | na              | na                         | na                       | 67                                 | na                         | Y                    | Y                        | Y                            | Y                        | Y                      | Y                                | na                            | na                          | na                                | na                            | na                      | na                                 | na | 100                             | 89                   |



| CLM<br>Ref | D. MEMBER ISSUES   |                       |                          |                           |                  | A. TECHNICAL               |                           |                  |                          |                               |                    |                        |                     |                      |                      |                         |                 |                            |                          | B. TPA DIARIES/CONTRACT COMPLIANCE |                            |                      |                          |                              |                          |                        |                                  |                               |                             |                                   |                               |                         |                                    | GR |                                 |                      |                 |     |
|------------|--------------------|-----------------------|--------------------------|---------------------------|------------------|----------------------------|---------------------------|------------------|--------------------------|-------------------------------|--------------------|------------------------|---------------------|----------------------|----------------------|-------------------------|-----------------|----------------------------|--------------------------|------------------------------------|----------------------------|----------------------|--------------------------|------------------------------|--------------------------|------------------------|----------------------------------|-------------------------------|-----------------------------|-----------------------------------|-------------------------------|-------------------------|------------------------------------|----|---------------------------------|----------------------|-----------------|-----|
|            | 1                  | 2                     | 3                        | 4                         | TOT              | 1                          | 2                         | 3                | 4                        | 5                             | 6                  | 7                      | 8                   | 9                    | 10                   | 11                      | 12              | 13                         | 14                       | TOT                                | 1                          | 2                    | 3                        | 4                            | 5                        | 6                      | 7                                | 8                             | 9                           | 10                                | 11                            | 12                      | 13                                 |    | 14                              | TOT                  |                 |     |
|            | 1. Reported timely | 2. MOD duty available | 3. Participates in claim | 4. Responsive to adjuster | MEMBER TOTAL (%) | 1. Benefits Paid Correctly | 2. Employer Communication | 3. Investigation | 4. Attny Assgmt Thorough | 5. Assigned To Specific Attny | 6. Attny Monitored | 7. Qme Docs Sub Timely | 8. Medical Mgd Well | 9. Reserves Accurate | 10. Resolution Focus | 11. Rtw Issues Well Mgd | 12. Subrogation | 13. Mgt Guidance Effective | 14. Mgt Address Concerns | TECH TOTAL (%)                     | 1. Excess Reporting Timely | 2. Poa Review Timely | 3. Reserve Review Timely | 4. Supervisory Review Timely | 5. Proactive Diaries Set | 6. Sup Review Thorough | 7. Sup Review Follows Guidelines | 8. Timely Response To Members | 9. Prof Response To Members | 10. Issues Recognized & Escalated | 11. Settlement Pursuit Timely | 12. Sar Well Documented | 13. Settlement Guidelines Followed |    | 14. Settlement Submitted Approp | DIARY/CONT TOTAL (%) | GRAND TOTAL (%) |     |
| 169        | na                 | na                    | Y                        | Y                         | 100              | Y                          | na                        | na               | na                       | na                            | na                 | Y                      | Y                   | N                    | N                    | na                      | na              | na                         | na                       | 60                                 | na                         | Y                    | Y                        | N                            | Y                        | na                     | N                                | na                            | na                          | na                                | na                            | na                      | na                                 | na | na                              | na                   | 60              | 67  |
| 170        | Y                  | na                    | Y                        | Y                         | 100              | Y                          | Y                         | Y                | na                       | na                            | na                 | na                     | Y                   | Y                    | Y                    | na                      | na              | na                         | na                       | 100                                | na                         | Y                    | Y                        | Y                            | Y                        | Y                      | Y                                | Y                             | Y                           | na                                | na                            | na                      | na                                 | na | na                              | na                   | 100             | 100 |
| 171        | na                 | na                    | Y                        | Y                         | 100              | Y                          | Y                         | na               | na                       | na                            | Y                  | na                     | na                  | N                    | Y                    | na                      | na              | na                         | na                       | 80                                 | na                         | Y                    | Y                        | N                            | Y                        | Y                      | Y                                | na                            | na                          | na                                | na                            | na                      | na                                 | na | na                              | 83                   | 85              |     |
| 172        | Y                  | Y                     | Y                        | Y                         | 100              | Y                          | Y                         | N                | Y                        | Y                             | Y                  | Y                      | Y                   | Y                    | N                    | Y                       | na              | na                         | na                       | 82                                 | na                         | Y                    | Y                        | Y                            | Y                        | Y                      | Y                                | na                            | na                          | na                                | na                            | na                      | na                                 | na | na                              | 100                  | 90              |     |
| 173        | na                 | na                    | Y                        | Y                         | 100              | N                          | Y                         | na               | na                       | na                            | Y                  | Y                      | Y                   | Y                    | N                    | na                      | na              | na                         | na                       | 71                                 | na                         | Y                    | Y                        | Y                            | Y                        | Y                      | Y                                | na                            | na                          | na                                | na                            | na                      | na                                 | na | na                              | 100                  | 87              |     |
| 174        | na                 | na                    | Y                        | na                        | 100              | Y                          | Y                         | na               | na                       | na                            | na                 | Y                      | na                  | Y                    | N                    | Y                       | na              | na                         | na                       | 83                                 | na                         | Y                    | Y                        | N                            | N                        | Y                      | N                                | Y                             | Y                           | na                                | N                             | Y                       | Y                                  | na | 64                              | 72                   |                 |     |
| 175        | na                 | Y                     | Y                        | Y                         | 100              | Y                          | Y                         | na               | na                       | na                            | Y                  | na                     | Y                   | Y                    | Y                    | na                      | na              | na                         | na                       | 100                                | na                         | Y                    | Y                        | Y                            | Y                        | Y                      | Y                                | Y                             | na                          | N                                 | Y                             | Y                       | Y                                  | Y  | 92                              | 95                   |                 |     |
| 176        | na                 | na                    | Y                        | Y                         | 100              | N                          | Y                         | na               | na                       | na                            | Y                  | Y                      | na                  | N                    | Y                    | na                      | na              | na                         | na                       | 67                                 | na                         | Y                    | Y                        | Y                            | Y                        | Y                      | Y                                | na                            | na                          | na                                | N                             | Y                       | Y                                  | na | 89                              | 82                   |                 |     |
| 177        | na                 | na                    | Y                        | Y                         | 100              | N                          | Y                         | na               | na                       | na                            | na                 | Y                      | Y                   | Y                    | N                    | na                      | na              | na                         | na                       | 67                                 | na                         | Y                    | Y                        | N                            | Y                        | Y                      | Y                                | na                            | na                          | na                                | N                             | Y                       | Y                                  | Y  | 80                              | 78                   |                 |     |
| 178        | na                 | na                    | na                       | na                        |                  | Y                          | na                        | na               | na                       | na                            | na                 | Y                      | Y                   | Y                    | Y                    | na                      | na              | na                         | na                       | 100                                | na                         | Y                    | Y                        | Y                            | Y                        | Y                      | Y                                | na                            | na                          | na                                | na                            | na                      | na                                 | na | na                              | 100                  | 100             |     |
| 179        | Y                  | na                    | Y                        | Y                         | 100              | Y                          | N                         | na               | na                       | na                            | na                 | na                     | Y                   | Y                    | Y                    | na                      | na              | na                         | na                       | 80                                 | na                         | Y                    | Y                        | Y                            | Y                        | Y                      | Y                                | na                            | na                          | na                                | na                            | na                      | na                                 | na | na                              | 100                  | 93              |     |
| 180        | N                  | Y                     | Y                        | Y                         | 75               | Y                          | Y                         | na               | na                       | na                            | na                 | na                     | Y                   | N                    | Y                    | Y                       | na              | na                         | na                       | 83                                 | na                         | Y                    | Y                        | Y                            | Y                        | Y                      | Y                                | na                            | na                          | na                                | na                            | na                      | na                                 | na | na                              | 100                  | 88              |     |
| TOT        | 76                 | 91                    | 100                      | 99                        | 95               | 88                         | 94                        | 90               | 93                       | 100                           | 99                 | 92                     | 93                  | 80                   | 79                   | 88                      | 91              | 85                         | 91                       | 88                                 | 63                         | 94                   | 97                       | 73                           | 93                       | 85                     | 98                               | 99                            | 100                         | 81                                | 78                            | 95                      | 90                                 | 85 | 90                              | 90                   |                 |     |

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## Appendix D

### AIMS Audit Response

DRAFT



January 14, 2019

Mr. Patrick Farrales, Supervising Analyst  
Human Resources Administrative Division  
Judicial Council of California  
455 Golden Gate Avenue  
San Francisco, CA 94102-3688

E-mail: [Patrick.farrales@jud.ca.gov](mailto:Patrick.farrales@jud.ca.gov)

**Re: JBWCP- York Risk 2018 W.C. Claims Technical and Contractual Administration**

Dear Mr. Farrales,

Please accept this as AIMS acknowledgment of receipt and formal response concerning York Risk 2018 Claims Technical and Contractual Administration Audit-Preliminary Report dated December 30, 2018.

AIMS overall score of 89% is noted and is accepted with no further objections. Please be assured all findings and recommendations have been reviewed in detail and covered with the staff assigned to the management of the JBWCP. You will also find attached the detailed response and plan of action prepared by the Program Manager, Beth Harville, which addresses all phases of the audit findings and lays out a foundation to ensure continued improvements in our overall performance.

Regarding the recommendations for the compliance score to be increased to 90% to promote continuous improvement; while we recognize it is solely at the discretion of the JBWCP to decide on where the score is to be set, we feel that AIMS scores thus far demonstrates our commitment to meeting and exceeding expectations. As a company that aims for Excellence, AIMS understand that the score to achieve is 100%. Also to suggest that a compliance score of 85%-89% be considered a failing score is unsupported based on both industry and corporate standards and practices. Generally speaking, a score of 85% and better is recognized as a solid showing of compliance and performance.

In closing, Acclamation Insurance Management appreciates the trust you have placed in our organization to provide Workers Compensation Third Party Administration Services. We remain fully committed to providing you with a superior level of service.

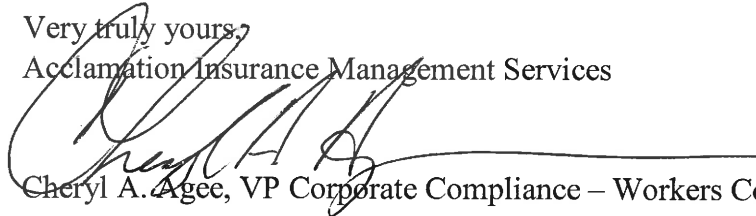
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(916) 563-1919 Fax  
[www.aims4claims.com](http://www.aims4claims.com)  
CA LIC. 2G17034

January 14, 2019  
Acclamation Insurance Management  
Re: JBWCP- York Risk 2018 W.C. Claims Technical and Contractual Administration

Should you have any questions, please feel free to contact me. I can be reached via email at [cagee@aims4claims.com](mailto:cagee@aims4claims.com) , by phone at 916 563-1900.

Very truly yours,  
Acclamation Insurance Management Services



Cheryl A. Agee, VP Corporate Compliance – Workers Compensation

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## 2018 Claims Technical Administration Audit Response

**FROM:** Beth Harville, Program Manager  
**TO:** Lynn Cavalcanti, Sr. Vice President, Operations  
Cheryl Agee, Vice President, Corporate Compliance

**Report Date:** January 10, 2019

Dear Cheryl & Lynn:

I have reviewed the 2018 Claims Technical Administration Audit results and have prepared my summary and response as directed below. The preliminary report was received on 12/30/18 and our response is due by 1/14/19.

### **AUDIT SUMMARY:**

The passing score on this audit was 85%. Our total score after rebuttals was 89%.

The York audit team examined and scored a sample of 180 claims for technical administration during the period November 1, 2017, through October 31, 2018.

This year's audit categories remained consistent with the format used in last year's Annual Audit and with the Spot Checks which are completed by Bickmore/York quarterly. Due to timing issues, the final Spot Check for 2018 was wrapped into the Annual Audit, taking the regular number of files from 150 up to 180. This format consists of three scores: Member Issues, Technical, and TPA Diaries/Contract Compliance.

Member Issues has four components to it, all evaluating the Member's actions, and the other two have fourteen components each, evaluating the Claims Administrator's actions. This results in a score for each category, an overall score for all three of the categories, and a Claims Administrator final score using the information from both Technical and TPA Diaries/Contract Compliance.

A breakdown of the key points noted in the audit, by way of the narrative or the addendums, is outlined below, followed by our response and improvement strategy to make up any deficits noted.

### **Scoring Analysis:**

After rebuttals, the categories scored as follows:

Member Issues: 95%

Technical: 88%

TPA Diaries/Contract Compliance: 90%.

The overall audit score is 90%, with the categories related to AIMS' performance reaching a final score of 89%, above the 85% compliance level.

**Increased Costs due to Administrative Error:** The audit report identifies increased costs to the claims totaling \$3,447. AIMS disputes the validity of \$2,355 of these costs.

**Reserve change recommendations:** Appendix A provides the audit report “Recommended Reserve Changes” showing the auditor’s recommended net reserve decrease for the claims sample reviewed program wide as \$60,974. After review, we actually entered decreases of \$43,908. The audit report notes that the original recommendation was a decrease of less than 1% of the total incurred for the audited files. Since actual changes were \$17,066 less, this was even less of an impact on the total incurred for all audited files.

## **AIMS’ RESPONSE AND IMPROVEMENT STRATEGY**

### **Overall Performance Scoring:**

#### **Areas of Success**

In review the final draft of York’s report, of the 28 components assessing AIMS’ performance, we achieved the 85% compliance threshold on 22, up from 10 for the 2017 audit. Ordered by category and score, these were:

#### Technical:

- A5: Assigned to specific attorney: 100%
- A6: Attorney monitored: 99%
- A2: Employer Communication: 94%
- A4: Attorney assignment thorough: 93%
- A8: Medical managed well: 93%
- A7: QME Docs submitted timely: 92%
- A12: Subrogation: 91%
- A14: Management address concerns: 91%
- A3: Investigation: 90%
- A1: Benefits paid correctly: 88%
- A11: Return To Work issues managed well: 88%
- A13: Management guidance effective: 85%

#### TPA Diaries/Contract Compliance:

- B9: Professional response to members: 100%
- B8: Timely response to members: 99%
- B7: Supervisor review follows guidelines: 98%
- B3: Reserve review timely: 97%
- B12: SAR well documented: 95%
- B2: Plan of Action review timely: 94%
- B5: Proactive diaries set: 93%
- B13: Settlement guidelines followed: 90%
- B6: Supervisor review thorough: 85%
- B14: Settlement submitted appropriately: 85%

We will continue to manage these areas according to the Claim Handling Guidelines and Best Practices in order to maintain or increase these scores in 2018.

### **Improvement recommendations**

The remaining 6 components did not pass.

#### Technical:

A9: Reserves accurate: 80% (8 files from a passing score)

- As the reserving standard is based on 'most probable outcome', as evaluated using the examiner's 'experience and expertise', different evaluations are to be expected between different examiners. However, as the difference assessed between the auditors and the AIMS' staff was a net change of less than 1%, the score of 80% appears to be a bit misleading.
- Individual review of the 35 deficiencies in this category shows that there were other drivers of negative results besides differences of opinion due to different experience and expertise. The primary reason appears to be late identification of the need to adjust reserves (outside of scheduled reserve reviews). This includes adjusting for changes in medical or legal facts of case.
  - Examiners will be reminded of need to adjust reserves based on changes in facts of the case, within 14 days as outlined in the Service Guidelines.

A10: Resolution focus: 79% (9 files from a passing score)

- Individual review of the 33 deficiencies shows a variety of reasons for the negative scoring.
- Delays in settlement are often noted as the cause of the deficiency. The cause of this is that settlement is a part of the claim life cycle with fewer outside time constraints, meaning it may be prioritized below other that are more deadline driven. If time is short, finalizing a request for authority or settlement documents may be set aside in favor of other activities.
  - AIMS will continue to focus efforts on navigating through the settlement process more expeditiously.
- POA timeliness has improved, but there are multiple deficiencies in this category where the action items were not completed.
  - Examiners will be reminded of the importance of follow-up on their action plans.
- Untimely provision of benefit notices was observed on several files. This is a primary factor in State audits as well.
  - Recent training has been held regarding this issue and this will continue to be reinforced.

#### TPA Diaries/Contract Compliance:

B1: Excess reporting timely: 63% (2 from a passing score)

- Only 8 files were applicable in this category, with three deficits.
- One related to unclear Excess information from a policy year stemming back to County administration.
  - We are attempting to obtain confirmation of this information from the Member.

- The other two relate to the Midlands' excess years, in which the reporting is required at a much lower level than all other policy years. Reporting need was identified, but did not occur timely.
  - Examiners will be reminded that upon completion of the initial reporting, follow-ups must be completed according to the Excess carrier's instructions.

**B4: Supervisor review timely: 73%. (22 from a passing score)**

- This is again our area most in need of improvement, based on the number of files containing a deficit. However, this component did see a 16% increase in the score from the last Annual Audit.
- It is noted that the Claims Handling Guidelines require a lot of the examiners' work to pass through the supervisors, which means the supervisors are in these files, reviewing and making recommendations. However, if a file note outlining that review is not completed, no credit is received for this category of the audit.
  - Supervisors will be reminded to use each opportunity in the file to document the activity completed. While completion of regular supervisor diaries on their own can be challenging due to other claim handling obligations, the work being done should be documented in a way that allows it to be acknowledged in this category.

**B10: Issues recognized and escalated: 81% (1 from a passing score)**

- The deficiencies in this category related to a file not being transferred to an Indemnity examiner soon enough, a supervisor review not prompting additional examiner activity, and a doctor complaint from an injured worker that was not investigated.
  - Examiners will be reminded to act promptly on all new information and direction given.

**B11: Settlement pursuit timely 78% (5 from a passing score)**

- This component overlaps with A10 – Resolution Focus, as timely settlement pursuit was the largest driver of Resolution Focus deficiencies.
- As stated above, activities related to settlement can be prioritized below other, more time sensitive, activities.
  - AIMS will continue to focus efforts on navigating through the settlement process more expeditiously.

**Increased Costs due to Administrative Error:**

The audit identified increased costs of \$3,447. We dispute \$2,355 of these costs. The remaining \$1,092 has been logged and is in line for reimbursement either by AIMS or from another party. Discussion of each identified file is provided below.

| Item# | Member    | Medical | Legal   | Indemnity | Auditor Comment   | Response   |
|-------|-----------|---------|---------|-----------|---|--|
| 11    | Riverside |         | \$175   |           | Atty fees after decision to no longer pursue the claim. | Notice was given to the Court on 8/1/17 that subrogation pursuit was not going well. Subsequently, denial of our claims to the City and County were denied. DA received denial and advised, and decision to cease any additional activity was made. Until we had confirmation that our claims against the City and County were being denied, the subro aspect remained at issue. The final charges for receipt and review of the denials are appropriate legal costs.    |
| 22    | Siskiyou  |         | \$2,100 |           | Unnecessary MSA cost                                    | C&R was being discussed, employee was of an age where there is a reasonable presumption of Medicare eligibility within 30 months. In order to consider a C&R, the MSA was needed. Ultimately, settlement did not take place, but that doesn't mean the MSA was unnecessary at the time it was obtained. It was necessary to have the required Resolution Focus on this file.   |
| 72    | Orange    |         | \$526   |           | Atty fee without authorization from the Court           | No dispute; this item has been added to the Overpayment Log for reimbursement to the Program.  |
| 130   | Judiciary | \$85    |         |           | Duplicate payment                                       | No dispute; this item has been added to the Overpayment Log. We are currently seeking reimbursement from the vendor, but if we are unsuccessful, reimbursement will be made to the Program.  |
| 162   | Orange    | \$80    |         |           | Payment delay - Self imposed penalty                    | The primary payment is not known to be owed at this time; it appears that the vendor has no standing to request payment. This matter was not reviewed fully by the examiner, so there was no dispute that there was a deficiency in the payment handling, that does not make a payment due. We continue to investigate the matter and if a payment is ultimately made and a self-imposed penalty must be issued, it will be added to the Overpayment Log and reimbursed. |
| 177   | Judiciary |         |         | \$481     | Delayed PD - Self imposed penalty.                      | No dispute; this item has been added to the Overpayment Log for reimbursement to the Program.  |

**Reserve change recommendations:**

Reserve changes have been completed in accordance with the York recommendations with exceptions noted below. The net recommendation for changes was a decrease of \$60,974 and our decrease was actually only \$43,908.

| Item # | Original Incurred | Recommended Change | Recommended Incurred | Comments  | Change completed |
|--------|-------------------|--------------------|----------------------|---|------------------|
| 159    | \$68,946          | -\$621             | \$68,325             | Over-reserved PD – this is incorrect, we are not getting the 15% reduction so no change can be made.  | \$0              |
| 169    | \$60,234          | -\$7,523           | \$52,711             | Over-reserved PD – subsequent to audit rebuttal period, DEU rating came in not only substantiating the examiner’s rating, but increasing it slightly. A change was made, but it was an addition of \$8,922, not a reduction of \$7,523. | \$8922           |

**AIMS Improvement Strategy**

Our identified action items are as follows:

- Examiners will be reminded of need to adjust reserves based on changes in facts of the case, within 14 days as outlined in the Service Guidelines.
- AIMS will continue to focus efforts on navigating through the settlement process more expeditiously.
- Examiners will be reminded of the importance of follow-up on their action plans.
- Recent training has been held regarding the issue of timely and accurate benefit notices and this will continue to be reinforced.
- Examiners will be reminded that upon completion of the initial excess reporting, follow-ups must be completed according to the Excess carrier’s instructions.
- Supervisors will be reminded to use each opportunity in the file to document the activity completed. While completion of regular supervisor diaries on their own can be challenging due to other claim handling obligations, the work being done should be documented in a way that allows it to be acknowledged in this category.
- Examiners will be reminded to act promptly on all new information.

Review of these items shows that the keys to an improved score on the 2019 audit is as follows:

- Timeliness
  - Whether it be in the event of substantive changes to the file or anticipated events, timely response is necessary to improve our results in reserving, focus on claim resolution/ settlement pursuit, excess reporting, or recognition of issues. Workers Compensation claims tend to be fast moving and it can be easy to miss a step periodically, but we need to ensure that we are keeping a high level of focus on activities that need to be completed, in the allotted time frames.
  
- Follow up
  - The best plan in the world doesn't matter if it is not accomplished. While it is significant that our POA timeliness has reached a passing score on this Audit, we must ensure that the action plans being developed are moving forward to bring claims to conclusion more promptly.
  
- Documentation
  - Documentation was a key focus in last year's improvement plan, and the changes we have made show in our improved audit results.
  - However, this must remain a primary area of focus, to ensure that actions planned and accomplished are memorialized. We also need to work smarter, and when we are accomplishing something in the file, include documentation that will demonstrate in these audits that this work is being done.

We will continue our improvement efforts with ongoing training as needed, and continuous reinforcement of State, Program, and AIMS standards.

In closing, AIMS values the trust and confidence the Judicial Council of California has placed in our organization to provide Workers' Compensation Third Party Administration and Managed Care Services. We are committed to ongoing partnership and this program's overall success. Please be assured that all areas of deficiency has been noted, and all applicable processes and expectations will be thoroughly reviewed with our Judicial claims staff, as we are fully committed to providing you with a superior level of claims service.

Should you have any questions, please feel free to contact me. I may be reached by calling (916) 340-2349 or via email at [BHarville@aims4claims.com](mailto:BHarville@aims4claims.com).

Beth Harville, Program Manager  
Acclamation Insurance Management Services (AIMS)

**TAB 10**



**Judicial Branch Workers’ Compensation Program Advisory Committee**

**Annual Agenda—2018**

**Approved by Litigation Management Committee: May 23, 2018**

**I. COMMITTEE INFORMATION**

|   |  |
|---|--|
| <b>Chair:</b>   | Ms. Tania Ugrin-Capobianco, Court Executive Officer, Superior Court of California, County of El Dorado |
| <b>Lead Staff:</b>  | Mr. Patrick Farrales, Supervising Analyst, Judicial Council of California                              |
| <b>Committee’s Charge/Membership:</b><br><a href="#">Rule 10.67</a> of the California Rules of Court states the charge of the Judicial Branch Workers’ Compensation Program Advisory Committee, which is to make recommendations to the council for improving the statewide administration of the Judicial Branch Workers’ Compensation Program and on allocation to and from the Judicial Branch Workers’ Compensation Fund established under Government Code section 68114.10. <a href="#">Rule 10.67</a> states that the committee must review: <ul style="list-style-type: none"><li>• The progress of the Judicial Branch Workers’ Compensation Program;</li><li>• The annual actuarial report; and</li><li>• The annual allocation, including any changes to existing methodologies for allocating workers’ compensation costs.</li></ul> |  |
| The Committee currently has 16 members.   |  |
| <b>Subcommittees/Working Groups<sup>1</sup>:</b><br>1. Deficit Reduction Alternatives Working Group   |  |

<sup>1</sup> California Rules of Court, rule 10.30 (c) allows an advisory body to form subgroups, composed entirely of current members of the advisory body, to carry out the body’s duties, subject to available resources, with the approval of its oversight committee.

## II. COMMITTEE PROJECTS

| #  | New or One-Time Projects   |                   |
|--|--|-------------------|
| 1.   | <b>Project Title:</b> Review of Third Party Administrator Compliance with Service Guidelines | <b>Priority 1</b> |
| <p><b>Project Summary:</b> Consistent with Rule 10.350, Judicial Council staff will solicit input from the Advisory Committee, monitor the performance of the third party administrator through the development of quarterly reports, and consider appropriate recommendations.</p> <p><b>Status/Timeline:</b> The Advisory Committee will provide input to the Judicial Council’s Human Resources office<sup>2</sup> on whether to retain the third party administrator or consider alternatives.</p> <p><b>Fiscal Impact/Resources:</b> Judicial Council Human Resources, Branch Accounting &amp; Procurement</p> <p><b>Internal/External Stakeholders:</b> AIMS, Bickmore Risk Consulting (Bickmore), Judicial Branch Workers’ Compensation Program (JBWCP) members</p> <p><b>AC Collaboration:</b> N/A</p> |  |                   |
| 2.   | <b>Project Title</b> Mentor Court Program  | <b>Priority 1</b> |
| <p><b>Project Summary:</b> The Advisory Committee will receive a status report and provide feedback on the implementation of a mentor court program in which members can partner with other members to serve as a resource for workers’ compensation best practices, provide advice on claims administration, and other workers’ compensation-related inquiries.</p> <p><b>Status/Timeline:</b> Per Rule 10.350, the Judicial Council’s Human Resources office will develop a program template by June 2018, and implement in summer 2018.</p> <p><b>Fiscal Impact/Resources:</b> Judicial Council Human Resources</p> <p><b>Internal/External Stakeholders:</b> JBWCP Members</p> <p><b>AC Collaboration:</b> N/A</p>   |  |                   |

<sup>2</sup> Rule 10.350 states that the Judicial Council’s Human Resources office maintains a contract with a vendor to provide courts with a cost-efficient workers’ compensation coverage program and monitors the performance of the vendor with which it contracts to provide such services.

| #  | New or One-Time Projects   |                               |
|--|--|-------------------------------|
| 3.   | <b>Project Title</b> 2018 Judicial Branch Workers' Compensation Survey | <b>Priority 1<sup>4</sup></b> |
| <p><b>Project Summary:</b> The Advisory Committee will receive recommendations from and provide feedback to staff with respect to a JBWCP member survey that will solicit constructive feedback from members. Topics will include feedback regarding the settlement authority process, ideas on future webinar offerings, and general program improvements and feedback.</p> <p><b>Status/Timeline:</b> Per Rule 10.350, the Judicial Council's Human Resources office will distribute in July 2018.</p> <p><b>Fiscal Impact/Resources:</b> Judicial Council Human Resources</p> <p><b>Internal/External Stakeholders:</b> JBWCP Members</p> <p><b>AC Collaboration:</b> N/A</p> |  |                               |
| 4.   | <b>Project Title</b> Revisions to the Settlement Authority Policy      | <b>Priority 1<sup>4</sup></b> |
| <p><b>Project Summary:</b> The Advisory Committee will consider a recommendation to the Judicial Council regarding a revised settlement authority policy that will include a change to the approval thresholds of Level IV and Level V settlement types.</p> <p><b>Status/Timeline:</b> Per Rule 10.350, the Judicial Council's Human Resources office will revise the policy to allow for three members of the Advisory Committee to approve Level IV settlements, and to allow for five members of the Advisory Committee to approve Level V settlements by July 2018.</p> <p><b>Fiscal Impact/Resources:</b> Judicial Council Human Resources</p>                             |  |                               |

| #  | <b>New or One-Time Projects</b>  |                                      |
|----|--|--------------------------------------|
|    | <p><i>Internal/External Stakeholders:</i> JBWCP Members</p> <p><i>AC Collaboration:</i> N/A</p>  |                                      |
| 5. | <p><i>Project Title</i> Assessment Plan and Confidence Levels</p>  | <p><i>Priority 1<sup>4</sup></i></p> |
|    | <p><i>Project Summary:</i> The Advisory Committee will consider recommendations to reduce the workers' compensation fund deficit, including raising confidence levels and implementing an assessment plan, for presentation to the Judicial Council. The recommendations will include multiple scenarios and will provide options for reducing the deficit over a defined timeframe (10 years, 15 years, and 20 years)</p> <p><i>Status/Timeline:</i> The Advisory Committee will review options contained in the report in fall 2018.</p> <p><i>Fiscal Impact/Resources:</i> Judicial Council Human Resources</p> <p><i>Internal/External Stakeholders:</i> JBWCP Members</p> <p><i>AC Collaboration:</i> N/A</p> |                                      |

| #  | <b>Ongoing Projects and Activities</b>  |                               |
|--|---|-------------------------------|
| 1.   | <b>Project Title</b> Allocation of Fiscal Year 2018-2019 Workers' Compensation Premiums | <b>Priority 1<sup>4</sup></b> |
| <p><b>Project Summary:</b> The Advisory Committee will consider recommendations to the Judicial Council regarding the fiscal year 2018-2019 workers' compensation membership premium, which is based on the program's actuarial evaluation.</p> <p><b>Status/Timeline:</b> The Advisory Committee will provide its recommendations in a report to the Judicial Council at its May 2018 meeting.</p> <p><b>Fiscal Impact/Resources:</b> Judicial Council Human Resources and Budget Services offices</p> <p><b>Internal/External Stakeholders:</b> All Judicial Branch Workers' Compensation Program (JBWCP) Members, which includes Supreme Court, Courts of Appeal, Superior Courts (excluding Los Angeles), Habeas Corpus Resource Center, Commission on Judicial Performance, and the Judicial Council's Budget Services Office.</p> <p><b>AC Collaboration:</b> Recommendations and initiatives will be submitted to the Court Executives Advisory Committee, Trial Court Presiding Judges Advisory Committee, Supreme Court and Appellate Court Clerk Executive Officers.</p> |   |                               |
| 2.   | <b>Project Title</b> Return to Work Pilot Program                                       | <b>Priority 1<sup>4</sup></b> |
| <p><b>Project Summary:</b> The Advisory Committee will receive a report from Judicial Council staff on the progress of the Return to Work pilot program, and will determine the feasibility of implementing the program statewide.</p> <p><b>Status/Timeline:</b> In November 2018, the Deficit Reduction Alternatives Working Group will receive the findings of the pilot program from JBWCP staff and determine options for statewide implementation and review by the Advisory Committee.</p> <p><b>Fiscal Impact/Resources:</b> Judicial Council Human Resources</p> <p><b>Internal/External Stakeholders:</b> Three pilot courts (San Francisco, Sutter, Solano), Bickmore</p>   |   |                               |

| # | Ongoing Projects and Activities  |
|---|--|
|   | <p><i>AC Collaboration:</i> The Deficit Reduction Alternatives Working Group’s recommendations for this program will be submitted to the JBWCP Advisory Committee, Court Executives Advisory Committee, Trial Court Presiding Judges Advisory Committee, Supreme Court and Appellate Court Clerk Executive Officers.</p> |

### III. LIST OF PROJECT ACCOMPLISHMENTS

| #  | Project Highlights and Achievements   |
|----|---|
| 1. | The Deficit Reduction Alternatives Working Group completed the Future Medical Settlement project, and generated a savings of \$79,533.  |
| 2. | The Advisory Committee implemented a change in the premium allocation formula to level brokerage/consulting costs for program members.  |
| 3. | The Advisory Committee recommended that workers' compensation fund investment efforts should be placed on hold for review and follow up in one year.  |
| 4. | The Advisory Committee received recommendations from a member survey and have approved initiatives to increase training and outreach for all JBWCP members. JBWCP staff are in the process of holding two workers' compensation forums for member courts, and are developing additional training resources for appellate court members. |