

Judicial Branch Workers' Compensation Program (JBWCP)

Advisory Committee Meeting

February 18, 2020



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OF CALIFORNIA

Call to Order & Roll Call



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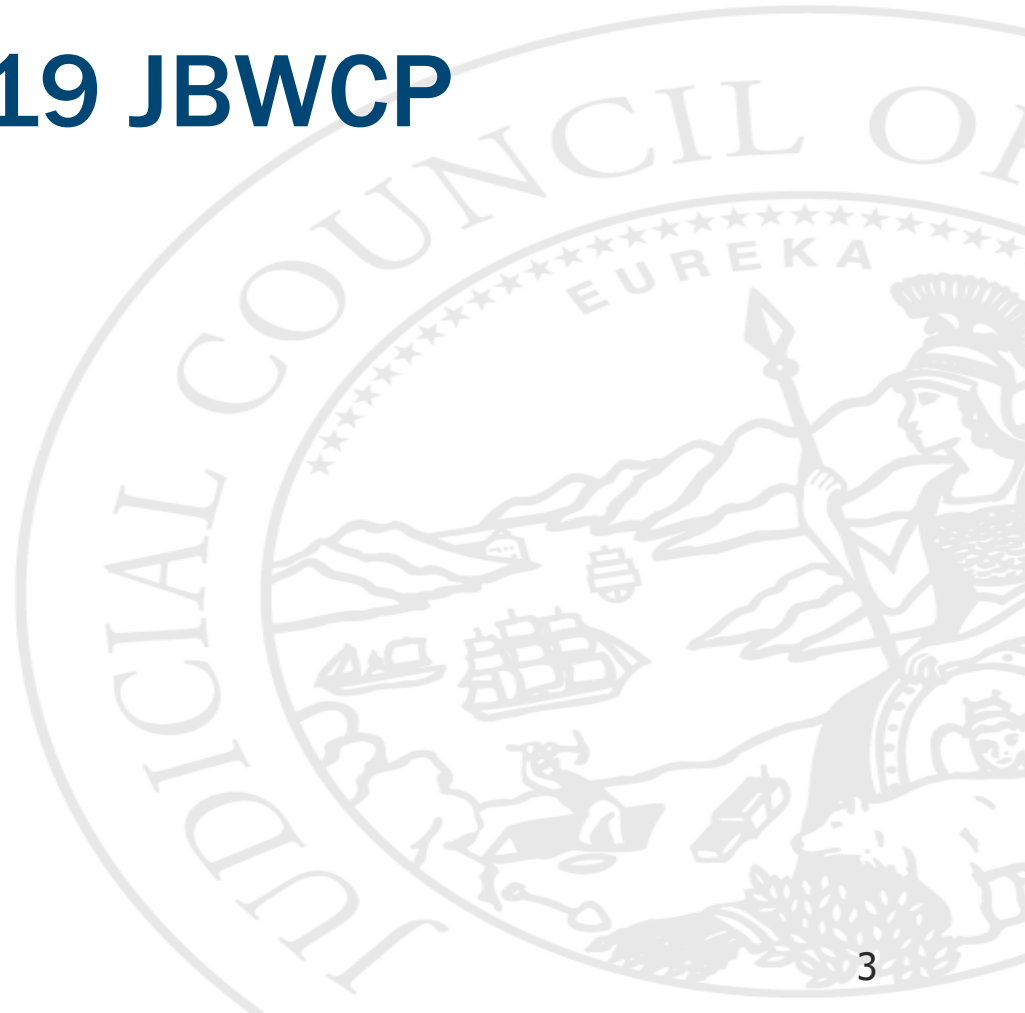


Approval of Minutes

**Minutes from the April 30, 2019 JBWCP
Advisory Committee meeting**



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Public Comments



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Meeting Agenda

- Item 1. JBWCP Advisory Committee Meeting Agenda**
- Item 2. Committee Member Responsibilities & Committee Charge**
- Item 3. JBWCP Updates**
- Item 4. WC Metrics and Performance Indicators**
- Item 5. Data Analysis and Identifying Program-wide Trends**



Meeting Agenda

- Item 6. Excess Insurance Market**
- Item 7. Presentation of Draft Actuarial Report and Allocation Results for FY20-21**
- Item 8. Recommendations from the Settlement Authority WG**
- Item 9. Recommendations from the Deficit Reduction Alternatives WG**
- Item 10. TPA Annual Audit**



Meeting Agenda

Items 11 & 12: Closed Session Topics

Item 13: Presentation of Draft Annual Agenda



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Committee Member Responsibilities & Committee Charge



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JBWCP Updates



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Workers' Compensation Metrics & Performance Indicators

TPA Metrics

- Prior year and current year closing ratio
- 5 year history of open claims at FY end
- 5 Year history of settlements finalized at FY end
- 5 Year history of total TD disability benefits paid
- 5 Year history of total & average medical paid per claim



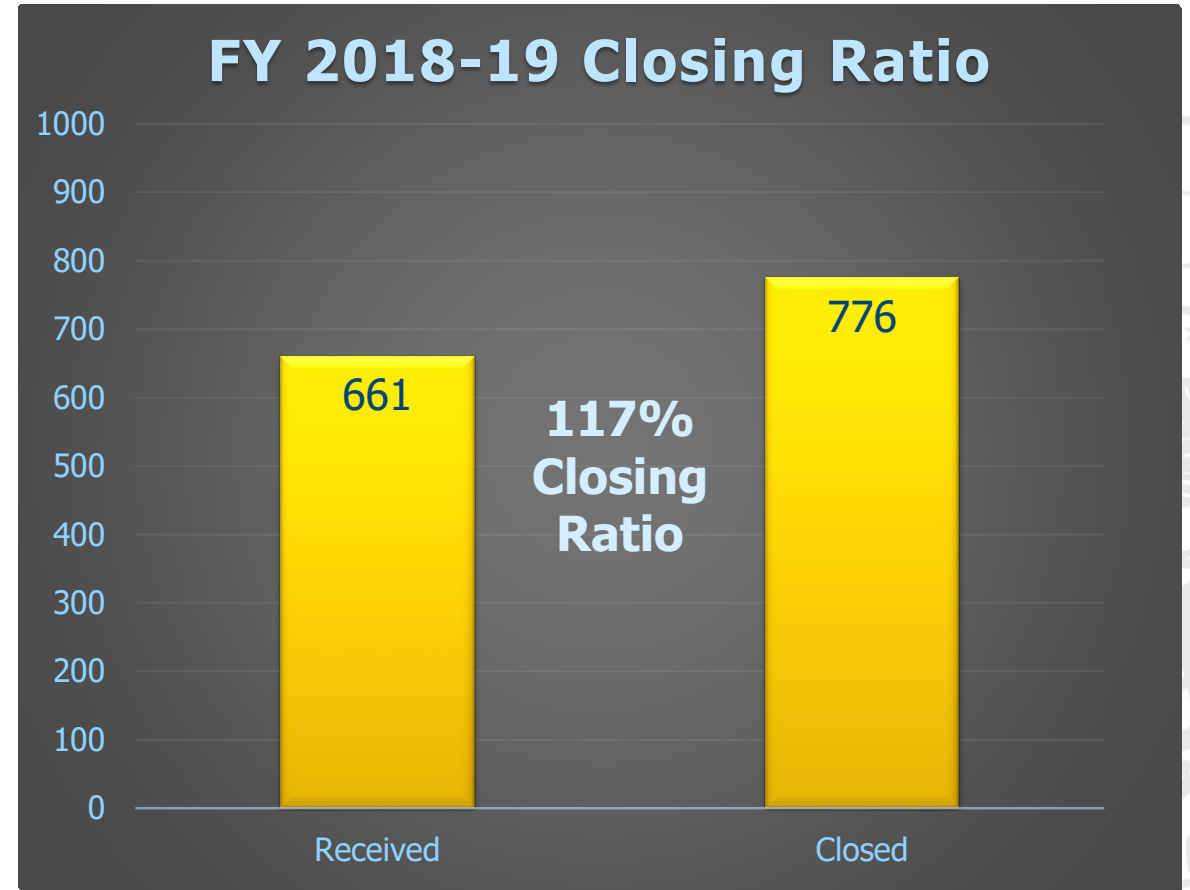
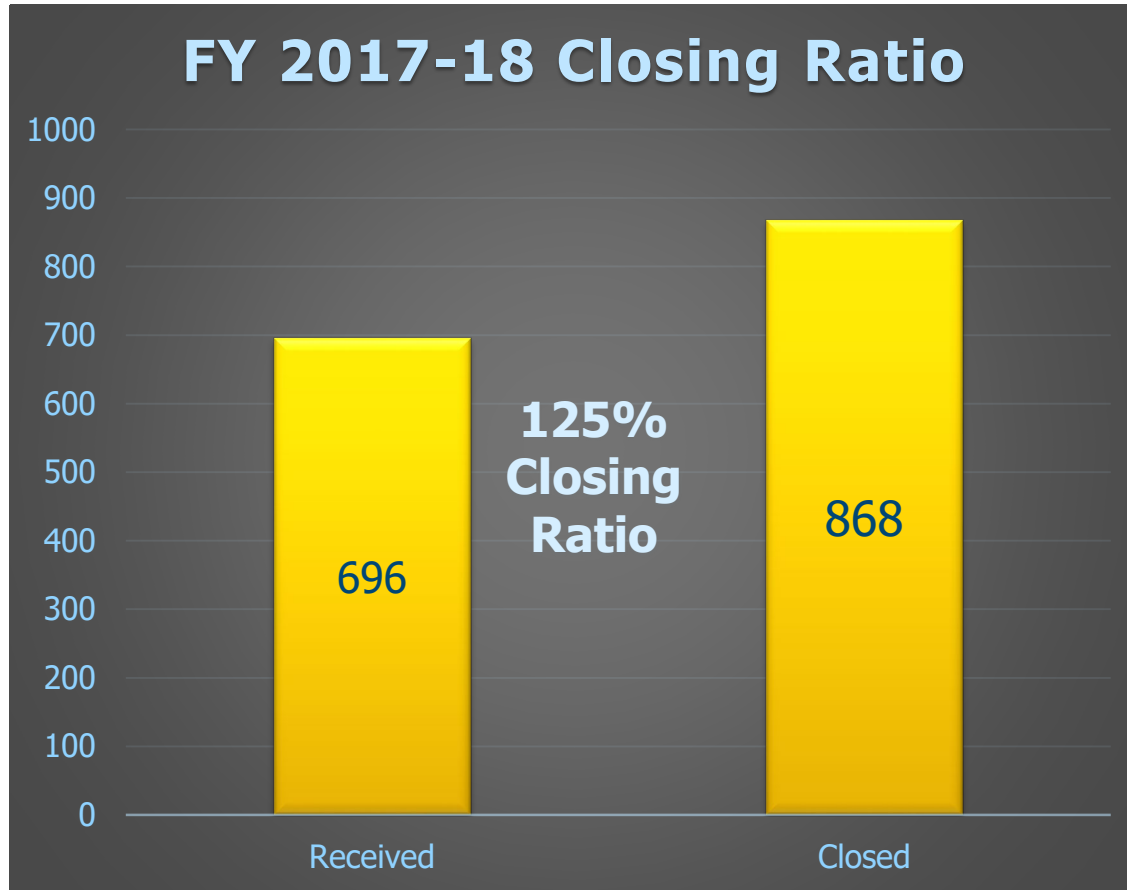
Workers' Compensation Metrics & Performance Indicators

TPA Metrics

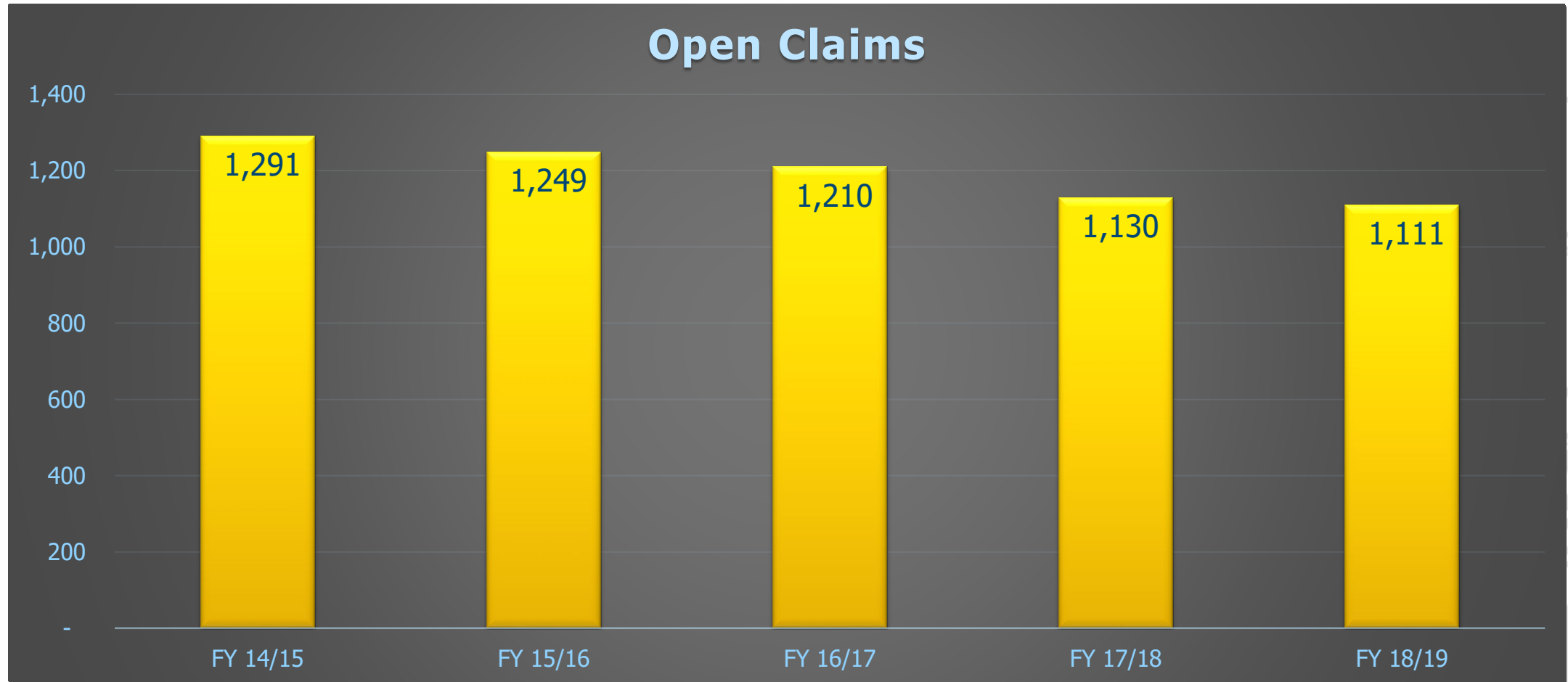
- **Litigation ratio for FY 2018-19**
- **Legal costs for FY 2018-19 (share of defense counsel, applicant attorney 5710 depositions, deposition costs/court reporting)**
- **Settlement authority annual figures**



Prior Year and Current Year Closing Ratio

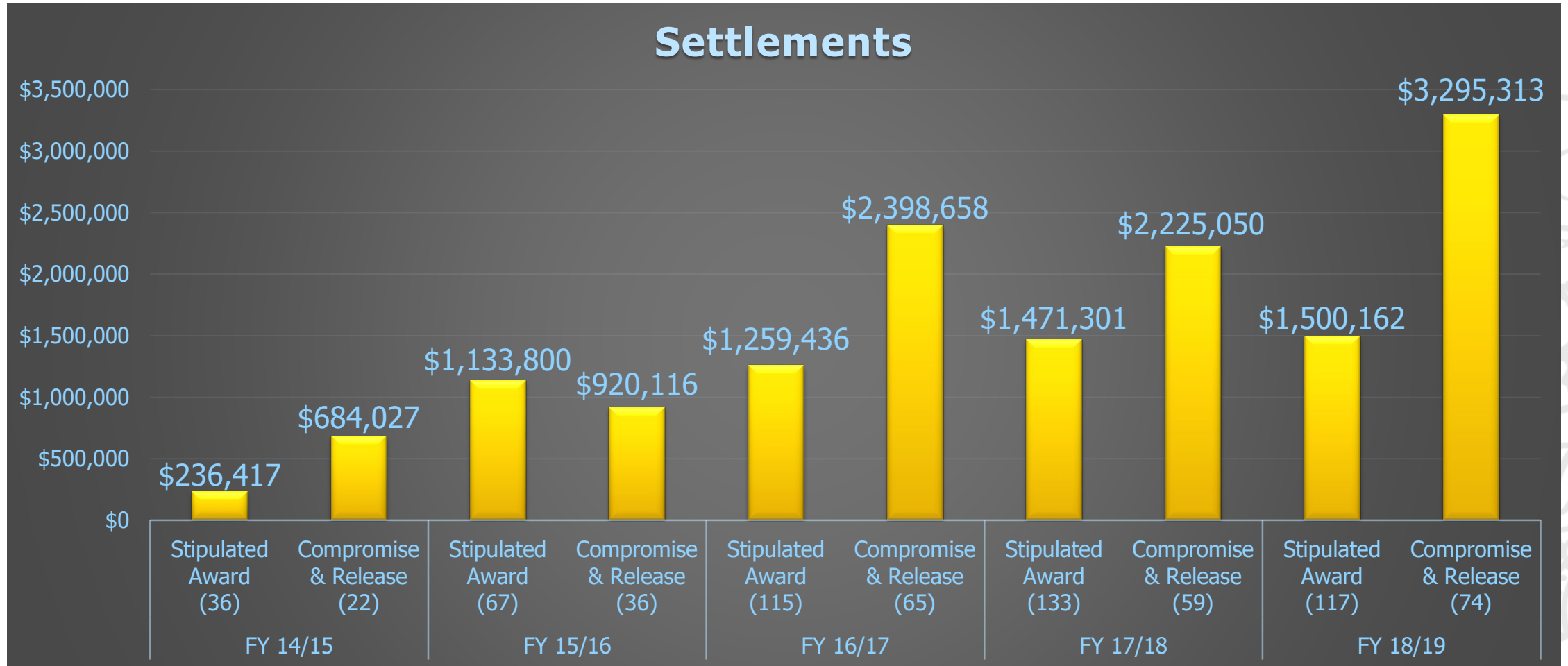


5 Year History of Open Claims at FY End

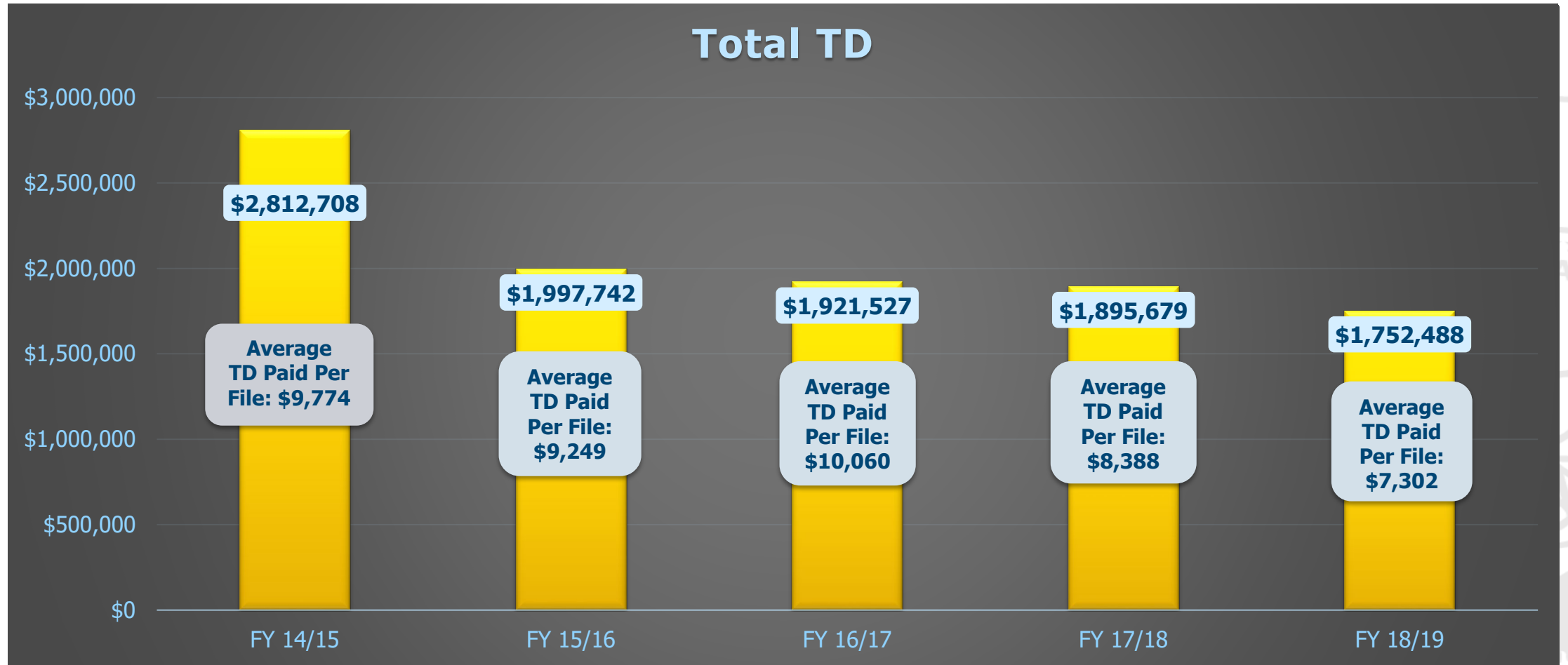


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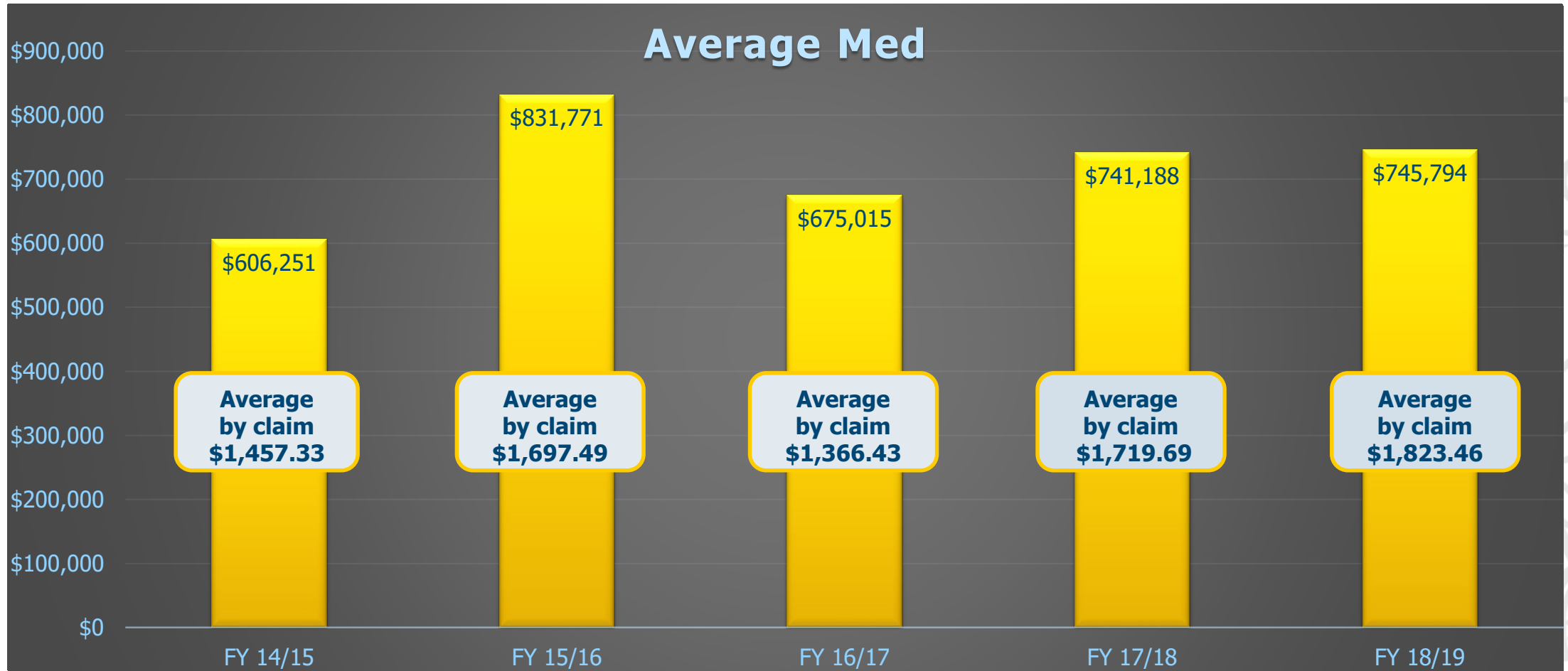
5 Year History of Settlements Finalized at FY End



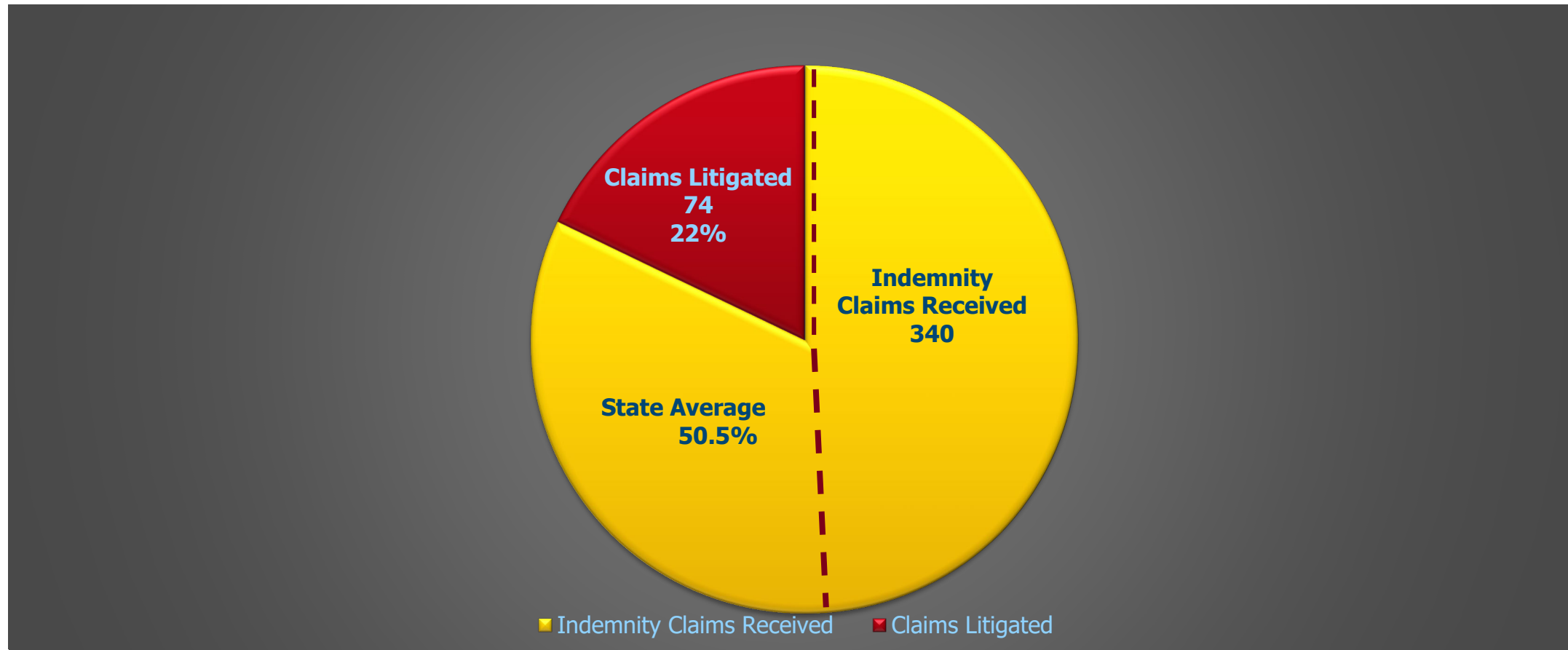
5 Year History of Total TD Benefits Paid



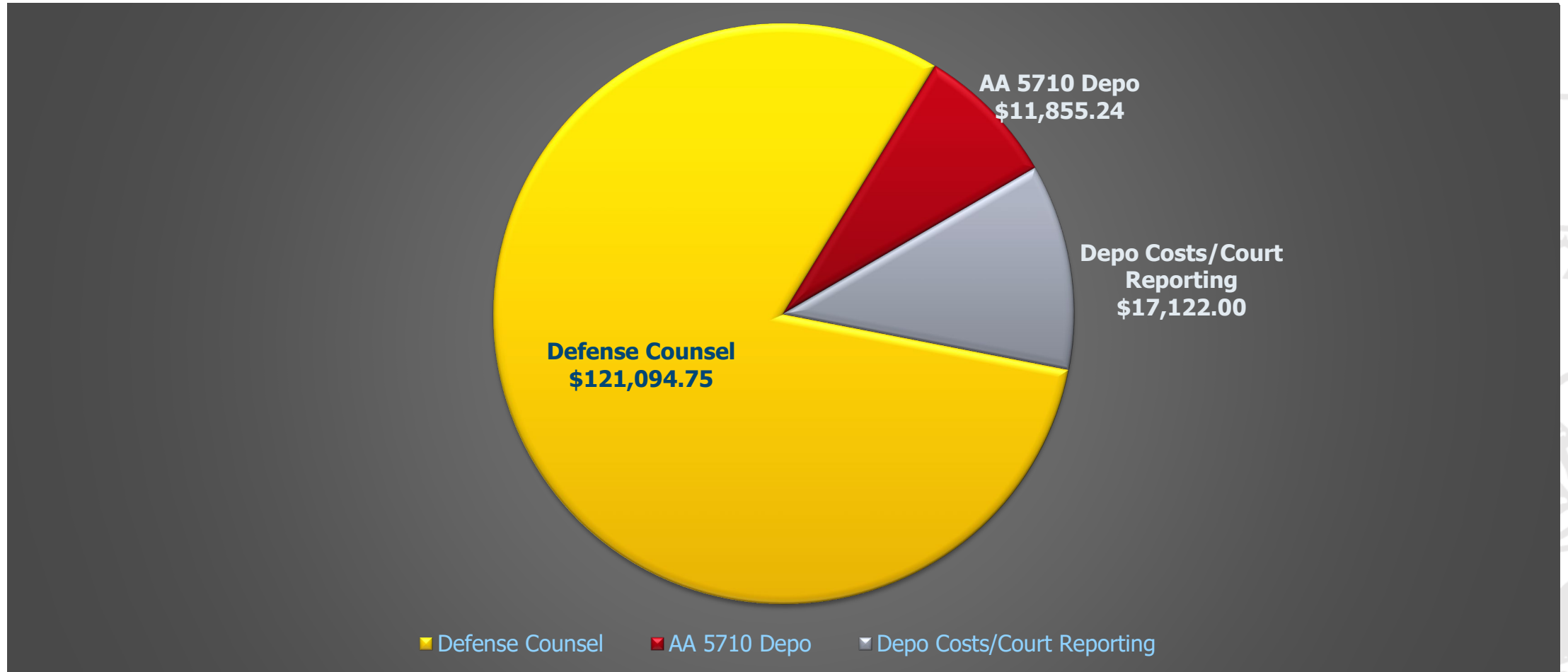
5 Year History of Total & Average Medical Paid Per Claim



Litigation Ratio for FY 2018-19



Legal Costs – FY 2018-19



Settlement Authority Annual Figures

- Total Numbers of SARs in 2019: 299
- Total Number of SARs by level:

Settlement Level	Amount	2019 Number of SARs
Level 1	\$0 - \$10,000	159
Level 2	\$10,001 - \$75,000	129
Level 3	\$75,001 - \$100,000	5
Level 4	\$100,001 - \$150,000	0
Level 5	Above \$150,001	6

- Average New Money Requested:
 - \$21,352 (Total Average)
 - \$15,023 (Level I and Level II)



Data Analysis and Identifying Program-wide Trends



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AM Break



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Excess Insurance Market

**Ingrid Merriwether
Merriwether & Williams**



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Insurance Market Overview

JBWCP Current Coverage Arrangements

TRIAL COURTS

Safety National Casualty Corporation

- AM best A+ XV - Admitted
- Self-insured retention (SIR) of \$2 million
- Policy limits of \$100 million
- Rate per \$100 of payroll of .0488
- Estimated annual premium of \$446,322

JUDICIARY

Safety National Casualty Corporation

- AM Best A+ XV - Admitted
- Self-insured retention (SIR) of \$2 Million
- Policy limits of \$100 million
- Rate per \$100 of payroll of .0298
- Estimated annual premium of \$170,499



Insurance Market Overview

California workers' compensation insurers decreased their premium rates for 2020:

- 2020 filed California pure premium rates decreased as much as 10% over 2019 respective to primary workers' compensation only
- 2020 California average pure premium rate is \$1.69/\$100 payroll versus \$1.99/\$100 for 2019
- Workers' compensation rates for public entities have remained stable and competitive in the last 3 years
- Reinsurance rates under pressure for increases
- SIR attachments under pressure due to medical and social inflation



Insurance Market Overview

1. Safety National Insurance Company (AM Best A+ XIV)
2. Arch Insurance (AM Best A+ XV)
3. ACE Property & Casualty Insurance Company (CHUBB) (AM Best A++ XV)
4. State National Insurance Company (AM Best A IX)
5. Midwest Employers Casualty Company (AM Best A+ XV)
6. Starr Insurance Company (AM Best A- X) - currently not writing any municipal exposures

New York Marine and General Insurance Company exited the excess workers' compensation arena in 2019



Excess WC Insurance Renewal Marketing Overview

TRIAL COURTS

Safety National: Initial terms at 0% change or possible 5% rate reduction

Arch Insurance : Would like to write the account again for same expiring premium level or possible reduction

ACE/CHUBB: Considering review of submissions

State National: Very limited underwriting appetite in 2020

Midwest Employers: Metropolitan concentration issues prohibitive to competitive pricing terms



Excess WC Insurance Renewal Marketing Overview

- **Optional Rate Guarantee:** Second year rate freeze option subject to loss experience
- **Higher Limits of Liability:** Consideration will be given to additional options including \$150MM and Statutory Limit
- **Reduced Deductible Level:** Consideration to lower deductible levels including \$1MM, \$1.5MM, and \$1.75MM - very limited market options below this level for current program



Safety and Risk Control Services

- Request carriers to commit \$10,000 for Trial Courts and \$5,000 for Judiciary
- Quotes will include so many hours of risk control services at a rate of \$175 per hour, up to the threshold of \$10,000 or \$5,000
- Sample risk control services include but not limited to: ergonomics, industrial hygiene such as asbestos testing, indoor air quality assessments, dust sampling, training and continuing education, etc.



Next Steps and Tentative Dates

- **Review and compare quotes – March 2020**
- **Advisory Committee to select carrier – April 2020**
- **Binding May 2020 – June 2020**



Presentation of Draft Actuarial Report

Becky Richard

Senior Manager, Actuarial Consulting, Bickmore



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2020-21 Actuarial Report

- **Outstanding Liabilities at June 30, 2020**
 - **a.k.a. Reserves**
- **2020-21 Funding Guidelines**
 - **a.k.a. Rates**



Incurring Loss Development – Trial Courts

	Expected	Actual	A-E
Prior	\$33,000	\$203,000	\$170,000
2002-03	53,000	(200,000)	(253,000)
2003-04	61,000	518,000	457,000
2004-05	69,000	3,000	(66,000)
2005-06	97,000	(71,000)	(168,000)
2006-07	137,000	465,000	328,000
2007-08	177,000	187,000	10,000
2008-09	337,000	(95,000)	(432,000)
2009-10	442,000	161,000	(281,000)
2010-11	387,000	147,000	(240,000)
2011-12	391,000	422,000	31,000
2012-13	426,000	333,000	(93,000)
2013-14	416,000	136,000	(280,000)
2014-15	453,000	247,000	(206,000)
2015-16	922,000	887,000	(35,000)
2016-17	1,550,000	752,000	(798,000)
2017-18	2,755,000	2,520,000	(235,000)
2018-19	5,033,000	3,617,000	(1,416,000)
Total	13,739,000	10,232,000	(3,507,000)

**Incurring
Losses**

**Development
from
12/31/18
to
12/31/19**



Paid Loss Development – Trial Courts

	Expected	Actual	A-E
Prior	\$93,000	\$255,000	\$162,000
2002-03	73,000	(133,000)	(206,000)
2003-04	265,000	705,000	440,000
2004-05	105,000	63,000	(42,000)
2005-06	238,000	216,000	(22,000)
2006-07	256,000	780,000	524,000
2007-08	199,000	307,000	108,000
2008-09	264,000	132,000	(132,000)
2009-10	432,000	560,000	128,000
2010-11	447,000	476,000	29,000
2011-12	557,000	639,000	82,000
2012-13	695,000	1,098,000	403,000
2013-14	666,000	769,000	103,000
2014-15	858,000	981,000	123,000
2015-16	1,425,000	1,565,000	140,000
2016-17	1,773,000	1,858,000	85,000
2017-18	2,367,000	2,247,000	(120,000)
2018-19	2,666,000	2,244,000	(422,000)
Total	13,379,000	14,762,000	1,383,000

**Paid
Losses**

**Development
from
12/31/18
to
12/31/19**



Ultimate Loss – Trial Courts

	Prior	Current	Change
Prior	\$23,828,000	\$24,008,000	\$180,000
2002-03	18,100,000	17,862,000	(238,000)
2003-04	20,673,000	21,156,000	483,000
2004-05	14,310,000	14,257,000	(53,000)
2005-06	14,458,000	14,301,000	(157,000)
2006-07	14,548,000	14,886,000	338,000
2007-08	13,808,000	13,818,000	10,000
2008-09	12,420,000	11,876,000	(544,000)
2009-10	17,884,000	17,499,000	(385,000)
2010-11	16,732,000	16,462,000	(270,000)
2011-12	15,854,000	15,745,000	(109,000)
2012-13	17,437,000	17,326,000	(111,000)
2013-14	14,050,000	13,795,000	(255,000)
2014-15	13,856,000	13,706,000	(150,000)
2015-16	14,593,000	14,495,000	(98,000)
2016-17	13,830,000	13,027,000	(803,000)
2017-18	13,878,000	13,643,000	(235,000)
2018-19	14,464,000	13,619,000	(845,000)
Total	284,723,000	281,481,000	(3,242,000)



Liabilities – Trial Courts



Comparison of June 30 Projections...

	Prior Report 30-Jun-19	Current Report 30-Jun-20	Change
Case	\$26,501,000	\$23,353,000	(\$3,148,000)
IBNR	42,700,000	42,534,000	(166,000)
ULAE	5,967,000	5,822,000	(145,000)
Total Reserves	\$75,168,000	\$71,709,000	(\$3,459,000)



Incurring Loss Development – Judiciary

	Expected	Actual	A-E
Prior	\$21,000	(\$77,000)	(\$98,000)
2002-03	0	0	0
2003-04	0	0	0
2004-05	0	0	0
2005-06	3,000	0	(3,000)
2006-07	7,000	(30,000)	(37,000)
2007-08	4,000	(7,000)	(11,000)
2008-09	16,000	1,000	(15,000)
2009-10	16,000	(2,000)	(18,000)
2010-11	8,000	27,000	19,000
2011-12	19,000	(18,000)	(37,000)
2012-13	19,000	(24,000)	(43,000)
2013-14	30,000	0	(30,000)
2014-15	42,000	(9,000)	(51,000)
2015-16	39,000	118,000	79,000
2016-17	69,000	(13,000)	(82,000)
2017-18	125,000	10,000	(115,000)
2018-19	159,000	33,000	(126,000)
Total	577,000	9,000	(568,000)

**Incurring
Losses**

**Development
from
12/31/18
to
12/31/19**



Paid Loss Development – Judiciary

	Expected	Actual	A-E
Prior	\$107,000	(\$40,000)	(\$147,000)
2002-03	0	0	0
2003-04	0	0	0
2004-05	0	0	0
2005-06	2,000	0	(2,000)
2006-07	7,000	0	(7,000)
2007-08	5,000	0	(5,000)
2008-09	22,000	9,000	(13,000)
2009-10	11,000	13,000	2,000
2010-11	10,000	6,000	(4,000)
2011-12	20,000	6,000	(14,000)
2012-13	19,000	0	(19,000)
2013-14	29,000	2,000	(27,000)
2014-15	58,000	45,000	(13,000)
2015-16	54,000	105,000	51,000
2016-17	72,000	39,000	(33,000)
2017-18	84,000	17,000	(67,000)
2018-19	42,000	63,000	21,000
Total	542,000	265,000	(277,000)

**Paid
Losses**

**Development
from
12/31/18
to
12/31/19**



Ultimate Loss – Judiciary

	Prior	Current	Change
Prior	\$13,615,000	\$13,528,000	(\$87,000)
2002-03	172,000	172,000	0
2003-04	289,000	289,000	0
2004-05	366,000	366,000	0
2005-06	248,000	246,000	(2,000)
2006-07	645,000	607,000	(38,000)
2007-08	290,000	280,000	(10,000)
2008-09	902,000	889,000	(13,000)
2009-10	776,000	760,000	(16,000)
2010-11	346,000	368,000	22,000
2011-12	693,000	652,000	(41,000)
2012-13	565,000	516,000	(49,000)
2013-14	270,000	168,000	(102,000)
2014-15	501,000	388,000	(113,000)
2015-16	682,000	752,000	70,000
2016-17	679,000	602,000	(77,000)
2017-18	530,000	466,000	(64,000)
2018-19	657,000	611,000	(46,000)
Total	22,226,000	21,660,000	(566,000)



Liabilities – Judiciary



Comparison of June 30 Projections...

	Prior Report 30-Jun-19	Current Report 30-Jun-20	Change
Case	\$1,420,000	\$1,245,000	(\$175,000)
IBNR	2,350,000	2,388,000	38,000
ULAE	886,000	918,000	32,000
Total Reserves	\$4,656,000	\$4,551,000	(\$105,000)



Liabilities – Trial Courts and Judiciary

Comparison of June 30 Projections...

	Prior Report 30-Jun-19	Current Report 30-Jun-20	Change
Case	\$27,921,000	\$24,598,000	(\$3,323,000)
IBNR	45,050,000	44,922,000	(128,000)
ULAE	6,852,000	6,740,000	(112,000)
Total Reserves	\$79,823,000	\$76,260,000	(\$3,563,000)



Outstanding Liabilities at 6/30/20

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

	Trial Courts	Judiciary	Total
Prior	\$1,118,000	\$649,000	\$1,767,000
2003-04	1,243,000	0	1,243,000
2004-05	363,000	0	363,000
2005-06	801,000	16,000	817,000
2006-07	1,067,000	31,000	1,098,000
2007-08	1,016,000	36,000	1,052,000
2008-09	1,168,000	180,000	1,348,000
2009-10	2,118,000	70,000	2,188,000
2010-11	2,530,000	100,000	2,630,000
2011-12	2,816,000	91,000	2,907,000
2012-13	3,379,000	80,000	3,459,000
2013-14	3,303,000	83,000	3,386,000
2014-15	3,975,000	166,000	4,141,000
2015-16	4,923,000	336,000	5,259,000
2016-17	5,416,000	299,000	5,715,000
2017-18	7,745,000	372,000	8,117,000
2018-19	9,903,000	494,000	10,397,000
2019-20	13,003,000	630,000	13,633,000
Total	\$65,887,000	\$3,633,000	\$69,520,000



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Outstanding Liabilities at 6/30/20

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

	Trial Courts	Judiciary	Total
Loss and ALAE Reserves	\$65,887,000	\$3,633,000	\$69,520,000
ULAE Reserves	\$5,822,000	\$918,000	\$6,740,000
Total Reserves Expected	\$71,709,000	\$4,551,000	\$76,260,000
70%	\$77,374,000	\$5,102,000	\$82,476,000
75%	\$79,597,000	\$5,338,000	\$84,935,000
80%	\$82,179,000	\$5,620,000	\$87,799,000
85%	\$85,334,000	\$5,966,000	\$91,300,000

Confidence levels reflect variability of outstanding liabilities



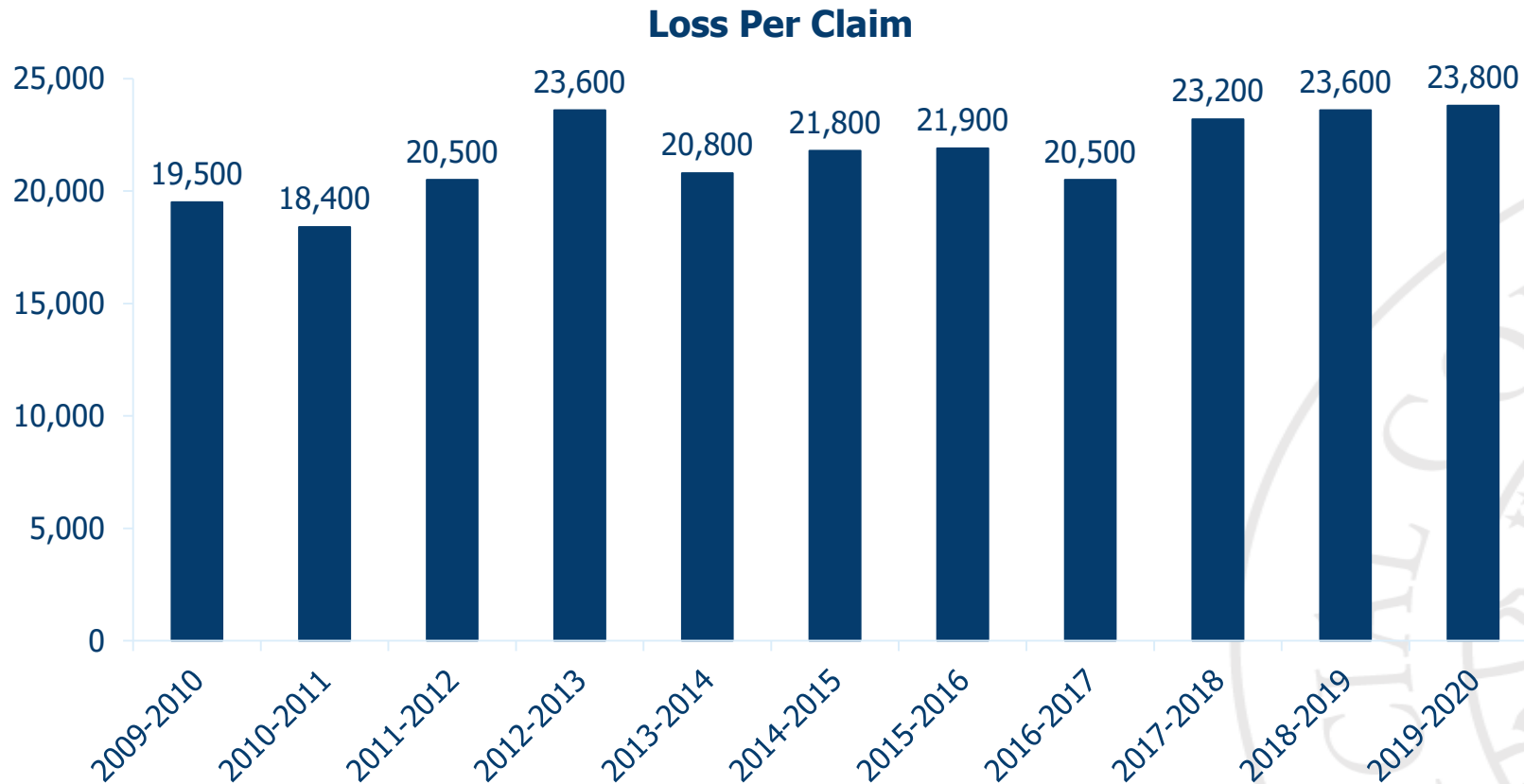
Funding Margin at 6/30/20

As of June 30, Outstanding Liability minus Available Assets

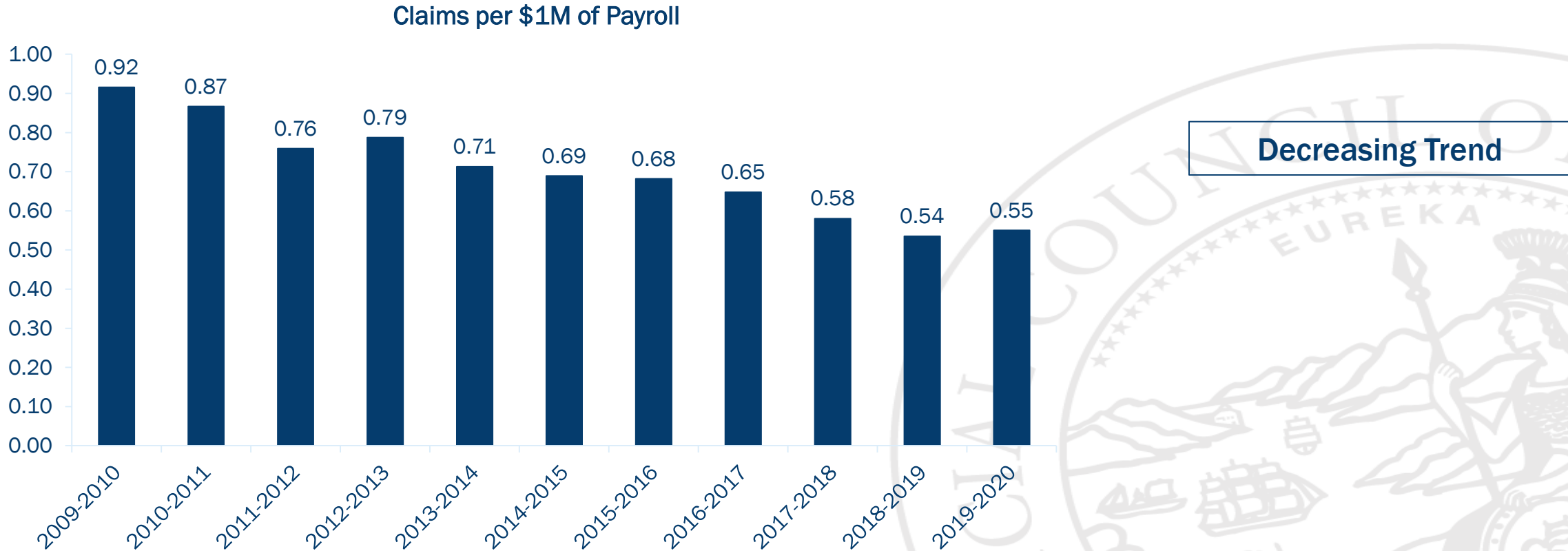
	Prior Report June 30, 2019	Current Report June 30, 2020	Change
Total Reserves	\$79,823,000	\$76,260,000	(\$3,563,000)
Assets	65,217,000	64,620,000	(597,000)
Deficit	(\$14,606,000)	(\$11,640,000)	\$2,966,000



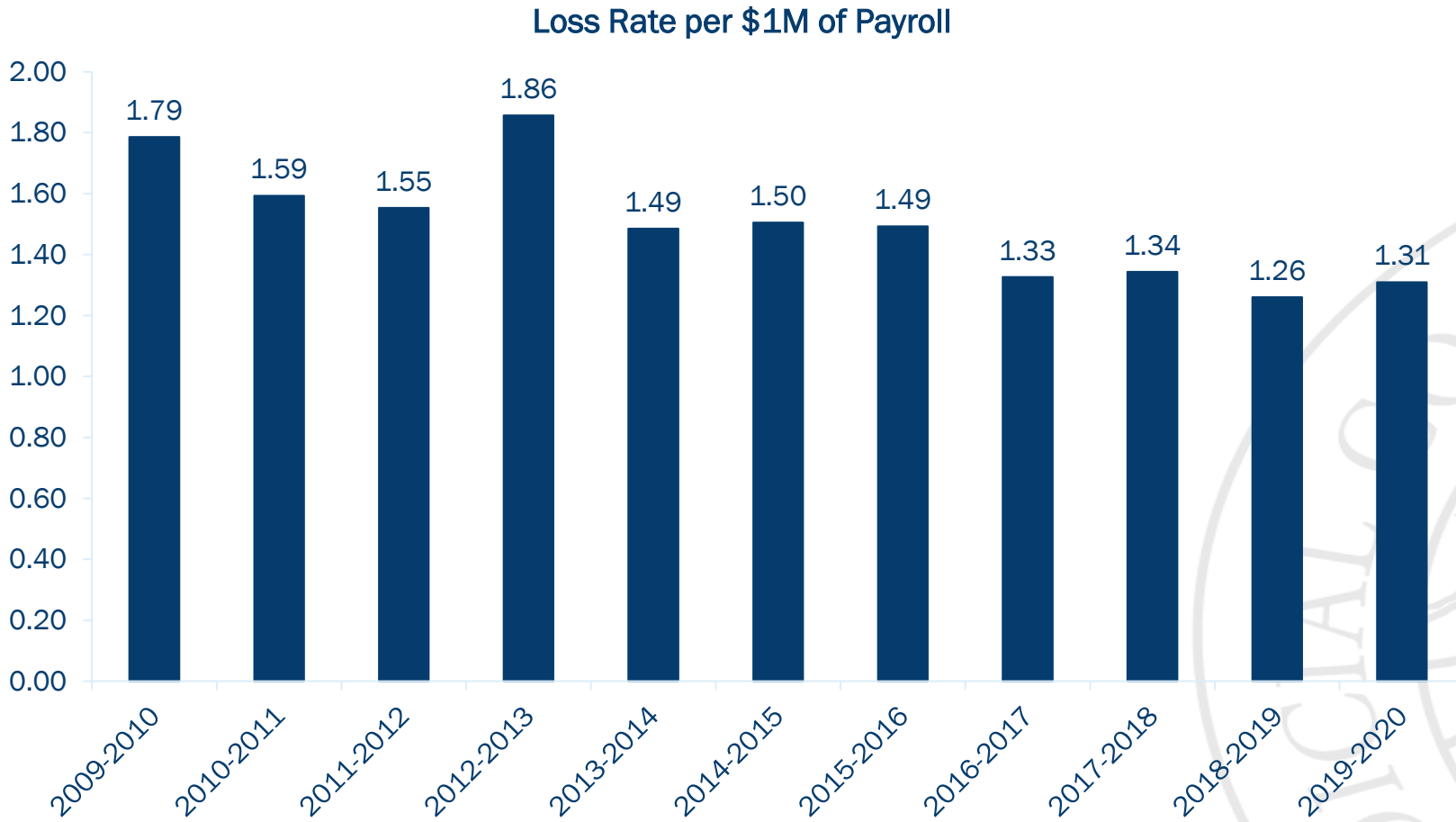
Severity Trends – Trial Courts



Frequency Trends – Trial Courts



Loss Rate Trends – Trial Courts

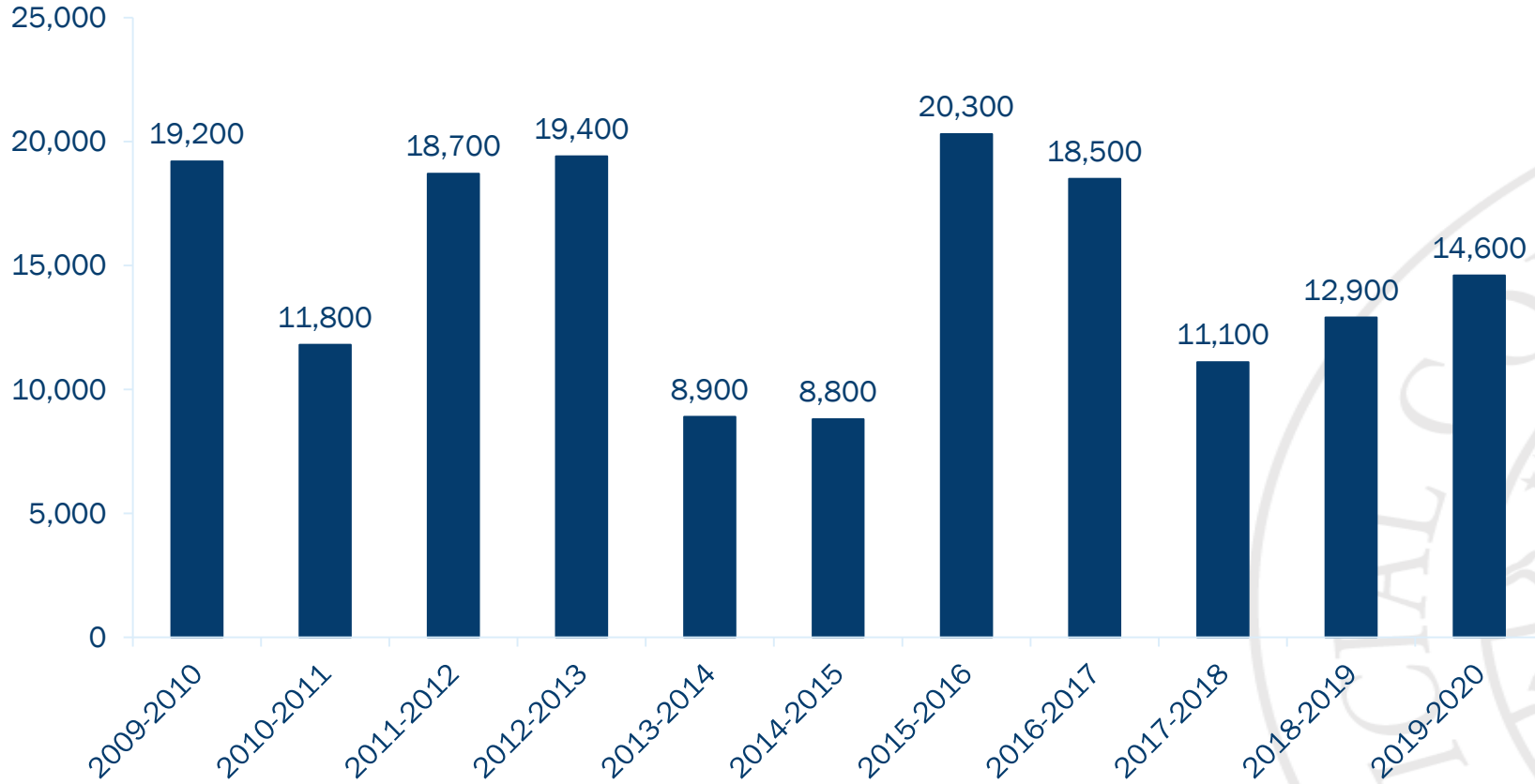


Flattening Trend



Severity Trends – State Judiciary

Loss Per Claim

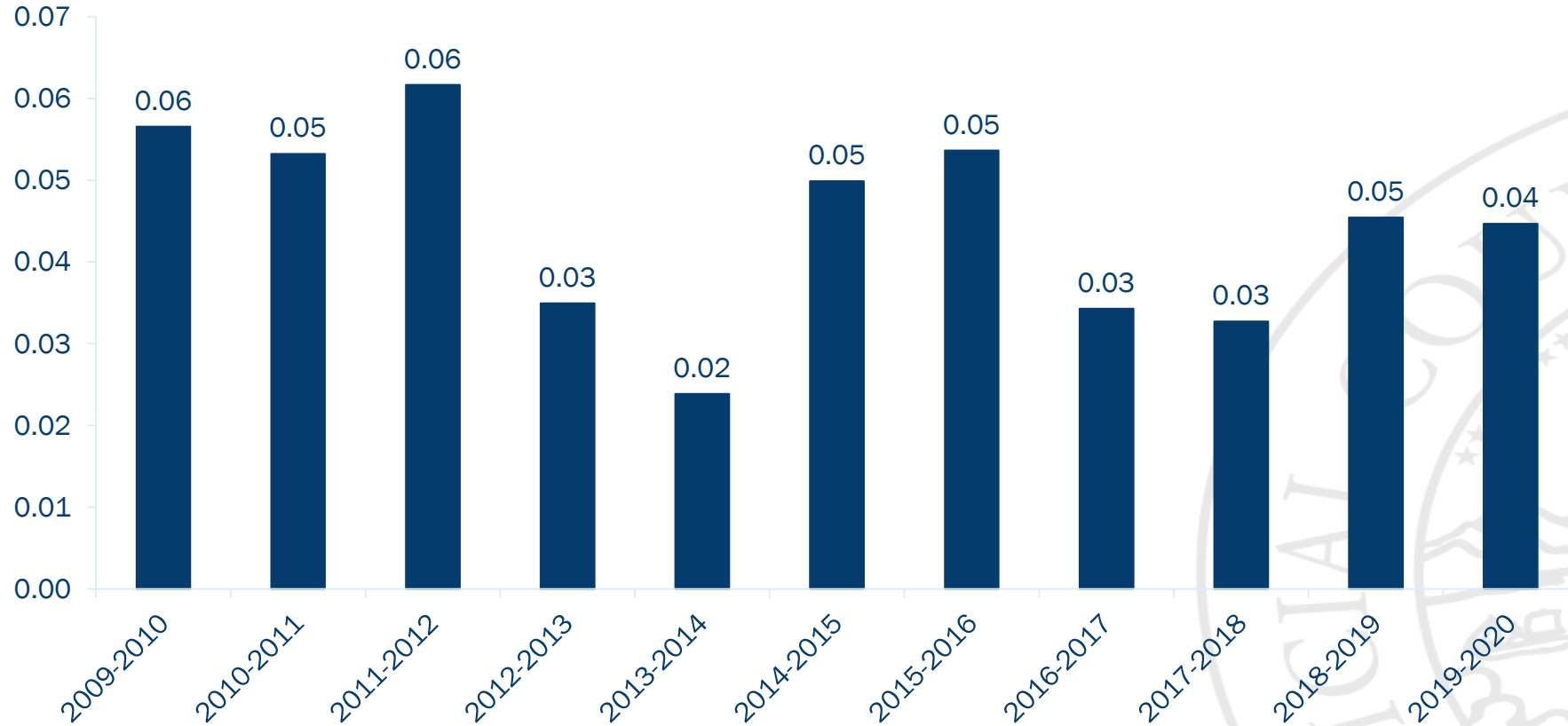


Volatility due to small program



Frequency Trends – State Judiciary

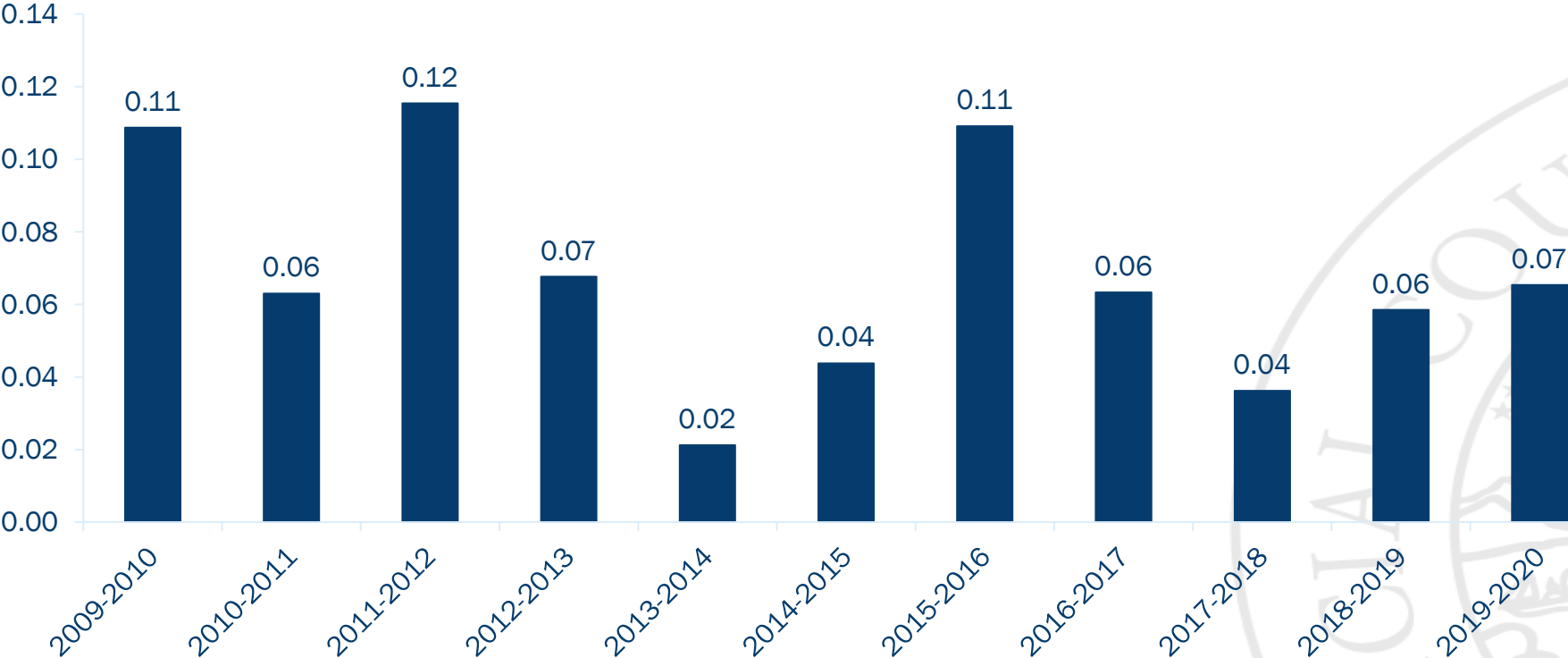
Claims per \$1M of Payroll



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Loss Rate Trends – State Judiciary

Loss Rate per \$1M of Payroll



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Projected Ultimate Loss & ALAE for 2020-21

Ultimate Loss and ALAE for claims occurring between 7/1/20 and 6/30/21

	Prior Report 2019-2020 Self-Funded Retention = \$2M	Current Report 2020-2021 Self-Funded Retention = \$2M	Change
Trial Courts	\$14,999,000	\$15,101,000	\$102,000
State Judiciary	681,000	691,000	\$10,000
Total	\$15,680,000	\$15,792,000	\$112,000

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



Projected Total Funding For 2020-21

Total Required Funding for Claims Between 7/1/20 and 6/30/21

	Prior Report 2019-2020 Self-Funded Retention = \$2M	Current Report 2020-2021 Self-Funded Retention = \$2M	Change
Loss and ALAE	\$15,680,000	\$15,792,000	\$112,000
ULAE	2,682,000	2,682,000	0
Total Claims	18,362,000	18,474,000	112,000
Non Claim Expenses	1,200,000	1,240,000	40,000
Total Funding	\$19,562,000	\$19,714,000	\$152,000
Payroll	\$14,867,402	\$15,847,281	\$979,879
Total Rate	\$1.32	\$1.24	(\$0.07)

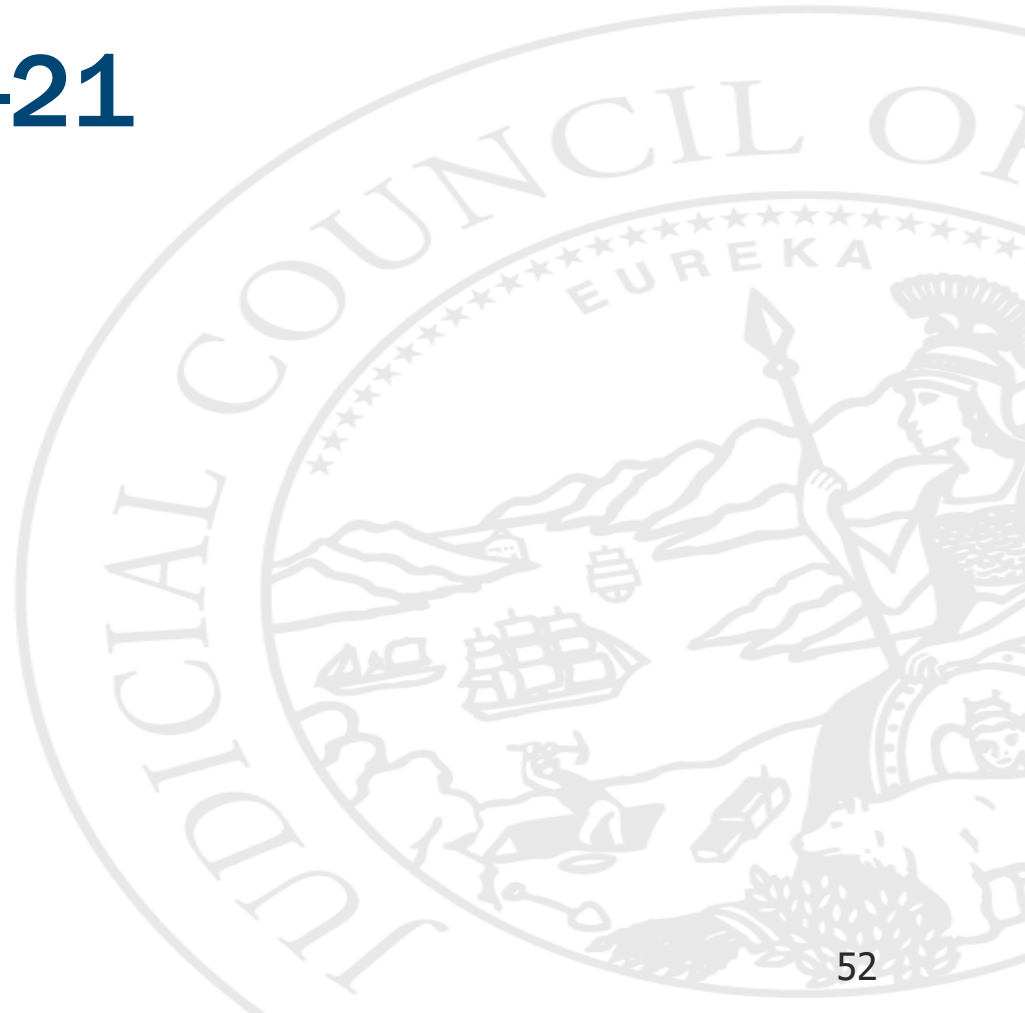


Allocation Results for FY 2020-21

Allocation Report for FY 2020-21



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Costs To Allocate - Total

- **Ultimate Loss and ALAE**
 - **\$15,792,000 (0.7%)**
- **Third-Party Claims Administration Fees**
 - **\$2,682,000 (0.0%)**
- **Excess Insurance Premiums**
 - **\$656,000 (6.5%)**
- **Consulting and Brokerage Expenses**
 - **\$584,000 (0.0%)**
- **Total**
 - **\$19,714,000 (0.8%)**



Costs To Allocate – Trial Courts

- **Ultimate Loss and ALAE**
 - **\$15,101,000 (0.7%)**
- **Third-Party Claims Administration Fees**
 - **\$2,436,000 (1.2%)**
- **Excess Insurance Premiums**
 - **\$472,000 (5.8%)**
- **Consulting and Brokerage Expenses**
 - **\$367,000 (-0.8%)**
- **Total**
 - **\$18,376,000 (0.8%)**



Costs To Allocate – Judiciary

- **Ultimate Loss and ALAE**
 - **\$691,000 (1.5%)**
- **Third-Party Claims Administration Fees**
 - **\$246,000 (-10.2%)**
- **Excess Insurance Premiums**
 - **\$184,000 (8.2%)**
- **Consulting and Brokerage Expenses**
 - **\$217,000 (+1.4%)**
- **Total**
 - **\$1,338,000 (-0.1%)**



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...

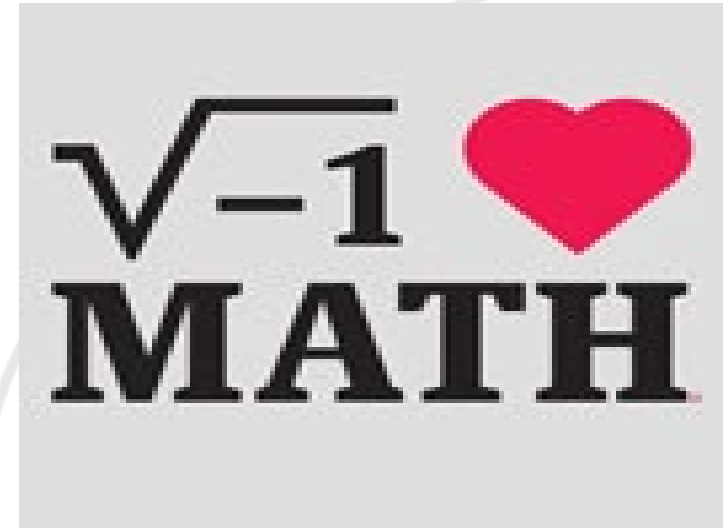
- Both excess insurance premiums and consulting/brokerage fees are allocated based upon % of total payroll
- TPA fees are allocated based on courts' percentage of total loss/ALAE funding



Questions ??

Ask an Actuary !

Call 1-800-[(10x)²-2x+34]



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Lunch Break



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Claims Settlement Authority (SA) Working Group Report

**Heather Capps, Superior Court of California,
County of Orange**

**Stephanie Cvitkovich, Superior Court of
California, County of San Diego**



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SA Working Group Members

- **Ms. Heather Capps, Co-Chair, Superior Court of California, County of Orange**
- **Ms. Stephanie Cvitkovich, Co-Chair, Superior Court of California, County of San Diego**
- **Ms. Colette M. Bruggman, Court of Appeal, Third Appellate District**
- **Ms. Michelle Martinez, Superior Court of California, County of Kings**
- **Ms. Bryna Smith, Superior Court of California, County of Butte**
- **Mr. Hugh Swift, Superior Court of California, County of Stanislaus**
- **Ms. Kimberlie Turner, Superior Court of California, County of San Bernardino**



Background

Purpose

To further contain program costs, improve/streamline the settlement authority process, and develop consistent measures to facilitate the settlement and resolution of claims

Objective

Revise the existing settlement authority policy for the JBWCP for recommendation to the JBWCP Advisory Committee



Background

- **Settlement authority procedures implemented February 2017**
- **Goal was to establish consistent process, expectations and responsibilities**
- **Established timelines for processing**



Proposed Changes to Procedures

- Reduce the number of authority levels from five to three
- Increase individual member authority limits
- Create internal procedures to ensure enough voting members are present for panel decisions
- Ensure JBWCP Administrator (or designee) continues to have input and voting rights



Authority Levels (New Money)

Current Authority Levels

- Level I, TPA (\$0-\$10,000)
- Level II, JBWCP Member (\$10,001-\$75,000)
- Level III, JBWCP Program Administrator (\$75,001-\$100,000)
- Level IV, Settlement Authority Panel (\$100,001-\$150,000)
- Level V, JBWCP Advisory Committee (\$150,001 and Above)

Proposed Authority Levels

- Level I, TPA (\$0-\$10,000)
- Level II, JBWCP Member (\$10,001-\$100,000)
- Level III, Four Members of JBWCP Advisory Committee & JBWCP Administrator or designee (Above \$100,000)



Clarify Procedures for Panel Voting

- **JBWCP will send email with available dates/times within 10 court days of SARs request date requesting volunteers, including four voting members and one alternate**
 - **Administrator will send meeting invitation with SAR attached to panel, alternate and SAR member with request for questions in advance**
 - **Panel/alternate responsible for reviewing SAR in advance, sending questions to JBWCP Administrative staff prior to the meeting**
 - **TPA will research all inquiries and provide information to the meeting**
 - **JBWCP staff will send reminder to panel and participants one day prior to the meeting**



Clarify Procedures for Panel Voting (ctd)

- Roll call will commence at scheduled meeting time
- Alternate will remain on the call even if all voting panel members are present
- If voting panel member does not join call within 5 minutes, alternate will substitute
- If original voting member calls in after 5 alternate has been substituted, original voting member will be dismissed
- Should less than 4 panel members participate, meeting will continue with minimum of 2 voting members and JBWCP Administrator or designee



Clarify Procedures for Panel Voting (ctd)

- If panel requires additional information prior to voting, an action plan will be created with approximate deadlines for completion
- Upon receipt of additional information, JBWCP Administrative Staff will contact panel members, confirm no additional information is required, and request members vote within 2 court days
- Once votes are in, JBWCP Administrative Staff will email all participants and the TPA Program Manager with final determination to approve or decline the SAR



Update to SAR Form

- **More user-friendly**
- **Fillable**
- **Added SAR distribution and approval dates to track progress within TPA**
- **Added MSC/Trial Date field**
- **Added signature lines for Level III voting Panel Members**



Recommendations

- **Increase Level II Settlement Authority for Members from \$75K to 100K**
- **Level III Settlement Authority Panel: \$100K+ (combine Level III, IV, V)**
- **Level III: Four voting JBWCP Advisory Committee Members and JBWCP Administrator or Designee**
- **Minimum of two voting members and JBWCP Administrator or Designee**
- **Update SAR Form (Level I, II, III)**



In Closing

- Intent of changes is to streamline and clarify the current procedures based on member, JBWCP, TPA and broker feedback of current procedures
- Allows for tracking on all aspects of the process to ensure SARs are moving along timely



Deficit Reduction Alternatives Working Group



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Deficit Levers

Administrative Controls

Medical Provider Network
Medicare Set-Aside

Loss Prevention

Ergo & Train-the-Trainer
Resource Awareness

Deficit Reduction

Loss Reduction

Track Claims Resolution
Defense Cost Audit

Asset Development

Frequency of Funding
Confidence Levels



Administrative Controls

- MPN – Removal of providers with excessive billings
- **Conclusion –**
 - Difficult to estimate impact of individual providers on overall costs of program or deficit
- **Recommendation –**
 - Remind members of procedure to remove providers
 - Allied Managed Care (AMC) manages Anthem Network
 - Complaints should be communicated to AIMS
 - Provider removal is based on seriousness of complaint



Administrative Controls

- Reduce costs by using other vendors for Medicare Set-Asides
- **Conclusion –**
 - Using other vendors unlikely to reduce costs
 - ExamWorks is AIMS' preferred vendor because:
 - Direct reporting functionality
 - Used for all AIMS' clients
 - ExamWorks also provides other services at zero cost – Section 111 reporting
 - Industry average \$1,570
 - ExamWorks average \$1,433



Loss Prevention

- Return to Work (RTW) and Buddy Programs
- **Conclusion –**
 - Difficult to measure effectiveness of programs as deficit reduction alternative
 - However, good resources for claims management and should be considered best practices
- **Recommendations**
 - Raise awareness of programs through frequent communications with court HR professionals and executive officers



Loss Prevention

- Develop ergonomic evaluation and training program
- **Conclusion –**
 - An ergonomic evaluation and training program will likely result in fewer claims and reduced costs
 - However, it is difficult to quantify savings without more data and analysis



Loss Prevention

- Develop ergonomic evaluation and training program (Cont.)
- Recommendation –
 - Develop a Request for Proposal for a statewide master agreement – ergonomic evaluation and training services
 - RFP should include the following requirements:
 - On-site assessments and one-on-one consultations
 - Written reports
 - Train-the-trainer services
 - RFP should be issued in Spring 2021
 - Develop metrics to measure program effectiveness



Loss Reduction

- Request TPA to track claims resolution for open, unresolved claims
- Conclusion –
 - Adjusters have a manageable caseload
 - Claims over 5 years should be prioritized
 - File should show discussion and change of approach
 - Claims greater than 5 years represents roughly \$4 million in liability and nearly \$14 million total incurred



Loss Reduction

- Request TPA to track claims resolution for open unresolved claims (Cont.)
- Recommendation –
 - Track claims resolution of all open unresolved claims older than 5 years (roughly 77 claims)
 - Exclude instances where claimant has any newer open claim
 - Exclude future medical and medical only claims
 - Only open and reopened claims
 - Prioritize older claims during claims review
 - Develop metrics to measure cost/benefit of claims resolution



Loss Reduction

- What is driving the legal costs?
- **Conclusion –**
 - Based on industry standards, current hourly rates are reasonable
 - Attorneys may be performing services, which adjusters can perform
 - The amount of attorney fees is only one of several factors used to evaluate the performance of defense counsel
 - May require specialized audit of law firms' billing practices
 - May not be a program-wide issue



Loss Reduction

- What is driving the legal costs? (Cont.)
- Recommendation –
 - Instead of a specialized audit, adjust annual audit criteria to include more litigated claims
 - Areas of concerns for audit include, but not limited to:
 - Billings per case excessive relative to average claim within program and industry
 - TPA adjuster overutilization of attorneys for routine tasks
 - Specific attorneys or firms may bill for services typically considered overhead or not directly related to case, e.g., secretarial time



Asset Development

- Increase frequency of premium transfers from TCTF
- Conclusion –
 - Instead of only one premium transfer from the TCTF in to the JBWCP in June of each year
 - More frequent transfers will produce greater interest income

Frequency of Funding the Program	Increase in Yearly Interest Earned
Semiannually Funding	\$87,691
Quarterly Funding	\$131,633
Monthly Funding	\$160,992

(Assuming premium remains at \$20 million & SMIF rate is 1.75%)



Asset Development

- Increase frequency of premium transfers from TCTF (Cont.)
- Recommendation –
 - Increase frequency of transfers to monthly, quarterly, or semi-annually
 - Seek support of proposal through discussions with JCC Budget Services, CEAC and TCBAC



Asset Development

- Review confidence levels
- **Conclusion –**
 - Currently, JBWCP is funded at the expected confidence level
 - 50% probability that program funding is sufficient to pay the cost of claim liability
 - Industry standard for self-insured WC programs is to fund at a 70% - 80% confidence level
 - Increasing the confidence level will:
 - Increase the probability that funding will be sufficient to cover the higher cost claims
 - Provide cushion to weather inevitable adverse years
 - Achieve deficit reduction, if claims remain constant
 - Generate more interest income
 - Increasing confidence levels is the most effective deficit reduction alternative



Asset Development

- Review confidence levels (Cont.)
- **State Judiciary –**
 - Last year's expected funding was at 63% confidence level
 - Fund at 65% average premium increase of 3.21%
- **Trial Court –**
 - Last year's expected funding was at 55% confidence level
 - Fund at 60% average premium increase of 3.06%
 - Fund at 65% average premium increase of 6.31%



Asset Development

- Review confidence levels (Cont.)
- **Funding at 60% confidence level–**
 - Program covers the cost of the claim liability 60% of the time
 - Trial courts average premium increase of 3.06%
 - State Judiciary nominal change to premium
 - Annual deficit reduction of 3.5%
 - Expected increase of approximately 2.5% in interest return from the SMIF



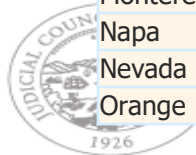
Asset Development

- Review confidence levels (Cont.)
- **Funding at 65% confidence level–**
 - Program covers the cost of the claim liability 65% of the time
 - Trial courts' average premium increase of 6.31%
 - State Judiciary average premium increase of 3.21%
 - Annually deficit reduction of 8.39%
 - Expected increase of approximately 6% in interest return from the SMIF



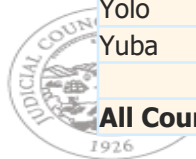
Trial Court Confidence Levels

Original (Expected)		60%			65%			70%		
Court	Premium	Premium	\$ Change	% Change	Premium	\$ Change	% Change	Premium	\$ Change	% Change
Alameda	952,164	981,125	28,961	3.04%	1,011,905	59,741	6.27%	1,045,390	93,226	9.79%
Alpine	5,603	5,773	170	3.03%	5,954	351	6.26%	6,151	548	9.78%
Amador	41,035	42,300	1,265	3.08%	43,644	2,609	6.36%	45,107	4,072	9.92%
Butte	170,295	175,553	5,258	3.09%	181,141	10,846	6.37%	187,220	16,925	9.94%
Calaveras	25,128	25,888	760	3.02%	26,696	1,568	6.24%	27,575	2,447	9.74%
Colusa	13,420	13,827	407	3.03%	14,259	839	6.25%	14,730	1,310	9.76%
Contra Costa	510,065	525,635	15,570	3.05%	542,184	32,119	6.30%	560,186	50,121	9.83%
Del Norte	39,516	40,736	1,220	3.09%	42,032	2,516	6.37%	43,441	3,925	9.93%
El Dorado	102,042	105,165	3,123	3.06%	108,485	6,443	6.31%	112,097	10,055	9.85%
Fresno	430,789	443,739	12,950	3.01%	457,502	26,713	6.20%	472,475	41,686	9.68%
Glenn	20,892	21,525	633	3.03%	22,197	1,305	6.25%	22,928	2,036	9.75%
Humboldt	163,505	168,613	5,108	3.12%	174,042	10,537	6.44%	179,948	16,443	10.06%
Imperial	164,689	169,757	5,068	3.08%	175,143	10,454	6.35%	181,002	16,313	9.91%
Inyo	17,113	17,631	518	3.03%	18,182	1,069	6.25%	18,782	1,669	9.75%
Kern	589,790	607,787	17,997	3.05%	626,914	37,124	6.29%	647,722	57,932	9.82%
Kings	137,130	141,390	4,260	3.11%	145,917	8,787	6.41%	150,842	13,712	10.00%
Lake	30,494	31,416	922	3.02%	32,395	1,901	6.23%	33,460	2,966	9.73%
Lassen	21,607	22,262	655	3.03%	22,957	1,350	6.25%	23,713	2,106	9.75%
Madera	136,002	140,202	4,200	3.09%	144,666	8,664	6.37%	149,522	13,520	9.94%
Marin	131,628	135,601	3,973	3.02%	139,824	8,196	6.23%	144,418	12,790	9.72%
Mariposa	12,403	12,779	376	3.03%	13,179	776	6.26%	13,614	1,211	9.76%
Mendocino	78,451	80,862	2,411	3.07%	83,425	4,974	6.34%	86,213	7,762	9.89%
Merced	100,450	103,476	3,026	3.01%	106,693	6,243	6.22%	110,191	9,741	9.70%
Modoc	9,750	10,046	296	3.04%	10,361	611	6.27%	10,703	953	9.77%
Mono	25,219	26,002	783	3.10%	26,834	1,615	6.40%	27,739	2,520	9.99%
Monterey	209,225	215,556	6,331	3.03%	222,285	13,060	6.24%	229,605	20,380	9.74%
Napa	89,665	92,379	2,714	3.03%	95,264	5,599	6.24%	98,402	8,737	9.74%
Nevada	61,263	63,119	1,856	3.03%	65,090	3,827	6.25%	67,235	5,972	9.75%
Orange	1,981,831	2,042,110	60,279	3.04%	2,106,177	124,346	6.27%	2,175,872	194,041	9.79%



Trial Court Confidence Levels (Cont.)

Original (Expected)		60%			65%			70%		
Court	Premium	Premium	\$ Change	% Change	Premium	\$ Change	% Change	Premium	\$ Change	% Change
Placer	138,909	143,101	4,192	3.02%	147,557	8,648	6.23%	152,404	13,495	9.71%
Plumas	11,777	12,135	358	3.04%	12,514	737	6.26%	12,927	1,150	9.76%
Riverside	1,344,199	1,384,949	40,750	3.03%	1,428,260	84,061	6.25%	1,475,375	131,176	9.76%
Sacramento	560,250	576,723	16,473	2.94%	594,231	33,981	6.07%	613,276	53,026	9.46%
San Benito	26,043	26,831	788	3.03%	27,668	1,625	6.24%	28,579	2,536	9.74%
San Bernardino	970,674	999,827	29,153	3.00%	1,030,812	60,138	6.20%	1,064,519	93,845	9.67%
San Diego	2,650,556	2,732,817	82,261	3.10%	2,820,247	169,691	6.40%	2,915,358	264,802	9.99%
San Francisco	826,676	851,920	25,244	3.05%	878,749	52,073	6.30%	907,936	81,260	9.83%
San Joaquin	443,685	457,296	13,611	3.07%	471,761	28,076	6.33%	487,497	43,812	9.87%
San Luis Obispo	151,278	155,846	4,568	3.02%	160,700	9,422	6.23%	165,981	14,703	9.72%
San Mateo	436,206	449,517	13,311	3.05%	463,665	27,459	6.29%	479,056	42,850	9.82%
Santa Barbara	361,037	372,163	11,126	3.08%	383,989	22,952	6.36%	396,853	35,816	9.92%
Santa Clara	1,599,582	1,649,293	49,711	3.11%	1,702,127	102,545	6.41%	1,759,603	160,021	10.00%
Santa Cruz	119,711	123,294	3,583	2.99%	127,101	7,390	6.17%	131,242	11,531	9.63%
Shasta	251,779	259,541	7,762	3.08%	267,790	16,011	6.36%	276,763	24,984	9.92%
Sierra	6,395	6,589	194	3.03%	6,796	401	6.27%	7,021	626	9.79%
Siskiyou	38,526	39,702	1,176	3.05%	40,952	2,426	6.30%	42,311	3,785	9.82%
Solano	441,711	455,447	13,736	3.11%	470,047	28,336	6.42%	485,929	44,218	10.01%
Sonoma	254,324	262,067	7,743	3.04%	270,297	15,973	6.28%	279,250	24,926	9.80%
Stanislaus	200,270	206,286	6,016	3.00%	212,681	12,411	6.20%	219,638	19,368	9.67%
Sutter	62,110	64,004	1,894	3.05%	66,017	3,907	6.29%	68,207	6,097	9.82%
Tehama	39,160	40,343	1,183	3.02%	41,600	2,440	6.23%	42,967	3,807	9.72%
Trinity	16,097	16,584	487	3.03%	17,103	1,006	6.25%	17,666	1,569	9.75%
Tulare	305,184	314,564	9,380	3.07%	324,533	19,349	6.34%	335,378	30,194	9.89%
Tuolumne	39,979	41,200	1,221	3.05%	42,497	2,518	6.30%	43,909	3,930	9.83%
Ventura	483,927	498,682	14,755	3.05%	514,365	30,438	6.29%	531,425	47,498	9.82%
Yolo	109,097	112,417	3,320	3.04%	115,945	6,848	6.28%	119,783	10,686	9.79%
Yuba	62,692	64,609	1,917	3.06%	66,647	3,955	6.31%	68,864	6,172	9.84%
All Courts	\$18,223,000	\$18,780,000	\$557,000	3.06%	\$19,372,000	\$1,149,000	6.31%	\$20,016,000	\$1,793,000	9.84%



State Judiciary Confidence Levels

Court	Expected	65%			70%			75%		
	Premium	Premium	\$ Change	% Change	Premium	\$ Change	% Change	Premium	\$ Change	% Change
Supreme Court	\$41,143	\$42,386	1,243	3.02%	\$45,682	4,539	11.03%	\$49,585	8,442	20.52%
1st District Court	36,704	37,848	1,144	3.12%	40,880	4,176	11.38%	44,470	7,766	21.16%
2nd District Court	77,837	80,328	2,491	3.20%	86,934	9,097	11.69%	94,756	16,919	21.74%
3rd District Court	25,089	25,860	771	3.07%	27,907	2,818	11.23%	30,330	5,241	20.89%
4th District Court	55,761	57,457	1,696	3.04%	61,954	6,193	11.11%	67,278	11,517	20.65%
5th District Court	21,966	22,651	685	3.12%	24,467	2,501	11.39%	26,618	4,652	21.18%
6th District Court	16,582	17,098	516	3.11%	18,467	1,885	11.37%	20,088	3,506	21.14%
Judicial Council	597,084	621,594	24,510	4.10%	686,574	89,490	14.99%	763,525	166,441	27.88%
CJP	6,349	6,552	203	3.20%	7,088	739	11.64%	7,724	1,375	21.66%
HCRC	16,830	17,354	524	3.11%	18,743	1,913	11.37%	20,389	3,559	21.15%
Trial Court Judges	443,656	452,872	9,216	2.08%	477,304	33,648	7.58%	506,236	62,580	14.11%
All Courts	\$1,339,000	\$1,382,000	\$43,000	3.21%	\$1,496,000	\$157,000	11.73%	\$1,631,000	\$292,000	21.81%

* Supreme Court includes the California Judicial Center Library



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Recommendations

- Remind members of procedure to remove providers from MPN
- Raise awareness of JBWCP programs and resources
- Develop RFP for a statewide master agreement: ergonomic evaluation and training-the-trainer
- Track claims resolution of all open unresolved claims older than 5 years
- Adjust annual audit criteria to include litigated claims
- Increase frequency of transfers to monthly, quarterly, or semi-annually
- Review confidence levels (FYI)



Workers' Compensation Oversight

2019 Third Party Administrator Annual Audit Results

Performance Evaluations



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Revision to Annual Audit

- **Promote continued improvement**
 - Increase target to 90%
- **Raise # of evaluated claims to 180**
- **Evaluate managed care services**
 - Utilization review - independent medical review
 - Bill review - independent bill review



Performance Evaluations/Impact

Utilization Review (UR)

- UR reviews from 72 hours – 30 days.
 - Most common – 5 days
- 322 UR instances – 80 files
- Average one day turnaround – receipt of RFA to receipt by AMC



Performance Evaluations/Impact

Utilization Review (UR)

- Average 2.5 days – UR review conducted by AMC
- Appeal to independent medical review (IMR) – 30 instances for 19 files
 - 93% upheld UR decision, 7% partially overturned
- COMMENTS -
 - Area of success for AMC and AIMS - exceeds industry expectations and requirements with appeals upheld



Performance Evaluations/Impact

Medical Bill Review

- LC 4603.2 – 60 days to pay/object to medical treatment bills
- Adjuster receives bill, reviewed by Allied Managed Care (AMC) against fee schedule
- 24,356 Bills – average 8.55 days from receipt to review
- Appeal to independent bill review (IBR) – 2 bills (partially overturned)
- COMMENTS -
 - Area of success for AMC - well below requirements with virtually no appeals.



Review Annual Technical Audit Focus

- **Customer service/responsiveness**
- **Settlement process**
- **Litigation management**
- **Contractual compliance**
- **Member involvement**



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Annual Audit Goal – 90% Compliance

- **Audit scoring**
- **Overview of audit calculations**
 - **Applicable categories and true averages**



Audit Results

180 files reviewed – 150 + 30 spot check

Overall compliance 88% 2% decrease

- 3 main categories

- Member issues 93% 2% decrease

- Technical 89%

- Diaries/contract 87%

88% 1% decrease



Scores by Category/Component

Member Issues

Highlights 90+%

99% Participates in claim
92% Modified duty available
91% Responsive to adjuster

Improvement needed

80% Reported timely



Scores by Category/Component

Member Issues Recommendations

- Timely Reporting – We continue to see improvement in this area, with an increase of 4% over the prior Audit
- AIMS continues to conduct 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 90+%

- 100% Attorney assignment thorough
- 100% Assigned specific attorney
- 100% QME docs submitted timely
- 100% Mgt guidance effective
- 100% Mgt addresses concerns
- 97% Medical managed well
- 93% RTW issues managed well
- 92% Benefits paid correctly
- 92% Attorney monitored

Improvement Needed

- 89% Employer communication
- 88% Subrogation
- 84% Reserves accurate
- 74% Resolution focus
- 67% Investigation



Scores by Category/Component

Technical Recommendations

- Investigation
 - Decrease of 26% from the prior Audit
 - Primarily due to low number of applicable files
 - Two files were noted for additional investigation in to “out of state” activities and potential fraud
- Resolution Focus
 - Decrease of 5% from the prior Audit
 - This category as well as proactive diaries demonstrates the need for recognition of all outstanding issues by the adjusting staff



Scores by Category/Component

TPA Diaries/Contract

Highlights 90+%

- 100% Professional response to members
- 99% Timely response to members
- 97% Reserve review timely
- 95% Settlement guidelines followed
- 94% Plan of action review timely
- 92% SAR well documented
- 92% Settlement submitted appropriately
- 91% Supervisor review follows guidelines

Improvement Needed

- 89% Excess reporting timely
- 87% Proactive diaries set
- 87% Sup reviews thorough
- 85% Issues recog/escalated
- 59% Sup reviews timely
- 36% Settlement pursuit timely



Scores by Category/Component

TPA Diaries/Contract Recommendations

- Supervisory Reviews Timely
 - Decrease of 14% from the prior Audit
 - The lack of supervisory guidance has continued from the 2017 and 2018 audits and has a negative impact on the overall work product
 - Additional information provided in the Audit Analysis
- Settlement Pursuit Timely
 - Decrease of 42% from the prior Audit
 - Delays noted from the receipt of information supporting settlement to actual submission of the settlement request, with further delay noted from mgt review of the settlement request to submission to Member.
 - Additional information provided in the Audit Analysis



Performance Evaluations/Impact

Supervisory Review and Guidance

- Average of 434 days between supervisory reviews (1.19 years)
- 67% of delayed supervisory diaries relate to active indemnity claims
- 31 JBWCP court members have files with delayed supervisor reviews
- RECOMMENDATIONS –
 - Increased focus on supervisory reviews
 - Develop specific/measurable plan for improvement



Performance Evaluations/Impact Settlements

- 2017 Settlement Authority Request (SAR) process established
- Average of 58 calendar days receipt of information – SAR submission
- Average of 20 calendar days receipt by management – submission to member
- Average of 9.6 calendar days receipt by member – approval to AIMS
- RECOMMENDATIONS –
 - Review TPA approval process focused on timely review and submission of SARs to members



AIMS Response and Commitment

- We will continue to emphasize the need for:
 - Documentation of all communications with the employer contacts, particularly with regard to authorities sought and received
 - Thorough investigation as appropriate from claim onset through completion
 - Reserving for ongoing claim activity anticipated prior to completion of a proposed settlement



AIMS Response and Commitment

- **Continue to -**
 - **Provide quality work**
 - **Maintain prioritization of litigation/settlements**
 - **Evaluate what is working and what needs more attention**
 - **Monitor backlogs in diaries and SAR processing**
 - **Explore alternatives to maximize management's impact on the entire caseload**



AIMS Response and Commitment

We will continue our efforts to provide excellent service to the JBWCP Program and its Member courts with ongoing training and continuous reinforcement of State, Program, and AIMS standards



Recommendations for Further Discussion

- Determine audit/spot check frequency
- Determine audit size
- Review audit criteria
 - Consideration of
 - Identifying obstacle to case resolution
 - Review and analysis of litigation costs
 - Frequency of medical management review/analysis



Action Needed

- **Accept and Receive 2019 Annual Audit**



Closed Session



JUDICIAL COUNCIL
OF CALIFORNIA



Presentation of Draft Annual Agenda



JUDICIAL COUNCIL
OF CALIFORNIA



Meeting Adjournment



JUDICIAL COUNCIL
OF CALIFORNIA





JUDICIAL BRANCH WORKERS' COMPENSATION PROGRAM CLAIMS SETTLEMENT AUTHORITY POLICY

(Revised [TBD], 2020)

Workers' compensation claims for the Trial Courts and the Judiciary Programs are administered through the Judicial Branch Workers' Compensation Program (JBWCP) by its third-party claims administrator (TPA).

Under authority of the JBWCP, the TPA manages all workers' compensation claims, with oversight from the Judicial Council of California Human Resources staff, along with the risk management consultant. Specific settlement authority levels have been established for the JBWCP which are:

Level I: The TPA (0 - \$10,000);

Level II: The JBWCP Member¹ (\$10,001 - \$100,000); and

Level III: Settlement Authority Panel - Four voting JBWCP Advisory Committee Members and JBWCP Administrator or Designee (Above \$100,000)

All Settlement Authority Requests (SARs) are for "new money" and do not reflect money that has already been paid out or advanced against the settlement. Any Permanent Disability advanced against the settlement AFTER completion of the SAR will be deducted from the settlement when paid.

Settlement recommendations are presented by the TPA to the JBWCP Members for approval according to JBWCP policies, procedures, and Service Guidelines. All settlement recommendations must first meet JBWCP guidelines and be presented on the SAR. The SAR will document all of the pertinent claim details and provide the rationale for the proposed settlement, which will include all outstanding issues. All SARs will be provided by the TPA to the appropriate level of settlement authority, with copies to respective JBWCP Members. In the event of a disagreement on the proposed settlement, the TPA, JBWCP Member, or JBWCP Program Administrator may escalate the settlement request to the next level.

¹ JBWCP Member includes the following judicial branch entities, Supreme Court, Courts of Appeal, Superior Courts of California, Superior Court Judges, Habeas Corpus Resource Center, Center for Judicial Performance, and the Judicial Council.



All SARs provided to the JBWCP Members must be reviewed, signed, and returned to the TPA in a timely fashion. If the requests are not returned within 10 court days and there is a scheduled court appearance, the next settlement authority level (or their designee) may authorize the settlement.

There are two commonly used ways to reach agreement for settlement of a workers' compensation claim:

1. ***Compromise & Release (C&Rs)***: This is a negotiated settlement which may resolve all or part of a workers' compensation claim. The settlement may result in claim closure with the claimant responsible for the cost of future medical care. Settlement by C&R may result in a lump sum payment to the claimant. This settlement must be approved by a workers' compensation judge.

If the claimant is a Medicare beneficiary, the settlement must include a Medicare set-aside analysis (MSA) if resolution of future medical care is considered. Once the amount of the MSA is determined, settling the claim by this method may increase the settlement request amount.

While case closure is a focus, settlement by C&R, either with or without an MSA, should be considered as needed based on the specific claim status and not as a general rule simply because the employee is no longer employed by the JBWCP Member. Should a file be settled, with future medical care awarded, administrative closure may be considered if there has been no medical treatment awarded for at least one year.

2. ***Stipulation with Request for Award (Stipulation)***: This is a type of settlement where an agreement is reached regarding the level of Permanent Disability per the Permanent Disability Rating Schedule from an industrial illness or injury. This settlement will provide direction on the provision of future medical benefits, included body parts, date of injury, and other stipulated agreements. This settlement must also be approved by a workers' compensation judge.

Guidelines Applicable to All Authority Levels

Any party who disagrees with a settlement decision made in any level in this process may escalate the decision to the Level III Settlement Authority Panel to make a final decision.



All approved settlements that will exceed the Excess Insurance Coverage Levels² will require authorization of both the Excess Insurance Carrier and the Level III Settlement Authority Panel.

Judicial Branch Settlement Authority Level Guidelines

All settlement authority amounts shown in Levels I through III are “new money” expected to be paid after the Response Due Date on the SAR and does **not** reflect money that has already been paid out or advanced against the settlement.

Level I: The **TPA** shall have full authority to settle and approve all C&Rs and Stipulation settlements for any JBWCP Member up to and including **\$10,000**. The TPA shall notify the JBWCP Member for claims by its covered employees/volunteers at least 10 court days prior to finalizing the settlement offer. If the JBWCP Member does not agree with the proposed settlement, then the JBWCP Member must contact the TPA within the allotted 10 court day period.

Level II: The JBWCP **Member** shall have full authority to settle and approve all C&Rs and Stipulation settlements for claims by its covered employees/volunteers from \$10,001 up to and including **\$100,000**. The JBWCP Member must review and respond to the SAR within 10 court days following the SAR’s Date Sent To Member.

Level III: A **Settlement Authority Panel**, consisting of four voting JBWCP Advisory Committee Members who are not directly involved with the settlement, and the JBWCP Administrator or Designee, in consultation with the JBWCP Member that has received a claim made by its covered employees/volunteers, shall exercise **final decisional authority** over the settlement and approval of C&Rs and Stipulation settlements **above \$100,000** or when a **dispute** or **impasse** arises. A majority of the Panel Members must agree on the proposed settlement.

The Program Administrator will send the SAR to the panel and JBWCP Member, and the panel meeting will convene within 10 court days following the SAR’s Sent To Member Date.

² Settlements that have already exceeded the Excess Insurance Coverage Levels will require, at a minimum, authorization of the Excess Insurance Carrier.



**JUDICIAL COUNCIL OF CALIFORNIA
 JUDICIAL BRANCH WORKERS' COMPENSATION PROGRAM
 SETTLEMENT AUTHORITY REQUEST/NOTIFICATION**

CLAIMANT NAME: Click or tap here to enter text.	IS THIS CLAIMANT A CURRENT EMPLOYEE? <input type="checkbox"/> YES <input type="checkbox"/> NO
DATE SENT TO MEMBER: Click or tap to enter a date.	RESPONSE DUE DATE: Click or tap to enter a date.
SENT TO: Click or tap here to enter text.	JBWCP MEMBER: Click or tap here to enter text.

AUTHORITY LEVEL

- Level I, TPA (\$0-\$10,000)
- Level II, JBWCP Member (\$10,001-\$100,000)
- Level III, Four Members of the JBWCP Advisory Committee & JBWCP Administrator or Designee (Above \$100,000)

ACTION REQUESTED:

- SETTLEMENT AUTHORITY REQUESTED
- INFORMATION ONLY

SETTLEMENT TYPE:

- STIPULATED AWARD
- COMPROMISE & RELEASE

SUBMITTED BY:

ADJUSTER'S NAME: Click or tap here to enter text. TITLE: Click or tap here to enter text.
 TPA NAME: Click or tap here to enter text. PHONE NUMBER: Click or tap here to enter text.
 E-MAIL ADDRESS: Click or tap here to enter text.

DISTRIBUTION & APPROVAL DATES

SENT TO TPA MGT FROM ADJUSTER: Click or tap to enter a date.	TPA MGT APPROVER NAME: Click or tap here to enter text.	APPROVED BY TPA MGT: Click or tap to enter a date.
--	---	--

SELECT MSC OR TRIAL: Choose an item **DATE:** Click or tap here to enter text.

CLAIMANT INFORMATION

OCCUPATION: Click or tap here to enter text.
DATE OF BIRTH: Click or tap to enter a date.
DATE OF HIRE: Click or tap to enter a date.

CLAIM #: Click or tap here to enter text.
DATE OF INJURY: Click or tap to enter a date.
MEDICARE ELIGIBLE? YES NO

IS EXCESS AUTHORITY REQUIRED? YES NO

IS CLAIMANT LITIGATED? YES NO

HAS A 132A, S/W, OR N/F BEEN FILED? YES NO

If "YES", Click or tap here to enter specific details.

ACCEPTED BODY PART(S) OR ISSUE(S): Click or tap here to enter text.	DISPUTED BODY PART(S) OR ISSUE(S): Click or tap here to enter text.
---	---

INCURRED TO DATE:

	PAID	RESERVES	INCURRED
TEMPORARY DISABILITY	\$ Click to enter \$	\$ Click to enter \$	\$ Click to enter \$
PERMANENT DISABILITY	\$ Click to enter \$	\$ Click to enter \$	\$ Click to enter \$
MEDICAL	\$ Click to enter \$	\$ Click to enter \$	\$ Click to enter \$
LEGAL	\$ Click to enter \$	\$ Click to enter \$	\$ Click to enter \$
OTHER	\$ Click to enter \$	\$ Click to enter \$	\$ Click to enter \$
SJDB	\$ Click to enter \$	\$ Click to enter \$	\$ Click to enter \$
TOTAL	\$ Click to enter \$	\$ Click to enter \$	\$ Click to enter \$

HISTORY OF INJURY AND CLAIM STATUS:

Click or tap here to enter text.

PERMANENT WORK RESTRICTIONS:

Click or tap here to enter text.

SETTLEMENT INFORMATION

SETTLEMENT AUTHORITY REQUESTED:

PERMANENT DISABILITY (%): Click or tap here to enter text.

	TOTAL SETTLEMENT	TOTAL NEW MONEY*
PERMANENT DISABILITY	\$ Click to enter \$	\$ Click to enter \$
TEMPORARY DISABILITY/EDD	\$ Click to enter \$	\$ Click to enter \$
MEDICAL CARE	\$ Click to enter \$	\$ Click to enter \$
MSA	\$ Click to enter \$	\$ Click to enter \$
OTHER	\$ Click to enter \$	\$ Click to enter \$
TOTAL REQUESTED	\$ Click to enter \$	\$ Click to enter \$

*settlement authority level is based on total new money requested

RATIONALE:

Click or tap here to enter text.

RECOMMENDATION:

Click or tap here to enter text.

OUTSTANDING LIENS:

Click or tap here to enter text.

SETTLEMENT AUTHORITY BY MEMBER

Level I or II

I AGREE AND HEREBY GRANT SETTLEMENT AUTHORITY FOR THE ABOVE-MENTIONED FILE(S) BY WAY OF A:

- STIPULATED WITH REQUEST FOR AWARD (STIP) ONLY
- COMPROMISE & RELEASE (C&R) ONLY
- C&R OR STIP IF C&R IS NOT REACHED

I DISAGREE WITH THE ABOVE RECOMMENDATION ON THE ABOVE-MENTIONED FILE AND HEREBY DO NOT APPROVE THE SETTLEMENT REQUEST. HOWEVER, I DO GRANT SETTLEMENT AS FOLLOWS:

Click or tap here to enter text.

I HEREBY REQUEST THIS SETTLEMENT BE ESCALATED TO LEVEL III DUE TO A CONFLICT OR DISAGREEMENT REGARDING THE SETTLEMENT PROPOSED.

THIS FORM HAS BEEN SIGNED BY:

Click to enter name and title

DATE SIGNED: Click here to enter a date.

[E-signatures or email approvals from the approving authority (or designee) are acceptable in lieu of wet signatures]

JBWCP MEMBER: PLEASE CONVERT TO PDF BEFORE SUBMITTING THIS TO TPA

SETTLEMENT AUTHORITY BY MEMBER

Level III

Panel Members

_____	<input type="checkbox"/> Approve <input type="checkbox"/> Disapprove
Member and Court Name	
_____	<input type="checkbox"/> Approve <input type="checkbox"/> Disapprove
Member and Court Name	
_____	<input type="checkbox"/> Approve <input type="checkbox"/> Disapprove
Member and Court Name	
_____	<input type="checkbox"/> Approve <input type="checkbox"/> Disapprove
Member and Court Name	
_____	<input type="checkbox"/> Approve <input type="checkbox"/> Disapprove
JBWCP Administrator	

[E-signatures or email approvals from the approving authority (or designee) are acceptable in lieu of wet signatures]

JBWCP Administrator: PLEASE CONVERT TO PDF BEFORE SUBMITTING THIS TO TPA



INTERNAL JUDICIAL BRANCH WORKERS' COMPENSATION PROGRAM (JBWCP) PROCEDURES FOR LEVEL III SETTLEMENT AUTHORITY REQUESTS (SARs)

PROCESS

All SAR Meetings will typically be held telephonically. The Third-Party Administrator (TPA) Program Manager sends the SAR to the JBWCP Program Manager, Risk Consultant, and involved Member, with response required within 10 court days of the SAR's Request Date.

- 1) The JBWCP Administrative Staff will send an email with available dates/times to the involved Member, and to all Advisory Committee Members requesting volunteers, with a due date to respond. Once four voting volunteers and one alternate are determined:
 - a. Send the meeting invitation, with attached SAR, to the panel, alternate, and SAR Member, with request for questions.
 - b. The volunteer panel/alternate is responsible for reviewing the SAR in advance, sending questions/comments to the JBWCP Administrative Staff prior to meeting.
 - i. The TPA will research all inquiries and be prepared to provide information during the meeting
 - c. One court day before the meeting, the JBWCP Staff will send an email reminder to the panel and participants.
- 2) Roll call will commence at the time of the meeting, with all participants participating at the scheduled time.
 - a. The alternate will remain on the call even if all original panel members are accounted for. If the panel cannot make a final determination and additional information is needed, the alternate will continue to participate in the process so as to be available and informed in the event that one of the original panel members is not available for the final vote, at which point the alternate can step in.
 - b. If one of the original panel members does not call within five minutes, then the alternate will substitute in. If the original member later joins the meeting, then the original panel member will be dismissed.



- c. Should there be less than four panel members participating in the meeting, the meeting will continue, with the minimum of two voting members and JBWCP Administrator or Designee.
 - d. The TPA Program Manager will brief everyone about the claim, settlement request, and answer any questions. Once all inquiries have been addressed, then:
 - i. Vote is taken, and if majority approve or decline, then the JBWCP Administrative Staff will email the TPA to confirm the settlement decision.
- 3) If the panel has additional questions or requests for additional action:
- a. An Action Plan will be created with approximate deadlines for completion.
 - b. Upon receipt of the additional information, the JBWCP Administrative Staff will contact the panel members, clarify there are no additional inquiries, and will request members to vote within two court days.
 - c. Once the votes are in, the JBWCP Administrative Staff will email all participants and the TPA Program Manager with the final determination to approve or decline the SAR request.



Bickmore

Actuarial

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

Outstanding Liabilities as of June 30, 2020

Forecast for Program Years 2019-20 through 2022-23

Presented to
Judicial Council of California

February 12, 2020 - DRAFT



Wednesday, February 12, 2020

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, 2020. Estimates are provided at the expected level, as well as various confidence levels.
- Projection of ultimate loss and ALAE for fiscal accident years 2019-20 through 2022-23. Estimates are provided at the expected level, as well as various confidence levels.
- Projection of loss and ALAE payments for fiscal years 2019-20 through 2022-23.

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, 2019, 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.

Our conclusions regarding the JBWCP's liability for unpaid loss and allocated loss adjustment expenses (ALAE) at June 30, 2020 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, 2020

Year	Trial Courts	State Judiciary	Total
Prior	\$1,118,000	\$649,000	\$1,767,000
2003-04	1,243,000	0	1,243,000
2004-05	363,000	0	363,000
2005-06	801,000	16,000	817,000
2006-07	1,067,000	31,000	1,098,000
2007-08	1,016,000	36,000	1,052,000
2008-09	1,168,000	180,000	1,348,000
2009-10	2,118,000	70,000	2,188,000
2010-11	2,530,000	100,000	2,630,000
2011-12	2,816,000	91,000	2,907,000
2012-13	3,379,000	80,000	3,459,000
2013-14	3,303,000	83,000	3,386,000
2014-15	3,975,000	166,000	4,141,000
2015-16	4,923,000	336,000	5,259,000
2016-17	5,416,000	299,000	5,715,000
2017-18	7,745,000	372,000	8,117,000
2018-19	9,903,000	494,000	10,397,000
2019-20	13,003,000	630,000	13,633,000
Loss and ALAE	\$65,887,000	\$3,633,000	\$69,520,000
ULAE	5,822,000	918,000	6,740,000
Total	\$71,709,000	\$4,551,000	\$76,260,000
70% CL	77,374,000	5,102,000	82,476,000
75% CL	79,597,000	5,338,000	84,935,000
80% CL	82,179,000	5,620,000	87,799,000
85% CL	85,334,000	5,966,000	91,300,000
90% CL	89,421,000	6,421,000	95,842,000

The \$76,260,000 estimate is the minimum liability to be booked by the Judicial Council at June 30, 2020 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.

Because actuarial estimates of claims costs are subject to some uncertainty, we recommend that an amount in addition to the undiscounted 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, 2020 to be \$67,797.

The table below shows our estimates of projected ultimate loss and ALAE for the JBWCP for the 2019-20 through 2022-23 fiscal years.

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

Year	2019-20	2020-21	2021-22	2022-23
Trial Courts	\$14,610,000	\$15,101,000	\$15,597,000	\$16,117,000
State Judiciary	677,000	691,000	713,000	728,000
Total	\$15,287,000	\$15,792,000	\$16,310,000	\$16,845,000
60% Confidence	15,772,000	16,293,000	16,829,000	17,381,000
65% Confidence	16,351,000	16,892,000	17,446,000	18,017,000
70% Confidence	16,968,000	17,528,000	18,103,000	18,695,000
75% Confidence	17,668,000	18,250,000	18,848,000	19,464,000
80% Confidence	18,486,000	19,094,000	19,720,000	20,364,000

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.

The table below shows our estimates of projected ultimate loss and LAE for the JBWCP for the 2020-21 fiscal year.

Judicial Branch Workers' Compensation Program
 Self-Funded Workers' Compensation Program
 Loss and LAE Funding Guidelines for 2020-21

	Expected	Marginally Acceptable			Recommended Range	
		60% CL	65% CL	70% CL	Low 75% CL	Target 80% CL
Trial Courts	\$18,376,000	\$18,955,000	\$19,569,000	\$20,217,000	\$20,954,000	\$21,813,000
State Judiciary	<u>1,338,000</u>	<u>1,343,000</u>	<u>1,436,000</u>	<u>1,541,000</u>	<u>1,660,000</u>	<u>1,802,000</u>
Total	\$19,714,000	\$20,298,000	\$21,005,000	\$21,758,000	\$22,614,000	\$23,615,000
Increase Over Expected		\$584,000	\$1,291,000	\$2,044,000	\$2,900,000	\$3,901,000

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 2019-20 through 2022-23 fiscal year.

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

Year	2019-20	2020-21	2021-22	2022-23
Trial Courts	\$6,282,000	\$13,099,000	\$13,515,000	\$13,985,000
State Judiciary	223,000	553,000	575,000	596,000
Total	\$6,505,000	\$13,652,000	\$14,090,000	\$14,581,000

Note: 2019-20 is for the period 1/1/20 to 6/30/20

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.

DRAFT

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 Actuarial

DRAFT

Mike Harrington, FCAS, MAAA
President and Principal, Bickmore Actuarial
Fellow, Casualty Actuarial Society
Member, American Academy of Actuaries

DRAFT

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

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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, 2019, 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, 2020, project ultimate loss costs for 2019-20, 2020-21, 2021-22, and 2022-23, 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, 2020. 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 \$76,260,000 as of June 30, 2020. 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.

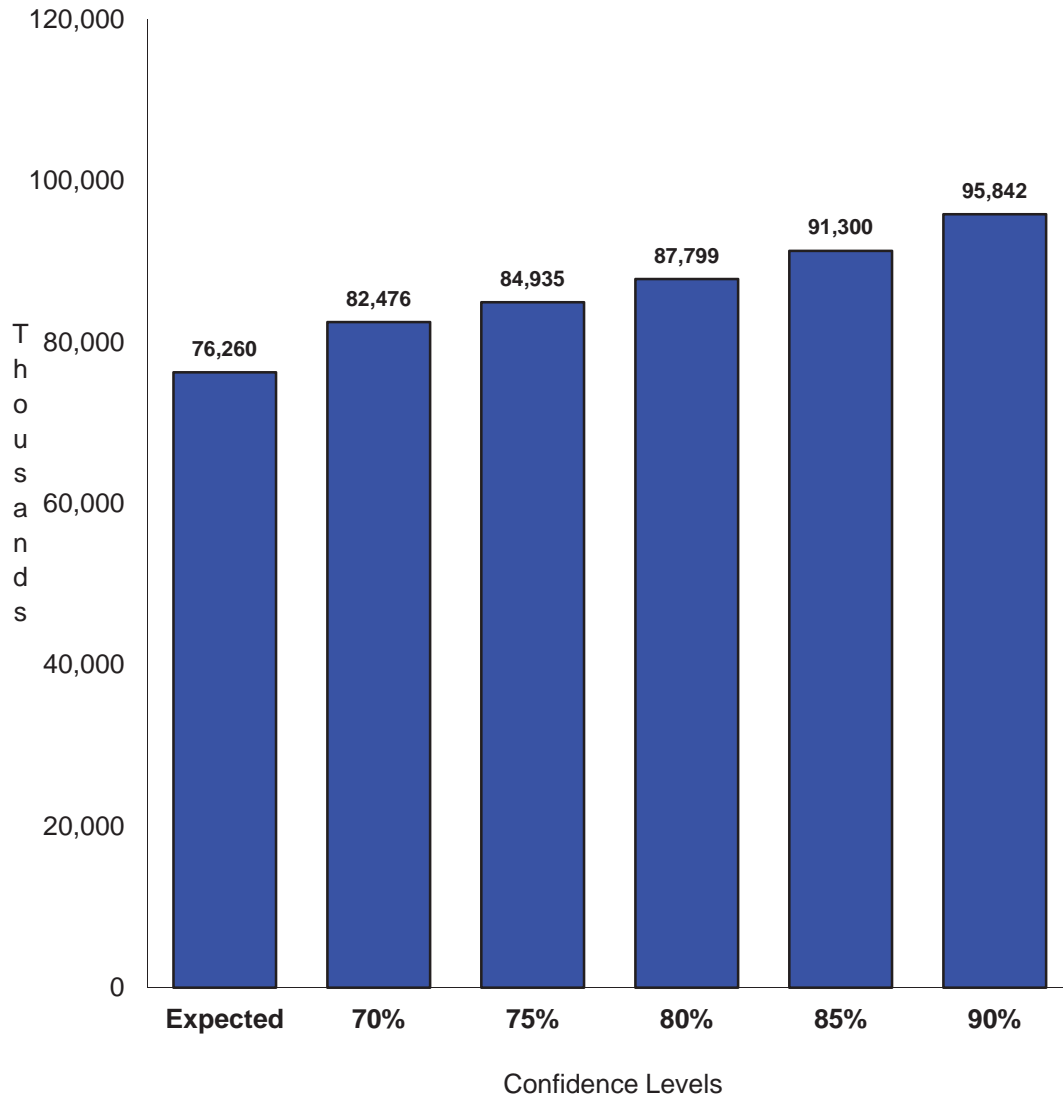
ALAE is the direct cost associated with the defense of individual claims (e.g. legal fees, investigation fees, court charges). ULAE is the cost to administer all claims to final settlement, which may be years into the future (e.g. claims adjusters' salaries, taxes). Other program expenses may include 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, 2020



■ Undiscounted

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, 2020, 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, 2020

Year	Case Reserves	IBNR Reserves	Total Outstanding
Prior	\$502,794	\$76,983	\$579,777
1999-00	10,768	5,902	16,670
2000-01	299,964	48,362	348,326
2001-02	247,383	95,540	342,923
2002-03	337,265	141,684	478,949
2003-04	1,032,863	210,267	1,243,130
2004-05	180,490	182,702	363,192
2005-06	567,800	248,727	816,527
2006-07	733,572	363,945	1,097,517
2007-08	620,043	431,335	1,051,378
2008-09	516,812	831,405	1,348,217
2009-10	788,635	1,399,290	2,187,925
2010-11	1,210,276	1,419,855	2,630,131
2011-12	1,344,876	1,562,225	2,907,101
2012-13	1,280,616	2,179,250	3,459,866
2013-14	1,330,071	2,056,032	3,386,103
2014-15	1,707,188	2,433,939	4,141,127
2015-16	2,095,849	3,163,474	5,259,323
2016-17	2,095,715	3,618,937	5,714,652
2017-18	2,736,625	5,380,016	8,116,641
2018-19	2,741,789	7,655,290	10,397,079
2019-20	2,216,499	11,416,722	13,633,221
Loss and ALAE	\$24,597,893	\$44,921,882	\$69,519,775
ULAE		6,739,858	6,739,858
Total	\$24,597,893	\$51,661,740	\$76,259,633

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.

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.

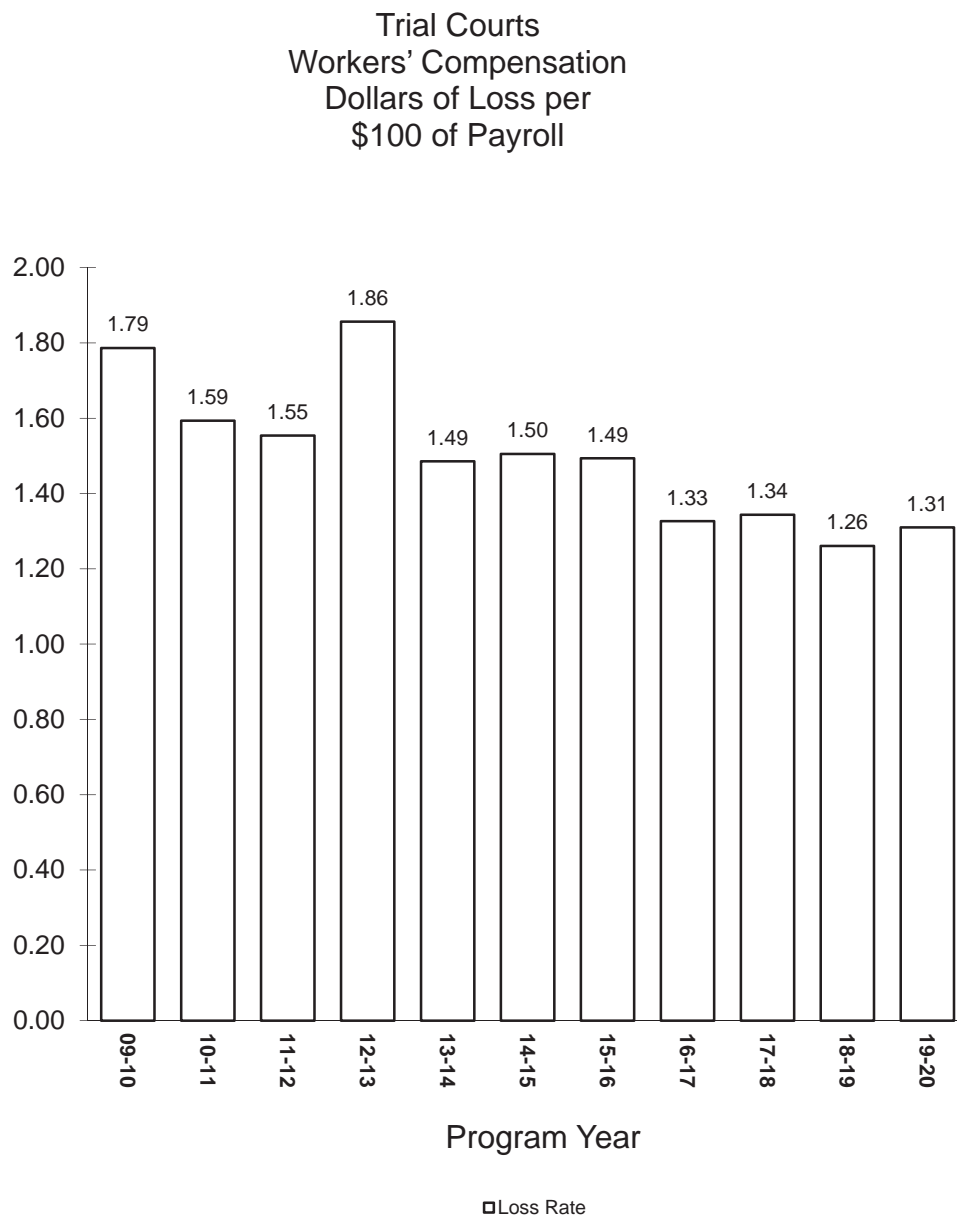
In general, we recommend that you fund each year's claims costs in that year. When surpluses or deficiencies have developed on outstanding liabilities and funding adjustments are necessary, they should be clearly identified as such so that the habit of funding each year's claims costs that year is maintained. 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.

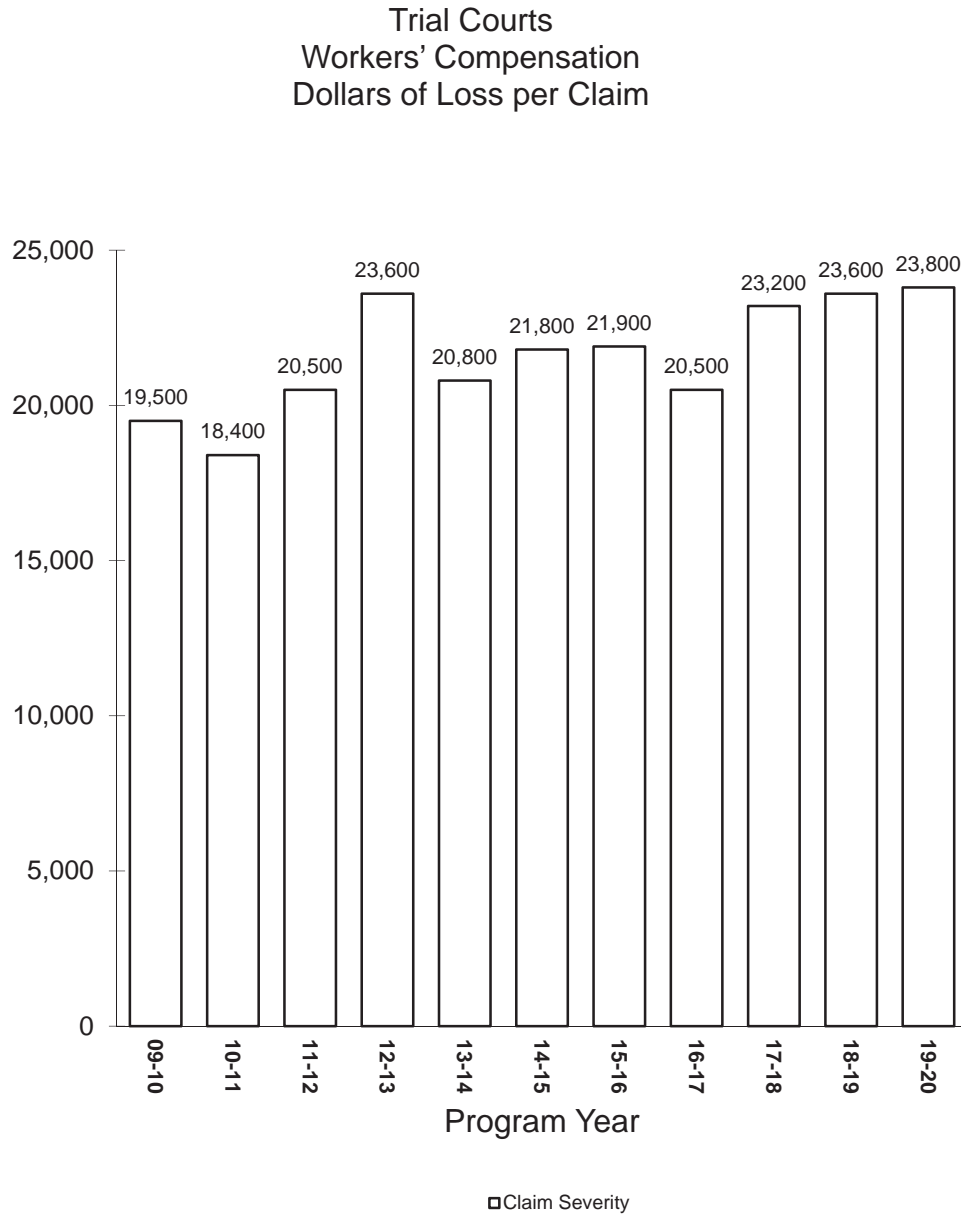
The Trial Courts' loss rate (limited to \$250,000 per occurrence) has been relatively stable overall during the past ten years. The Trial Courts' loss rate averaged \$1.66 during the 2009-10 and 2013-14 program years and averaged \$1.39 per \$100 of payroll during 2014-15 through 2018-19. Our projected loss rate for 2019-20 is \$1.31 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 2019-20 average cost per claim of \$23,800 is based on the recent increasing trend.

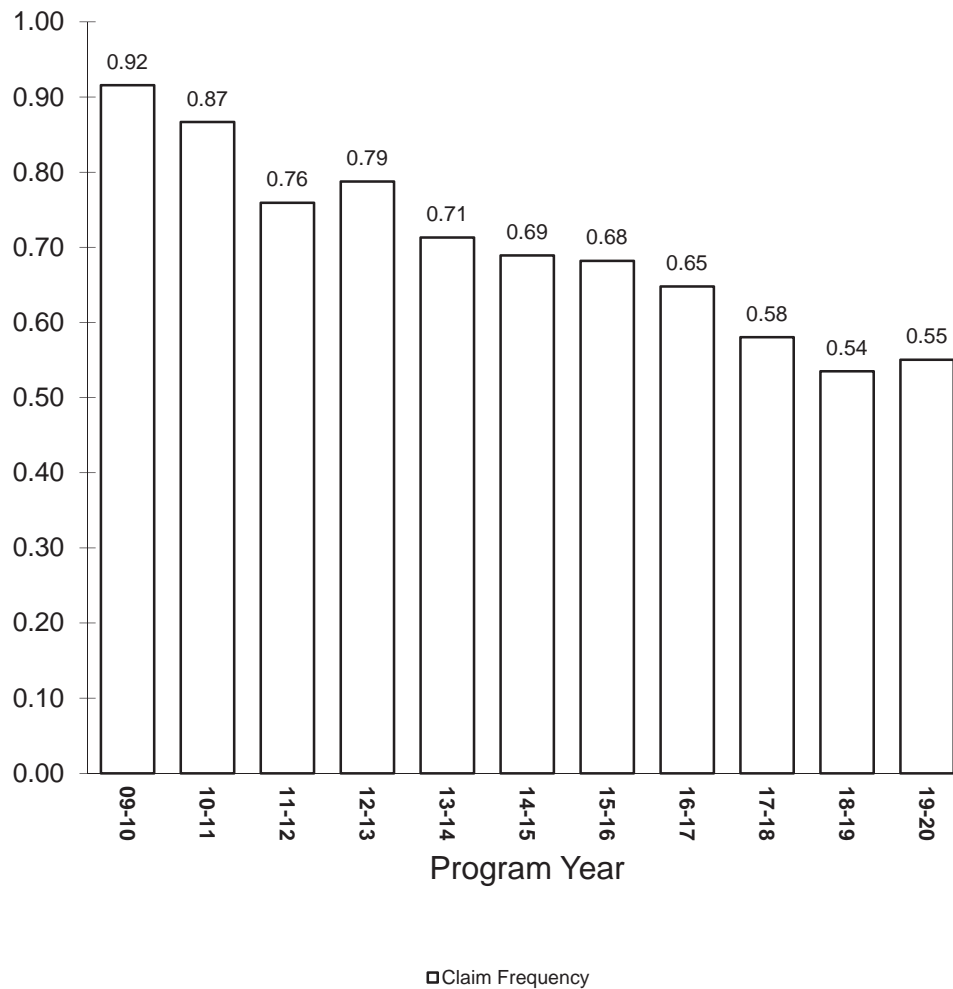
Graph 3



The Trial Courts' claim frequency, or number of claims per \$1 million of payroll, has been generally decreasing since 2009-10. Our projected claims frequency of 0.55 for 2019-20 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

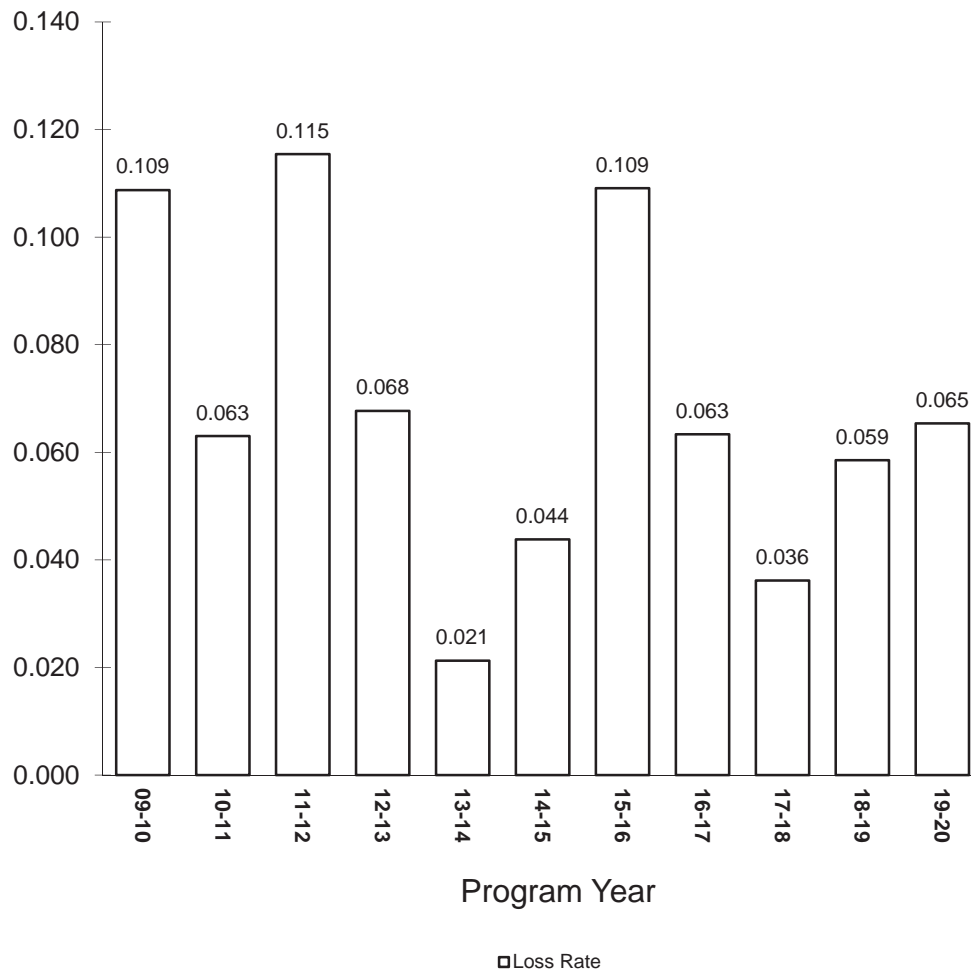


Graphs 5, 6 and 7 below delineate the average loss rate, severity and frequency, respectively for the State Judiciary. Note that for the purposes of these graphs, all individual losses have been limited to \$100,000.

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 \$0.089 from 2009-10 to 2012-13 and \$0.055 between 2013-14 and 2018-19. Our projected loss rate for 2019-20 is \$0.065 per \$100 of payroll, which is similar to the average of the last five years.

Graph 5

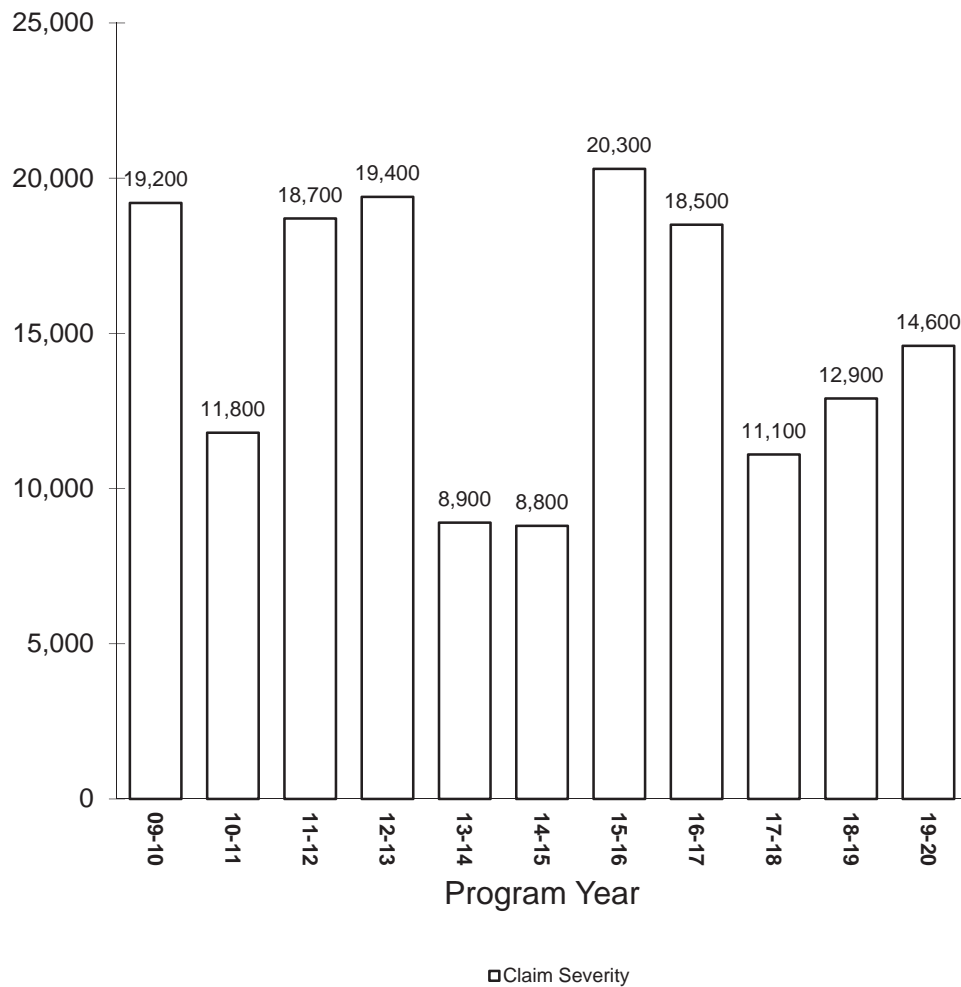
Judiciary
Workers' Compensation
Dollars of Loss per
\$100 of Payroll



The State Judiciary's claim severity, or cost per claim (limited to \$100,000 per occurrence), averaged \$17,300 during the period 2009-10 to 2012-13. Since that time the average claim severity has declined overall to \$13,400. Our projection of \$14,600 for 2019-20 is based on the most recent six years and apparent downward trend.

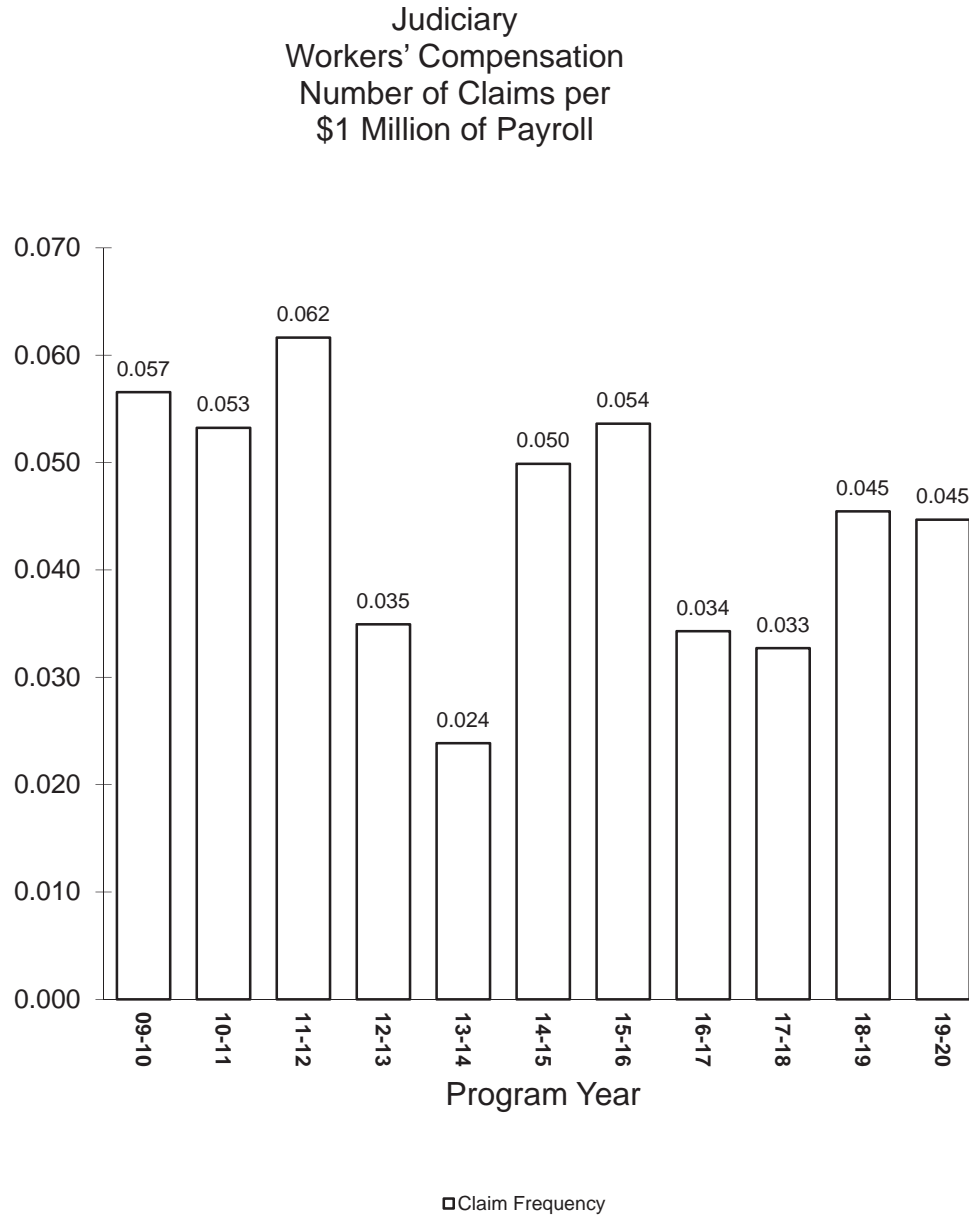
Graph 6

Judiciary
Workers' Compensation
Dollars of Loss per Claim



Since 2009-10, the State Judiciary's claim frequency, or number of claims per \$1 million payroll, has ranged from a high of 0.062 in 2011-12 to a low of 0.024 during 2013-14. The projected 2019-20 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 February 12, 2019. 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, 2018 evaluation date of the prior report and the December 31, 2019 evaluation date of the current report.

Trial Courts
Actual Versus Expected Incurred Loss and ALAE Development

Accident Year	Expected Incurred Development	Actual Incurred Development	Actual Minus Expected
2000-01	\$19,000	(\$12,000)	(\$31,000)
2001-02	14,000	215,000	201,000
2002-03	53,000	(200,000)	(253,000)
2003-04	61,000	518,000	457,000
2004-05	69,000	3,000	(66,000)
2005-06	97,000	(71,000)	(168,000)
2006-07	137,000	465,000	328,000
2007-08	177,000	187,000	10,000
2008-09	337,000	(95,000)	(432,000)
2009-10	442,000	161,000	(281,000)
2010-11	387,000	147,000	(240,000)
2011-12	391,000	422,000	31,000
2012-13	426,000	333,000	(93,000)
2013-14	416,000	136,000	(280,000)
2014-15	453,000	247,000	(206,000)
2015-16	922,000	887,000	(35,000)
2016-17	1,550,000	752,000	(798,000)
2017-18	2,755,000	2,520,000	(235,000)
2018-19	5,033,000	3,617,000	(1,416,000)
Total	\$13,739,000	\$10,232,000	(\$3,507,000)

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 \$13,739,000 between the two evaluation dates. However, actual development was approximately \$10,232,000; or about \$3,507,000 less than expected. Most accident years have developed less expected.

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, 2018 evaluation date of the prior report and the December 31, 2019 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	\$68,000	\$48,000	(\$20,000)
2001-02	25,000	207,000	182,000
2002-03	73,000	(133,000)	(206,000)
2003-04	265,000	705,000	440,000
2004-05	105,000	63,000	(42,000)
2005-06	238,000	216,000	(22,000)
2006-07	256,000	780,000	524,000
2007-08	199,000	307,000	108,000
2008-09	264,000	132,000	(132,000)
2009-10	432,000	560,000	128,000
2010-11	447,000	476,000	29,000
2011-12	557,000	639,000	82,000
2012-13	695,000	1,098,000	403,000
2013-14	666,000	769,000	103,000
2014-15	858,000	981,000	123,000
2015-16	1,425,000	1,565,000	140,000
2016-17	1,773,000	1,858,000	85,000
2017-18	2,367,000	2,247,000	(120,000)
2018-19	2,666,000	2,244,000	(422,000)
Total	\$13,379,000	\$14,762,000	\$1,383,000

As 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 \$13,379,000 between the two evaluation dates. However, actual development was approximately \$14,762,000; or about \$1,383,000 greater than expected.

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	\$9,883,000	\$9,861,000	(\$22,000)
2001-02	13,945,000	14,147,000	202,000
2002-03	18,100,000	17,862,000	(238,000)
2003-04	20,673,000	21,156,000	483,000
2004-05	14,310,000	14,257,000	(53,000)
2005-06	14,458,000	14,301,000	(157,000)
2006-07	14,548,000	14,886,000	338,000
2007-08	13,808,000	13,818,000	10,000
2008-09	12,420,000	11,876,000	(544,000)
2009-10	17,884,000	17,499,000	(385,000)
2010-11	16,732,000	16,462,000	(270,000)
2011-12	15,854,000	15,745,000	(109,000)
2012-13	17,437,000	17,326,000	(111,000)
2013-14	14,050,000	13,795,000	(255,000)
2014-15	13,856,000	13,706,000	(150,000)
2015-16	14,593,000	14,495,000	(98,000)
2016-17	13,830,000	13,027,000	(803,000)
2017-18	13,878,000	13,643,000	(235,000)
2018-19	14,464,000	13,619,000	(845,000)
Total	\$284,723,000	\$281,481,000	(\$3,242,000)

As shown, overall we have decreased the estimated ultimates by \$3,242,000 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 loss development shown in the tables on the previous pages.

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, 2018 evaluation date of the prior report and the December 31, 2019 evaluation date of the current report.

State Judiciary
Actual Versus Expected Incurred Loss and ALAE Development

Accident Year	Expected Incurred Development	Actual Incurred Development	Actual Minus Expected
Prior	\$12,000	\$142,000	\$130,000
1999-00	1,000	(3,000)	(4,000)
2000-01	4,000	(55,000)	(59,000)
2001-02	4,000	(161,000)	(165,000)
2002-03	0	0	0
2003-04	0	0	0
2004-05	0	0	0
2005-06	3,000	0	(3,000)
2006-07	7,000	(30,000)	(37,000)
2007-08	4,000	(7,000)	(11,000)
2008-09	16,000	1,000	(15,000)
2009-10	16,000	(2,000)	(18,000)
2010-11	8,000	27,000	19,000
2011-12	19,000	(18,000)	(37,000)
2012-13	19,000	(24,000)	(43,000)
2013-14	30,000	0	(30,000)
2014-15	42,000	(9,000)	(51,000)
2015-16	39,000	118,000	79,000
2016-17	69,000	(13,000)	(82,000)
2017-18	125,000	10,000	(115,000)
2018-19	159,000	33,000	(126,000)
Total	\$577,000	\$9,000	(\$568,000)

For the years 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 \$577,000 between the two evaluation dates. However, actual development was approximately \$9,000; or \$568,000 less than expected.

In the table below we display actual versus expected development of paid losses and ALAE by accident year between the December 31, 2018 evaluation date of the prior report and the December 31, 2019 evaluation date of the current report.

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

Accident Year	Expected Paid Development	Actual Paid Development	Actual Minus Expected
Prior	\$89,000	\$79,000	(\$10,000)
1999-00	3,000	5,000	2,000
2000-01	6,000	0	(6,000)
2001-02	9,000	(124,000)	(133,000)
2002-03	0	0	0
2003-04	0	0	0
2004-05	0	0	0
2005-06	2,000	0	(2,000)
2006-07	7,000	0	(7,000)
2007-08	5,000	0	(5,000)
2008-09	22,000	9,000	(13,000)
2009-10	11,000	13,000	2,000
2010-11	10,000	6,000	(4,000)
2011-12	20,000	6,000	(14,000)
2012-13	19,000	0	(19,000)
2013-14	29,000	2,000	(27,000)
2014-15	58,000	45,000	(13,000)
2015-16	54,000	105,000	51,000
2016-17	72,000	39,000	(33,000)
2017-18	84,000	17,000	(67,000)
2018-19	42,000	63,000	21,000
Total	\$542,000	\$265,000	(\$277,000)

For the years 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 \$542,000 between the two evaluation dates. However, actual development was approximately \$265,000; or about \$277,000 less than expected. As shown, most accident years developed favorably.

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 Year	Prior Report	Current Report	Change In Ultimate
Prior	\$10,874,000	\$11,025,000	\$151,000
1999-00	674,000	671,000	(3,000)
2000-01	1,020,000	951,000	(69,000)
2001-02	1,047,000	881,000	(166,000)
2002-03	172,000	172,000	0
2003-04	289,000	289,000	0
2004-05	366,000	366,000	0
2005-06	248,000	246,000	(2,000)
2006-07	645,000	607,000	(38,000)
2007-08	290,000	280,000	(10,000)
2008-09	902,000	889,000	(13,000)
2009-10	776,000	760,000	(16,000)
2010-11	346,000	368,000	22,000
2011-12	693,000	652,000	(41,000)
2012-13	565,000	516,000	(49,000)
2013-14	270,000	168,000	(102,000)
2014-15	501,000	388,000	(113,000)
2015-16	682,000	752,000	70,000
2016-17	679,000	602,000	(77,000)
2017-18	530,000	466,000	(64,000)
2018-19	657,000	611,000	(46,000)
Total	\$22,226,000	\$21,660,000	(\$566,000)

For the years shown, overall we have decreased the estimated ultimates by \$566,000 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.

At the time of the prior report, the liability for outstanding claims at the expected level as of June 30, 2019 was estimated to be \$75,168,000 for the Trial Courts and \$4,656,000 for the State Judiciary for a total of \$79,823,000. Our current estimate as of June 30, 2020, is \$71,709,000 for the Trial Courts and \$4,551,000 for the State Judiciary for a total of \$76,260,000. 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 Report at June 30, 2019	Current Report at June 30, 2020	Change
(A) Case Reserves:	\$26,501,000	\$23,353,000	(\$3,148,000)
(B) IBNR Reserves:	42,700,000	42,534,000	(166,000)
(C) Claims Administration Reserves:	5,967,000	5,822,000	(145,000)
(D) Total Reserves:	\$75,168,000	\$71,709,000	(\$3,459,000)

State Judiciary Only
Outstanding Claim Liabilities for Loss and LAE

	Prior Report at June 30, 2019	Current Report at June 30, 2020	Change
(A) Case Reserves:	\$1,420,000	\$1,245,000	(\$175,000)
(B) IBNR Reserves:	2,350,000	2,388,000	38,000
(C) Claims Administration Reserves:	886,000	918,000	32,000
(D) Total Reserves:	\$4,656,000	\$4,551,000	(\$105,000)

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

	Prior Report at June 30, 2019	Current Report at June 30, 2020	Change
(A) Case Reserves:	\$27,921,000	\$24,598,000	(\$3,323,000)
(B) IBNR Reserves:	45,050,000	44,922,000	(128,000)
(C) Claims Administration Reserves:	6,852,000	6,740,000	(112,000)
(D) Total Reserves:	\$79,823,000	\$76,260,000	(\$3,563,000)

As shown, the estimate of outstanding claims liabilities at the expected level has decreased between June 30, 2019 and June 30, 2020 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 for the Judiciary. Reserves for future claims administration expenses have decreased. The overall change is a decrease of \$3,563,000 in the estimate of outstanding claim liabilities for loss and ALAE.

Available assets were \$65,217,000 as of June 30, 2019, which corresponded to the then-estimated undiscounted liability for outstanding claims below the expected confidence levels. Available assets are currently estimated to be \$64,620,000 as of June 30, 2020, which again corresponds to the currently estimated liability for outstanding claims below the expected confidence levels. It can be summarized as follows:

	Funding Margin		
	Prior Report at June 30, 2019	Current Report at June 30, 2020	Change
(A) Outstanding Liability at the Undiscounted Expected Level:	\$79,823,000	\$76,260,000	(\$3,563,000)
(B) Assets At June 30:	65,217,000	64,620,000	(597,000)
(C) Deficit:	(\$14,606,000)	(\$11,640,000)	\$2,966,000

As you can see, our estimate of the program's funding deficit at the undiscounted, expected level has decreased by \$2,966,000 between June 30, 2019 (as previously estimated) and June 30, 2020 (as currently estimated). This is driven by a decrease in the estimated outstanding liability partially offset by a decrease in the estimated fund assets.

At the time of the prior report, the 2019-20 funding projections at the expected level were \$18,223,000 for the Trial Courts. Our current projections for the 2020-21 year are \$18,376,000 for the Trial Courts. The comparison is shown in the following table:

Comparison of Funding

Trial Courts

	Prior Report 2019-20 Retention = \$2M	Current Report 2020-21 Retention = \$2M	Change
(A) Ultimate Loss and ALAE:	\$14,999,000	\$15,101,000	\$102,000
(B) Ultimate Claims Administration (ULAE):	2,408,000	2,436,000	28,000
(C) Total Claim Costs:	\$17,407,000	\$17,537,000	\$130,000
(D) Offset for Investment Income:	0	0	0
(E) Non Claim Expenses:	816,000	839,000	23,000
(F) Total Recommended Funding:	\$18,223,000	\$18,376,000	\$153,000
(G) Funding per \$100 of Payroll:	\$1.99	\$1.90	(\$0.09)

As you can see, the projected ultimates for the Trial Courts have decreased and the between 2019-20 and 2020-21, as shown in the prior and current reports respectively.

At the time of the prior report, the 2019-20 funding projections at the expected level were \$1,339,000 for the State Judiciary. Our current projections for the 2020-21 year are \$1,338,000 for the State Judiciary. The comparison is shown in the following table:

Comparison of Funding

State Judiciary

	Prior Report 2019-20 Retention = \$2M	Current Report 2020-21 Retention = \$2M	Change
(A) Ultimate Loss and ALAE:	\$681,000	\$691,000	\$10,000
(B) Ultimate Claims Administration (ULAE):	274,000	246,000	(28,000)
(C) Total Claim Costs:	\$955,000	\$937,000	(\$18,000)
(D) Offset for Investment Income:	0	0	0
(E) Non Claim Expenses:	384,000	401,000	17,000
(F) Total Recommended Funding:	\$1,339,000	\$1,338,000	(\$1,000)
(G) Funding per \$100 of Payroll:	\$0.23	\$0.22	(\$0.02)

As you can see, the projected ultimates for the State Judiciary have decreased slightly between 2019-20 and 2020-21, as shown in the prior and current reports respectively.

At the time of the prior report, the 2019-20 expected loss and ALAE payments were \$13,900,000 for the Trial Courts and \$575,000 for the State Judiciary, for a total of \$14,475,000. Our current estimates for the 2020-21 year are \$13,099,000 for Trial Courts and \$553,000 for the State Judiciary for a total of \$13,652,000. The comparison is shown in the following table:

Comparison of Expected Loss and ALAE Payments

	Prior Report 2019-20	Current Report 2020-21	Change
(A) Trial Courts:	13,900,000	13,099,000	(801,000)
(B) State Judiciary:	575,000	553,000	(22,000)
(C) Total:	14,475,000	13,652,000	(823,000)

As you can see, the expected payments have decreased for the Trial Courts and the State Judiciary between 2019-20 and 2020-21, 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 2019-20, 2020-21, 2021-22, and 2022-23 (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 2019-20, 2020-21, 2021-22, and 2022-23 (See Appendix J-J for the State Judiciary).
- We received loss data evaluated as of December 31, 2019 (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 0.7% 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.

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, 2019

(A) Estimated Ultimate Losses Incurred through 12/31/19: (From Appendix TC - G and Appendix J - G)	\$310,785,000
(B) Estimated Paid Losses through 12/31/19: (From Appendix TC - G and Appendix J - G)	242,403,000
(C) Estimated Liability for Claims Outstanding at 12/31/19: (From Appendix TC - G and Appendix J - G)	<u>\$68,382,000</u>
(D) Estimated Liability for Outstanding Claims Administration Fees at 12/31/19: (From Appendix TC - F and Appendix J - F)	6,622,000
(E) Total Outstanding Liability for Claims at 12/31/19: ((C) + (D))	<u>\$75,004,000</u>
(F) Reserve Discount Factor (Based on a Discount Rate of 0.0%.): (Not Included)	1.000
(G) Discounted Outstanding Liability for Claims at 12/31/19: ((E) x (F))	<u>\$75,004,000</u>

Confidence Level of Adequacy:	Marginally Acceptable	Recommended			Conservative
	70%	75%	80%	85%	90%
(H) Confidence Level Factor: (From Appendix TC - I and Appendix J - I)	1.081	1.114	1.151	1.197	1.257
(I) Margin for Adverse Experience: ((G) x [(H) - 1])	6,108,000	8,524,000	11,338,000	14,777,000	19,240,000
(J) Total Required Assets at 12/31/19: ((G) + (I))	<u>\$81,112,000</u>	<u>\$83,528,000</u>	<u>\$86,342,000</u>	<u>\$89,781,000</u>	<u>\$94,244,000</u>

Judicial Branch Workers' Compensation Program - Trial Courts and Judiciary

Funding Guidelines for Outstanding Liabilities at
June 30, 2020

(A) Estimated Ultimate Losses Incurred through 6/30/20: (From Appendix TC - G and Appendix J - G)	\$318,428,000
(B) Estimated Paid Losses through 6/30/20: (From Appendix TC - G and Appendix J - G)	248,908,000
(C) Estimated Liability for Claims Outstanding at 6/30/20: (From Appendix TC - G and Appendix J - G)	<u>\$69,520,000</u>
(D) Estimated Liability for Outstanding Claims Administration Fees at 6/30/20: (From Appendix TC - F and Appendix J - F)	6,740,000
(E) Total Outstanding Liability for Claims at 6/30/20: ((C) + (D))	<u>\$76,260,000</u>
(F) Reserve Discount Factor (Based on a Discount Rate of 0.0%.): (Not Included)	1.000
(G) Discounted Outstanding Liability for Claims at 6/30/20: ((E) x (F))	<u>\$76,260,000</u>

Confidence Level of Adequacy:	Marginally Acceptable	Recommended			Conservative
	70%	75%	80%	85%	90%
(H) Confidence Level Factor: (From Appendix TC - I and Appendix J - I)	1.082	1.114	1.151	1.197	1.257
(I) Margin for Adverse Experience: ((G) x [(H) - 1])	6,216,000	8,675,000	11,539,000	15,040,000	19,582,000
(J) Total Required Assets at 6/30/20: ((G) + (I))	<u>\$82,476,000</u>	<u>\$84,935,000</u>	<u>\$87,799,000</u>	<u>\$91,300,000</u>	<u>\$95,842,000</u>
(K) Estimated Total Assets at 6/30/20: (Provided by the Judicial Council.)	\$64,620,000	\$64,620,000	\$64,620,000	\$64,620,000	\$64,620,000
(L) Indicated Funding Redundancy/ (Deficiency): ((K) - (J))	<u>(\$17,856,000)</u>	<u>(\$20,315,000)</u>	<u>(\$23,179,000)</u>	<u>(\$26,680,000)</u>	<u>(\$31,222,000)</u>

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

	Dollar Amount	Payroll Rate			
(A) Estimated Ultimate Losses Incurred in Accident Year : (From Appendix TC - G and Appendix J - G)	\$15,287,000	\$0.986			
(B) Estimated Claims Administration Fees Incurred in Accident Year : #REF!	2,682,000	0.173			
(C) Total Claims Costs Incurred in Accident Year : ((A) + (B))	<u>\$17,969,000</u>	<u>\$1.158</u>			
(D) Loss Discount Factor (Based on a Discount Rate of 0.0%): (Not Included)	1.000				
(E) Discounted Total Claims Costs Incurred in Accident Year : ((C) x (D))	<u>\$17,969,000</u>	<u>\$1.158</u>			
	Marginally Acceptable		Recommended		
	60%	65%	70%	75%	80%
(F) Confidence Level Factor: (From Appendix TC - I and Appendix J - I)	1.032	1.070	1.111	1.157	1.212
(G) Margin for Adverse Experience: ((E) x [(F) - 1])	567,000	1,257,000	1,993,000	2,829,000	3,807,000
(H) Recommended Funding in for Claims Costs and Other Expenses: ((E) + (G))	<u>\$18,536,000</u>	<u>\$19,226,000</u>	<u>\$19,962,000</u>	<u>\$20,798,000</u>	<u>\$21,776,000</u>
(I) Rate per \$100 of Payroll: ((H) / \$15,510,699)	\$1.195	\$1.240	\$1.287	\$1.341	\$1.404

Payroll rates are per hundred dollars of payroll of \$1,551,069,900.

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

	Dollar Amount	Payroll Rate			
(A) Estimated Ultimate Losses Incurred in Accident Year 2020-2021: (From Appendix TC - G and Appendix J - G)	\$15,792,000	\$0.997			
(B) Estimated Claims Administration Fees Incurred in Accident Year 2020-2021: #REF!	2,682,000	0.169			
(C) Total Claims Costs Incurred in Accident Year 2020-2021: ((A) + (B))	<u>\$18,474,000</u>	<u>\$1.166</u>			
(D) Loss Discount Factor (Based on a Discount Rate of 0.0%): (Not Included)	1.000				
(E) Discounted Total Claims Costs Incurred in Accident Year 2020-2021: ((C) x (D))	<u>\$18,474,000</u>	<u>\$1.166</u>			
	Marginally Acceptable		Recommended		
	60%	65%	70%	75%	80%
(F) Confidence Level Factor: (From Appendix TC - I and Appendix J - I)	1.032	1.070	1.111	1.157	1.211
(G) Margin for Adverse Experience: ((E) x [(F) - 1])	584,000	1,291,000	2,044,000	2,900,000	3,901,000
(H) Recommended Funding in for Claims Costs: ((E) + (G))	<u>\$19,058,000</u>	<u>\$19,765,000</u>	<u>\$20,518,000</u>	<u>\$21,374,000</u>	<u>\$22,375,000</u>
(I) Budgeted Non Claims Related Expenses: (Provided by the Judicial Council)	1,240,000	1,240,000	1,240,000	1,240,000	1,240,000
(J) Recommended Funding in for Claims Costs and Other Expenses: ((H) + (I))	<u>\$20,298,000</u>	<u>\$21,005,000</u>	<u>\$21,758,000</u>	<u>\$22,614,000</u>	<u>\$23,615,000</u>
(K) Rate per \$100 of Payroll: ((J) / \$15,847,281)	\$1.281	\$1.325	\$1.373	\$1.427	\$1.490

Payroll rates are per hundred dollars of payroll of \$1,584,728,100.

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

	Dollar Amount	Payroll Rate			
(A) Estimated Ultimate Losses Incurred in Accident Year : (From Appendix TC - G and Appendix J - G)	\$16,310,000	\$1.007			
(B) Estimated Claims Administration Fees Incurred in Accident Year : #REF!	2,770,000	0.171			
(C) Total Claims Costs Incurred in Accident Year : ((A) + (B))	<u>\$19,080,000</u>	<u>\$1.178</u>			
(D) Loss Discount Factor (Based on a Discount Rate of 0.0%): (Not Included)	1.000				
(E) Discounted Total Claims Costs Incurred in Accident Year : ((C) x (D))	<u>\$19,080,000</u>	<u>\$1.178</u>			
	Marginally Acceptable	Recommended			
	60%	65%	70%	75%	80%
(F) Confidence Level Factor: (From Appendix TC - I and Appendix J - I)	1.032	1.070	1.111	1.157	1.211
(G) Margin for Adverse Experience: ((E) x [(F) - 1])	603,000	1,334,000	2,112,000	2,996,000	4,029,000
(H) Recommended Funding in for Claims Costs and Other Expenses: ((E) + (G))	<u>\$19,683,000</u>	<u>\$20,414,000</u>	<u>\$21,192,000</u>	<u>\$22,076,000</u>	<u>\$23,109,000</u>
(I) Rate per \$100 of Payroll: ((H) / \$16,191,167)	\$1.216	\$1.261	\$1.309	\$1.363	\$1.427

Payroll rates are per hundred dollars of payroll of \$1,619,116,700.

Judicial Branch Workers' Compensation Program - Trial Courts and Judiciary
Funding Options for Program Year 2022-2023 (SIR = \$2,000,000)

	Dollar Amount	Payroll Rate			
(A) Estimated Ultimate Losses Incurred in Accident Year : (From Appendix TC - G and Appendix J - G)	\$16,845,000	\$1.018			
(B) Estimated Claims Administration Fees Incurred in Accident Year : #REF!	2,859,000	0.173			
(C) Total Claims Costs Incurred in Accident Year : ((A) + (B))	<u>\$19,704,000</u>	<u>\$1.191</u>			
(D) Loss Discount Factor (Based on a Discount Rate of 0.0%): (Not Included)	1.000				
(E) Discounted Total Claims Costs Incurred in Accident Year : ((C) x (D))	<u>\$19,704,000</u>	<u>\$1.191</u>			
	Marginally Acceptable	Recommended			
	60%	65%	70%	75%	80%
(F) Confidence Level Factor: (From Appendix TC - I and Appendix J - I)	1.032	1.070	1.111	1.157	1.211
(G) Margin for Adverse Experience: ((E) x [(F) - 1])	623,000	1,377,000	2,179,000	3,091,000	4,158,000
(H) Recommended Funding in for Claims Costs and Other Expenses: ((E) + (G))	<u>\$20,327,000</u>	<u>\$21,081,000</u>	<u>\$21,883,000</u>	<u>\$22,795,000</u>	<u>\$23,862,000</u>
(I) Rate per \$100 of Payroll: ((H) / \$16,542,516)	\$1.229	\$1.274	\$1.323	\$1.378	\$1.442

Payroll rates are per hundred dollars of payroll of \$1,654,251,600.

Judicial Branch Workers' Compensation Program - Workers' Compensation
Trial Courts

Funding Guidelines for Outstanding Liabilities at
December 31, 2019

(A) Estimated Ultimate Losses Incurred through 12/31/19: (From Appendix TC - G)	\$288,786,000
(B) Estimated Paid Losses through 12/31/19: (From Appendix TC - G)	223,922,000
(C) Estimated Liability for Claims Outstanding at 12/31/19: (From Appendix TC - G)	<u>\$64,864,000</u>
(D) Estimated Liability for Outstanding Claims Administration Fees at 12/31/19: (From Appendix TC - F)	5,785,000
(E) Total Outstanding Liability for Claims at 12/31/19: ((C) + (D))	<u>\$70,649,000</u>
(F) Reserve Discount Factor (Based on a Discount Rate of 0.00%.): (Not Applicable)	1.000
(G) Discounted Outstanding Liability for Claims at 12/31/19: ((E) x (F))	<u>\$70,649,000</u>

	<u>Marginally Acceptable</u>		<u>Recommended</u>		<u>Conservative</u>
Confidence Level of Adequacy:	70%	75%	80%	85%	90%
(H) Confidence Level Factor: (From Appendix TC - I)	1.079	1.110	1.146	1.190	1.247
(I) Margin for Adverse Experience: ((G) x [(H) - 1])	5,581,000	7,771,000	10,315,000	13,423,000	17,450,000
(J) Total Required Assets at 12/31/19: ((G) + (I))	<u>\$76,230,000</u>	<u>\$78,420,000</u>	<u>\$80,964,000</u>	<u>\$84,072,000</u>	<u>\$88,099,000</u>

Judicial Branch Workers' Compensation Program - Workers' Compensation
Trial Courts

Funding Guidelines for Outstanding Liabilities at
June 30, 2020

(A) Estimated Ultimate Losses Incurred through 6/30/20: (From Appendix TC - G)	\$296,091,000
(B) Estimated Paid Losses through 6/30/20: (From Appendix TC - G)	230,204,000
(C) Estimated Liability for Claims Outstanding at 6/30/20: (From Appendix TC - G)	<u>\$65,887,000</u>
(D) Estimated Liability for Outstanding Claims Administration Fees at 6/30/20: (From Appendix TC - F)	5,822,000
(E) Total Outstanding Liability for Claims at 6/30/20: ((C) + (D))	<u>\$71,709,000</u>
(F) Reserve Discount Factor (Based on a Discount Rate of 0.00%.): (Not Applicable)	1.000
(G) Discounted Outstanding Liability for Claims at 6/30/20: ((E) x (F))	<u>\$71,709,000</u>

	<u>Marginally Acceptable</u>		<u>Recommended</u>		<u>Conservative</u>
Confidence Level of Adequacy:	70%	75%	80%	85%	90%
(H) Confidence Level Factor: (From Appendix TC - I)	1.079	1.110	1.146	1.190	1.247
(I) Margin for Adverse Experience: ((G) x [(H) - 1])	5,665,000	7,888,000	10,470,000	13,625,000	17,712,000
(J) Total Required Assets at 6/30/20: ((G) + (I))	<u>\$77,374,000</u>	<u>\$79,597,000</u>	<u>\$82,179,000</u>	<u>\$85,334,000</u>	<u>\$89,421,000</u>

Judicial Branch Workers' Compensation Program - Workers' Compensation
Trial Courts

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

	Dollar Amount	Payroll Rate			
(A) Estimated Ultimate Losses Incurred in Accident Year 2019-2020: (From Appendix TC - G)	\$14,610,000	\$1.543			
(B) Estimated Claims Administration Fees Incurred in Accident Year 2019-2020: (Based on Exhibit 1)	2,408,000	0.254			
(C) Total Claims Costs Incurred in Accident Year 2019-2020: ((A) + (B))	<u>\$17,018,000</u>	<u>\$1.797</u>			
(D) Loss Discount Factor (Based on a Discount Rate of 0.00%.): (Not Applicable)	1.000				
(E) Discounted Total Claims Costs Incurred in Accident Year 2019-2020: ((C) x (D))	<u>\$17,018,000</u>	<u>\$1.797</u>			
	Marginally Acceptable		Recommended		
	60%	65%	70%	75%	80%
(F) Confidence Level Factor: (From Appendix TC - I)	1.033	1.068	1.105	1.147	1.196
(G) Margin for Adverse Experience: ((E) x [(F) - 1])	562,000	1,157,000	1,787,000	2,502,000	3,336,000
(H) Recommended Funding in 2019-2020 for Claims Costs and Other Expenses: ((E) + (G))	<u>\$17,580,000</u>	<u>\$18,175,000</u>	<u>\$18,805,000</u>	<u>\$19,520,000</u>	<u>\$20,354,000</u>
(I) Rate per \$100 of Payroll: ((H) / \$9,468,356)	\$1.857	\$1.920	\$1.986	\$2.062	\$2.150

Payroll rates are per hundred dollars of 2019-2020 payroll of \$946,835,600.

Judicial Branch Workers' Compensation Program - Workers' Compensation
Trial Courts

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

	Marginally Acceptable		Recommended		
	60%	65%	70%	75%	80%
(A) Estimated Ultimate Losses Incurred in Accident Year 2020-2021: (From Appendix TC - G)					
(B) Estimated Claims Administration Fees Incurred in Accident Year 2020-2021: (Based on Exhibit 1)					
(C) Total Claims Costs Incurred in Accident Year 2020-2021: ((A) + (B))					
(D) Loss Discount Factor (Based on a Discount Rate of 0.00%.): (Not Applicable)					
(E) Discounted Total Claims Costs Incurred in Accident Year 2020-2021: ((C) x (D))					
(F) Confidence Level Factor: (From Appendix TC - I)					
(G) Margin for Adverse Experience: ((E) x [(F) - 1])					
(H) Recommended Funding in 2020-2021 for Claims Costs and Other Expenses: ((E) + (G))					
(I) Budgeted Non Claims Related Expenses: (Provided by the Judicial Council)					
(J) Recommended Funding in 2020-2021 for Claims Costs, Other Expenses, and Non Claims Related Expenses: ((H) + (I))					
(K) Rate per \$100 of Payroll: ((J) / \$9,673,819)					

Payroll rates are per hundred dollars of 2020-2021 payroll of \$967,381,900.

Judicial Branch Workers' Compensation Program - Workers' Compensation
Trial Courts

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

	Dollar Amount	Payroll Rate			
(A) Estimated Ultimate Losses Incurred in Accident Year 2021-2022: (From Appendix TC - G)	\$15,597,000	\$1.578			
(B) Estimated Claims Administration Fees Incurred in Accident Year 2021-2022: (Based on Exhibit 1)	2,516,000	0.255			
(C) Total Claims Costs Incurred in Accident Year 2021-2022: ((A) + (B))	<u>\$18,113,000</u>	<u>\$1.833</u>			
(D) Loss Discount Factor (Based on a Discount Rate of 0.00%.): (Not Applicable)	1.000				
(E) Discounted Total Claims Costs Incurred in Accident Year 2021-2022: ((C) x (D))	<u>\$18,113,000</u>	<u>\$1.833</u>			
	Marginally Acceptable		Recommended		
	60%	65%	70%	75%	80%
(F) Confidence Level Factor: (From Appendix TC - I)	1.033	1.068	1.105	1.147	1.196
(G) Margin for Adverse Experience: ((E) x [(F) - 1])	598,000	1,232,000	1,902,000	2,663,000	3,550,000
(H) Recommended Funding in 2021-2022 for Claims Costs and Other Expenses: ((E) + (G))	<u>\$18,711,000</u>	<u>\$19,345,000</u>	<u>\$20,015,000</u>	<u>\$20,776,000</u>	<u>\$21,663,000</u>
(I) Rate per \$100 of Payroll: ((H) / \$9,883,741)	\$1.893	\$1.957	\$2.025	\$2.102	\$2.192

Payroll rates are per hundred dollars of 2021-2022 payroll of \$988,374,100.

Judicial Branch Workers' Compensation Program - Workers' Compensation
Trial Courts

Funding Options for Program Year 2022-2023 (SIR = \$2,000,000)

	Marginally Acceptable			Recommended	
	60%	65%	70%	75%	80%
(A) Estimated Ultimate Losses Incurred in Accident Year 2022-2023: (From Appendix TC - G)					
(B) Estimated Claims Administration Fees Incurred in Accident Year 2022-2023: (Based on Exhibit 1)					
(C) Total Claims Costs Incurred in Accident Year 2022-2023: ((A) + (B))					
(D) Loss Discount Factor (Based on a Discount Rate of 0.00%.): (Not Applicable)					
(E) Discounted Total Claims Costs Incurred in Accident Year 2022-2023: ((C) x (D))					
(F) Confidence Level Factor: (From Appendix TC - I)					
(G) Margin for Adverse Experience: ((E) x [(F) - 1])					
(H) Recommended Funding in 2022-2023 for Claims Costs and Other Expenses: ((E) + (G))					
(I) Rate per \$100 of Payroll: ((H) / \$10,098,218)					

Payroll rates are per hundred dollars of 2022-2023 payroll of \$1,009,821,800.

Judicial Branch Workers' Compensation Program - Workers' Compensation
Trial Courts

IBNR as of 6/30/20 at Expected Claims Level

Accident Year	Estimated Ultimate (A)	Reported as of 12/31/19 (B)	Estimated IBNR as of 12/31/19 (C)	Estimated Percent of IBNR Reported Between 1/1/20 and 6/30/20 (D)	Estimated IBNR Reported (E)	Estimated IBNR as of 6/30/20 (F)
2000-2001	9,861,000	9,802,638	58,362	16.6%	10,000	48,362
2001-2002	14,147,000	14,049,038	97,962	14.2%	14,000	83,962
2002-2003	17,862,000	17,702,316	159,684	11.0%	18,000	141,684
2003-2004	21,156,000	20,904,733	251,267	16.5%	41,000	210,267
2004-2005	14,257,000	14,046,298	210,702	13.2%	28,000	182,702
2005-2006	14,301,000	14,020,978	280,022	14.7%	41,000	239,022
2006-2007	14,886,000	14,508,295	377,705	11.3%	43,000	334,705
2007-2008	13,818,000	13,337,995	480,005	13.5%	65,000	415,005
2008-2009	11,876,000	10,987,103	888,897	13.7%	122,000	766,897
2009-2010	17,499,000	15,969,367	1,529,633	12.9%	197,000	1,332,633
2010-2011	16,462,000	14,913,903	1,548,097	10.8%	167,000	1,381,097
2011-2012	15,745,000	14,103,402	1,641,598	9.9%	163,000	1,478,598
2012-2013	17,326,000	15,018,008	2,307,992	9.0%	208,000	2,099,992
2013-2014	13,795,000	11,631,798	2,163,202	8.2%	177,000	1,986,202
2014-2015	13,706,000	11,164,303	2,541,697	8.4%	214,000	2,327,697
2015-2016	14,495,000	11,210,281	3,284,719	8.5%	279,000	3,005,719
2016-2017	13,027,000	9,275,300	3,751,700	10.4%	390,000	3,361,700
2017-2018	13,643,000	7,815,249	5,827,751	13.7%	798,000	5,029,751
2018-2019	13,619,000	4,905,159	8,713,841	17.1%	1,490,000	7,223,841
2019-2020	14,610,000	1,206,028	6,098,972	18.8%	2,520,000	10,883,972
Totals	\$296,091,000	\$246,572,192	\$42,213,808		\$6,985,000	\$42,533,808

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 1/1/20 and 6/30/20. 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 6/30/20. 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 - Workers' Compensation
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)	Selected Estimate of Ultimate Losses Limited to Aggregate (G)
2000-2001	9,861,454	9,865,075	9,861,847	9,860,638	9,868,222	9,861,000	9,861,000
2001-2002	14,147,381	14,438,836	14,149,402	14,431,408	14,332,940	14,147,000	14,147,000
2002-2003	17,861,637	18,178,616	17,865,682	18,179,406	18,150,769	17,862,000	17,862,000
2003-2004	21,155,590	20,910,878	21,148,064	20,875,170	20,282,622	21,156,000	21,156,000
2004-2005	14,256,992	14,766,445	14,267,058	14,762,965	14,723,273	14,257,000	14,257,000
2005-2006	14,301,398	14,523,603	14,303,431	14,497,971	14,122,368	14,301,000	14,301,000
2006-2007	14,885,511	15,145,042	14,830,031	14,928,517	12,867,675	14,886,000	14,886,000
2007-2008	13,818,163	14,331,583	13,838,917	14,333,841	14,316,614	13,818,000	13,818,000
2008-2009	11,525,471	12,226,116	11,560,066	12,222,121	12,193,191	11,876,000	11,876,000
2009-2010	17,023,345	17,973,667	17,027,604	17,830,480	17,068,618	17,499,000	17,499,000
2010-2011	16,196,499	16,727,128	16,143,765	16,515,642	15,574,356	16,462,000	16,462,000
2011-2012	15,654,776	16,013,934	15,616,260	15,862,362	15,278,302	15,745,000	15,745,000
2012-2013	17,090,493	18,034,171	17,077,365	17,791,323	17,027,766	17,326,000	17,326,000
2013-2014	13,609,204	14,351,368	13,612,962	14,155,060	13,658,420	13,795,000	13,795,000
2014-2015	13,519,971	14,265,531	13,571,451	14,121,235	13,734,861	13,706,000	13,706,000
2015-2016	14,181,005	15,501,621	14,125,871	14,863,966	14,346,538	14,495,000	14,495,000
2016-2017	12,614,408	14,551,274	12,860,699	14,017,775	13,814,522	13,027,000	13,027,000
2017-2018	12,285,571	14,216,781	12,752,286	13,801,323	12,964,226	13,643,000	13,643,000
2018-2019	10,992,461	13,398,434	12,689,475	13,928,857	12,968,550	13,619,000	13,619,000
Totals						\$281,481,000	\$281,481,000
			Projected Losses for the Year 2019-2020 (H)			\$14,610,000	\$14,610,000
			Projected Losses for the Year 2020-2021 (I)			15,101,000	15,101,000
			Projected Losses for the Year 2021-2022 (J)			15,597,000	15,597,000
			Projected Losses for the Year 2022-2023 (K)			16,117,000	16,117,000

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) (F) limited to applicable aggregate.
- (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).
- (K) 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 - Workers' Compensation
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	9,212,845	9,313,490	9,212,998	9,315,724	9,213,204	9,213,000
2001-2002	13,333,239	13,445,715	13,333,585	13,436,812	13,332,840	13,333,000
2002-2003	16,850,848	17,059,220	16,851,466	17,047,023	16,851,237	16,851,000
2003-2004	18,684,902	18,801,275	18,685,805	18,791,123	18,685,071	18,685,000
2004-2005	13,514,972	13,590,034	13,515,793	13,583,406	13,515,349	13,515,000
2005-2006	12,906,725	12,980,668	12,907,733	12,978,904	12,906,841	12,907,000
2006-2007	11,709,244	11,875,751	11,710,405	11,864,690	11,708,650	11,709,000
2007-2008	12,966,639	12,969,681	12,968,461	12,974,386	12,966,814	12,967,000
2008-2009	10,992,881	11,112,098	10,995,344	11,099,922	10,992,816	11,052,000
2009-2010	15,314,337	15,663,739	15,319,773	15,631,220	15,313,878	15,489,000
2010-2011	13,902,075	14,148,678	13,895,870	14,124,846	13,901,860	14,025,000
2011-2012	13,569,139	13,896,934	13,569,838	13,861,475	13,568,781	13,651,000
2012-2013	15,045,813	15,394,056	15,044,725	15,342,249	15,045,912	15,133,000
2013-2014	12,002,061	12,335,143	12,006,840	12,268,161	12,001,940	12,085,000
2014-2015	11,963,678	12,411,423	11,977,736	12,332,218	12,006,183	12,076,000
2015-2016	12,285,979	13,478,237	12,270,017	13,041,627	12,468,616	12,656,000
2016-2017	10,801,616	12,512,947	10,938,784	12,149,322	11,938,004	11,510,000
2017-2018	10,597,478	12,215,488	10,881,065	11,885,966	11,139,590	11,717,000
2018-2019	9,403,190	11,445,689	10,640,638	11,878,818	11,077,605	11,369,000
Totals						\$249,943,000
						Projected Losses for the Year 2019-2020 (G) \$12,403,000
						Projected Losses for the Year 2020-2021 (H) 12,739,000
						Projected Losses for the Year 2021-2022 (I) 13,078,000
						Projected Losses for the Year 2022-2023 (J) 13,426,000

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 - Workers' Compensation

Group II Estimated Limited Outstanding Losses as of 6/30/20

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	4.122	0.816	\$29,574	0.038	\$1,126
	250,000	0	4.122	1.000	0	0.038	0
	300,000	43,871	4.122	1.041	188,258	0.038	7,166
	500,000	0	4.122	1.136	0	0.038	0
	1,000,000	140,684	4.122	1.211	702,282	0.038	26,732
	Total	\$193,347			\$920,114		\$35,023
2001-2002	\$125,000	\$24,058	2.760	0.811	\$53,856	0.021	\$1,155
	250,000	0	2.760	1.000	0	0.021	0
	300,000	3,405	2.760	1.043	9,804	0.021	210
	500,000	72,609	2.760	1.141	228,685	0.021	4,905
	1,000,000	307,807	2.760	1.222	1,038,272	0.021	22,270
	Total	\$407,879			\$1,330,617		\$28,540
2002-2003	\$125,000	\$0	2.941	0.807	\$0	0.028	\$0
	250,000	47,592	2.941	1.000	139,978	0.028	3,914
	300,000	3,720	2.941	1.044	11,423	0.028	319
	500,000	0	2.941	1.147	0	0.028	0
	1,000,000	0	2.941	1.233	0	0.028	0
	Total	\$51,313			\$151,402		\$4,233
	Grand Total	\$652,538			\$2,402,133		\$67,797

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 - Workers' Compensation
Trial CourtsSelection 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	9,213,000	0.782	7,204,566	3,571,530	2.017
2001-2002	13,333,000	0.778	10,373,074	7,530,299	1.378
2002-2003	16,851,000	0.813	13,699,863	8,714,261	1.572
2003-2004	18,685,000	1.001	18,703,685	9,542,381	1.960
2004-2005	13,515,000	1.286	17,380,290	9,733,695	1.786
2005-2006	12,907,000	1.391	17,953,637	10,331,110	1.738
2006-2007	11,709,000	1.324	15,502,716	10,943,403	1.417
2007-2008	12,967,000	1.234	16,001,278	11,818,382	1.354
2008-2009	11,052,000	1.121	12,389,292	12,081,964	1.025
2009-2010	15,489,000	1.019	15,783,291	11,097,751	1.422
2010-2011	14,025,000	0.977	13,702,425	10,994,265	1.246
2011-2012	13,651,000	0.963	13,145,913	10,708,754	1.228
2012-2013	15,133,000	0.978	14,800,074	9,692,187	1.527
2013-2014	12,085,000	0.992	11,988,320	9,435,910	1.270
2014-2015	12,076,000	0.984	11,882,784	9,083,509	1.308
2015-2016	12,656,000	1.011	12,795,216	9,356,265	1.368
2016-2017	11,510,000	1.047	12,050,970	9,343,789	1.290
2017-2018	11,717,000	1.030	12,068,510	9,164,384	1.317
2018-2019	11,369,000	1.009	11,471,321	9,244,153	1.241
Totals	\$249,943,000		\$258,897,225	182,387,992	\$1.419
13/14-17/18	60,044,000		60,785,800	46,383,857	1.310
13/14-18/19	71,413,000		72,257,121	55,628,010	1.299
			Selected Limited Rate (F1):		\$1.301
			Prior:		\$1.385
			San Diego TD Adjustment (F2):		1.007
			Selected Limited Rate (F3):		\$1.310
Program Year:		2019-2020	2020-2021	2021-2022	2022-2023
(G) Factor to SIR:		1.178	1.185	1.193	1.200
(H) Trend Factor:		1.000	1.005	1.010	1.015
(I) Program Rate:		\$1.543	\$1.561	\$1.578	\$1.596
(J) Trended Payroll (\$00):		9,468,356	9,673,819	9,883,741	10,098,218
(K) Projected Program Losses:		14,610,000	15,101,000	15,597,000	16,117,000

Notes appear on the next page.

Judicial Branch Workers' Compensation Program - Workers' Compensation
Trial CourtsSelection 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 claims sizes.
 - (H) From Appendix TC - E.
 - (I) (F1) 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. 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 - Workers' Compensation
Trial Courts

Reported Loss Development

Accident Year (A)	Limited Reported Losses as of 12/31/19 (B)	Reported Loss Development Factor (C)	Ultimate Limited Losses (D)	Program Reported Losses of 12/31/19 (E)	Reported Loss Development Factor (F)	Ultimate Program Losses (G)
2000-2001	9,176,140	1.004	9,212,845	9,802,638	1.006	9,861,454
2001-2002	13,266,904	1.005	13,333,239	14,049,038	1.007	14,147,381
2002-2003	16,750,346	1.006	16,850,848	17,702,316	1.009	17,861,637
2003-2004	18,555,017	1.007	18,684,902	20,904,733	1.012	21,155,590
2004-2005	13,407,710	1.008	13,514,972	14,046,298	1.015	14,256,992
2005-2006	12,791,601	1.009	12,906,725	14,020,978	1.020	14,301,398
2006-2007	11,593,311	1.010	11,709,244	14,508,295	1.026	14,885,511
2007-2008	12,812,884	1.012	12,966,639	13,337,995	1.036	13,818,163
2008-2009	10,830,425	1.015	10,992,881	10,987,103	1.049	11,525,471
2009-2010	15,028,790	1.019	15,314,337	15,969,367	1.066	17,023,345
2010-2011	13,576,245	1.024	13,902,075	14,913,903	1.086	16,196,499
2011-2012	13,135,662	1.033	13,569,139	14,103,402	1.110	15,654,776
2012-2013	14,397,907	1.045	15,045,813	15,018,008	1.138	17,090,493
2013-2014	11,322,699	1.060	12,002,061	11,631,798	1.170	13,609,204
2014-2015	11,046,794	1.083	11,963,678	11,164,303	1.211	13,519,971
2015-2016	11,008,942	1.116	12,285,979	11,210,281	1.265	14,181,005
2016-2017	9,115,288	1.185	10,801,616	9,275,300	1.360	12,614,408
2017-2018	7,815,249	1.356	10,597,478	7,815,249	1.572	12,285,571
2018-2019	4,905,159	1.917	9,403,190	4,905,159	2.241	10,992,461
Totals	\$230,537,073		\$245,057,661	\$245,366,164		\$274,981,330

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 - Workers' Compensation - Trial Courts
Reported Loss Development

Limited Losses Reported as of:

Accident Year	6 Months	18 Months	30 Months	42 Months	54 Months	66 Months	78 Months	90 Months	102 Months	114 Months	126 Months
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	15,028,790
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	13,576,245	
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	13,135,662		
2012-2013	1,942,676	7,247,078	10,017,071	11,682,361	13,297,166	14,083,944	13,992,451	14,397,907			
2013-2014	1,883,261	6,621,326	8,913,543	10,211,051	11,223,356	11,200,387	11,322,699				
2014-2015	1,297,240	5,086,907	8,333,536	10,956,287	10,802,836	11,046,794					
2015-2016	1,841,257	6,912,410	9,659,649	10,285,158	11,008,942						
2016-2017	1,277,577	6,303,846	8,428,148	9,115,288							
2017-2018	1,609,668	5,295,232	7,815,249								
2018-2019	1,288,504	4,905,159									
2019-2020	1,206,028										

Reported Loss Development Factors:

	6-18 Months	18-30 Months	30-42 Months	42-54 Months	54-66 Months	66-78 Months	78-90 Months	90-102 Months	102-114 Months	114-126 Months	126-138 Months
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	0.991
2009-2010	5.231	1.385	1.121	1.055	1.031	1.017	0.999	1.036	0.995	1.010	
2010-2011	3.658	1.316	1.162	1.058	1.037	1.036	1.043	0.991	0.994		
2011-2012	3.440	1.297	1.168	1.077	1.052	1.070	0.996	1.012			
2012-2013	3.730	1.382	1.166	1.138	1.059	0.994	1.029				
2013-2014	3.516	1.346	1.146	1.099	0.998	1.011					
2014-2015	3.921	1.638	1.315	0.986	1.023						
2015-2016	3.754	1.397	1.065	1.070							
2016-2017	4.934	1.337	1.082								
2017-2018	3.290	1.476									
2018-2019	3.807										
Average Dollar-Weighted Averages	3.926	1.392	1.136	1.061	1.026	1.019	1.016	1.016	1.015	1.007	1.006
3-yr	3.952	1.399	1.149	1.050	1.029	1.024	1.023	1.013	1.000	1.014	1.000
4-yr	3.892	1.451	1.148	1.074	1.034	1.027	1.016	1.013	1.003	1.012	1.007
Industry Factors Prior	2.763	1.254	1.063	1.017	1.010	1.008	1.008	1.007	1.007	1.006	1.005
Selected	3.923	1.414	1.144	1.062	1.030	1.021	1.015	1.012	1.009	1.005	1.004
Cumulated	7.521	1.917	1.356	1.185	1.116	1.083	1.060	1.045	1.033	1.024	1.019

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

Accident Year	Limited Losses Reported as of:								
	138 Months	150 Months	162 Months	174 Months	186 Months	198 Months	210 Months	222 Months	234 Months
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	9,176,140
2001-2002	13,119,055	13,179,748	13,303,807	13,173,787	13,247,289	13,043,768	13,052,506	13,266,904	
2002-2003	16,966,022	17,005,514	17,094,754	17,069,678	17,036,977	16,976,556	16,750,346		
2003-2004	18,279,069	18,226,045	18,164,653	18,387,593	18,299,094	18,555,017			
2004-2005	13,203,802	13,320,640	13,538,704	13,417,106	13,407,710				
2005-2006	13,117,866	12,952,624	12,888,306	12,791,601					
2006-2007	11,565,891	11,542,198	11,593,311						
2007-2008	12,638,619	12,812,884							
2008-2009	10,830,425								
2009-2010									
2010-2011									
2011-2012									
2012-2013									
2013-2014									
2014-2015									
2015-2016									
2016-2017									
2017-2018									
2018-2019									
2019-2020									

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-Ult. Months		
1998-1999											
1999-2000											
2000-2001	0.994	1.009	1.003	0.986	1.004	1.001	0.996	0.998			
2001-2002	1.005	1.009	0.990	1.006	0.985	1.001	1.016				
2002-2003	1.002	1.005	0.999	0.998	0.996	0.987					
2003-2004	0.997	0.997	1.012	0.995	1.014						
2004-2005	1.009	1.016	0.991	0.999							
2005-2006	0.987	0.995	0.992								
2006-2007	0.998	1.004									
2007-2008	1.014										
2008-2009											
2009-2010											
2010-2011											
2011-2012											
2012-2013											
2013-2014											
2014-2015											
2015-2016											
2016-2017											
2017-2018											
2018-2019											
Average Dollar-Weighted Averages	1.001	1.005	0.998	0.997	1.000	0.996	1.006	0.998			
3-yr	1.000	1.005	1.000	0.997	1.000	0.995					
4-yr	1.002	1.003	1.000	0.999	1.001						
Industry Factors	1.005	1.004	1.004	1.003	1.004	1.003	1.003	1.003	1.019		
Prior	1.003	1.002	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.002
Selected	1.003	1.002	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.002
Cumulated	1.015	1.012	1.010	1.009	1.008	1.007	1.006	1.005	1.004	1.003	1.002

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

Losses Reported as of:

Accident Year	6 Months	18 Months	30 Months	42 Months	54 Months	66 Months	78 Months	90 Months	102 Months	114 Months	126 Months
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	940,577
2010-2011				55,242	273,550	830,937	1,164,248	1,470,056	1,105,578	1,337,658	
2011-2012					66,389	226,348	501,557	701,537	967,740		
2012-2013			941	29,460	428,371	730,668	692,950	620,101			
2013-2014			57,190	117,585	532,568	295,011	309,099				
2014-2015				233,807	114,833	117,508					
2015-2016			31,603	38,024	201,339						
2016-2017		93,608	95,008	160,011							
2017-2018											
2018-2019											
2019-2020											

Reported Loss Development Factors:

	6-18 Months	18-30 Months	30-42 Months	42-54 Months	54-66 Months	66-78 Months	78-90 Months	90-102 Months	102-114 Months	114-126 Months	126-138 Months
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	1.047
2009-2010			18.587	0.662	1.062	2.193	1.599	1.486	0.917	1.011	
2010-2011				4.952	3.038	1.401	1.263	0.752	1.210		
2011-2012					3.409	2.216	1.399	1.379			
2012-2013			31.307	14.541	1.706	0.948	0.895				
2013-2014			2.056	4.529	0.554	1.048					
2014-2015				0.491	1.023						
2015-2016			1.203	5.295							
2016-2017		1.015	1.684								
2017-2018											
2018-2019											

	6-18 Months	18-30 Months	30-42 Months	42-54 Months	54-66 Months	66-78 Months	78-90 Months	90-102 Months	102-114 Months	114-126 Months	126-138 Months
Average Dollar-Weighted Averages		1.015	11.365	5.759	3.308	2.419	1.338	1.190	1.184	1.147	1.049
3-yr				2.180	1.063	1.201	1.184	1.082	1.071	1.058	1.128
4-yr				3.049	1.199	1.281	1.247	1.042	1.042	1.049	1.084
Industry Factors	3.854	2.078	1.518	1.281	1.163	1.097	1.078	1.067	1.055	1.046	1.040
Prior	7.525	3.827	2.770	2.167	1.774	1.530	1.387	1.314	1.295	1.255	1.202
Selected	6.913	3.535	2.561	2.019	1.672	1.458	1.336	1.273	1.255	1.220	1.175
Cumulated	1,435.979	207.729	58.762	22.942	11.361	6.794	4.660	3.489	2.741	2.184	1.790

Judicial Branch Workers' Compensation Program - Workers' Compensation - 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	234 Months	
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	1,238,319	
2001-2002	1,851,751	1,853,876	1,841,534	1,731,149	1,706,263	1,794,778	1,734,550	1,705,249		
2002-2003	1,346,228	1,367,884	1,405,829	1,349,716	1,156,446	1,177,674	951,970			
2003-2004	1,132,654	1,321,659	1,325,255	1,799,350	1,726,944	1,988,442				
2004-2005	604,660	571,375	658,159	626,019	638,588					
2005-2006	924,975	1,132,473	1,203,742	1,229,377						
2006-2007	2,212,910	2,500,707	2,617,634							
2007-2008	512,195	525,111								
2008-2009	156,677									
2009-2010										
2010-2011										
2011-2012										
2012-2013										
2013-2014										
2014-2015										
2015-2016										
2016-2017										
2017-2018										
2018-2019										
2019-2020										
	<u>Reported 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-Ult. Months	
1998-1999										
1999-2000										
2000-2001	0.983	1.021	1.000	0.967	0.977	1.216	1.074	0.872		
2001-2002	1.001	0.993	0.940	0.986	1.052	0.966	0.983			
2002-2003	1.016	1.028	0.960	0.857	1.018	0.808				
2003-2004	1.167	1.003	1.358	0.960	1.151					
2004-2005	0.945	1.152	0.951	1.020						
2005-2006	1.224	1.063	1.021							
2006-2007	1.130	1.047								
2007-2008	1.025									
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	222-234 Months	234-Ult. Months	
Average Dollar-Weighted Averages	1.061	1.044	1.038	0.958	1.050	0.997	1.029	0.872		
3-yr	1.139	1.065	1.147	0.933	1.081	0.987				
4-yr	1.112	1.050	1.090	0.950	1.061					
Industry Factors	1.033	1.028	1.025	1.023	1.021	1.018	1.013	1.011	1.046	
Prior	1.157	1.109	1.071	1.050	1.029	1.020	1.010	1.008	1.007	1.006 1.009
Selected	1.136	1.096	1.063	1.046	1.028	1.020	1.011	1.009	1.014	1.006 1.009
Cumulated	1.523	1.340	1.223	1.150	1.100	1.070	1.049	1.038	1.029	1.015 1.009

Judicial Branch Workers' Compensation Program - Workers' Compensation
Trial Courts

Paid Loss Development

Accident Year (A)	Limited Paid Losses as of 12/31/19 (B)	Paid Loss Development Factor (C)	Ultimate Limited Losses (D)	Program Paid Losses of 12/31/19 (E)	Paid Loss Development Factor (F)	Ultimate Program Losses (G)
2000-2001	9,113,004	1.022	9,313,490	9,485,649	1.040	9,865,075
2001-2002	13,143,416	1.023	13,445,715	13,843,563	1.043	14,438,836
2002-2003	16,659,395	1.024	17,059,220	17,362,575	1.047	18,178,616
2003-2004	18,342,707	1.025	18,801,275	19,820,737	1.055	20,910,878
2004-2005	13,245,647	1.026	13,590,034	13,865,207	1.065	14,766,445
2005-2006	12,565,990	1.033	12,980,668	13,410,529	1.083	14,523,603
2006-2007	11,408,022	1.041	11,875,751	13,705,920	1.105	15,145,042
2007-2008	12,352,077	1.050	12,969,681	12,716,578	1.127	14,331,583
2008-2009	10,473,231	1.061	11,112,098	10,612,948	1.152	12,226,116
2009-2010	14,543,862	1.077	15,663,739	15,219,024	1.181	17,973,667
2010-2011	12,874,138	1.099	14,148,678	13,744,559	1.217	16,727,128
2011-2012	12,341,860	1.126	13,896,934	12,729,677	1.258	16,013,934
2012-2013	13,146,077	1.171	15,394,056	13,672,609	1.319	18,034,171
2013-2014	9,939,680	1.241	12,335,143	10,192,733	1.408	14,351,368
2014-2015	9,345,951	1.328	12,411,423	9,403,778	1.517	14,265,531
2015-2016	9,100,768	1.481	13,478,237	9,102,537	1.703	15,501,621
2016-2017	6,959,370	1.798	12,512,947	6,995,805	2.080	14,551,274
2017-2018	5,066,565	2.411	12,215,488	5,066,565	2.806	14,216,781
2018-2019	2,603,660	4.396	11,445,689	2,603,660	5.146	13,398,434
Totals	\$213,225,420		\$254,650,266	\$223,554,653		\$289,420,103

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 - Workers' Compensation - Trial Courts
Paid Loss Development

Limited Losses Paid as of:

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	
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	14,543,862	
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	12,874,138		
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	12,341,860			
2012-2013	389,782	3,201,349	5,892,691	7,910,587	10,160,662	11,523,730	12,294,542	13,146,077				
2013-2014	502,329	3,187,869	5,266,456	7,014,954	8,431,241	9,295,101	9,939,680					
2014-2015	227,098	2,346,387	4,954,175	6,853,331	8,365,366	9,345,951						
2015-2016	416,214	3,275,544	5,732,421	7,537,992	9,100,768							
2016-2017	299,568	2,721,824	5,121,094	6,959,370								
2017-2018	320,467	2,819,403	5,066,565									
2018-2019	360,102	2,603,660										
2019-2020	367,700											

Paid Loss Development Factors:

	<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	
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	1.011	
2009-2010	9.008	1.806	1.309	1.191	1.085	1.084	1.034	1.039	1.029	1.026		
2010-2011	8.079	1.719	1.330	1.179	1.117	1.093	1.055	1.030	1.027			
2011-2012	7.458	1.814	1.313	1.218	1.110	1.072	1.068	1.049				
2012-2013	8.213	1.841	1.342	1.284	1.134	1.067	1.069					
2013-2014	6.346	1.652	1.332	1.202	1.102	1.069						
2014-2015	10.332	2.111	1.383	1.221	1.117							
2015-2016	7.870	1.750	1.315	1.207								
2016-2017	9.086	1.881	1.359									
2017-2018	8.798	1.797										
2018-2019	7.230											
Average Dollar-Weighted Averages	8.193	1.794	1.326	1.191	1.103	1.071	1.055	1.038	1.027	1.023	1.018	
3-yr	8.310	1.806	1.351	1.210	1.119	1.069	1.064	1.039	1.024	1.020	1.015	
4-yr	8.179	1.870	1.346	1.230	1.117	1.075	1.056	1.035	1.022	1.019	1.023	
Industry Factors Prior	3.610	1.692	1.257	1.124	1.068	1.042	1.027	1.018	1.014	1.013	1.011	
Selected	7.863	1.792	1.326	1.189	1.096	1.065	1.050	1.040	1.025	1.020	1.015	
Cumulated	8.227	1.823	1.341	1.214	1.115	1.070	1.060	1.040	1.025	1.020	1.015	
	36.167	4.396	2.411	1.798	1.481	1.328	1.241	1.171	1.126	1.099	1.077	

Judicial Branch Workers' Compensation Program - Workers' Compensation - 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	234 Months
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	9,113,004
2001-2002	12,598,952	12,736,441	12,895,071	12,920,129	12,960,466	12,881,827	12,950,799	13,143,416	
2002-2003	16,094,236	16,258,522	16,422,472	16,702,882	16,764,281	16,800,139	16,659,395		
2003-2004	17,420,152	17,656,429	17,820,525	17,952,636	18,025,032	18,342,707			
2004-2005	12,681,865	12,873,737	13,154,579	13,183,163	13,245,647				
2005-2006	12,251,097	12,417,670	12,463,243	12,565,990					
2006-2007	11,127,846	11,263,156	11,408,022						
2007-2008	12,056,102	12,352,077							
2008-2009	10,473,231								
2009-2010									
2010-2011									
2011-2012									
2012-2013									
2013-2014									
2014-2015									
2015-2016									
2016-2017									
2017-2018									
2018-2019									
2019-2020									

	<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-Ult. Months		
1998-1999											
1999-2000											
2000-2001	1.003	1.007	1.011	1.007	1.006	1.007	1.003	1.002			
2001-2002	1.011	1.012	1.002	1.003	0.994	1.005	1.015				
2002-2003	1.010	1.010	1.017	1.004	1.002	0.992					
2003-2004	1.014	1.009	1.007	1.004	1.018						
2004-2005	1.015	1.022	1.002	1.005							
2005-2006	1.014	1.004	1.008								
2006-2007	1.012	1.013									
2007-2008	1.025										
2008-2009											
2009-2010											
2010-2011											
2011-2012											
2012-2013											
2013-2014											
2014-2015											
2015-2016											
2016-2017											
2017-2018											
2018-2019											
Average Dollar-Weighted Averages	1.013	1.011	1.008	1.005	1.005	1.001	1.009	1.002			
3-yr	1.017	1.013	1.006	1.004	1.006	1.000					
4-yr	1.016	1.012	1.009	1.004	1.006						
Industry Factors	1.009	1.007	1.008	1.007	1.006	1.005	1.005	1.005	1.034		
Prior	1.010	1.009	1.008	1.007	1.001	1.001	1.001	1.001	1.001	1.001	1.025
Selected	1.010	1.009	1.008	1.007	1.001	1.001	1.001	1.001	1.001	1.001	1.020
Cumulated	1.061	1.050	1.041	1.033	1.026	1.025	1.024	1.023	1.022	1.021	1.020

Judicial Branch Workers' Compensation Program - Workers' Compensation - 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
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	675,163
2010-2011				2,270	83,989	208,211	429,902	635,542	730,851	870,421	
2011-2012					47,878	104,791	145,194	328,284	387,817		
2012-2013					2,539	168,581	280,130	526,532			
2013-2014					97,339	128,375	253,053				
2014-2015				58,149	57,827	57,827					
2015-2016					1,769						
2016-2017			16,920	36,435							
2017-2018											
2018-2019											
2019-2020											

	<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
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	1.151
2009-2010					9.403	1.149	1.502	1.624	1.789	1.386	
2010-2011				37.000	2.479	2.065	1.478	1.150	1.191		
2011-2012					2.189	1.386	2.261	1.181			
2012-2013					66.397	1.662	1.880				
2013-2014					1.319	1.971					
2014-2015				0.994	1.000						
2015-2016											
2016-2017			2.153								
2017-2018											
2018-2019											

	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			2.153	13.893	12.022	1.782	2.536	1.672	1.441	1.293	1.162
3-yr					2.250	1.689	1.743	1.229	1.327	1.349	1.173
4-yr					2.235	1.817	1.715	1.265	1.420	1.241	1.143
Industry Factors	5.176	3.268	2.458	1.845	1.516	1.330	1.231	1.176	1.119	1.086	1.074
Prior	21.784	7.952	5.205	3.641	2.758	2.270	1.992	1.803	1.687	1.598	1.517
Selected	19.016	7.171	4.747	3.342	2.551	2.113	1.865	1.699	1.592	1.513	1.443
Cumulated	681,324.738	35,829.810	4,996.255	1,052.471	314.954	123.463	58.421	31.322	18.441	11.581	7.656

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

Accident Year	Losses Paid as of:									
	138 Months	150 Months	162 Months	174 Months	186 Months	198 Months	210 Months	222 Months	234 Months	
1998-1999										
1999-2000										
2000-2001	507,948	541,963	574,009	600,925	632,731	670,508	727,818	777,725	657,911	
2001-2002	1,123,512	1,208,329	937,176	937,599	974,761	1,037,035	991,657	1,024,166		
2002-2003	549,918	662,012	800,533	930,474	723,936	886,846	703,180			
2003-2004	622,324	722,364	887,225	984,415	1,090,543	1,478,030				
2004-2005	385,829	396,627	419,864	619,445	619,560					
2005-2006	466,500	675,512	730,878	844,539						
2006-2007	1,533,191	1,662,849	2,075,751							
2007-2008	353,730	364,500								
2008-2009	139,718									
2009-2010										
2010-2011										
2011-2012										
2012-2013										
2013-2014										
2014-2015										
2015-2016										
2016-2017										
2017-2018										
2018-2019										
2019-2020										
	<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-Ult. Months	
1998-1999										
1999-2000										
2000-2001	1.067	1.059	1.047	1.053	1.060	1.085	1.069	0.846		
2001-2002	1.075	0.776	1.000	1.040	1.064	0.956	1.033			
2002-2003	1.204	1.209	1.162	0.778	1.225	0.793				
2003-2004	1.161	1.228	1.110	1.108	1.355					
2004-2005	1.028	1.059	1.475	1.000						
2005-2006	1.448	1.082	1.156							
2006-2007	1.085	1.248								
2007-2008	1.030									
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	222-234 Months	234-Ult. Months	
Average	1.137	1.094	1.158	0.996	1.176	0.945	1.051	0.846		
Dollar-Weighted										
Averages										
3-yr	1.148	1.180	1.201	0.960	1.220	0.934				
4-yr	1.132	1.190	1.190	0.982	1.190					
Industry										
Factors	1.062	1.051	1.043	1.036	1.033	1.032	1.032	1.032	1.360	
Prior	1.446	1.386	1.336	1.250	1.170	1.100	1.050	1.020	1.010	1.005 1.289
Selected	1.382	1.330	1.287	1.214	1.147	1.089	1.047	1.022	1.068	1.005 1.289
Cumulated	5.305	3.839	2.886	2.242	1.846	1.610	1.479	1.413	1.383	1.295 1.289

Judicial Branch Workers' Compensation Program - Workers' Compensation
Trial CourtsExposure and Development Method
Based on Reported Losses

Accident Year	Trended Payroll (\$00) (A)	Reported Losses as of 12/31/19 (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	3,571,530	9,802,638	1.006	0.006	2.763	59,209	9,861,847
2001-2002	7,530,299	14,049,038	1.007	0.007	1.904	100,364	14,149,402
2002-2003	8,714,261	17,702,316	1.009	0.009	2.083	163,366	17,865,682
2003-2004	9,542,381	20,904,733	1.012	0.012	2.125	243,331	21,148,064
2004-2005	9,733,695	14,046,298	1.015	0.015	1.512	220,760	14,267,058
2005-2006	10,331,110	14,020,978	1.020	0.020	1.367	282,453	14,303,431
2006-2007	10,943,403	14,508,295	1.026	0.025	1.176	321,736	14,830,031
2007-2008	11,818,382	13,337,995	1.036	0.035	1.211	500,922	13,838,917
2008-2009	12,081,964	10,987,103	1.049	0.047	1.009	572,963	11,560,066
2009-2010	11,097,751	15,969,367	1.066	0.062	1.538	1,058,237	17,027,604
2010-2011	10,994,265	14,913,903	1.086	0.079	1.416	1,229,862	16,143,765
2011-2012	10,708,754	14,103,402	1.110	0.099	1.427	1,512,858	15,616,260
2012-2013	9,692,187	15,018,008	1.138	0.121	1.756	2,059,357	17,077,365
2013-2014	9,435,910	11,631,798	1.170	0.145	1.448	1,981,164	13,612,962
2014-2015	9,083,509	11,164,303	1.211	0.174	1.523	2,407,148	13,571,451
2015-2016	9,356,265	11,210,281	1.265	0.209	1.491	2,915,590	14,125,871
2016-2017	9,343,789	9,275,300	1.360	0.265	1.448	3,585,399	12,860,699
2017-2018	9,164,384	7,815,249	1.572	0.364	1.480	4,937,037	12,752,286
2018-2019	9,244,153	4,905,159	2.241	0.554	1.520	7,784,316	12,689,475
Totals	182,387,992	\$245,366,164				\$31,936,072	\$277,302,236

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 - Workers' Compensation
Trial CourtsExposure and Development Method
Based on Paid Losses

Accident Year	Trended Payroll (\$00) (A)	Paid Losses as of 12/31/19 (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	3,571,530	9,485,649	1.040	0.038	2.763	374,989	9,860,638
2001-2002	7,530,299	13,843,563	1.043	0.041	1.904	587,845	14,431,408
2002-2003	8,714,261	17,362,575	1.047	0.045	2.083	816,831	18,179,406
2003-2004	9,542,381	19,820,737	1.055	0.052	2.125	1,054,433	20,875,170
2004-2005	9,733,695	13,865,207	1.065	0.061	1.512	897,758	14,762,965
2005-2006	10,331,110	13,410,529	1.083	0.077	1.367	1,087,442	14,497,971
2006-2007	10,943,403	13,705,920	1.105	0.095	1.176	1,222,597	14,928,517
2007-2008	11,818,382	12,716,578	1.127	0.113	1.211	1,617,263	14,333,841
2008-2009	12,081,964	10,612,948	1.152	0.132	1.009	1,609,173	12,222,121
2009-2010	11,097,751	15,219,024	1.181	0.153	1.538	2,611,456	17,830,480
2010-2011	10,994,265	13,744,559	1.217	0.178	1.416	2,771,083	16,515,642
2011-2012	10,708,754	12,729,677	1.258	0.205	1.427	3,132,685	15,862,362
2012-2013	9,692,187	13,672,609	1.319	0.242	1.756	4,118,714	17,791,323
2013-2014	9,435,910	10,192,733	1.408	0.290	1.448	3,962,327	14,155,060
2014-2015	9,083,509	9,403,778	1.517	0.341	1.523	4,717,457	14,121,235
2015-2016	9,356,265	9,102,537	1.703	0.413	1.491	5,761,429	14,863,966
2016-2017	9,343,789	6,995,805	2.080	0.519	1.448	7,021,970	14,017,775
2017-2018	9,164,384	5,066,565	2.806	0.644	1.480	8,734,758	13,801,323
2018-2019	9,244,153	2,603,660	5.146	0.806	1.520	11,325,197	13,928,857
Totals	182,387,992	\$223,554,653				\$63,425,407	\$286,980,060

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 - Workers' Compensation
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	3,571,530	9,213,000	0.782	7,204,566	2.017	2.580	1.071	2.763
2001-2002	7,530,299	13,333,000	0.778	10,373,074	1.378	1.771	1.075	1.904
2002-2003	8,714,261	16,851,000	0.813	13,699,863	1.572	1.934	1.077	2.083
2003-2004	9,542,381	18,685,000	1.001	18,703,685	1.960	1.958	1.086	2.125
2004-2005	9,733,695	13,515,000	1.286	17,380,290	1.786	1.388	1.089	1.512
2005-2006	10,331,110	12,907,000	1.391	17,953,637	1.738	1.249	1.094	1.367
2006-2007	10,943,403	11,709,000	1.324	15,502,716	1.417	1.070	1.099	1.176
2007-2008	11,818,382	12,967,000	1.234	16,001,278	1.354	1.097	1.104	1.211
2008-2009	12,081,964	10,993,000	1.121	12,323,153	1.020	0.910	1.109	1.009
2009-2010	11,097,751	15,314,000	1.019	15,604,966	1.406	1.380	1.115	1.538
2010-2011	10,994,265	13,902,000	0.977	13,582,254	1.235	1.264	1.120	1.416
2011-2012	10,708,754	13,569,000	0.963	13,066,947	1.220	1.267	1.126	1.427
2012-2013	9,692,187	15,046,000	0.978	14,714,988	1.518	1.552	1.132	1.756
2013-2014	9,435,910	12,002,000	0.992	11,905,984	1.262	1.272	1.138	1.448
2014-2015	9,083,509	11,964,000	0.984	11,772,576	1.296	1.331	1.144	1.523
2015-2016	9,356,265	12,882,000	1.011	13,023,702	1.392	1.296	1.151	1.491
2016-2017	9,343,789	11,657,000	1.047	12,204,879	1.306	1.251	1.157	1.448
2017-2018	9,164,384	11,406,000	1.030	11,748,180	1.282	1.272	1.164	1.480
2018-2019	9,244,153	11,446,000	1.009	11,549,014	1.249	1.298	1.171	1.520
Total/Avg	182,387,992	\$249,361,000		\$258,315,752	\$1.416			
13/14-17/18	46,383,857	59,911,000		60,655,321	1.308			
14/15-18/19	46,192,100	59,355,000		60,298,351	1.305			
				Selected Limited Rate:	\$1.310			
				Prior:	\$1.415			

Notes:

- (A) From Appendix TC - L, Column (C).
- (B) Selected average of results from Appendices T and T.
- (C) From Appendix TC - E, Page 1, Column (B).
- (D) (B) x (C).
- (E) (D) / (A).
- (F) Selected Limited Rate / (C). For 2013-2014 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 - Workers' Compensation
Trial Courts

Frequency and Severity Method

Accident Year	Ultimate Program Severity (A)	Adjusted Ultimate Claims (B)	Ultimate Program Losses (C)
2000-2001	23,894	413	9,868,222
2001-2002	20,924	685	14,332,940
2002-2003	20,839	871	18,150,769
2003-2004	18,422	1,101	20,282,622
2004-2005	15,163	971	14,723,273
2005-2006	14,976	943	14,122,368
2006-2007	13,911	925	12,867,675
2007-2008	18,031	794	14,316,614
2008-2009	13,967	873	12,193,191
2009-2010	21,497	794	17,068,618
2010-2011	20,412	763	15,574,356
2011-2012	22,906	667	15,278,302
2012-2013	26,523	642	17,027,766
2013-2014	23,549	580	13,658,420
2014-2015	24,837	553	13,734,861
2015-2016	24,821	578	14,346,538
2016-2017	24,581	562	13,814,522
2017-2018	25,621	506	12,964,226
2018-2019	26,850	483	12,968,550
Total		13,704	\$277,293,833

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 - Workers' Compensation
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	9,213,000	413	22,308	1.140	25,431	22,308	1.071	23,894
2001-2002	13,333,000	685	19,464	1.114	21,683	19,464	1.075	20,924
2002-2003	16,851,000	871	19,347	1.141	22,075	19,347	1.077	20,839
2003-2004	18,685,000	1,101	16,971	1.376	23,352	16,971	1.086	18,422
2004-2005	13,515,000	971	13,919	1.733	24,122	13,919	1.089	15,163
2005-2006	12,907,000	943	13,687	1.838	25,157	13,687	1.094	14,976
2006-2007	11,709,000	925	12,658	1.714	21,696	12,658	1.099	13,911
2007-2008	12,967,000	794	16,331	1.566	25,574	16,331	1.104	18,031
2008-2009	10,993,000	873	12,592	1.395	17,566	12,592	1.109	13,967
2009-2010	15,314,000	794	19,287	1.243	23,974	19,287	1.115	21,497
2010-2011	13,902,000	763	18,220	1.169	21,299	18,220	1.120	20,412
2011-2012	13,569,000	667	20,343	1.129	22,967	20,343	1.126	22,906
2012-2013	15,046,000	642	23,436	1.123	26,319	23,436	1.132	26,523
2013-2014	12,002,000	580	20,693	1.118	23,135	20,693	1.138	23,549
2014-2015	11,964,000	553	21,635	1.087	23,517	21,711	1.144	24,837
2015-2016	12,656,000	578	21,896	1.094	23,954	21,572	1.151	24,821
2016-2017	11,544,000	562	20,541	1.111	22,821	21,242	1.157	24,581
2017-2018	11,384,000	506	22,498	1.072	24,118	22,015	1.164	25,621
2018-2019	11,260,000	483	23,313	1.029	23,989	22,935	1.171	26,850

Average Limited Severity: \$23,303
Average 13/14-17/18 Limited Severity: 23,509
Average 14/15-18/19 Limited Severity: 23,680

Selected Limited Severity: \$23,600
Prior: \$23,750

Notes:

- (A) Selected average of results from Appendices T, T, and T.
- (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 - Workers' Compensation
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	405	413	357.2	1.156	0.682	0.788
2001-2002	685	674	685	753.0	0.910	0.696	0.633
2002-2003	871	856	871	871.4	1.000	0.710	0.710
2003-2004	1,101	1,079	1,101	954.2	1.154	0.725	0.837
2004-2005	971	960	971	973.4	0.998	0.740	0.739
2005-2006	943	927	943	1,033.1	0.913	0.755	0.689
2006-2007	925	910	925	1,094.3	0.845	0.769	0.650
2007-2008	794	778	794	1,181.8	0.672	0.785	0.528
2008-2009	873	867	873	1,208.2	0.723	0.801	0.579
2009-2010	794	780	794	1,109.8	0.715	0.817	0.584
2010-2011	763	752	763	1,099.4	0.694	0.834	0.579
2011-2012	667	655	667	1,070.9	0.623	0.851	0.530
2012-2013	642	623	642	969.2	0.662	0.868	0.575
2013-2014	580	569	580	943.6	0.615	0.886	0.545
2014-2015	553	544	553	908.4	0.609	0.904	0.551
2015-2016	578	585	578	935.6	0.618	0.922	0.570
2016-2017	562	579	562	934.4	0.601	0.942	0.566
2017-2018	506	491	506	916.4	0.552	0.961	0.530
2018-2019	481	484	483	924.4	0.522	0.980	0.512
Total	13,702	13,518	13,704	18,238.8			0.608
13/14-17/18	2,779	2,768	2,779	4,638.4			0.552
					(H) Selected Frequency:		0.550
					Prior:		0.600
Program Year:				2019-2020	2020-2021	2021-2022	2022-2023
(I) Trend Factor:				1.000	0.980	0.960	0.941
(J) Selected Frequency:				0.550	0.539	0.528	0.518
(K) Est. Payroll (\$000,000):				946.8	967.4	988.4	1,009.8
(L) Ultimate Claims:				521	521	522	523

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 0.550 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 - Workers' Compensation
Trial CourtsFrequency and Severity Method
Reported Claim Count Development

Accident Year	Claims Reported as of 12/31/2019 (A)	Reported Claim Development Factor (B)	Ultimate Claims (C)	Trended Claim Frequency (D)
2000-2001	413	1.000	413	0.789
2001-2002	685	1.000	685	0.633
2002-2003	871	1.000	871	0.710
2003-2004	1,101	1.000	1,101	0.837
2004-2005	971	1.000	971	0.738
2005-2006	943	1.000	943	0.689
2006-2007	925	1.000	925	0.650
2007-2008	794	1.000	794	0.527
2008-2009	873	1.000	873	0.579
2009-2010	794	1.000	794	0.585
2010-2011	763	1.000	763	0.579
2011-2012	667	1.000	667	0.530
2012-2013	642	1.000	642	0.575
2013-2014	580	1.000	580	0.545
2014-2015	552	1.001	553	0.550
2015-2016	577	1.002	578	0.570
2016-2017	559	1.006	562	0.567
2017-2018	501	1.010	506	0.531
2018-2019	467	1.030	481	0.510
Total	13,678		13,702	0.608

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 - Workers' Compensation
Trial CourtsFrequency and Severity Method
Closed Claim Count Development

Accident Year	Claims Closed as of 12/31/2019 (A)	Closed Claim Development Factor (B)	Ultimate Claims (C)	Trended Claim Frequency (D)
2000-2001	405	1.000	405	0.773
2001-2002	674	1.000	674	0.623
2002-2003	856	1.000	856	0.697
2003-2004	1,079	1.000	1,079	0.820
2004-2005	959	1.001	960	0.730
2005-2006	925	1.002	927	0.677
2006-2007	907	1.003	910	0.639
2007-2008	771	1.009	778	0.517
2008-2009	855	1.014	867	0.575
2009-2010	764	1.021	780	0.574
2010-2011	731	1.029	752	0.570
2011-2012	630	1.039	655	0.521
2012-2013	592	1.052	623	0.558
2013-2014	530	1.074	569	0.534
2014-2015	492	1.105	544	0.541
2015-2016	504	1.161	585	0.576
2016-2017	469	1.235	579	0.584
2017-2018	362	1.356	491	0.515
2018-2019	292	1.659	484	0.513
Total	12,797		13,518	0.600

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 - Workers' Compensation - Trial Courts
Reported Claim Count Development

Accident Year	Claims Reported as of:													
	6 Months	18 Months	30 Months	42 Months	54 Months	66 Months	78 Months	90 Months	102 Months	114 Months	126 Months	138 Months	150 Months	162 Months
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	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	925
2007-2008		761	785	792	793	792	793	792	793	793	794	793	794	
2008-2009	413	857	866	868	870	871	872	872	872	873	873	873		
2009-2010	355	767	783	783	788	789	791	793	794	794	794			
2010-2011	328	730	749	753	757	759	760	762	763	763				
2011-2012	264	647	658	660	664	664	666	666	667					
2012-2013	283	625	635	633	640	642	642	642						
2013-2014	274	573	572	574	577	578	580							
2014-2015	246	529	547	551	550	552								
2015-2016	250	556	568	574	577									
2016-2017	217	551	558	559										
2017-2018	223	497	501											
2018-2019	208	467												
2019-2020	190													

Reported Claim Count Development Factors:

	6-18 Months	18-30 Months	30-42 Months	42-54 Months	54-66 Months	66-78 Months	78-90 Months	90-102 Months	102-114 Months	114-126 Months	126-138 Months	138-150 Months	150-162 Months	162-174 Months
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	1.000
2006-2007			0.994	1.000	0.995	1.001	1.002	1.001	1.003	1.000	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	1.001		
2008-2009	2.075	1.011	1.002	1.002	1.001	1.001	1.000	1.000	1.001	1.000	1.000			
2009-2010	2.161	1.021	1.000	1.006	1.001	1.003	1.003	1.001	1.000	1.000				
2010-2011	2.226	1.026	1.005	1.005	1.003	1.001	1.003	1.001	1.000					
2011-2012	2.451	1.017	1.003	1.006	1.000	1.003	1.000	1.002						
2012-2013	2.208	1.016	0.997	1.011	1.003	1.000	1.000							
2013-2014	2.091	0.998	1.003	1.005	1.002	1.003								
2014-2015	2.150	1.034	1.007	0.998	1.004									
2015-2016	2.224	1.022	1.011	1.005										
2016-2017	2.539	1.013	1.002											
2017-2018	2.229	1.008												
2018-2019	2.245													
Average Claim-Weighted Averages	2.236	1.018	1.003	1.004	1.002	1.001	0.998	0.998	1.001	1.000	1.000	1.001	1.000	1.000
3-yr	2.338	1.014	1.007	1.003	1.003	1.002	1.001	1.001	1.000	1.000	1.000	1.000	1.000	1.000
4-yr	2.306	1.019	1.006	1.005	1.002	1.002	1.001	1.001	1.000	1.000	0.999	1.000	1.001	1.000
Comparative Factors	2.480	1.047	1.007	1.004	1.004	1.003	1.002	1.001	1.001	1.001	1.001	1.001	1.001	1.001
Prior	0.000	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
Selected	2.322	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	2.392	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 - Workers' Compensation - Trial Courts
Closed Claim Development

Accident Year	Claims Closed as of:													
	6 Months	18 Months	30 Months	42 Months	54 Months	66 Months	78 Months	90 Months	102 Months	114 Months	126 Months	138 Months	150 Months	162 Months
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	907
2007-2008		480	589	644	680	701	722	734	747	756	761	762	771	
2008-2009	94	588	690	753	786	816	823	834	846	848	851	855		
2009-2010	104	472	570	641	675	692	727	741	755	759	764			
2010-2011	123	475	564	604	642	672	692	710	718	731				
2011-2012	73	413	508	529	567	597	608	624	630					
2012-2013	72	385	446	490	535	566	575	592						
2013-2014	97	286	413	455	490	514	530							
2014-2015	18	330	391	430	464	492								
2015-2016	59	361	441	475	504									
2016-2017	83	374	425	469										
2017-2018	61	304	362											
2018-2019	49	292												
2019-2020	50													

Closed Claim Count Development Factors:

	6-18 Months	18-30 Months	30-42 Months	42-54 Months	54-66 Months	66-78 Months	78-90 Months	90-102 Months	102-114 Months	114-126 Months	126-138 Months	138-150 Months	150-162 Months	162-174 Months
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	1.005
2006-2007			1.139	1.052	1.089	1.032	1.010	1.006	1.016	1.009	1.003	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	1.012		
2008-2009	6.255	1.173	1.091	1.044	1.038	1.009	1.013	1.014	1.002	1.004	1.005			
2009-2010	4.538	1.208	1.125	1.053	1.025	1.051	1.019	1.019	1.005	1.007				
2010-2011	3.862	1.187	1.071	1.063	1.047	1.030	1.026	1.011	1.018					
2011-2012	5.658	1.230	1.041	1.072	1.053	1.018	1.026	1.010						
2012-2013	5.347	1.158	1.099	1.092	1.058	1.016	1.030							
2013-2014	2.948	1.444	1.102	1.077	1.049	1.031								
2014-2015	18.333	1.185	1.100	1.079	1.060									
2015-2016	6.119	1.222	1.077	1.061										
2016-2017	4.506	1.136	1.104											
2017-2018	4.984	1.191												
2018-2019	5.959													
Average Claim-Weighted Averages	6.228	1.215	1.095	1.064	1.049	1.027	1.028	1.021	1.020	1.007	1.005	1.007	1.006	1.006
3-yr	5.026	1.182	1.093	1.072	1.056	1.021	1.027	1.013	1.008	1.006	1.003	1.008	1.004	1.004
4-yr	5.282	1.183	1.095	1.077	1.055	1.024	1.025	1.014	1.009	1.006	1.004	1.005	1.005	1.004
Comparative Factors	2.847	1.272	1.069	1.047	1.033	1.024	1.015	1.010	1.008	1.006	1.005	1.004	1.002	1.002
Prior	0.000	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
Selected	5.154	1.223	1.098	1.064	1.050	1.028	1.021	1.012	1.010	1.008	1.007	1.005	1.006	1.001
Cumulated	8.550	1.659	1.356	1.235	1.161	1.105	1.074	1.052	1.039	1.029	1.021	1.014	1.009	1.003

Judicial Branch Workers' Compensation Program - Workers' Compensation
Trial Courts

Loss Trend Factors

Accident Year	Benefit Level Factor (A)	Factor to 2019-2020 Loss Rate Level (B)	Factor to 2020-2021 Loss Rate Level (C)	Factor to 2021-2022 Loss Rate Level (D)	Factor to 2022-2023 Loss Rate Level (E)	Factor to 2019-2020 Frequency Level (F)	Factor to 2020-2021 Frequency Level (G)	Factor to 2021-2022 Frequency Level (H)	Factor to 2022-2023 Frequency Level (I)	Factor to 2019-2020 Severity Level (J)
Prior	0.888	0.984	0.989	0.993	0.998	0.655	0.642	0.629	0.616	1.491
1999-2000	0.757	0.834	0.838	0.843	0.847	0.668	0.655	0.642	0.629	1.241
2000-2001	0.714	0.782	0.786	0.790	0.793	0.682	0.669	0.655	0.642	1.140
2001-2002	0.714	0.778	0.782	0.786	0.790	0.696	0.682	0.668	0.655	1.114
2002-2003	0.750	0.813	0.817	0.821	0.825	0.710	0.696	0.682	0.668	1.141
2003-2004	0.927	1.001	1.006	1.011	1.016	0.725	0.710	0.696	0.682	1.376
2004-2005	1.197	1.286	1.292	1.299	1.305	0.740	0.725	0.710	0.696	1.733
2005-2006	1.301	1.391	1.398	1.405	1.412	0.755	0.740	0.724	0.710	1.838
2006-2007	1.244	1.324	1.330	1.337	1.344	0.769	0.754	0.739	0.724	1.714
2007-2008	1.165	1.234	1.240	1.246	1.252	0.785	0.770	0.754	0.739	1.566
2008-2009	1.063	1.121	1.126	1.132	1.138	0.801	0.785	0.769	0.754	1.395
2009-2010	0.971	1.019	1.024	1.029	1.034	0.817	0.801	0.785	0.769	1.243
2010-2011	0.936	0.977	0.982	0.987	0.992	0.834	0.818	0.801	0.785	1.169
2011-2012	0.927	0.963	0.968	0.973	0.978	0.851	0.834	0.817	0.801	1.129
2012-2013	0.945	0.978	0.982	0.987	0.992	0.868	0.851	0.834	0.817	1.123
2013-2014	0.964	0.992	0.997	1.002	1.007	0.886	0.869	0.851	0.834	1.118
2014-2015	0.961	0.984	0.989	0.994	0.999	0.904	0.886	0.868	0.851	1.087
2015-2016	0.991	1.011	1.016	1.021	1.026	0.922	0.904	0.886	0.868	1.094
2016-2017	1.032	1.047	1.052	1.057	1.062	0.942	0.923	0.904	0.886	1.111
2017-2018	1.020	1.030	1.035	1.041	1.046	0.961	0.942	0.922	0.904	1.072
2018-2019	1.004	1.009	1.014	1.019	1.024	0.980	0.960	0.941	0.922	1.029
2019-2020	1.000	1.000	1.005	1.010	1.015	1.000	0.980	0.960	0.941	1.000
2020-2021	1.000	--	1.000	1.005	1.010	--	1.000	0.980	0.960	--
2021-2022	1.000	--	--	1.000	1.005	--	--	1.000	0.980	--
2022-2023	1.000	--	--	--	1.000	--	--	--	1.000	--

Notes:

- (A) Based on WCIRB.
- (B) - (E) (A) adjusted for a 0.5% 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 - Workers' Compensation
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	0.888			
1999-2000		0	0.757			
2000-2001	9,213,000	413	0.714	15,917	3,571,530	1.156
2001-2002	13,333,000	685	0.714	13,906	7,530,299	0.910
2002-2003	16,851,000	871	0.750	14,514	8,714,261	1.000
2003-2004	18,685,000	1,101	0.927	15,740	9,542,381	1.154
2004-2005	13,515,000	971	1.197	16,667	9,733,695	0.998
2005-2006	12,907,000	943	1.301	17,810	10,331,110	0.913
2006-2007	11,709,000	925	1.244	15,749	10,943,403	0.845
2007-2008	12,967,000	794	1.165	19,026	11,818,382	0.672
2008-2009	10,993,000	873	1.063	13,390	12,081,964	0.723
2009-2010	15,314,000	794	0.971	18,724	11,097,751	0.715
2010-2011	13,902,000	763	0.936	17,050	10,994,265	0.694
2011-2012	13,569,000	667	0.927	18,856	10,708,754	0.623
2012-2013	15,046,000	642	0.945	22,146	9,692,187	0.662
2013-2014	12,002,000	580	0.964	19,944	9,435,910	0.615
2014-2015	11,964,000	553	0.961	20,785	9,083,509	0.609
2015-2016	12,882,000	578	0.991	22,093	9,356,265	0.618
2016-2017	11,657,000	562	1.032	21,396	9,343,789	0.601
2017-2018	11,406,000	506	1.020	23,000	9,164,384	0.552
2018-2019	11,446,000	483	1.004	23,796	9,244,153	0.522

Severity Trend Factors

Frequency Trend Factors

Latest 10 x 2018-2019	1.045	0.974
Mvg 5-Yr Wtd Latest 10 x 2018-2019	1.034	0.968
Latest 5 x 2018-2019	1.032	0.978
Mvg 5-Yr Wtd Latest 5 x 2018-2019	1.030	0.977
Prior	1.025	0.980
Default	1.025	0.980
Selected Residual Trend	1.025	0.980

Notes:

- (A) Selected average of results from Appendix TC - A and Appendix TC - 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 - Workers' Compensation
Trial Courts

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

Fiscal Year (A)	Number of Claims Active During Fiscal Year (B)	Average ULAE Charge per Active Claim (C)	Inflation Trend Factor (D)	Trended ULAE Charge per Active Claim (E)	ULAE Paid During Year (F)
2019-2020	1,012.0	\$1,779	1.000	\$1,779	\$1,800,348
2020-2021	599.9	1,779	1.050	1,868	1,120,613
2021-2022	412.5	1,779	1.103	1,962	809,325
2022-2023	289.6	1,779	1.158	2,060	596,576
2023-2024	200.1	1,779	1.216	2,163	432,816
2024-2025	138.0	1,779	1.277	2,272	313,536
2025-2026	94.7	1,779	1.341	2,386	225,954
2026-2027	64.4	1,779	1.408	2,505	161,322
2027-2028	43.3	1,779	1.478	2,629	113,836
2028-2029	27.7	1,779	1.552	2,761	76,480
2029-2030	16.6	1,779	1.630	2,900	48,140
2030-2031	9.2	1,779	1.712	3,046	28,023
2031-2032	4.2	1,779	1.798	3,199	13,436
2032-2033	1.5	1,779	1.888	3,359	5,039
2033-2034	0.5	1,779	1.982	3,526	1,763
2034-2035	0.0	1,779	2.081	3,702	0
2035-2036	0.0	1,779	2.185	3,887	0
2036-2037	0.0	1,779	2.294	4,081	0

(G) Total ULAE Outstanding as of 6/30/19: \$5,747,207

(H) Total ULAE Outstanding as of 12/31/19: \$5,784,810

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 12/31/19.

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 - Workers' Compensation
Trial Courts

Outstanding Liability for
Unallocated Loss Adjustment Expenses
as of 6/30/20

Fiscal Year (A)	Number of Claims Active During Fiscal Year (B)	Average ULAE Charge per Active Claim (C)	Inflation Trend Factor (D)	Trended ULAE Charge per Active Claim (E)	ULAE Paid During Year (F)
2020-2021	923.4	\$1,779	1.050	\$1,868	\$1,724,911
2021-2022	580.3	1,779	1.103	1,962	1,138,549
2022-2023	405.5	1,779	1.158	2,060	835,330
2023-2024	285.7	1,779	1.216	2,163	617,969
2024-2025	198.5	1,779	1.277	2,272	450,992
2025-2026	137.1	1,779	1.341	2,386	327,121
2026-2027	95.1	1,779	1.408	2,505	238,226
2027-2028	65.6	1,779	1.478	2,629	172,462
2028-2029	44.7	1,779	1.552	2,761	123,417
2029-2030	29.2	1,779	1.630	2,900	84,680
2030-2031	17.8	1,779	1.712	3,046	54,219
2031-2032	9.8	1,779	1.798	3,199	31,350
2032-2033	4.6	1,779	1.888	3,359	15,451
2033-2034	1.5	1,779	1.982	3,526	5,289
2034-2035	0.5	1,779	2.081	3,702	1,851
2035-2036	0.0	1,779	2.185	3,887	0
2036-2037	0.0	1,779	2.294	4,081	0
2037-2038	0.0	1,779	2.409	4,286	0
(G) Total ULAE Outstanding as of 6/30/20:					\$5,821,817

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 - Workers' Compensation
Trial Courts

Payment and Reserve Forecast

<u>Accident Year</u>	<u>As of</u> <u>12/31/2019</u>	<u>Calendar Period</u>			
		<u>1/1/2020</u> <u>to</u> <u>6/30/2020</u>	<u>7/1/2020</u> <u>to</u> <u>6/30/2021</u>	<u>7/1/2021</u> <u>to</u> <u>6/30/2022</u>	<u>7/1/2022</u> <u>to</u> <u>6/30/2023</u>
Prior					
Ultimate Loss	\$41,870,000	\$41,870,000	\$41,870,000	\$41,870,000	\$41,870,000
Paid in Calendar Period	-	61,156	122,638	128,514	134,462
Paid to Date	40,691,787	40,752,943	40,875,581	41,004,095	41,138,557
Outstanding Liability	1,178,213	1,117,057	994,419	865,905	731,443
2003-2004					
Ultimate Loss	\$21,156,000	\$21,156,000	\$21,156,000	\$21,156,000	\$21,156,000
Paid in Calendar Period	-	92,133	140,474	93,726	94,839
Paid to Date	19,820,737	19,912,870	20,053,344	20,147,070	20,241,909
Outstanding Liability	1,335,263	1,243,130	1,102,656	1,008,930	914,091
2004-2005					
Ultimate Loss	\$14,257,000	\$14,257,000	\$14,257,000	\$14,257,000	\$14,257,000
Paid in Calendar Period	-	28,601	51,936	35,172	23,467
Paid to Date	13,865,207	13,893,808	13,945,744	13,980,916	14,004,383
Outstanding Liability	391,793	363,192	311,256	276,084	252,617
2005-2006					
Ultimate Loss	\$14,301,000	\$14,301,000	\$14,301,000	\$14,301,000	\$14,301,000
Paid in Calendar Period	-	89,938	142,495	94,099	63,725
Paid to Date	13,410,529	13,500,467	13,642,962	13,737,061	13,800,786
Outstanding Liability	890,471	800,533	658,038	563,939	500,214
2006-2007					
Ultimate Loss	\$14,886,000	\$14,886,000	\$14,886,000	\$14,886,000	\$14,886,000
Paid in Calendar Period	-	113,288	211,225	152,291	100,568
Paid to Date	13,705,920	13,819,208	14,030,433	14,182,724	14,283,292
Outstanding Liability	1,180,080	1,066,792	855,567	703,276	602,708
2007-2008					
Ultimate Loss	\$13,818,000	\$13,818,000	\$13,818,000	\$13,818,000	\$13,818,000
Paid in Calendar Period	-	85,911	175,683	166,286	119,890
Paid to Date	12,716,578	12,802,489	12,978,172	13,144,458	13,264,348
Outstanding Liability	1,101,422	1,015,511	839,828	673,542	553,652
2008-2009					
Ultimate Loss	\$11,876,000	\$11,876,000	\$11,876,000	\$11,876,000	\$11,876,000
Paid in Calendar Period	-	94,729	172,912	172,206	162,995
Paid to Date	10,612,948	10,707,677	10,880,589	11,052,795	11,215,790
Outstanding Liability	1,263,052	1,168,323	995,411	823,205	660,210
2009-2010					
Ultimate Loss	\$17,499,000	\$17,499,000	\$17,499,000	\$17,499,000	\$17,499,000
Paid in Calendar Period	-	161,878	302,888	268,651	267,555
Paid to Date	15,219,024	15,380,902	15,683,790	15,952,441	16,219,996
Outstanding Liability	2,279,976	2,118,098	1,815,210	1,546,559	1,279,004

Judicial Branch Workers' Compensation Program - Workers' Compensation
Trial Courts

Payment and Reserve Forecast

<u>Accident Year</u>	<u>As of</u> <u>12/31/2019</u>	<u>Calendar Period</u>			
		<u>1/1/2020</u> <u>to</u> <u>6/30/2020</u>	<u>7/1/2020</u> <u>to</u> <u>6/30/2021</u>	<u>7/1/2021</u> <u>to</u> <u>6/30/2022</u>	<u>7/1/2022</u> <u>to</u> <u>6/30/2023</u>
2010-2011					
Ultimate Loss	\$16,462,000	\$16,462,000	\$16,462,000	\$16,462,000	\$16,462,000
Paid in Calendar Period	-	187,503	359,251	310,408	275,321
Paid to Date	13,744,559	13,932,062	14,291,313	14,601,721	14,877,042
Outstanding Liability	2,717,441	2,529,938	2,170,687	1,860,279	1,584,958
2011-2012					
Ultimate Loss	\$15,745,000	\$15,745,000	\$15,745,000	\$15,745,000	\$15,745,000
Paid in Calendar Period	-	199,011	377,386	346,327	299,242
Paid to Date	12,729,677	12,928,688	13,306,074	13,652,401	13,951,643
Outstanding Liability	3,015,323	2,816,312	2,438,926	2,092,599	1,793,357
2012-2013					
Ultimate Loss	\$17,326,000	\$17,326,000	\$17,326,000	\$17,326,000	\$17,326,000
Paid in Calendar Period	-	274,004	483,252	388,082	356,144
Paid to Date	13,672,609	13,946,613	14,429,865	14,817,947	15,174,091
Outstanding Liability	3,653,391	3,379,387	2,896,135	2,508,053	2,151,909
2013-2014					
Ultimate Loss	\$13,795,000	\$13,795,000	\$13,795,000	\$13,795,000	\$13,795,000
Paid in Calendar Period	-	298,988	525,221	397,262	319,027
Paid to Date	10,192,733	10,491,721	11,016,942	11,414,204	11,733,231
Outstanding Liability	3,602,267	3,303,279	2,778,058	2,380,796	2,061,769
2014-2015					
Ultimate Loss	\$13,706,000	\$13,706,000	\$13,706,000	\$13,706,000	\$13,706,000
Paid in Calendar Period	-	326,969	620,139	533,463	403,496
Paid to Date	9,403,778	9,730,747	10,350,886	10,884,349	11,287,845
Outstanding Liability	4,302,222	3,975,253	3,355,114	2,821,651	2,418,155
2015-2016					
Ultimate Loss	\$14,495,000	\$14,495,000	\$14,495,000	\$14,495,000	\$14,495,000
Paid in Calendar Period	-	469,144	807,424	642,080	552,337
Paid to Date	9,102,537	9,571,681	10,379,105	11,021,185	11,573,522
Outstanding Liability	5,392,463	4,923,319	4,115,895	3,473,815	2,921,478
2016-2017					
Ultimate Loss	\$13,027,000	\$13,027,000	\$13,027,000	\$13,027,000	\$13,027,000
Paid in Calendar Period	-	615,182	1,034,458	718,575	571,425
Paid to Date	6,995,805	7,610,987	8,645,445	9,364,020	9,935,445
Outstanding Liability	6,031,195	5,416,013	4,381,555	3,662,980	3,091,555
2017-2018					
Ultimate Loss	\$13,643,000	\$13,643,000	\$13,643,000	\$13,643,000	\$13,643,000
Paid in Calendar Period	-	831,914	1,533,415	1,186,321	824,065
Paid to Date	5,066,565	5,898,479	7,431,894	8,618,215	9,442,280
Outstanding Liability	8,576,435	7,744,521	6,211,106	5,024,785	4,200,720

Judicial Branch Workers' Compensation Program - Workers' Compensation
Trial Courts

Payment and Reserve Forecast

<u>Accident Year</u>	<u>As of</u> <u>12/31/2019</u>	<u>Calendar Period</u>			
		<u>1/1/2020</u> <u>to</u> <u>6/30/2020</u>	<u>7/1/2020</u> <u>to</u> <u>6/30/2021</u>	<u>7/1/2021</u> <u>to</u> <u>6/30/2022</u>	<u>7/1/2022</u> <u>to</u> <u>6/30/2023</u>
2018-2019					
Ultimate Loss	\$13,619,000	\$13,619,000	\$13,619,000	\$13,619,000	\$13,619,000
Paid in Calendar Period	-	1,112,549	1,960,753	1,572,524	1,216,577
Paid to Date	2,603,660	3,716,209	5,676,962	7,249,486	8,466,063
Outstanding Liability	11,015,340	9,902,791	7,942,038	6,369,514	5,152,937
2019-2020					
Ultimate Loss	\$7,305,000	\$14,610,000	\$14,610,000	\$14,610,000	\$14,610,000
Paid in Calendar Period	-	1,239,080	2,431,602	2,093,180	1,678,731
Paid to Date	367,700	1,606,780	4,038,382	6,131,562	7,810,293
Outstanding Liability	6,937,300	13,003,220	10,571,618	8,478,438	6,799,707
2020-2021					
Ultimate Loss	-	-	\$15,101,000	\$15,101,000	\$15,101,000
Paid in Calendar Period	-	-	1,646,009	2,516,083	2,165,904
Paid to Date	-	-	1,646,009	4,162,092	6,327,996
Outstanding Liability	-	-	13,454,991	10,938,908	8,773,004
2021-2022					
Ultimate Loss	-	-	-	\$15,597,000	\$15,597,000
Paid in Calendar Period	-	-	-	1,700,073	2,598,725
Paid to Date	-	-	-	1,700,073	4,298,798
Outstanding Liability	-	-	-	13,896,927	11,298,202
2022-2023					
Ultimate Loss	-	-	-	-	\$16,117,000
Paid in Calendar Period	-	-	-	-	1,756,753
Paid to Date	-	-	-	-	1,756,753
Outstanding Liability	-	-	-	-	14,360,247
Totals					
Ultimate Loss	\$288,786,000	\$296,091,000	\$311,192,000	\$326,789,000	\$342,906,000
Paid in Calendar Period	-	6,281,978	13,099,161	13,515,323	13,985,248
Paid to Date	223,922,353	230,204,331	243,303,492	256,818,815	270,804,063
Outstanding Liability	64,863,647	65,886,669	67,888,508	69,970,185	72,101,937
Total Outstanding ULAE	5,784,810	5,821,817	6,065,881	6,369,332	6,702,347
Outstanding Liability plus ULAE	70,648,457	71,708,486	73,954,389	76,339,517	78,804,284

Notes appear on the next page.

Judicial Branch Workers' Compensation Program - Workers' Compensation
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 2017-2018, \$831,914 is expected to be paid between 1/1/20 and 6/30/20, \$5,898,479 will have been paid by 6/30/20, and the reserve for remaining payments on these claims should be \$7,744,521.
- 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, $\$1,533,415 = \$7,744,521 \times 19.8\%$.
- Paid to Date is Paid in Calendar Period plus Paid to Date from previous calendar period. For example, $\$7,431,894 = \$1,533,415 + \$5,898,479$.
- Outstanding Liability is Ultimate Loss minus Paid to Date. For example, $\$7,744,521 = \$13,643,000 - \$5,898,479$.

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	2019	Total
2000-2001	472,952	327,238	228,314	64,110	95,207	119,571	93,152	88,594	124,337	72,899	-104,249	
2001-2002	1,105,388	453,017	447,701	248,693	222,305	-112,523	25,482	77,499	-16,366	23,594	225,126	
2002-2003	793,960	405,402	474,420	640,534	357,021	276,380	302,471	410,351	-145,138	198,768	-324,410	
2003-2004	912,104	791,374	740,595	533,018	393,815	427,377	336,318	328,957	229,302	178,523	705,162	
2004-2005	1,015,234	719,789	649,464	397,683	419,160	362,368	191,893	202,670	304,079	228,164	62,600	
2005-2006	1,003,291	866,929	637,727	720,184	653,230	354,475	434,700	528,322	375,585	100,939	216,408	
2006-2007	1,648,873	1,264,130	955,440	670,153	691,091	484,163	612,680	350,649	379,374	264,968	779,914	
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	306,746	
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	132,300	
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	559,979	
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	475,789	
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	638,993	
2012-2013	0	0	0	389,782	2,811,567	2,691,342	2,017,896	2,252,614	1,529,110	882,362	1,097,936	
2013-2014	0	0	0	0	502,329	2,685,539	2,078,587	1,748,498	1,513,626	894,896	769,256	
2014-2015	0	0	0	0	0	227,098	2,119,289	2,607,789	1,957,305	1,511,712	980,585	
2015-2016	0	0	0	0	0	0	416,214	2,859,330	2,456,877	1,805,571	1,564,545	
2016-2017	0	0	0	0	0	0	0	299,568	2,422,257	2,416,190	1,857,791	
2017-2018	0	0	0	0	0	0	0	0	320,467	2,498,936	2,247,162	
2018-2019	0	0	0	0	0	0	0	0	0	360,102	2,243,558	
2019-2020	0	0	0	0	0	0	0	0	0	0	367,700	
Total	12,538,715	12,901,146	13,799,491	12,820,212	13,993,972	13,195,720	13,408,041	15,112,234	14,114,746	13,895,665	14,802,892	150,582,835

San Diego TD

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	
Total	168,122	155,855	131,078	138,731	191,637	241,782	0	0	0	0	0	1,027,206

San Diego TD Percent of Trial Courts Total Payments

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	
	1.3%	1.2%	0.9%	1.1%	1.4%	1.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.7%
Selected San Diego TD Load:												0.7%
Prior Selected San Diego TD Load:												0.8%

Short- and Long-Term Liabilities

		<u>Expected</u>	<u>Discounted</u>
<u>Liabilities as of 12/31/19:</u>			
<u>Current (Short Term)</u>	Loss and ALAE:	\$10,781,114	\$10,781,114
	ULAE:	1,800,348	1,800,348
	Short-Term Loss and LAE:	<u>\$12,581,462</u>	<u>\$12,581,462</u>
<u>Non-Current (Long Term)</u>	Loss and ALAE:	\$54,082,534	\$54,082,533
	ULAE:	3,984,462	3,984,462
	Long-Term Loss and LAE:	<u>\$58,066,996</u>	<u>\$58,066,995</u>
<u>Total Liability</u>	Loss and ALAE:	\$64,863,647	\$64,863,647
	ULAE:	5,784,810	5,784,810
	Total Loss and LAE:	<u>\$70,648,457</u>	<u>\$70,648,457</u>
<u>Liabilities as of 6/30/20:</u>			
<u>Current (Short Term)</u>	Loss and ALAE:	\$11,453,152	\$11,453,152
	ULAE:	1,724,911	1,724,911
	Short-Term Loss and LAE:	<u>\$13,178,063</u>	<u>\$13,178,063</u>
<u>Non-Current (Long Term)</u>	Loss and ALAE:	\$54,433,517	\$54,433,517
	ULAE:	4,096,906	4,096,906
	Long-Term Loss and LAE:	<u>\$58,530,423</u>	<u>\$58,530,423</u>
<u>Total Liability</u>	Loss and ALAE:	\$65,886,669	\$65,886,669
	ULAE:	5,821,817	5,821,817
	Total Loss and LAE:	<u>\$71,708,486</u>	<u>\$71,708,486</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 12/31/19:</u>						
<u>Current (Short Term)</u>	Loss and ALAE:	\$11,632,822	\$11,967,037	\$12,355,157	\$12,829,526	\$13,444,049
	ULAE:	1,942,575	1,998,386	2,063,199	2,142,414	2,245,034
	Short-Term Loss and LAE:	<u>\$13,575,397</u>	<u>\$13,965,423</u>	<u>\$14,418,356</u>	<u>\$14,971,940</u>	<u>\$15,689,083</u>
<u>Non-Current (Long Term)</u>	Loss and ALAE:	\$58,355,053	\$60,031,611	\$61,978,582	\$64,358,214	\$67,440,919
	ULAE:	4,299,235	4,422,753	4,566,194	4,741,510	4,968,624
	Long-Term Loss and LAE:	<u>\$62,654,288</u>	<u>\$64,454,364</u>	<u>\$66,544,776</u>	<u>\$69,099,724</u>	<u>\$72,409,543</u>
<u>Total Liability</u>	Loss and ALAE:	\$69,987,875	\$71,998,648	\$74,333,739	\$77,187,740	\$80,884,968
	ULAE:	6,241,810	6,421,139	6,629,393	6,883,924	7,213,658
	Total Loss and LAE:	<u>\$76,229,685</u>	<u>\$78,419,787</u>	<u>\$80,963,132</u>	<u>\$84,071,664</u>	<u>\$88,098,626</u>
<u>Liabilities as of 6/30/20:</u>						
<u>Current (Short Term)</u>	Loss and ALAE:	\$12,357,951	\$12,712,999	\$13,125,312	\$13,629,251	\$14,282,081
	ULAE:	1,861,179	1,914,651	1,976,748	2,052,644	2,150,964
	Short-Term Loss and LAE:	<u>\$14,219,130</u>	<u>\$14,627,650</u>	<u>\$15,102,060</u>	<u>\$15,681,895</u>	<u>\$16,433,045</u>
<u>Non-Current (Long Term)</u>	Loss and ALAE:	\$58,733,765	\$60,421,204	\$62,380,811	\$64,775,885	\$67,878,595
	ULAE:	4,420,561	4,547,565	4,695,054	4,875,318	5,108,842
	Long-Term Loss and LAE:	<u>\$63,154,326</u>	<u>\$64,968,769</u>	<u>\$67,075,865</u>	<u>\$69,651,203</u>	<u>\$72,987,437</u>
<u>Total Liability</u>	Loss and ALAE:	\$71,091,716	\$73,134,203	\$75,506,123	\$78,405,136	\$82,160,676
	ULAE:	6,281,740	6,462,216	6,671,802	6,927,962	7,259,806
	Total Loss and LAE:	<u>\$77,373,456</u>	<u>\$79,596,419</u>	<u>\$82,177,925</u>	<u>\$85,333,098</u>	<u>\$89,420,482</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 - Workers' Compensation
Trial Courts

Confidence Level Table

Probability	Projected Losses	Outstanding Losses
95%	1.466	1.340
90%	1.337	1.247
85%	1.256	1.190
80%	1.196	1.146
75%	1.147	1.110
70%	1.105	1.079
65%	1.068	1.050
60%	1.033	1.025
55%	1.001	1.002
50%	0.970	0.979
45%	0.940	0.957
40%	0.911	0.935
35%	0.882	0.913
30%	0.852	0.891
25%	0.821	0.867

To read table: For the above retention, there is a 90% chance that final loss settlements will be less than 1.337 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 - Workers' Compensation
Trial Courts

Program History

Policy Year Start Date	Policy Year End Date	Policy Year	Self-Insured Retention	
			Per Occurrence	Aggregate
7/1/2000	6/30/2001	2000-2001	1,708,147	(none)
7/1/2001	6/30/2002	2001-2002	1,698,686	(none)
7/1/2002	6/30/2003	2002-2003	1,439,574	(none)
7/1/2003	6/30/2004	2003-2004	2,095,679	(none)
7/1/2004	6/30/2005	2004-2005	1,998,368	(none)
7/1/2005	6/30/2006	2005-2006	2,000,000	(none)
7/1/2006	6/30/2007	2006-2007	2,000,000	(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)
7/1/2020	6/30/2021	2020-2021	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 - Workers' Compensation
Trial Courts

Incurred Losses as of 12/31/19

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	10,784,654	0	370,195	10,414,459	611,821	1,238,319	9,176,140	626,498	9,802,638	9,802,638
2001-2002	15,668,891	209,301	906,038	14,972,153	923,116	1,705,249	13,266,904	782,134	14,049,038	14,049,038
2002-2003	17,717,269	0	14,953	17,702,316	0	951,970	16,750,346	951,970	17,702,316	17,702,316
2003-2004	21,562,572	0	657,838	20,904,733	0	2,349,716	18,555,017	2,349,716	20,904,733	20,904,733
2004-2005	14,055,958	0	9,660	14,046,298	0	638,588	13,407,710	638,588	14,046,298	14,046,298
2005-2006	14,085,549	0	64,572	14,020,978	0	1,229,377	12,791,601	1,229,377	14,020,978	14,020,978
2006-2007	14,555,632	0	47,337	14,508,295	0	2,914,984	11,593,311	2,914,984	14,508,295	14,508,295
2007-2008	13,434,141	0	96,147	13,337,995	0	525,111	12,812,884	525,111	13,337,995	13,337,995
2008-2009	11,005,251	0	18,148	10,987,103	0	156,677	10,830,425	156,677	10,987,103	10,987,103
2009-2010	15,972,454	0	3,088	15,969,367	0	940,577	15,028,790	940,577	15,969,367	15,969,367
2010-2011	14,917,478	0	3,575	14,913,903	0	1,337,658	13,576,245	1,337,658	14,913,903	14,913,903
2011-2012	14,110,401	0	7,000	14,103,402	0	967,740	13,135,662	967,740	14,103,402	14,103,402
2012-2013	15,207,046	0	189,038	15,018,008	0	620,101	14,397,907	620,101	15,018,008	15,018,008
2013-2014	11,719,605	0	87,808	11,631,798	0	309,099	11,322,699	309,099	11,631,798	11,631,798
2014-2015	11,248,730	0	84,427	11,164,303	0	117,508	11,046,794	117,508	11,164,303	11,164,303
2015-2016	11,260,520	0	50,239	11,210,281	0	201,339	11,008,942	201,339	11,210,281	11,210,281
2016-2017	9,279,811	0	4,512	9,275,300	0	160,011	9,115,288	160,011	9,275,300	9,275,300
2017-2018	7,816,328	0	1,079	7,815,249	0	0	7,815,249	0	7,815,249	7,815,249
2018-2019	4,905,327	0	168	4,905,159	0	0	4,905,159	0	4,905,159	4,905,159
2019-2020	1,206,653	0	625	1,206,028	0	0	1,206,028	0	1,206,028	1,206,028
Total	\$250,514,270	\$209,301	\$2,616,444	\$248,107,128	\$1,534,936	\$16,364,025	\$231,743,103	\$14,829,088	\$246,572,191	\$246,572,191

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 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 - Workers' Compensation
Trial Courts

Paid Losses as of 12/31/19

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	10,141,110	0	370,195	9,770,915	285,266	657,911	9,113,004	372,645	9,485,649	9,485,649
2001-2002	14,902,063	171,557	906,038	14,167,581	324,019	1,024,166	13,143,416	700,147	13,843,563	13,843,563
2002-2003	17,377,528	0	14,953	17,362,575	0	703,180	16,659,395	703,180	17,362,575	17,362,575
2003-2004	20,478,575	0	657,838	19,820,737	0	1,478,030	18,342,707	1,478,030	19,820,737	19,820,737
2004-2005	13,874,868	0	9,660	13,865,207	0	619,560	13,245,647	619,560	13,865,207	13,865,207
2005-2006	13,475,101	0	64,572	13,410,529	0	844,539	12,565,990	844,539	13,410,529	13,410,529
2006-2007	13,753,256	0	47,337	13,705,920	0	2,297,897	11,408,022	2,297,897	13,705,920	13,705,920
2007-2008	12,812,724	0	96,147	12,716,578	0	364,500	12,352,077	364,500	12,716,578	12,716,578
2008-2009	10,631,096	0	18,148	10,612,948	0	139,718	10,473,231	139,718	10,612,948	10,612,948
2009-2010	15,222,112	0	3,088	15,219,024	0	675,163	14,543,862	675,163	15,219,024	15,219,024
2010-2011	13,748,134	0	3,575	13,744,559	0	870,421	12,874,138	870,421	13,744,559	13,744,559
2011-2012	12,736,677	0	7,000	12,729,677	0	387,817	12,341,860	387,817	12,729,677	12,729,677
2012-2013	13,861,646	0	189,038	13,672,609	0	526,532	13,146,077	526,532	13,672,609	13,672,609
2013-2014	10,280,540	0	87,808	10,192,733	0	253,053	9,939,680	253,053	10,192,733	10,192,733
2014-2015	9,488,204	0	84,427	9,403,778	0	57,827	9,345,951	57,827	9,403,778	9,403,778
2015-2016	9,152,776	0	50,239	9,102,537	0	1,769	9,100,768	1,769	9,102,537	9,102,537
2016-2017	7,000,317	0	4,512	6,995,805	0	36,435	6,959,370	36,435	6,995,805	6,995,805
2017-2018	5,067,644	0	1,079	5,066,565	0	0	5,066,565	0	5,066,565	5,066,565
2018-2019	2,603,828	0	168	2,603,660	0	0	2,603,660	0	2,603,660	2,603,660
2019-2020	368,324	0	625	367,700	0	0	367,700	0	367,700	367,700
Total	\$226,976,523	\$171,557	\$2,616,444	\$224,531,636	\$609,285	\$10,938,518	\$213,593,117	\$10,329,234	\$223,922,351	\$223,922,351

Notes:

- (A) Years are 7/1 to 6/30.
- (B) Provided by the Judicial Council.
- (C) Adjustment for a miscoded claim.
- (D) 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 - Workers' Compensation
Trial Courts

Case Reserves as of 12/31/19

Accident Year (A)	Unlimited Reserves (B)	Additions to Losses (C)	Subtractions from Losses (D)	Adjusted Reserves (E)	Reserves Over SIR (F)	Reserves Over \$250,000 (G)	Reserves Capped at \$250,000 (H)	Reserves \$250,000 to SIR Layer (I)	Reserves Capped at SIR (J)	Reserves Capped at SIR & Aggregate (K)
2000-2001	643,544	0	0	643,544	326,555	580,408	63,136	253,853	316,989	316,989
2001-2002	766,828	37,744	0	804,572	599,097	681,084	123,488	81,987	205,475	205,475
2002-2003	339,741	0	0	339,741	0	248,790	90,951	248,790	339,741	339,741
2003-2004	1,083,996	0	0	1,083,996	0	871,687	212,310	871,687	1,083,996	1,083,996
2004-2005	181,091	0	0	181,091	0	19,028	162,063	19,028	181,091	181,091
2005-2006	610,448	0	0	610,448	0	384,837	225,611	384,837	610,448	610,448
2006-2007	802,376	0	0	802,376	0	617,087	185,289	617,087	802,376	802,376
2007-2008	621,417	0	0	621,417	0	160,610	460,807	160,610	621,417	621,417
2008-2009	374,154	0	0	374,154	0	16,959	357,195	16,959	374,154	374,154
2009-2010	750,343	0	0	750,343	0	265,414	484,928	265,414	750,343	750,343
2010-2011	1,169,344	0	0	1,169,344	0	467,237	702,107	467,237	1,169,344	1,169,344
2011-2012	1,373,725	0	0	1,373,725	0	579,923	793,802	579,923	1,373,725	1,373,725
2012-2013	1,345,399	0	0	1,345,399	0	93,569	1,251,830	93,569	1,345,399	1,345,399
2013-2014	1,439,065	0	0	1,439,065	0	56,046	1,383,019	56,046	1,439,065	1,439,065
2014-2015	1,760,525	0	0	1,760,525	0	59,682	1,700,844	59,682	1,760,525	1,760,525
2015-2016	2,107,744	0	0	2,107,744	0	199,570	1,908,174	199,570	2,107,744	2,107,744
2016-2017	2,279,495	0	0	2,279,495	0	123,576	2,155,919	123,576	2,279,495	2,279,495
2017-2018	2,748,685	0	0	2,748,685	0	0	2,748,685	0	2,748,685	2,748,685
2018-2019	2,301,499	0	0	2,301,499	0	0	2,301,499	0	2,301,499	2,301,499
2019-2020	838,329	0	0	838,329	0	0	838,329	0	838,329	838,329
Total	\$23,537,748	\$37,744	\$0	\$23,575,492	\$925,652	\$5,425,507	\$18,149,986	\$4,499,855	\$22,649,840	\$22,649,840

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 - Workers' Compensation
Trial Courts

Claim Counts as of 12/31/19

Accident Year (A)	Reported Claims (B)	Additions to Reported Claims (C)	Subtractions from Reported Claims (D)	Adjusted Reported Claims (E)	Closed Claims (F)	Additions to Closed Claims (G)	Subtractions from Closed Claims (H)	Adjusted Closed Claims (I)	Open Claims (J)	Adjusted Open Claims (K)
2000-2001	413	0	0	413	405	0	0	405	8	8
2001-2002	684	1	0	685	674	0	0	674	10	11
2002-2003	871	0	0	871	856	0	0	856	15	15
2003-2004	1,101	0	0	1,101	1,079	0	0	1,079	22	22
2004-2005	971	0	0	971	959	0	0	959	12	12
2005-2006	943	0	0	943	925	0	0	925	18	18
2006-2007	925	0	0	925	907	0	0	907	18	18
2007-2008	794	0	0	794	771	0	0	771	23	23
2008-2009	873	0	0	873	855	0	0	855	18	18
2009-2010	794	0	0	794	764	0	0	764	30	30
2010-2011	763	0	0	763	731	0	0	731	32	32
2011-2012	667	0	0	667	630	0	0	630	37	37
2012-2013	642	0	0	642	592	0	0	592	50	50
2013-2014	580	0	0	580	530	0	0	530	50	50
2014-2015	552	0	0	552	492	0	0	492	60	60
2015-2016	577	0	0	577	504	0	0	504	73	73
2016-2017	559	0	0	559	469	0	0	469	90	90
2017-2018	501	0	0	501	362	0	0	362	139	139
2018-2019	467	0	0	467	292	0	0	292	175	175
2019-2020	190	0	0	190	50	0	0	50	140	140
Total	13,867	1	0	13,868	12,847	0	0	12,847	1,020	1,021

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 - Workers' Compensation

Payroll and Loss Summary as of 12/31/16

Table with 14 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 Mariposa, Mendocino, Merced, and Modoc with sub-totals.

Judicial Branch Workers' Compensation Program - Workers' Compensation

Payroll and Loss Summary as of 12/31/16

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 Monterey, Mono, Napa, and Nevada, with a Total row for each.

Judicial Branch Workers' Compensation Program - Workers' Compensation

Payroll and Loss Summary as of 12/31/19

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)
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
	2023-2024	2,000,000	0	0	0	0	0	0	0	0	0	0	0
	Total		\$155,836,993	1	1	\$158,629	\$0	\$158,629	\$0	\$158,629	\$0	\$158,629	

Judicial Branch Workers' Compensation Program - Workers' Compensation
Trial Courts

Exposure Measures

Accident Year	Total Payroll (\$00) (A)	Inflation Trend Factor (B)	Trended Payroll (\$00) (C)
2000-2001	2,235,000	1.598	3,571,530
2001-2002	4,830,211	1.559	7,530,299
2002-2003	5,729,297	1.521	8,714,261
2003-2004	6,430,176	1.484	9,542,381
2004-2005	6,722,165	1.448	9,733,695
2005-2006	7,311,472	1.413	10,331,110
2006-2007	7,935,753	1.379	10,943,403
2007-2008	8,786,901	1.345	11,818,382
2008-2009	9,208,814	1.312	12,081,964
2009-2010	8,670,118	1.280	11,097,751
2010-2011	8,802,454	1.249	10,994,265
2011-2012	8,784,868	1.219	10,708,754
2012-2013	8,151,545	1.189	9,692,187
2013-2014	8,134,405	1.160	9,435,910
2014-2015	8,024,301	1.132	9,083,509
2015-2016	8,474,878	1.104	9,356,265
2016-2017	8,675,756	1.077	9,343,789
2017-2018	8,719,680	1.051	9,164,384
2018-2019	9,018,686	1.025	9,244,153
2019-2020	9,468,356	1.000	9,468,356
2020-2021	9,673,819	1.000	9,673,819
2021-2022	9,883,741	1.000	9,883,741
2022-2023	10,098,218	1.000	10,098,218

Notes:

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

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

Funding Guidelines for Outstanding Liabilities at
December 31, 2019

(A) Estimated Ultimate Losses Incurred through 12/31/19: (From Appendix J - G)	\$21,999,000
(B) Estimated Paid Losses through 12/31/19: (From Appendix J - G)	18,481,000
(C) Estimated Liability for Claims Outstanding at 12/31/19: (From Appendix J - G)	<u>\$3,518,000</u>
(D) Estimated Liability for Outstanding Claims Administration Fees at 12/31/19: (From Appendix J - F)	837,000
(E) Total Outstanding Liability for Claims at 12/31/19: ((C) + (D))	<u>\$4,355,000</u>
(F) Reserve Discount Factor (Based on a Discount Rate of 0.00%.): (Not Applicable)	1.000
(G) Discounted Outstanding Liability for Claims at 12/31/19: ((E) x (F))	<u>\$4,355,000</u>

	<u>Marginally Acceptable</u>		<u>Recommended</u>		<u>Conservative</u>
Confidence Level of Adequacy:	70%	75%	80%	85%	90%
(H) Confidence Level Factor: (From Appendix J - I)	1.121	1.173	1.235	1.311	1.411
(I) Margin for Adverse Experience: ((G) x [(H) - 1])	527,000	753,000	1,023,000	1,354,000	1,790,000
(J) Total Required Assets at 12/31/19: ((G) + (I))	<u>\$4,882,000</u>	<u>\$5,108,000</u>	<u>\$5,378,000</u>	<u>\$5,709,000</u>	<u>\$6,145,000</u>

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

Funding Guidelines for Outstanding Liabilities at
June 30, 2020

(A) Estimated Ultimate Losses Incurred through 6/30/20: (From Appendix J - G)	\$22,337,000
(B) Estimated Paid Losses through 6/30/20: (From Appendix J - G)	18,704,000
(C) Estimated Liability for Claims Outstanding at 6/30/20: (From Appendix J - G)	<u>\$3,633,000</u>
(D) Estimated Liability for Outstanding Claims Administration Fees at 6/30/20: (From Appendix J - F)	918,000
(E) Total Outstanding Liability for Claims at 6/30/20: ((C) + (D))	<u>\$4,551,000</u>
(F) Reserve Discount Factor (Based on a Discount Rate of 0.00%.): (Not Applicable)	1.000
(G) Discounted Outstanding Liability for Claims at 6/30/20: ((E) x (F))	<u>\$4,551,000</u>

	<u>Marginally Acceptable</u>		<u>Recommended</u>		<u>Conservative</u>
Confidence Level of Adequacy:	70%	75%	80%	85%	90%
(H) Confidence Level Factor: (From Appendix J - I)	1.121	1.173	1.235	1.311	1.411
(I) Margin for Adverse Experience: ((G) x [(H) - 1])	551,000	787,000	1,069,000	1,415,000	1,870,000
(J) Total Required Assets at 6/30/20: ((G) + (I))	<u>\$5,102,000</u>	<u>\$5,338,000</u>	<u>\$5,620,000</u>	<u>\$5,966,000</u>	<u>\$6,421,000</u>

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

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

	Dollar Amount			Payroll Rate	
(A) Estimated Ultimate Losses Incurred in Accident Year 2019-2020: (From Appendix J - G)	\$677,000			\$0.112	
(B) Estimated Claims Administration Fees Incurred in Accident Year 2019-2020: (Based on Exhibit 1)	274,000			0.045	
(C) Total Claims Costs Incurred in Accident Year 2019-2020: ((A) + (B))	\$951,000			\$0.157	
(D) Loss Discount Factor (Based on a Discount Rate of 0.00%.): (Not Applicable)	1.000				
(E) Discounted Total Claims Costs Incurred in Accident Year 2019-2020: ((C) x (D))	\$951,000			\$0.157	
	Marginally Acceptable			Recommended	
	60%	65%	70%	75%	80%
(F) Confidence Level Factor: (From Appendix J - I)	1.005	1.105	1.217	1.344	1.495
(G) Margin for Adverse Experience: ((E) x [(F) - 1])	5,000	100,000	206,000	327,000	471,000
(H) Recommended Funding in 2019-2020 for Claims Costs and Other Expenses: ((E) + (G))	\$956,000	\$1,051,000	\$1,157,000	\$1,278,000	\$1,422,000
(I) Rate per \$100 of Payroll: (/ \$6,042,343)	\$0.158	\$0.174	\$0.191	\$0.212	\$0.235

Payroll rates are per hundred dollars of 2019-2020 payroll of \$604,234,300.

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

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

	Marginally Acceptable		Recommended		
	60%	65%	70%	75%	80%
(A) Estimated Ultimate Losses Incurred in Accident Year 2020-2021: (From Appendix J - G)					
(B) Estimated Claims Administration Fees Incurred in Accident Year 2020-2021: (Based on Exhibit 1)					
(C) Total Claims Costs Incurred in Accident Year 2020-2021: ((A) + (B))					
(D) Loss Discount Factor (Based on a Discount Rate of 0.00%.): (Not Applicable)					
(E) Discounted Total Claims Costs Incurred in Accident Year 2020-2021: ((C) x (D))					
(F) Confidence Level Factor: (From Appendix J - I)	1.005	1.105	1.217	1.344	1.495
(G) Margin for Adverse Experience: ((E) x [(F) - 1])	5,000	98,000	203,000	322,000	464,000
(H) Recommended Funding in 2020-2021 for Claims Costs and Other Expenses: ((E) + (G))	\$942,000	\$1,035,000	\$1,140,000	\$1,259,000	\$1,401,000
(I) Budgeted Non Claims Related Expenses: (Provided by the Judicial Council)	401,000	401,000	401,000	401,000	401,000
(J) Recommended Funding in 2020-2021 for Claims Costs, Other Expenses, and Non Claims Related Expenses: ((H) + (I))	\$1,343,000	\$1,436,000	\$1,541,000	\$1,660,000	\$1,802,000
(K) Rate per \$100 of Payroll: ((J) / \$6,173,462)	\$0.218	\$0.233	\$0.250	\$0.269	\$0.292

Payroll rates are per hundred dollars of 2020-2021 payroll of \$617,346,200.

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

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

	Marginally Acceptable		Recommended		
	60%	65%	70%	75%	80%
(A) Estimated Ultimate Losses Incurred in Accident Year 2021-2022: (From Appendix J - G)					
(B) Estimated Claims Administration Fees Incurred in Accident Year 2021-2022: (Based on Exhibit 1)					
(C) Total Claims Costs Incurred in Accident Year 2021-2022: ((A) + (B))					
(D) Loss Discount Factor (Based on a Discount Rate of 0.00%.): (Not Applicable)					
(E) Discounted Total Claims Costs Incurred in Accident Year 2021-2022: ((C) x (D))					
(F) Confidence Level Factor: (From Appendix J - I)	1.005	1.105	1.217	1.344	1.495
(G) Margin for Adverse Experience: ((E) x [(F) - 1])	5,000	102,000	210,000	333,000	479,000
(H) Recommended Funding in 2021-2022 for Claims Costs and Other Expenses: ((E) + (G))	\$972,000	\$1,069,000	\$1,177,000	\$1,300,000	\$1,446,000
(I) Rate per \$100 of Payroll: ((H) / \$6,307,426)	\$0.154	\$0.169	\$0.187	\$0.206	\$0.229

Payroll rates are per hundred dollars of 2021-2022 payroll of \$630,742,600.

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

Funding Options for Program Year 2022-2023 (SIR = \$2,000,000)

	Dollar Amount		Payroll Rate		
(A) Estimated Ultimate Losses Incurred in Accident Year 2022-2023: (From Appendix J - G)	\$728,000		\$0.113		
(B) Estimated Claims Administration Fees Incurred in Accident Year 2022-2023: (Based on Exhibit 1)	259,000		0.040		
(C) Total Claims Costs Incurred in Accident Year 2022-2023: ((A) + (B))	<u>\$987,000</u>		<u>\$0.153</u>		
(D) Loss Discount Factor (Based on a Discount Rate of 0.00%.): (Not Applicable)	1.000				
(E) Discounted Total Claims Costs Incurred in Accident Year 2022-2023: ((C) x (D))	<u>\$987,000</u>		<u>\$0.153</u>		
	Marginally Acceptable		Recommended		
	60%	65%	70%	75%	80%
(F) Confidence Level Factor: (From Appendix J - I)	1.005	1.105	1.217	1.344	1.495
(G) Margin for Adverse Experience: ((E) x [(F) - 1])	5,000	104,000	214,000	340,000	489,000
(H) Recommended Funding in 2022-2023 for Claims Costs and Other Expenses: ((E) + (G))	<u>\$992,000</u>	<u>\$1,091,000</u>	<u>\$1,201,000</u>	<u>\$1,327,000</u>	<u>\$1,476,000</u>
(I) Rate per \$100 of Payroll: ((H) / \$6,444,298)	\$0.154	\$0.169	\$0.186	\$0.206	\$0.229

Payroll rates are per hundred dollars of 2022-2023 payroll of \$644,429,800.

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

IBNR as of 6/30/20 at Expected Claims Level

Accident Year	Estimated Ultimate (A)	Reported as of 12/31/19 (B)	Estimated IBNR as of 12/31/19 (C)	Estimated Percent of IBNR Reported Between 1/1/20 and 6/30/20 (D)	Estimated IBNR Reported (E)	Estimated IBNR as of 6/30/20 (F)
Prior	\$11,025,000	\$10,948,017	\$76,983	0.0%	\$0	\$76,983
1999-2000	671,000	664,098	6,902	19.8%	1,000	5,902
2000-2001	950,967	950,967	0	8.2%	0	0
2001-2002	881,000	867,422	13,578	12.3%	2,000	11,578
2002-2003	171,866	171,866	0	14.0%	0	0
2003-2004	289,343	289,343	0	10.9%	0	0
2004-2005	365,870	365,870	0	11.1%	0	0
2005-2006	246,000	235,295	10,705	10.7%	1,000	9,705
2006-2007	607,000	574,760	32,240	10.2%	3,000	29,240
2007-2008	280,000	261,670	18,330	9.4%	2,000	16,330
2008-2009	889,000	818,492	70,508	8.6%	6,000	64,508
2009-2010	760,000	686,343	73,657	9.4%	7,000	66,657
2010-2011	368,000	325,242	42,758	8.8%	4,000	38,758
2011-2012	652,000	560,373	91,627	8.6%	8,000	83,627
2012-2013	516,000	429,742	86,258	8.0%	7,000	79,258
2013-2014	168,000	92,170	75,830	8.5%	6,000	69,830
2014-2015	388,000	272,758	115,242	8.1%	9,000	106,242
2015-2016	752,000	579,245	172,755	8.8%	15,000	157,755
2016-2017	602,000	316,763	285,237	9.8%	28,000	257,237
2017-2018	466,000	77,735	388,265	9.9%	38,000	350,265
2018-2019	611,000	112,551	498,449	13.5%	67,000	431,449
2019-2020	677,000	57,250	281,750	14.0%	87,000	532,750
Totals	\$22,337,046	\$19,657,972	\$2,341,074		\$291,000	\$2,388,074

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 1/1/20 and 6/30/20. 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 6/30/20. 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 - Workers' Compensation
State Judiciary

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)	Selected Estimate of Ultimate Losses Limited to Aggregate (G)	
Prior	\$11,024,653	\$11,176,389			\$8,296,074	\$11,025,000	\$11,025,000	
1999-2000	670,739	714,536			746,145	671,000	671,000	
2000-2001	962,379	1,052,720	960,270	1,026,168	773,940	950,967	950,967	
2001-2002	881,301	923,572	879,184	903,279	735,444	881,000	881,000	
2002-2003	175,475	194,380	177,082	200,679	247,038	171,866	171,866	
2003-2004	297,155	331,298	300,313	342,929	421,776	289,343	289,343	
2004-2005	378,675	423,677	378,196	415,172	363,904	365,870	365,870	
2005-2006	245,883	269,622	250,572	282,562	357,534	246,000	246,000	
2006-2007	606,947	687,988	600,133	653,750	478,071	607,000	607,000	
2007-2008	279,987	296,363	288,376	317,102	412,192	280,000	280,000	
2008-2009	888,882	877,145	897,062	900,937	995,256	889,000	889,000	
2009-2010	759,782	885,382	762,260	862,440	780,546	760,000	760,000	
2010-2011	368,174	350,185	380,834	381,573	482,125	368,000	368,000	
2011-2012	651,714	774,820	686,419	810,618	899,754	652,000	652,000	
2012-2013	516,120	638,167	517,051	600,700	522,784	516,000	516,000	
2013-2014	115,305	127,325	125,504	141,821	168,267	168,000	168,000	
2014-2015	358,950	375,757	416,834	475,410	652,924	388,000	388,000	
2015-2016	816,735	818,162	749,026	694,461	711,100	752,000	752,000	
2016-2017	495,734	731,721	521,062	629,238	453,866	602,000	602,000	
2017-2018	141,478	232,906	343,781	496,431	467,007	466,000	466,000	
2018-2019	293,983	630,916	495,198	621,508	709,850	611,000	611,000	
Totals						\$21,660,046	\$21,660,046	
						Projected Losses for the Year 2019-2020 (H)	\$677,000	\$677,000
						Projected Losses for the Year 2020-2021 (I)	691,000	691,000
						Projected Losses for the Year 2021-2022 (J)	713,000	713,000
						Projected Losses for the Year 2022-2023 (K)	728,000	728,000

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) (F) limited to applicable aggregate.
- (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).
- (K) 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 - Workers' Compensation
State Judiciary

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	\$6,697,091	\$6,835,619			\$6,696,918	\$6,697,000
1999-2000	541,096	554,543			540,999	541,000
2000-2001	557,560	571,402	557,566	570,877	553,680	553,684
2001-2002	519,439	532,321	519,470	531,933	519,012	519,000
2002-2003	173,413	177,709	173,414	177,541	171,874	171,866
2003-2004	291,947	299,759	291,936	299,428	289,333	289,343
2004-2005	248,440	255,081	248,432	254,808	245,984	245,980
2005-2006	237,883	238,670	237,900	238,507	238,005	238,000
2006-2007	317,437	327,778	317,461	327,234	313,368	317,000
2007-2008	265,857	254,926	265,889	255,246	266,002	266,000
2008-2009	632,424	632,726	632,638	632,794	631,992	632,000
2009-2010	499,651	520,124	499,186	518,235	487,474	500,000
2010-2011	295,825	282,509	295,729	283,135	296,000	296,000
2011-2012	542,792	563,990	543,078	562,501	542,996	543,000
2012-2013	310,121	328,468	310,196	326,648	310,000	310,000
2013-2014	98,069	90,686	97,948	91,362	97,999	98,000
2014-2015	196,125	219,443	207,633	241,397	373,359	202,000
2015-2016	539,504	530,671	518,307	478,400	409,292	529,000
2016-2017	290,788	340,851	294,880	333,212	256,972	314,000
2017-2018	96,391	135,602	141,313	241,330	259,998	188,000
2018-2019	184,246	356,589	244,141	341,753	388,450	322,000
Totals						\$13,772,873
			Projected Losses for the Year 2019-2020 (G)			\$395,000
			Projected Losses for the Year 2020-2021 (H)			\$397,000
			Projected Losses for the Year 2021-2022 (I)			\$403,000
			Projected Losses for the Year 2022-2023 (J)			\$405,000

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 - Workers' Compensation
State Judiciary

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	553,684	0.590	326,674	2,981,788	0.110
2001-2002	519,000	0.597	309,843	3,128,227	0.099
2002-2003	171,866	0.633	108,791	3,184,426	0.034
2003-2004	289,343	0.790	228,581	5,145,587	0.044
2004-2005	245,980	1.030	253,359	5,331,138	0.048
2005-2006	238,000	1.130	268,940	5,382,985	0.050
2006-2007	317,000	1.092	346,164	5,838,163	0.059
2007-2008	266,000	1.033	274,778	6,132,319	0.045
2008-2009	632,000	0.953	602,296	6,064,395	0.099
2009-2010	500,000	0.879	439,500	5,884,608	0.075
2010-2011	296,000	0.856	253,376	5,866,000	0.043
2011-2012	543,000	0.856	464,808	5,734,571	0.081
2012-2013	310,000	0.882	273,420	5,445,905	0.050
2013-2014	98,000	0.908	88,984	5,349,725	0.017
2014-2015	202,000	0.914	184,628	5,220,131	0.035
2015-2016	529,000	0.952	503,608	5,352,666	0.094
2016-2017	314,000	1.001	314,314	5,338,924	0.059
2017-2018	188,000	0.999	187,812	5,462,069	0.034
2018-2019	322,000	0.994	320,068	5,637,940	0.057
Totals	\$6,534,873		\$5,749,944	98,481,567	\$0.058
15/16-18/19	1,353,000		1,325,802	21,791,599	0.061
				(F) Selected Limited Rate:	\$0.065
				Prior:	\$0.070
Program Year:		2019-2020	2020-2021	2021-2022	2022-2023
(G) Factor to SIR:		1.716	1.743	1.771	1.799
(H) Trend Factor:		1.000	0.990	0.980	0.970
(I) Program Rate:		\$0.112	\$0.112	\$0.113	\$0.113
(J) Trended Payroll (\$00):		6,042,343	6,173,462	6,307,426	6,444,298
(K) Projected Program Losses:		677,000	691,000	713,000	728,000

Notes appear on the next page.

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

Reported Loss Development

Accident Year (A)	Limited Reported Losses as of 12/31/19 (B)	Reported Loss Development Factor (C)	Ultimate Limited Losses (D)	Program Reported Losses of 12/31/19 (E)	Reported Loss Development Factor (F)	Ultimate Program Losses (G)
Prior	\$6,663,772	1.005	\$6,697,091	\$10,948,017	1.007	\$11,024,653
1999-2000	537,869	1.006	541,096	664,098	1.010	670,739
2000-2001	553,684	1.007	557,560	950,967	1.012	962,379
2001-2002	515,316	1.008	519,439	867,422	1.016	881,301
2002-2003	171,866	1.009	173,413	171,866	1.021	175,475
2003-2004	289,343	1.009	291,947	289,343	1.027	297,155
2004-2005	245,980	1.010	248,440	365,870	1.035	378,675
2005-2006	235,295	1.011	237,883	235,295	1.045	245,883
2006-2007	313,363	1.013	317,437	574,760	1.056	606,947
2007-2008	261,670	1.016	265,857	261,670	1.070	279,987
2008-2009	620,024	1.020	632,424	818,492	1.086	888,882
2009-2010	487,464	1.025	499,651	686,343	1.107	759,782
2010-2011	286,930	1.031	295,825	325,242	1.132	368,174
2011-2012	522,921	1.038	542,792	560,373	1.163	651,714
2012-2013	295,917	1.048	310,121	429,742	1.201	516,120
2013-2014	92,170	1.064	98,069	92,170	1.251	115,305
2014-2015	180,760	1.085	196,125	272,758	1.316	358,950
2015-2016	482,562	1.118	539,504	579,245	1.410	816,735
2016-2017	250,033	1.163	290,788	316,763	1.565	495,734
2017-2018	77,735	1.240	96,391	77,735	1.820	141,478
2018-2019	112,551	1.637	184,246	112,551	2.612	293,983
Totals	\$13,197,225		\$13,536,099	\$19,600,722		\$20,930,051

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 - Workers' Compensation - State Judiciary
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
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	72,893	227,884	390,648	494,307	490,959	558,429	567,221	576,827	620,024	620,024	620,024
2009-2010	38,553	422,040	493,213	499,430	483,058	493,254	493,279	493,305	489,301	489,301	487,464
2010-2011	36,770	148,198	217,390	238,726	261,768	270,543	279,073	279,073	286,930	286,930	
2011-2012	144,363	447,283	515,762	598,208	558,075	539,408	529,308	541,107	522,921		
2012-2013	149,222	407,603	399,291	363,277	314,241	319,532	319,532	295,917			
2013-2014	31,800	80,977	101,267	117,468	91,708	91,708	92,170				
2014-2015	59,415	160,387	322,601	233,170	189,984	180,760					
2015-2016	61,797	274,185	308,294	461,565	482,562						
2016-2017	37,632	151,356	265,636	250,033							
2017-2018	21,621	67,646	77,735								
2018-2019	79,605	112,551									
2019-2020	57,250										

	<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
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	3.126	1.714	1.265	0.993	1.137	1.016	1.017	1.075	1.000	1.000	1.000
2009-2010	10.947	1.169	1.013	0.967	1.021	1.000	1.000	0.992	1.000	0.996	
2010-2011	4.030	1.467	1.098	1.097	1.034	1.032	1.000	1.028	1.000		
2011-2012	3.098	1.153	1.160	0.933	0.967	0.981	1.022	0.966			
2012-2013	2.732	0.980	0.910	0.865	1.017	1.000	0.926				
2013-2014	2.546	1.251	1.160	0.781	1.000	1.005					
2014-2015	2.699	2.011	0.723	0.815	0.951						
2015-2016	4.437	1.124	1.497	1.045							
2016-2017	4.022	1.755	0.941								
2017-2018	3.129	1.149									
2018-2019	1.414										

	6-18 Months	18-30 Months	30-42 Months	42-54 Months	54-66 Months	66-78 Months	78-90 Months	90-102 Months	102-114 Months	114-126 Months	126-138 Months
Average Dollar-Weighted Averages	3.835	1.379	1.049	1.012	1.104	0.996	0.991	0.989	1.013	0.989	1.001
3-yr	2.388	1.321	1.054	0.941	0.993	0.990	0.990	0.989	1.000	0.997	0.993
4-yr	3.019	1.491	1.065	0.917	0.980	0.999	0.993	1.015	1.013	0.997	0.996
Industry Factors	2.763	1.254	1.063	1.017	1.010	1.008	1.008	1.007	1.007	1.006	1.005
Prior	0.000	1.320	1.067	1.040	1.030	1.020	1.015	1.010	1.007	1.006	1.005
Selected	2.703	1.320	1.066	1.040	1.030	1.020	1.015	1.010	1.007	1.006	1.005
Cumulated	4.425	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 - Workers' Compensation - State Judiciary
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
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	537,869
2000-2001	553,684	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	515,316			
2002-2003	204,695	204,939	195,771	195,771	171,866	171,866	171,866				
2003-2004	313,119	313,119	289,343	289,343	289,343	289,343					
2004-2005	245,971	245,980	245,980	245,980	245,980						
2005-2006	229,011	227,199	235,295	235,295							
2006-2007	313,363	313,363	313,363								
2007-2008	268,273	261,670									
2008-2009	620,024										
2009-2010											
2010-2011											
2011-2012											
2012-2013											
2013-2014											
2014-2015											
2015-2016											
2016-2017											
2017-2018											
2018-2019											
2019-2020											

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
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	1.000		
2000-2001	1.000	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	0.842				
2002-2003	1.001	0.955	1.000	0.878	1.000	1.000					
2003-2004	1.000	0.924	1.000	1.000	1.000						
2004-2005	1.000	1.000	1.000	1.000							
2005-2006	0.992	1.036	1.000								
2006-2007	1.000	1.000									
2007-2008	0.975										
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	222-234 Months	234-246 Months	246-258 Months	258-Ult. Months
Average Dollar-Weighted Averages	1.000	0.986	0.992	0.957	1.071	1.000	0.961	1.000	1.000	1.000	
3-yr	0.990	1.010	1.000	0.967	1.103	1.000	0.943	1.000			
4-yr	0.992	0.986	1.000	0.981	1.066	1.000	0.961				
Industry Factors	1.005	1.004	1.004	1.003	1.004	1.003	1.003	1.003	1.002	1.003	1.014
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 - Workers' Compensation - State Judiciary
Reported between \$100,000 and \$500,000 Loss Development

Accident Year	<u>Losses Reported as of:</u>										
	6 Months	18 Months	30 Months	42 Months	54 Months	66 Months	78 Months	90 Months	102 Months	114 Months	126 Months
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	198,879
2010-2011									11,239	38,312	
2011-2012			53,416	68,749	57,543	48,324	19,367	37,452	37,452		
2012-2013		197,315	136,141	133,826	133,826	133,826	133,826	133,826			
2013-2014											
2014-2015				7,314	91,347	91,998					
2015-2016					96,683						
2016-2017			63,728	66,730							
2017-2018											
2018-2019											
2019-2020											

	<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
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	1.003
2009-2010		1.073	0.953	1.047	1.020	1.017	0.935	1.000	1.000	1.000	
2010-2011									3.409		
2011-2012			1.287	0.837	0.840	0.401	1.934	1.000			
2012-2013		0.690	0.983	1.000	1.000	1.000	1.000				
2013-2014											
2014-2015				12.489	1.007						
2015-2016											
2016-2017			1.047								
2017-2018											
2018-2019											

	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		0.882	1.423	3.275	0.957	1.110	1.247	1.369	1.374	0.999	1.082
Dollar-Weighted											
Averages											
3-yr									1.290		
4-yr											
Industry											
Factors	3.854	2.078	1.518	1.281	1.163	1.097	1.078	1.067	1.055	1.046	1.040
Prior	0.000	2.127	1.559	1.316	1.192	1.114	1.089	1.075	1.062	1.053	1.044
Selected	3.854	2.111	1.549	1.307	1.185	1.110	1.086	1.073	1.060	1.051	1.043
Cumulated	35.915	9.319	4.415	2.851	2.181	1.841	1.659	1.527	1.423	1.342	1.277

Judicial Branch Workers' Compensation Program - Workers' Compensation - State Judiciary
Reported between \$100,000 and \$500,000 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	234 Months	246 Months	258 Months
1998-1999	444,658	476,438	476,438	477,638	619,623	619,622	619,622	619,622	612,499	612,499	630,805
1999-2000	109,716	109,716	109,716	114,191	114,191	146,439	145,681	129,645	129,645	126,230	
2000-2001	396,372	396,529	396,686	396,865	396,865	396,865	506,865	451,912	397,284		
2001-2002	543,370	543,370	543,938	404,352	425,509	449,566	417,019	352,107			
2002-2003											
2003-2004											
2004-2005	119,890	119,890	119,890	119,890	119,890						
2005-2006											
2006-2007	314,969	291,698	261,397								
2007-2008											
2008-2009	198,468										
2009-2010											
2010-2011											
2011-2012											
2012-2013											
2013-2014											
2014-2015											
2015-2016											
2016-2017											
2017-2018											
2018-2019											
2019-2020											

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
	1998-1999	1.071	1.000	1.003	1.297	1.000	1.000	1.000	0.989	1.000	1.030
1999-2000	1.000	1.000	1.041	1.000	1.282	0.995	0.890	1.000	0.974		
2000-2001	1.000	1.000	1.000	1.000	1.000	1.277	0.892	0.879			
2001-2002	1.000	1.001	0.743	1.052	1.057	0.928	0.844				
2002-2003											
2003-2004											
2004-2005	1.000	1.000	1.000	1.000							
2005-2006											
2006-2007	0.926	0.896									
2007-2008											
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	222-234 Months	234-246 Months	246-258 Months	258-Ult. Months
Average Dollar-Weighted Averages	1.000	0.983	0.957	1.070	1.085	1.050	0.907	0.956	0.987	1.030	
3-yr							0.873	0.949			
4-yr							0.920				
Industry Factors	1.033	1.028	1.025	1.023	1.021	1.018	1.013	1.011	1.010	1.008	1.028
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	1.027	1.025	1.023	1.017	1.013	1.010	1.007	1.004	1.015
Cumulated	1.224	1.183	1.149	1.119	1.092	1.068	1.050	1.037	1.026	1.019	1.015

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

Paid Loss Development

Accident Year (A)	Limited Paid Losses as of 12/31/19 (B)	Paid Loss Development Factor (C)	Ultimate Limited Losses (D)	Program Paid Losses of 12/31/19 (E)	Paid Loss Development Factor (F)	Ultimate Program Losses (G)
Prior	\$6,636,523	1.030	\$6,835,619	\$10,445,223	1.070	\$11,176,389
1999-2000	537,869	1.031	554,543	651,949	1.096	714,536
2000-2001	553,684	1.032	571,402	950,967	1.107	1,052,720
2001-2002	515,316	1.033	532,321	825,355	1.119	923,572
2002-2003	171,866	1.034	177,709	171,866	1.131	194,380
2003-2004	289,343	1.036	299,759	289,343	1.145	331,298
2004-2005	245,980	1.037	255,081	365,870	1.158	423,677
2005-2006	229,270	1.041	238,670	229,270	1.176	269,622
2006-2007	313,363	1.046	327,778	574,760	1.197	687,988
2007-2008	242,325	1.052	254,926	242,325	1.223	296,363
2008-2009	597,475	1.059	632,726	700,036	1.253	877,145
2009-2010	487,464	1.067	520,124	686,343	1.290	885,382
2010-2011	262,311	1.077	282,509	262,311	1.335	350,185
2011-2012	518,373	1.088	563,990	555,825	1.394	774,820
2012-2013	295,917	1.110	328,468	429,742	1.485	638,167
2013-2014	79,133	1.146	90,686	79,133	1.609	127,325
2014-2015	180,760	1.214	219,443	208,870	1.799	375,757
2015-2016	387,351	1.370	530,671	387,571	2.111	818,162
2016-2017	212,766	1.602	340,851	279,496	2.618	731,721
2017-2018	61,082	2.220	135,602	61,082	3.813	232,906
2018-2019	70,794	5.037	356,589	70,794	8.912	630,916
Totals	\$12,888,965		\$14,049,467	\$18,468,131		\$22,513,031

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 - Workers' Compensation - State Judiciary
Paid Loss Development

Accident Year	Limited Losses Paid as of:										
	6 Months	18 Months	30 Months	42 Months	54 Months	66 Months	78 Months	90 Months	102 Months	114 Months	126 Months
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	14,270	155,054	269,155	371,169	425,671	449,069	477,417	499,473	558,306	574,868	589,147
2009-2010	2,193	112,420	275,166	300,157	344,298	393,422	466,869	468,446	472,290	474,792	487,464
2010-2011	4,096	43,931	79,332	134,773	178,164	226,748	235,163	246,942	256,181	262,311	
2011-2012	28,206	159,528	296,493	416,624	489,136	493,696	499,081	511,949	518,373		
2012-2013	17,823	53,096	222,714	285,510	294,257	295,716	295,980	295,917			
2013-2014	3,931	24,089	38,936	71,070	76,508	77,577	79,133				
2014-2015	1,980	44,999	122,031	131,400	164,265	180,760					
2015-2016	8,026	82,155	159,301	282,169	387,351						
2016-2017	4,233	88,693	192,273	212,766							
2017-2018	823	44,578	61,082								
2018-2019	8,269	70,794									
2019-2020	12,442										

Accident Year	Paid Loss Development Factors:										
	6-18 Months	18-30 Months	30-42 Months	42-54 Months	54-66 Months	66-78 Months	78-90 Months	90-102 Months	102-114 Months	114-126 Months	126-138 Months
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	10.866	1.736	1.379	1.147	1.055	1.063	1.046	1.118	1.030	1.025	1.014
2009-2010	51.261	2.448	1.091	1.147	1.143	1.187	1.003	1.008	1.005	1.027	
2010-2011	10.725	1.806	1.699	1.322	1.273	1.037	1.050	1.037	1.024		
2011-2012	5.656	1.859	1.405	1.174	1.009	1.011	1.026	1.013			
2012-2013	2.979	4.195	1.282	1.031	1.005	1.001	1.000				
2013-2014	6.128	1.616	1.825	1.077	1.014	1.020					
2014-2015	22.727	2.712	1.077	1.250	1.100						
2015-2016	10.236	1.939	1.771	1.373							
2016-2017	20.953	2.168	1.107								
2017-2018	54.165	1.370									
2018-2019	8.561										

	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	18.569	2.149	1.396	1.210	1.181	1.051	1.059	1.039	1.038	1.014	1.019
3-yr	15.314	1.916	1.322	1.296	1.036	1.008	1.024	1.016	1.020	1.027	1.032
4-yr	13.405	2.053	1.361	1.198	1.023	1.014	1.017	1.045	1.051	1.022	1.027
Industry Factors	3.610	1.692	1.257	1.124	1.068	1.042	1.027	1.018	1.014	1.013	1.011
Prior	0.000	2.293	1.383	1.164	1.129	1.060	1.032	1.020	1.010	1.009	1.008
Selected	14.360	2.269	1.386	1.169	1.129	1.060	1.032	1.020	1.010	1.009	1.008
Cumulated	72.331	5.037	2.220	1.602	1.370	1.214	1.146	1.110	1.088	1.077	1.067

Judicial Branch Workers' Compensation Program - Workers' Compensation - State Judiciary
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	234 Months	246 Months	258 Months
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	537,869
2000-2001	553,684	553,684	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	515,316			
2002-2003	195,527	195,771	195,771	195,771	171,866	171,866	171,866				
2003-2004	288,006	288,633	289,343	289,343	289,343	289,343					
2004-2005	245,971	245,980	245,980	245,980	245,980						
2005-2006	226,861	227,199	229,141	229,270							
2006-2007	313,363	313,363	313,363								
2007-2008	242,004	242,325									
2008-2009	597,475										
2009-2010											
2010-2011											
2011-2012											
2012-2013											
2013-2014											
2014-2015											
2015-2016											
2016-2017											
2017-2018											
2018-2019											
2019-2020											

	<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
1998-1999	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1999-2000	1.009	1.005	1.008	0.850	1.228	1.000	1.000	1.000	1.000	1.000	1.000
2000-2001	1.000	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	0.842				
2002-2003	1.001	1.000	1.000	0.878	1.000	1.000					
2003-2004	1.002	1.002	1.000	1.000	1.000						
2004-2005	1.000	1.000	1.000	1.000							
2005-2006	1.001	1.009	1.001								
2006-2007	1.000	1.000									
2007-2008	1.001										
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	222-234 Months	234-246 Months	246-258 Months	258-Ult. Months
Average Dollar-Weighted Averages	1.002	1.004	1.002	0.961	1.071	1.000	0.961	1.000	1.000	1.000	
3-yr	1.001	1.002	1.000	0.967	1.103	1.000	0.943	1.000			
4-yr	1.001	1.002	1.000	0.981	1.066	1.000	0.961				
Industry Factors	1.009	1.007	1.008	1.007	1.006	1.005	1.005	1.005	1.005	1.005	1.024
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 - Workers' Compensation - State Judiciary
Paid between \$100,000 and \$500,000 Loss Development

Accident Year	<u>Losses Paid as of:</u>										
	6 Months	18 Months	30 Months	42 Months	54 Months	66 Months	78 Months	90 Months	102 Months	114 Months	126 Months
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	198,879
2010-2011											
2011-2012				9,253	3,276	9,228	9,741	37,452	37,452		
2012-2013			133,826	133,826	133,826	133,826	133,826	133,826			
2013-2014											
2014-2015						28,110					
2015-2016					220						
2016-2017			47,925	66,730							
2017-2018											
2018-2019											
2019-2020											

	<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
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	1.007
2009-2010				0.946	1.000	43.851	1.110	1.000	1.000	1.000	
2010-2011											
2011-2012				0.354	2.817	1.056	3.845	1.000			
2012-2013			1.000	1.000	1.000	1.000	1.000				
2013-2014											
2014-2015											
2015-2016											
2016-2017			1.392								
2017-2018											
2018-2019											

	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			2.656	0.888	1.932	12.197	1.828	1.113	1.127	1.021	1.058
3-yr											
4-yr											
Industry Factors	5.176	3.268	2.458	1.845	1.516	1.330	1.231	1.176	1.119	1.086	1.074
Prior	0.000	3.280	2.571	1.941	1.591	1.380	1.272	1.209	1.134	1.089	1.075
Selected	5.176	3.276	2.543	1.917	1.572	1.368	1.262	1.201	1.130	1.088	1.075
Cumulated	655.846	126.709	38.678	15.211	7.935	5.047	3.691	2.925	2.436	2.155	1.980

Judicial Branch Workers' Compensation Program - Workers' Compensation - State Judiciary
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
1998-1999	266,531	318,330	344,825	367,098	415,343	444,026	488,617	518,738	561,260	583,175	592,025
1999-2000	51,741	53,894	57,206	61,429	68,499	82,057	91,903	97,334	108,641	114,080	
2000-2001	396,372	396,529	396,686	396,865	396,865	396,865	397,129	397,284	397,284		
2001-2002	119,901	125,415	135,058	267,506	280,071	319,013	337,632	310,040			
2002-2003											
2003-2004											
2004-2005	119,890	119,890	119,890	119,890	119,890						
2005-2006											
2006-2007	252,853	261,631	261,397								
2007-2008											
2008-2009	102,561										
2009-2010											
2010-2011											
2011-2012											
2012-2013											
2013-2014											
2014-2015											
2015-2016											
2016-2017											
2017-2018											
2018-2019											
2019-2020											

Paid Loss Development Factors:

	138-150 Months	150-162 Months	162-174 Months	174-186 Months	186-198 Months	198-210 Months	210-222 Months	222-234 Months	234-246 Months	246-258 Months	258-Ult. Months
1998-1999	1.194	1.083	1.065	1.131	1.069	1.100	1.062	1.082	1.039	1.015	
1999-2000	1.042	1.061	1.074	1.115	1.198	1.120	1.059	1.116	1.050		
2000-2001	1.000	1.000	1.000	1.000	1.000	1.001	1.000	1.000			
2001-2002	1.046	1.077	1.981	1.047	1.139	1.058	0.918				
2002-2003											
2003-2004											
2004-2005	1.000	1.000	1.000	1.000							
2005-2006											
2006-2007	1.035	0.999									
2007-2008											
2008-2009											
2009-2010											
2010-2011											
2011-2012											
2012-2013											
2013-2014											
2014-2015											
2015-2016											
2016-2017											
2017-2018											
2018-2019											
Average Dollar-Weighted Averages	1.053	1.037	1.224	1.059	1.102	1.070	1.010	1.066	1.045	1.015	
3-yr							0.973	1.053			
4-yr							1.006				
Industry Factors	1.062	1.051	1.043	1.036	1.033	1.032	1.032	1.032	1.031	1.030	1.281
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	1.041	1.035	1.032	1.031	1.031	1.031	1.030	1.027	1.281
Cumulated	1.842	1.734	1.651	1.586	1.532	1.484	1.440	1.397	1.356	1.316	1.281

Judicial Branch Workers' Compensation Program - Workers' Compensation
State JudiciaryExposure and Development Method
Based on Reported Losses

Accident Year	Trended Payroll (\$00) (A)	Reported Losses as of 12/31/19 (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	2,981,788	950,967	1.012	0.012	0.260	9,303	960,270
2001-2002	3,128,227	867,422	1.016	0.016	0.235	11,762	879,184
2002-2003	3,184,426	171,866	1.021	0.021	0.078	5,216	177,082
2003-2004	5,145,587	289,343	1.027	0.026	0.082	10,970	300,313
2004-2005	5,331,138	365,870	1.035	0.034	0.068	12,326	378,196
2005-2006	5,382,985	235,295	1.045	0.043	0.066	15,277	250,572
2006-2007	5,838,163	574,760	1.056	0.053	0.082	25,373	600,133
2007-2008	6,132,319	261,670	1.070	0.065	0.067	26,706	288,376
2008-2009	6,064,395	818,492	1.086	0.079	0.164	78,570	897,062
2009-2010	5,884,608	686,343	1.107	0.097	0.133	75,917	762,260
2010-2011	5,866,000	325,242	1.132	0.117	0.081	55,592	380,834
2011-2012	5,734,571	560,373	1.163	0.140	0.157	126,046	686,419
2012-2013	5,445,905	429,742	1.201	0.167	0.096	87,309	517,051
2013-2014	5,349,725	92,170	1.251	0.201	0.031	33,334	125,504
2014-2015	5,220,131	272,758	1.316	0.240	0.115	144,076	416,834
2015-2016	5,352,666	579,245	1.410	0.291	0.109	169,781	749,026
2016-2017	5,338,924	316,763	1.565	0.361	0.106	204,299	521,062
2017-2018	5,462,069	77,735	1.820	0.451	0.108	266,046	343,781
2018-2019	5,637,940	112,551	2.612	0.617	0.110	382,647	495,198
Totals	98,481,567	\$7,988,607				\$1,740,550	\$9,729,157

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 - Workers' Compensation
State JudiciaryExposure and Development Method
Based on Paid Losses

Accident Year	Trended Payroll (\$00) (A)	Paid Losses as of 12/31/19 (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	2,981,788	950,967	1.107	0.097	0.260	75,201	1,026,168
2001-2002	3,128,227	825,355	1.119	0.106	0.235	77,924	903,279
2002-2003	3,184,426	171,866	1.131	0.116	0.078	28,813	200,679
2003-2004	5,145,587	289,343	1.145	0.127	0.082	53,586	342,929
2004-2005	5,331,138	365,870	1.158	0.136	0.068	49,302	415,172
2005-2006	5,382,985	229,270	1.176	0.150	0.066	53,292	282,562
2006-2007	5,838,163	574,760	1.197	0.165	0.082	78,990	653,750
2007-2008	6,132,319	242,325	1.223	0.182	0.067	74,777	317,102
2008-2009	6,064,395	700,036	1.253	0.202	0.164	200,901	900,937
2009-2010	5,884,608	686,343	1.290	0.225	0.133	176,097	862,440
2010-2011	5,866,000	262,311	1.335	0.251	0.081	119,262	381,573
2011-2012	5,734,571	555,825	1.394	0.283	0.157	254,793	810,618
2012-2013	5,445,905	429,742	1.485	0.327	0.096	170,958	600,700
2013-2014	5,349,725	79,133	1.609	0.378	0.031	62,688	141,821
2014-2015	5,220,131	208,870	1.799	0.444	0.115	266,540	475,410
2015-2016	5,352,666	387,571	2.111	0.526	0.109	306,890	694,461
2016-2017	5,338,924	279,496	2.618	0.618	0.106	349,742	629,238
2017-2018	5,462,069	61,082	3.813	0.738	0.108	435,349	496,431
2018-2019	5,637,940	70,794	8.912	0.888	0.110	550,714	621,508
Totals	98,481,567	\$7,370,959				\$3,385,819	\$10,756,778

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 - Workers' Compensation
State Judiciary

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	2,981,788	553,684	0.590	326,674	0.110	0.186	1.398	0.260
2001-2002	3,128,227	519,000	0.597	309,843	0.099	0.166	1.417	0.235
2002-2003	3,184,426	171,866	0.633	108,791	0.034	0.054	1.437	0.078
2003-2004	5,145,587	289,343	0.790	228,581	0.044	0.056	1.458	0.082
2004-2005	5,331,138	245,980	1.030	253,359	0.048	0.046	1.479	0.068
2005-2006	5,382,985	238,000	1.130	268,940	0.050	0.044	1.502	0.066
2006-2007	5,838,163	313,363	1.092	342,192	0.059	0.054	1.526	0.082
2007-2008	6,132,319	266,000	1.033	274,778	0.045	0.043	1.550	0.067
2008-2009	6,064,395	632,000	0.953	602,296	0.099	0.104	1.575	0.164
2009-2010	5,884,608	487,464	0.879	428,481	0.073	0.083	1.601	0.133
2010-2011	5,866,000	296,000	0.856	253,376	0.043	0.050	1.629	0.081
2011-2012	5,734,571	543,000	0.856	464,808	0.081	0.095	1.657	0.157
2012-2013	5,445,905	310,000	0.882	273,420	0.050	0.057	1.686	0.096
2013-2014	5,349,725	98,000	0.908	88,984	0.017	0.018	1.717	0.031
2014-2015	5,220,131	196,000	0.914	179,144	0.034	0.066	1.749	0.115
2015-2016	5,352,666	540,000	0.952	514,080	0.096	0.063	1.737	0.109
2016-2017	5,338,924	291,000	1.001	291,291	0.055	0.060	1.766	0.106
2017-2018	5,462,069	126,000	0.999	125,874	0.023	0.060	1.796	0.108
2018-2019	5,637,940	270,000	0.994	268,380	0.048	0.060	1.827	0.110
Total/Avg	98,481,567	\$6,386,700		\$5,603,292	\$0.057			
13/14-17/18	26,723,515	1,251,000		1,199,373	0.045			
15/16-18/19	21,791,599	1,227,000		1,199,625	0.055			
				Selected Limited Rate:	\$0.060			
				Prior:	\$0.060			

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 2013-2014 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 - Workers' Compensation
State Judiciary

Frequency and Severity Method

Accident Year	Ultimate Program Severity (A)	Adjusted Ultimate Claims (B)	Ultimate Program Losses (C)
Prior	\$20,637	402	\$8,296,074
1999-2000	27,635	27	746,145
2000-2001	25,798	30	773,940
2001-2002	20,429	36	735,444
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	14,487	33	478,071
2007-2008	18,736	22	412,192
2008-2009	41,469	24	995,256
2009-2010	30,021	26	780,546
2010-2011	19,285	25	482,125
2011-2012	31,026	29	899,754
2012-2013	32,674	16	522,784
2013-2014	15,297	11	168,267
2014-2015	28,388	23	652,924
2015-2016	27,350	26	711,100
2016-2017	26,698	17	453,866
2017-2018	27,471	17	467,007
2018-2019	28,394	25	709,850
Total		915	\$19,675,597

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 - Workers' Compensation
State Judiciary

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	\$6,697,000	402	\$16,659	0.888	\$14,793	\$16,659	1.239	\$20,637
1999-2000	541,000	27	20,037	0.757	15,168	20,037	1.379	27,635
2000-2001	553,684	30	18,456	0.714	13,178	18,456	1.398	25,798
2001-2002	519,000	36	14,417	0.714	10,294	14,417	1.417	20,429
2002-2003	171,866	38	4,523	0.750	3,392	4,523	1.437	6,501
2003-2004	289,343	29	9,977	0.927	9,249	9,977	1.458	14,544
2004-2005	245,980	32	7,687	1.197	9,201	7,687	1.479	11,372
2005-2006	238,000	27	8,815	1.301	11,468	8,815	1.502	13,242
2006-2007	313,363	33	9,496	1.244	11,813	9,496	1.526	14,487
2007-2008	266,000	22	12,091	1.165	14,086	12,091	1.550	18,736
2008-2009	632,000	24	26,333	1.063	27,992	26,333	1.575	41,469
2009-2010	487,464	26	18,749	0.971	18,205	18,749	1.601	30,021
2010-2011	296,000	25	11,840	0.936	11,082	11,840	1.629	19,285
2011-2012	543,000	29	18,724	0.927	17,357	18,724	1.657	31,026
2012-2013	310,000	16	19,375	0.945	18,309	19,375	1.686	32,674
2013-2014	98,000	11	8,909	0.964	8,588	8,909	1.717	15,297
2014-2015	225,000	23	9,783	0.961	9,401	16,233	1.749	28,388
2015-2016	529,000	26	20,346	0.991	20,163	15,742	1.737	27,350
2016-2017	292,000	17	17,176	1.032	17,726	15,116	1.766	26,698
2017-2018	188,000	17	11,059	1.020	11,280	15,294	1.796	27,471
2018-2019	322,000	25	12,880	1.004	12,932	15,538	1.827	28,394

Average Limited Severity: \$13,604
 Average 13/14-17/18 Limited Severity: 13,432
 Average 15/16-18/19 Limited Severity: 15,525

Selected Limited Severity: \$15,600
 Prior: \$16,000

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 - Workers' Compensation
State Judiciary

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	402	394	402	0.0		0.810	
1999-2000	27	26	27	0.0		0.819	
2000-2001	30	30	30	298.2	0.101	0.827	0.084
2001-2002	36	34	36	312.8	0.115	0.835	0.096
2002-2003	38	38	38	318.4	0.119	0.843	0.100
2003-2004	29	29	29	514.6	0.056	0.852	0.048
2004-2005	32	32	32	533.1	0.060	0.860	0.052
2005-2006	27	26	27	538.3	0.050	0.868	0.043
2006-2007	33	34	33	583.8	0.057	0.877	0.050
2007-2008	22	21	22	613.2	0.036	0.887	0.032
2008-2009	24	23	24	606.4	0.040	0.896	0.036
2009-2010	26	27	26	588.5	0.044	0.905	0.040
2010-2011	25	25	25	586.6	0.043	0.914	0.039
2011-2012	29	30	29	573.5	0.051	0.924	0.047
2012-2013	16	15	16	544.6	0.029	0.933	0.027
2013-2014	11	11	11	535.0	0.021	0.942	0.020
2014-2015	23	24	23	522.0	0.044	0.952	0.042
2015-2016	26	24	26	535.3	0.049	0.961	0.047
2016-2017	17	20	17	533.9	0.032	0.970	0.031
2017-2018	17	23	17	546.2	0.031	0.979	0.030
2018-2019	23	27	25	563.8	0.044	0.990	0.044
Total	913	913	915	9,848.2			0.044
13/14-17/18	94	102	94	2,672.4			0.034
						(H) Selected Frequency:	0.045
						Prior:	0.045
Program Year:				2019-2020	2020-2021	2021-2022	2022-2023
(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):				604.2	617.3	630.7	644.4
(L) Ultimate Claims:				27	28	28	28

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 - Workers' Compensation
State Judiciary

Frequency and Severity Method
Reported Claim Count Development

Accident Year	Claims Reported as of 12/31/2019 (A)	Reported Claim Development Factor (B)	Ultimate Claims (C)	Trended Claim Frequency (D)
Prior	402	1.000	402	
1999-2000	27	1.000	27	
2000-2001	30	1.000	30	0.083
2001-2002	36	1.000	36	0.096
2002-2003	38	1.000	38	0.101
2003-2004	29	1.000	29	0.048
2004-2005	32	1.000	32	0.052
2005-2006	27	1.000	27	0.044
2006-2007	33	1.000	33	0.050
2007-2008	22	1.000	22	0.032
2008-2009	24	1.000	24	0.035
2009-2010	26	1.000	26	0.040
2010-2011	25	1.000	25	0.039
2011-2012	29	1.000	29	0.047
2012-2013	16	1.000	16	0.027
2013-2014	11	1.000	11	0.019
2014-2015	23	1.004	23	0.042
2015-2016	26	1.016	26	0.047
2016-2017	16	1.038	17	0.031
2017-2018	16	1.077	17	0.030
2018-2019	20	1.141	23	0.040
Total	908		913	0.044

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 - Workers' Compensation
State JudiciaryFrequency and Severity Method
Closed Claim Count Development

Accident Year	Claims Closed as of 12/31/2019 (A)	Closed Claim Development Factor (B)	Ultimate Claims (C)	Trended Claim Frequency (D)
Prior	392	1.005	394	
1999-2000	26	1.006	26	
2000-2001	30	1.007	30	0.083
2001-2002	34	1.008	34	0.091
2002-2003	38	1.009	38	0.101
2003-2004	29	1.010	29	0.048
2004-2005	32	1.011	32	0.052
2005-2006	26	1.012	26	0.042
2006-2007	33	1.017	34	0.051
2007-2008	21	1.023	21	0.030
2008-2009	22	1.030	23	0.034
2009-2010	26	1.038	27	0.042
2010-2011	24	1.047	25	0.039
2011-2012	28	1.057	30	0.048
2012-2013	14	1.083	15	0.026
2013-2014	10	1.115	11	0.019
2014-2015	21	1.157	24	0.044
2015-2016	19	1.281	24	0.043
2016-2017	14	1.459	20	0.036
2017-2018	13	1.772	23	0.041
2018-2019	11	2.489	27	0.047
Total	863		913	0.045

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 - Workers' Compensation - State Judiciary
Reported Claim Count Development

Accident Year	Claims Reported as of:													
	6 Months	18 Months	30 Months	42 Months	54 Months	66 Months	78 Months	90 Months	102 Months	114 Months	126 Months	138 Months	150 Months	162 Months
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	
2008-2009	5	17	20	21	23	23	23	23	24	24	24	24		
2009-2010	12	24	25	25	26	26	26	26	26	26	26			
2010-2011	8	24	23	25	25	25	25	25	25	25				
2011-2012	10	22	24	30	29	29	28	28	29					
2012-2013	7	15	15	16	16	16	16	16						
2013-2014	6	11	11	11	11	11	11							
2014-2015	9	21	25	23	24	23								
2015-2016	13	25	26	26	26									
2016-2017	6	15	16	16										
2017-2018	4	16	16											
2018-2019	8	20												
2019-2020	12													

	Reported Claim Count Development Factors:													
	6-18 Months	18-30 Months	30-42 Months	42-54 Months	54-66 Months	66-78 Months	78-90 Months	90-102 Months	102-114 Months	114-126 Months	126-138 Months	138-150 Months	150-162 Months	162-174 Months
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
2002-2003							1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2003-2004						1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2004-2005					1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2005-2006				1.045	1.174	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2006-2007			0.971	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	
2008-2009	3.400	1.176	1.050	1.095	1.000	1.000	1.000	1.043	1.000	1.000	1.000			
2009-2010	2.000	1.042	1.000	1.040	1.000	1.000	1.000	1.000	1.000					
2010-2011	3.000	0.958	1.087	1.000	1.000	1.000	1.000	1.000	1.000					
2011-2012	2.200	1.091	1.250	0.967	1.000	0.966	1.000	1.036						
2012-2013	2.143	1.000	1.067	1.000	1.000	1.000								
2013-2014	1.833	1.000	1.000	1.000	1.000	1.000								
2014-2015	2.333	1.190	0.920	1.043	0.958									
2015-2016	1.923	1.040	1.000	1.000										
2016-2017	2.500	1.067	1.000											
2017-2018	4.000	1.000												
2018-2019	2.500													

	6-18 Months	18-30 Months	30-42 Months	42-54 Months	54-66 Months	66-78 Months	78-90 Months	90-102 Months	102-114 Months	114-126 Months	126-138 Months	138-150 Months	150-162 Months	162-174 Months
Average Claim-Weighted Averages	2.530	1.047	1.031	1.017	1.012	1.001	1.000	1.007	1.000	1.000	1.000	1.000	1.000	1.000
3-yr	2.833	1.036	0.970	1.017	0.980	0.982	1.000	1.013	1.000	1.000	1.000	1.000	1.000	1.000
4-yr	2.452	1.078	0.974	1.013	0.988	0.988	1.000	1.020	1.000	1.000	1.000	1.000	1.000	1.000
Comparative Factors	2.480	1.047	1.007	1.004	1.004	1.003	1.002	1.001	1.001	1.001	1.001	1.001	1.001	1.001
Prior	0.000	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
Selected	2.642	1.060	1.037	1.021	1.012	1.004	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Cumulated	3.015	1.141	1.077	1.038	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 - Workers' Compensation - State Judiciary
Closed Claim Development

Accident Year	Claims Closed as of:													
	6 Months	18 Months	30 Months	42 Months	54 Months	66 Months	78 Months	90 Months	102 Months	114 Months	126 Months	138 Months	150 Months	162 Months
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	33
2007-2008		8	13	15	15	15	17	18	19	19	19	21	21	
2008-2009	3	10	13	15	17	20	21	21	22	22	22	22		
2009-2010	1	12	17	21	22	24	24	25	25	25	26			
2010-2011	4	12	15	18	22	24	24	24	24	24				
2011-2012	1	9	12	20	22	26	25	26	28					
2012-2013	1	6	10	12	15	14	14	14						
2013-2014	2	7	10	10	10	10	10							
2014-2015	1	13	17	20	21	21								
2015-2016	4	15	19	18	19									
2016-2017	1	8	11	14										
2017-2018	1	13	13											
2018-2019		11												
2019-2020														

Closed Claim Count Development Factors:

	6-18 Months	18-30 Months	30-42 Months	42-54 Months	54-66 Months	66-78 Months	78-90 Months	90-102 Months	102-114 Months	114-126 Months	126-138 Months	138-150 Months	150-162 Months	162-174 Months
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	1.000
2006-2007			1.190	1.160	1.000	1.034	1.033	1.032	1.000	1.000	1.000	1.000	1.031	
2007-2008		1.625	1.154	1.000	1.000	1.133	1.059	1.056	1.000	1.000	1.105	1.000		
2008-2009	3.333	1.300	1.154	1.133	1.176	1.050	1.000	1.048	1.000	1.000	1.000			
2009-2010	12.000	1.417	1.235	1.048	1.091	1.000	1.042	1.000	1.000	1.040				
2010-2011	3.000	1.250	1.200	1.222	1.091	1.000	1.000	1.000	1.000					
2011-2012	9.000	1.333	1.667	1.100	1.182	0.962	1.040	1.077						
2012-2013	6.000	1.667	1.200	1.250	0.933	1.000	1.000							
2013-2014	3.500	1.429	1.000	1.000	1.000	1.000								
2014-2015	13.000	1.308	1.176	1.050	1.000									
2015-2016	3.750	1.267	0.947	1.056										
2016-2017	8.000	1.375	1.273											
2017-2018	13.000	1.000												
2018-2019														
Average Claim-Weighted Averages	7.458	1.361	1.200	1.128	1.082	1.026	1.019	1.035	1.003	1.015	1.011	1.007	1.009	1.004
3-yr		1.194	1.106	1.042	0.978	0.980	1.016	1.027	1.000	1.015	1.027	1.013	1.000	1.000
4-yr		1.224	1.088	1.083	1.044	0.986	1.023	1.031	1.000	1.010	1.010	1.009	1.008	1.000
Comparative Factors	2.847	1.272	1.069	1.047	1.033	1.024	1.015	1.010	1.008	1.006	1.005	1.004	1.002	1.002
Prior	0.000	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
Selected	2.847	1.405	1.215	1.139	1.107	1.038	1.030	1.025	1.010	1.009	1.008	1.007	1.006	1.005
Cumulated	7.086	2.489	1.772	1.459	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 - Workers' Compensation
State Judiciary

Loss Trend Factors

Accident Year	Benefit Level Factor (A)	Factor to 2019-2020 Loss Rate Level (B)	Factor to 2020-2021 Loss Rate Level (C)	Factor to 2021-2022 Loss Rate Level (D)	Factor to 2022-2023 Loss Rate Level (E)	Factor to 2019-2020 Frequency Level (F)	Factor to 2020-2021 Frequency Level (G)	Factor to 2021-2022 Frequency Level (H)	Factor to 2022-2023 Frequency Level (I)	Factor to 2019-2020 Severity Level (J)
Prior	0.888	0.720	0.712	0.705	0.698	0.810	0.802	0.794	0.786	0.888
1999-2000	0.757	0.620	0.614	0.608	0.601	0.819	0.810	0.802	0.794	0.757
2000-2001	0.714	0.590	0.584	0.578	0.572	0.827	0.818	0.810	0.802	0.714
2001-2002	0.714	0.597	0.590	0.585	0.579	0.835	0.827	0.818	0.810	0.714
2002-2003	0.750	0.633	0.626	0.620	0.614	0.843	0.835	0.826	0.818	0.750
2003-2004	0.927	0.790	0.782	0.774	0.766	0.852	0.843	0.834	0.826	0.927
2004-2005	1.197	1.030	1.019	1.009	0.999	0.860	0.851	0.842	0.834	1.197
2005-2006	1.301	1.130	1.118	1.107	1.096	0.868	0.859	0.851	0.842	1.301
2006-2007	1.244	1.092	1.080	1.070	1.059	0.877	0.868	0.860	0.851	1.244
2007-2008	1.165	1.033	1.022	1.012	1.002	0.887	0.878	0.869	0.860	1.165
2008-2009	1.063	0.953	0.943	0.933	0.924	0.896	0.887	0.878	0.869	1.063
2009-2010	0.971	0.879	0.870	0.861	0.852	0.905	0.896	0.887	0.878	0.971
2010-2011	0.936	0.856	0.847	0.838	0.830	0.914	0.905	0.896	0.887	0.936
2011-2012	0.927	0.856	0.847	0.839	0.831	0.924	0.914	0.905	0.896	0.927
2012-2013	0.945	0.882	0.873	0.864	0.855	0.933	0.923	0.914	0.905	0.945
2013-2014	0.964	0.908	0.899	0.890	0.881	0.942	0.933	0.923	0.914	0.964
2014-2015	0.961	0.914	0.905	0.896	0.887	0.952	0.942	0.932	0.923	0.961
2015-2016	0.991	0.952	0.943	0.933	0.924	0.961	0.951	0.941	0.932	0.991
2016-2017	1.032	1.001	0.990	0.980	0.971	0.970	0.960	0.951	0.941	1.032
2017-2018	1.020	0.999	0.989	0.979	0.969	0.979	0.969	0.960	0.950	1.020
2018-2019	1.004	0.994	0.984	0.974	0.964	0.990	0.980	0.970	0.960	1.004
2019-2020	1.000	1.000	0.990	0.980	0.970	1.000	0.990	0.980	0.970	1.000
2020-2021	1.000	--	1.000	0.990	0.980	--	1.000	0.990	0.980	--
2021-2022	1.000	--	--	1.000	0.990	--	--	1.000	0.990	--
2022-2023	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 - Workers' Compensation
State Judiciary

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	\$6,697,000	402	0.888	14,798		
1999-2000	541,000	27	0.757	15,178		
2000-2001	553,684	30	0.714	13,169	2,981,788	0.101
2001-2002	519,000	36	0.714	10,300	3,128,227	0.115
2002-2003	171,866	38	0.750	3,393	3,184,426	0.119
2003-2004	289,343	29	0.927	9,254	5,145,587	0.056
2004-2005	245,980	32	1.197	9,205	5,331,138	0.060
2005-2006	238,000	27	1.301	11,470	5,382,985	0.050
2006-2007	313,363	33	1.244	11,815	5,838,163	0.057
2007-2008	266,000	22	1.165	14,086	6,132,319	0.036
2008-2009	632,000	24	1.063	28,001	6,064,395	0.040
2009-2010	487,464	26	0.971	18,202	5,884,608	0.044
2010-2011	296,000	25	0.936	11,080	5,866,000	0.043
2011-2012	543,000	29	0.927	17,355	5,734,571	0.051
2012-2013	310,000	16	0.945	18,309	5,445,905	0.029
2013-2014	98,000	11	0.964	8,587	5,349,725	0.021
2014-2015	196,000	23	0.961	8,187	5,220,131	0.044
2015-2016	540,000	26	0.991	20,589	5,352,666	0.049
2016-2017	291,000	17	1.032	17,657	5,338,924	0.032
2017-2018	126,000	17	1.020	7,562	5,462,069	0.031
2018-2019	270,000	25	1.004	10,845	5,637,940	0.044

	<u>Severity Trend Factors</u>	<u>Frequency Trend Factors</u>
Latest 10 x 2018-2019	0.930	0.973
Mvg 5-Yr Wtd Latest 10 x 2018-2019	0.984	0.966
Latest 5 x 2018-2019	1.053	1.052
Mvg 5-Yr Wtd Latest 5 x 2018-2019	0.986	0.978
Prior	1.000	0.990
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 - Workers' Compensation
State Judiciary

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

Fiscal Year (A)	Number of Claims Active During Fiscal Year (B)	Average ULAE Charge per Active Claim (C)	Inflation Trend Factor (D)	Trended ULAE Charge per Active Claim (E)	ULAE Paid During Year (F)
2019-2020	41.0	\$4,195	1.000	\$4,195	\$171,995
2020-2021	29.1	4,195	1.050	4,405	128,186
2021-2022	21.8	4,195	1.103	4,627	100,869
2022-2023	16.6	4,195	1.158	4,858	80,643
2023-2024	11.9	4,195	1.216	5,101	60,702
2024-2025	8.4	4,195	1.277	5,357	44,999
2025-2026	6.6	4,195	1.341	5,625	37,125
2026-2027	4.8	4,195	1.408	5,907	28,354
2027-2028	3.4	4,195	1.478	6,200	21,080
2028-2029	2.8	4,195	1.552	6,511	18,231
2029-2030	2.3	4,195	1.630	6,838	15,727
2030-2031	1.7	4,195	1.712	7,182	12,209
2031-2032	1.2	4,195	1.798	7,543	9,052
2032-2033	1.0	4,195	1.888	7,920	7,920
2033-2034	0.8	4,195	1.982	8,314	6,651
2034-2035	0.5	4,195	2.081	8,730	4,365
2035-2036	0.4	4,195	2.185	9,166	3,666
2036-2037	0.3	4,195	2.294	9,623	2,887
(G) Total ULAE Outstanding as of 6/30/19:					\$754,661
(H) Total ULAE Outstanding as of 12/31/19:					\$837,005

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 12/31/19.

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 - Workers' Compensation
State Judiciary

Outstanding Liability for
Unallocated Loss Adjustment Expenses
as of 6/30/20

Fiscal Year (A)	Number of Claims Active During Fiscal Year (B)	Average ULAE Charge per Active Claim (C)	Inflation Trend Factor (D)	Trended ULAE Charge per Active Claim (E)	ULAE Paid During Year (F)
2020-2021	45.9	\$4,195	1.050	\$4,405	\$202,190
2021-2022	34.0	4,195	1.103	4,627	157,318
2022-2023	26.1	4,195	1.158	4,858	126,794
2023-2024	19.5	4,195	1.216	5,101	99,470
2024-2025	13.4	4,195	1.277	5,357	71,784
2025-2026	10.0	4,195	1.341	5,625	56,250
2026-2027	7.4	4,195	1.408	5,907	43,712
2027-2028	5.3	4,195	1.478	6,200	32,860
2028-2029	4.2	4,195	1.552	6,511	27,346
2029-2030	3.4	4,195	1.630	6,838	23,249
2030-2031	2.6	4,195	1.712	7,182	18,673
2031-2032	1.9	4,195	1.798	7,543	14,332
2032-2033	1.5	4,195	1.888	7,920	11,880
2033-2034	1.2	4,195	1.982	8,314	9,977
2034-2035	0.8	4,195	2.081	8,730	6,984
2035-2036	0.7	4,195	2.185	9,166	6,416
2036-2037	0.6	4,195	2.294	9,623	5,774
2037-2038	0.3	4,195	2.409	10,106	3,032

(G) Total ULAE Outstanding as of 6/30/20: \$918,041

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 - Workers' Compensation
State Judiciary

Payment and Reserve Forecast

<u>Accident Year</u>	<u>As of</u> <u>12/31/2019</u>	<u>Calendar Period</u>			
		<u>1/1/2020</u> <u>to</u> <u>6/30/2020</u>	<u>7/1/2020</u> <u>to</u> <u>6/30/2021</u>	<u>7/1/2021</u> <u>to</u> <u>6/30/2022</u>	<u>7/1/2022</u> <u>to</u> <u>6/30/2023</u>
Prior					
Ultimate Loss	\$13,699,833	\$13,699,833	\$13,699,833	\$13,699,833	\$13,699,833
Paid in Calendar Period	-	4,885	93,343	81,659	72,656
Paid to Date	13,045,360	13,050,245	13,143,588	13,225,247	13,297,903
Outstanding Liability	654,473	649,588	556,245	474,586	401,930
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	\$246,000	\$246,000	\$246,000	\$246,000	\$246,000
Paid in Calendar Period	-	736	1,328	1,115	1,138
Paid to Date	229,270	230,006	231,334	232,449	233,587
Outstanding Liability	16,730	15,994	14,666	13,551	12,413
2006-2007					
Ultimate Loss	\$607,000	\$607,000	\$607,000	\$607,000	\$607,000
Paid in Calendar Period	-	1,515	2,704	2,326	1,953
Paid to Date	574,760	576,275	578,979	581,305	583,258
Outstanding Liability	32,240	30,725	28,021	25,695	23,742
2007-2008					
Ultimate Loss	\$280,000	\$280,000	\$280,000	\$280,000	\$280,000
Paid in Calendar Period	-	1,808	3,443	2,853	2,454
Paid to Date	242,325	244,133	247,576	250,429	252,883
Outstanding Liability	37,675	35,867	32,424	29,571	27,117
2008-2009					
Ultimate Loss	\$889,000	\$889,000	\$889,000	\$889,000	\$889,000
Paid in Calendar Period	-	9,070	17,450	15,595	12,923
Paid to Date	700,036	709,106	726,556	742,151	755,074
Outstanding Liability	188,964	179,894	162,444	146,849	133,926
2009-2010					
Ultimate Loss	\$760,000	\$760,000	\$760,000	\$760,000	\$760,000
Paid in Calendar Period	-	3,830	6,843	6,109	5,460
Paid to Date	686,343	690,173	697,016	703,125	708,585
Outstanding Liability	73,657	69,827	62,984	56,875	51,415

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

Payment and Reserve Forecast

<u>Accident Year</u>	<u>As of</u> <u>12/31/2019</u>	<u>Calendar Period</u>			
		<u>1/1/2020</u> <u>to</u> <u>6/30/2020</u>	<u>7/1/2020</u> <u>to</u> <u>6/30/2021</u>	<u>7/1/2021</u> <u>to</u> <u>6/30/2022</u>	<u>7/1/2022</u> <u>to</u> <u>6/30/2023</u>
2010-2011					
Ultimate Loss	\$368,000	\$368,000	\$368,000	\$368,000	\$368,000
Paid in Calendar Period	-	5,496	10,320	8,808	7,863
Paid to Date	262,311	267,807	278,127	286,935	294,798
Outstanding Liability	105,689	100,193	89,873	81,065	73,202
2011-2012					
Ultimate Loss	\$652,000	\$652,000	\$652,000	\$652,000	\$652,000
Paid in Calendar Period	-	5,386	9,896	8,332	7,111
Paid to Date	555,825	561,211	571,107	579,439	586,550
Outstanding Liability	96,175	90,789	80,893	72,561	65,450
2012-2013					
Ultimate Loss	\$516,000	\$516,000	\$516,000	\$516,000	\$516,000
Paid in Calendar Period	-	5,779	9,979	7,685	6,470
Paid to Date	429,742	435,521	445,500	453,185	459,655
Outstanding Liability	86,258	80,479	70,500	62,815	56,345
2013-2014					
Ultimate Loss	\$168,000	\$168,000	\$168,000	\$168,000	\$168,000
Paid in Calendar Period	-	6,043	11,347	8,863	6,825
Paid to Date	79,133	85,176	96,523	105,386	112,211
Outstanding Liability	88,867	82,824	71,477	62,614	55,789
2014-2015					
Ultimate Loss	\$388,000	\$388,000	\$388,000	\$388,000	\$388,000
Paid in Calendar Period	-	13,256	23,720	19,475	15,212
Paid to Date	208,870	222,126	245,846	265,321	280,533
Outstanding Liability	179,130	165,874	142,154	122,679	107,467
2015-2016					
Ultimate Loss	\$752,000	\$752,000	\$752,000	\$752,000	\$752,000
Paid in Calendar Period	-	28,425	51,073	40,745	33,453
Paid to Date	387,571	415,996	467,069	507,814	541,267
Outstanding Liability	364,429	336,004	284,931	244,186	210,733
2016-2017					
Ultimate Loss	\$602,000	\$602,000	\$602,000	\$602,000	\$602,000
Paid in Calendar Period	-	23,865	45,393	38,493	30,710
Paid to Date	279,496	303,361	348,754	387,247	417,957
Outstanding Liability	322,504	298,639	253,246	214,753	184,043
2017-2018					
Ultimate Loss	\$466,000	\$466,000	\$466,000	\$466,000	\$466,000
Paid in Calendar Period	-	32,798	58,051	47,738	40,482
Paid to Date	61,082	93,880	151,931	199,669	240,151
Outstanding Liability	404,918	372,120	314,069	266,331	225,849

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

Payment and Reserve Forecast

<u>Accident Year</u>	<u>As of</u> <u>12/31/2019</u>	<u>Calendar Period</u>			
		<u>1/1/2020</u> <u>to</u> <u>6/30/2020</u>	<u>7/1/2020</u> <u>to</u> <u>6/30/2021</u>	<u>7/1/2021</u> <u>to</u> <u>6/30/2022</u>	<u>7/1/2022</u> <u>to</u> <u>6/30/2023</u>
2018-2019					
Ultimate Loss	\$611,000	\$611,000	\$611,000	\$611,000	\$611,000
Paid in Calendar Period	-	45,918	82,052	64,309	52,885
Paid to Date	70,794	116,712	198,764	263,073	315,958
Outstanding Liability	540,206	494,288	412,236	347,927	295,042
2019-2020					
Ultimate Loss	\$339,000	\$677,000	\$677,000	\$677,000	\$677,000
Paid in Calendar Period	-	34,557	85,050	90,462	70,900
Paid to Date	12,442	46,999	132,049	222,511	293,411
Outstanding Liability	326,558	630,001	544,951	454,489	383,589
2020-2021					
Ultimate Loss	-	-	\$691,000	\$691,000	\$691,000
Paid in Calendar Period	-	-	41,460	87,688	93,267
Paid to Date	-	-	41,460	129,148	222,415
Outstanding Liability	-	-	649,540	561,852	468,585
2021-2022					
Ultimate Loss	-	-	-	\$713,000	\$713,000
Paid in Calendar Period	-	-	-	42,780	90,480
Paid to Date	-	-	-	42,780	133,260
Outstanding Liability	-	-	-	670,220	579,740
2022-2023					
Ultimate Loss	-	-	-	-	\$728,000
Paid in Calendar Period	-	-	-	-	43,680
Paid to Date	-	-	-	-	43,680
Outstanding Liability	-	-	-	-	684,320
Totals					
Ultimate Loss	\$21,999,046	\$22,337,046	\$23,028,046	\$23,741,046	\$24,469,046
Paid in Calendar Period	-	223,367	553,452	575,035	595,922
Paid to Date	18,480,573	18,703,940	19,257,392	19,832,427	20,428,349
Outstanding Liability	3,518,473	3,633,106	3,770,654	3,908,619	4,040,697
Total Outstanding ULAE	837,005	918,041	1,074,306	1,212,866	1,335,557
Outstanding Liability plus ULAE	4,355,478	4,551,147	4,844,960	5,121,485	5,376,254

Notes appear on the next page.

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

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 2017-2018, \$32,798 is expected to be paid between 1/1/20 and 6/30/20, \$93,880 will have been paid by 6/30/20, and the reserve for remaining payments on these claims should be \$372,120.
- 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, $\$58,051 = \$372,120 \times 15.6\%$.
- Paid to Date is Paid in Calendar Period plus Paid to Date from previous calendar period. For example, $\$151,931 = \$58,051 + \$93,880$.
- Outstanding Liability is Ultimate Loss minus Paid to Date. For example, $\$372,120 = \$466,000 - \$93,880$.

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

Short- and Long-Term Liabilities

<u>Liabilities as of 12/31/19:</u>		<u>Expected</u>	<u>Discounted</u>
<u>Current (Short Term)</u>	Loss and ALAE:	\$441,226	\$441,226
	ULAE:	171,995	171,995
	Short-Term Loss and LAE:	<u>\$613,221</u>	<u>\$613,221</u>
<u>Non-Current (Long Term)</u>	Loss and ALAE:	\$3,077,247	\$3,077,247
	ULAE:	665,010	665,010
	Long-Term Loss and LAE:	<u>\$3,742,257</u>	<u>\$3,742,257</u>
<u>Total Liability</u>	Loss and ALAE:	\$3,518,473	\$3,518,473
	ULAE:	837,005	837,005
	Total Loss and LAE:	<u>\$4,355,478</u>	<u>\$4,355,478</u>

<u>Liabilities as of 6/30/20:</u>			
<u>Current (Short Term)</u>	Loss and ALAE:	\$511,992	\$511,992
	ULAE:	202,190	202,190
	Short-Term Loss and LAE:	<u>\$714,182</u>	<u>\$714,182</u>
<u>Non-Current (Long Term)</u>	Loss and ALAE:	\$3,121,114	\$3,121,114
	ULAE:	715,851	715,851
	Long-Term Loss and LAE:	<u>\$3,836,965</u>	<u>\$3,836,965</u>
<u>Total Liability</u>	Loss and ALAE:	\$3,633,106	\$3,633,106
	ULAE:	918,041	918,041
	Total Loss and LAE:	<u>\$4,551,147</u>	<u>\$4,551,147</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 12/31/19:</u>						
<u>Current (Short Term)</u>	Loss and ALAE:	\$494,614	\$517,558	\$544,914	\$578,447	\$622,570
	ULAE:	192,806	201,750	212,414	225,485	242,685
	Short-Term Loss and LAE:	<u>\$687,420</u>	<u>\$719,308</u>	<u>\$757,328</u>	<u>\$803,932</u>	<u>\$865,255</u>
<u>Non-Current (Long Term)</u>	Loss and ALAE:	\$3,449,594	\$3,609,611	\$3,800,400	\$4,034,271	\$4,341,995
	ULAE:	745,477	780,057	821,287	871,829	938,329
	Long-Term Loss and LAE:	<u>\$4,195,071</u>	<u>\$4,389,668</u>	<u>\$4,621,687</u>	<u>\$4,906,100</u>	<u>\$5,280,324</u>
<u>Total Liability</u>	Loss and ALAE:	\$3,944,208	\$4,127,169	\$4,345,314	\$4,612,718	\$4,964,565
	ULAE:	938,283	981,807	1,033,701	1,097,314	1,181,014
	Total Loss and LAE:	<u>\$4,882,491</u>	<u>\$5,108,976</u>	<u>\$5,379,015</u>	<u>\$5,710,032</u>	<u>\$6,145,579</u>
<u>Liabilities as of 6/30/20:</u>						
<u>Current (Short Term)</u>	Loss and ALAE:	\$573,943	\$600,567	\$632,310	\$671,222	\$722,421
	ULAE:	226,655	237,169	249,705	265,071	285,290
	Short-Term Loss and LAE:	<u>\$800,598</u>	<u>\$837,736</u>	<u>\$882,015</u>	<u>\$936,293</u>	<u>\$1,007,711</u>
<u>Non-Current (Long Term)</u>	Loss and ALAE:	\$3,498,769	\$3,661,066	\$3,854,576	\$4,091,780	\$4,403,892
	ULAE:	802,469	839,693	884,076	938,481	1,010,065
	Long-Term Loss and LAE:	<u>\$4,301,238</u>	<u>\$4,500,759</u>	<u>\$4,738,652</u>	<u>\$5,030,261</u>	<u>\$5,413,957</u>
<u>Total Liability</u>	Loss and ALAE:	\$4,072,712	\$4,261,633	\$4,486,886	\$4,763,002	\$5,126,313
	ULAE:	1,029,124	1,076,862	1,133,781	1,203,552	1,295,355
	Total Loss and LAE:	<u>\$5,101,836</u>	<u>\$5,338,495</u>	<u>\$5,620,667</u>	<u>\$5,966,554</u>	<u>\$6,421,668</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 - Workers' Compensation
State Judiciary

Confidence Level Table

Probability	Projected Losses	Outstanding Losses
95%	2.363	1.576
90%	1.939	1.411
85%	1.682	1.311
80%	1.495	1.235
75%	1.344	1.173
70%	1.217	1.121
65%	1.105	1.075
60%	1.005	1.032
55%	0.915	0.993
50%	0.832	0.956
45%	0.755	0.920
40%	0.683	0.885
35%	0.614	0.850
30%	0.548	0.815
25%	0.484	0.777

To read table: For the above retention, there is a 90% chance that final loss settlements will be less than 1.939 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 - Workers' Compensation
State Judiciary

Program History

Policy Year Start Date	Policy Year End Date	Policy Year	Self-Insured Retention	
			Per Occurrence	Aggregate
1/1/1969	6/30/1999	Prior	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)
7/1/2020	6/30/2021	2020-2021	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 - Workers' Compensation
State Judiciary

Incurred Losses as of 12/31/19

Accident Year (A)	Unlimited Incurred (B)	Subtractions from 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	\$10,952,680	\$0	\$4,664	\$10,948,017	\$0	\$4,284,244	\$6,663,772	\$4,284,244	\$10,948,017	\$10,948,017
1999-2000	664,098	0	0	664,098	0	126,230	537,869	126,230	664,098	664,098
2000-2001	950,967	0	0	950,967	0	397,284	553,684	397,284	950,967	950,967
2001-2002	1,076,724	209,301	0	867,422	0	352,107	515,316	352,107	867,422	867,422
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	574,760	0	0	574,760	0	261,397	313,363	261,397	574,760	574,760
2007-2008	269,106	0	7,436	261,670	0	0	261,670	0	261,670	261,670
2008-2009	818,492	0	0	818,492	0	198,468	620,024	198,468	818,492	818,492
2009-2010	686,343	0	0	686,343	0	198,879	487,464	198,879	686,343	686,343
2010-2011	325,242	0	0	325,242	0	38,312	286,930	38,312	325,242	325,242
2011-2012	598,435	0	38,062	560,373	0	37,452	522,921	37,452	560,373	560,373
2012-2013	429,742	0	0	429,742	0	133,826	295,917	133,826	429,742	429,742
2013-2014	92,170	0	0	92,170	0	0	92,170	0	92,170	92,170
2014-2015	273,239	0	481	272,758	0	91,998	180,760	91,998	272,758	272,758
2015-2016	592,002	0	12,757	579,245	0	96,683	482,562	96,683	579,245	579,245
2016-2017	354,444	0	37,681	316,763	0	66,730	250,033	66,730	316,763	316,763
2017-2018	77,735	0	0	77,735	0	0	77,735	0	77,735	77,735
2018-2019	112,551	0	0	112,551	0	0	112,551	0	112,551	112,551
2019-2020	57,250	0	0	57,250	0	0	57,250	0	57,250	57,250
Total	\$19,968,355	\$209,301	\$101,080	\$19,657,974	\$0	\$6,403,500	\$13,254,474	\$6,403,500	\$19,657,974	\$19,657,974

Notes:

- (A) Years are 7/1 to 6/30.
- (B) Provided by the Judicial Council.
- (C) Adjustment for a miscoded claim.
- (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 - Workers' Compensation
State Judiciary

Paid Losses as of 12/31/19

Accident Year (A)	Unlimited Paid (B)	Subtractions from 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	\$10,449,886	\$0	\$4,664	\$10,445,223	\$0	\$3,808,700	\$6,636,523	\$3,808,700	\$10,445,223	\$10,445,223
1999-2000	651,949	0	0	651,949	0	114,080	537,869	114,080	651,949	651,949
2000-2001	950,967	0	0	950,967	0	397,284	553,684	397,284	950,967	950,967
2001-2002	996,912	171,557	0	825,355	0	310,040	515,316	310,040	825,355	825,355
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	229,270	0	0	229,270	0	0	229,270	0	229,270	229,270
2006-2007	574,760	0	0	574,760	0	261,397	313,363	261,397	574,760	574,760
2007-2008	249,760	0	7,436	242,325	0	0	242,325	0	242,325	242,325
2008-2009	700,036	0	0	700,036	0	102,561	597,475	102,561	700,036	700,036
2009-2010	686,343	0	0	686,343	0	198,879	487,464	198,879	686,343	686,343
2010-2011	262,311	0	0	262,311	0	0	262,311	0	262,311	262,311
2011-2012	593,888	0	38,062	555,825	0	37,452	518,373	37,452	555,825	555,825
2012-2013	429,742	0	0	429,742	0	133,826	295,917	133,826	429,742	429,742
2013-2014	79,133	0	0	79,133	0	0	79,133	0	79,133	79,133
2014-2015	209,350	0	481	208,870	0	28,110	180,760	28,110	208,870	208,870
2015-2016	400,328	0	12,757	387,571	0	220	387,351	220	387,571	387,571
2016-2017	317,177	0	37,681	279,496	0	66,730	212,766	66,730	279,496	279,496
2017-2018	61,082	0	0	61,082	0	0	61,082	0	61,082	61,082
2018-2019	70,794	0	0	70,794	0	0	70,794	0	70,794	70,794
2019-2020	12,442	0	0	12,442	0	0	12,442	0	12,442	12,442
Total	\$18,753,209	\$171,557	\$101,080	\$18,480,573	\$0	\$5,579,169	\$12,901,404	\$5,579,169	\$18,480,573	\$18,480,573

Notes:

- (A) Years are 7/1 to 6/30.
- (B) Provided by the Judicial Council.
- (C) Adjustment for a miscoded claim.
- (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 - Workers' Compensation
State Judiciary

Case Reserves as of 12/31/19

Accident Year (A)	Unlimited Reserves (B)	Subtractions from 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	\$502,794	\$0	\$0	\$502,794	\$0	\$475,544	\$27,249	\$475,544	\$502,794	\$502,794
1999-2000	12,150	0	0	12,150	0	12,150	0	12,150	12,150	12,150
2000-2001	0	0	0	0	0	0	0	0	0	0
2001-2002	79,811	37,744	0	42,067	0	42,067	0	42,067	42,067	42,067
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	6,025	0	0	6,025	0	0	6,025	0	6,025	6,025
2006-2007	0	0	0	0	0	0	0	0	0	0
2007-2008	19,345	0	0	19,345	0	0	19,345	0	19,345	19,345
2008-2009	118,456	0	0	118,456	0	95,907	22,549	95,907	118,456	118,456
2009-2010	0	0	0	0	0	0	0	0	0	0
2010-2011	62,932	0	0	62,932	0	38,312	24,619	38,312	62,932	62,932
2011-2012	4,548	0	0	4,548	0	0	4,548	0	4,548	4,548
2012-2013	0	0	0	0	0	0	0	0	0	0
2013-2014	13,037	0	0	13,037	0	0	13,037	0	13,037	13,037
2014-2015	63,889	0	0	63,889	0	63,889	0	63,889	63,889	63,889
2015-2016	191,674	0	0	191,674	0	96,463	95,211	96,463	191,674	191,674
2016-2017	37,267	0	0	37,267	0	0	37,267	0	37,267	37,267
2017-2018	16,653	0	0	16,653	0	0	16,653	0	16,653	16,653
2018-2019	41,757	0	0	41,757	0	0	41,757	0	41,757	41,757
2019-2020	44,808	0	0	44,808	0	0	44,808	0	44,808	44,808
Total	\$1,215,145	\$37,744	\$0	\$1,177,401	\$0	\$824,331	\$353,070	\$824,331	\$1,177,401	\$1,177,401

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 - Workers' Compensation
State Judiciary

Claim Counts as of 12/31/19

Accident Year (A)	Reported Claims (B)	Subtractions from Reported Claims (C)	Subtractions from Reported Claims (D)	Adjusted Reported Claims (E)	Closed Claims (F)	Subtractions from Closed Claims (G)	Subtractions from Closed Claims (H)	Adjusted Closed Claims (I)	Open Claims (J)	Adjusted Open Claims (K)
Prior	402	0	0	402	392	0	0	392	10	10
1999-2000	27	0	0	27	26	0	0	26	1	1
2000-2001	30	0	0	30	30	0	0	30	0	0
2001-2002	37	1	0	36	34	0	0	34	3	2
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	33	0	0	33	0	0
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	26	0	0	26	0	0
2010-2011	25	0	0	25	24	0	0	24	1	1
2011-2012	29	0	0	29	28	0	0	28	1	1
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	23	0	0	23	21	0	0	21	2	2
2015-2016	26	0	0	26	19	0	0	19	7	7
2016-2017	16	0	0	16	14	0	0	14	2	2
2017-2018	16	0	0	16	13	0	0	13	3	3
2018-2019	20	0	0	20	11	0	0	11	9	9
2019-2020	12	0	0	12	0	0	0	0	12	12
Total	921	1	0	920	863	0	0	863	58	57

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 - Workers' Compensation
State Judiciary

Exposure Measures

Accident Year	Total Payroll (\$00) (A)	Inflation Trend Factor (B)	Trended Payroll (\$00) (C)
2000-2001	1,865,950	1.598	2,981,788
2001-2002	2,006,560	1.559	3,128,227
2002-2003	2,093,640	1.521	3,184,426
2003-2004	3,467,377	1.484	5,145,587
2004-2005	3,681,725	1.448	5,331,138
2005-2006	3,809,614	1.413	5,382,985
2006-2007	4,233,621	1.379	5,838,163
2007-2008	4,559,345	1.345	6,132,319
2008-2009	4,622,252	1.312	6,064,395
2009-2010	4,597,350	1.280	5,884,608
2010-2011	4,696,557	1.249	5,866,000
2011-2012	4,704,324	1.219	5,734,571
2012-2013	4,580,240	1.189	5,445,905
2013-2014	4,611,832	1.160	5,349,725
2014-2015	4,611,423	1.132	5,220,131
2015-2016	4,848,429	1.104	5,352,666
2016-2017	4,957,218	1.077	5,338,924
2017-2018	5,197,021	1.051	5,462,069
2018-2019	5,500,429	1.025	5,637,940
2019-2020	6,042,343	1.000	6,042,343
2020-2021	6,173,462	1.000	6,173,462
2021-2022	6,307,426	1.000	6,307,426
2022-2023	6,444,298	1.000	6,444,298

Notes:

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



Bickmore **Actuarial**

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

Member Premium for Program Year 2020-21

Presented to
Judicial Council of California

February 12, 2020- DRAFT



DRAFT



Wednesday, February 12, 2020

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 2020-21

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 2020-21 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, 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.

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 2020-21 premiums, the experience period used includes the 2016-17, 2017-18, and 2018-19 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:

$$\sqrt[3]{\frac{\text{Individual Court Payroll for 3 - Yr Period (\$000's)}}{611,338}}$$

where 611,338 is a constant derived to set the weight given to the largest court at 80%.

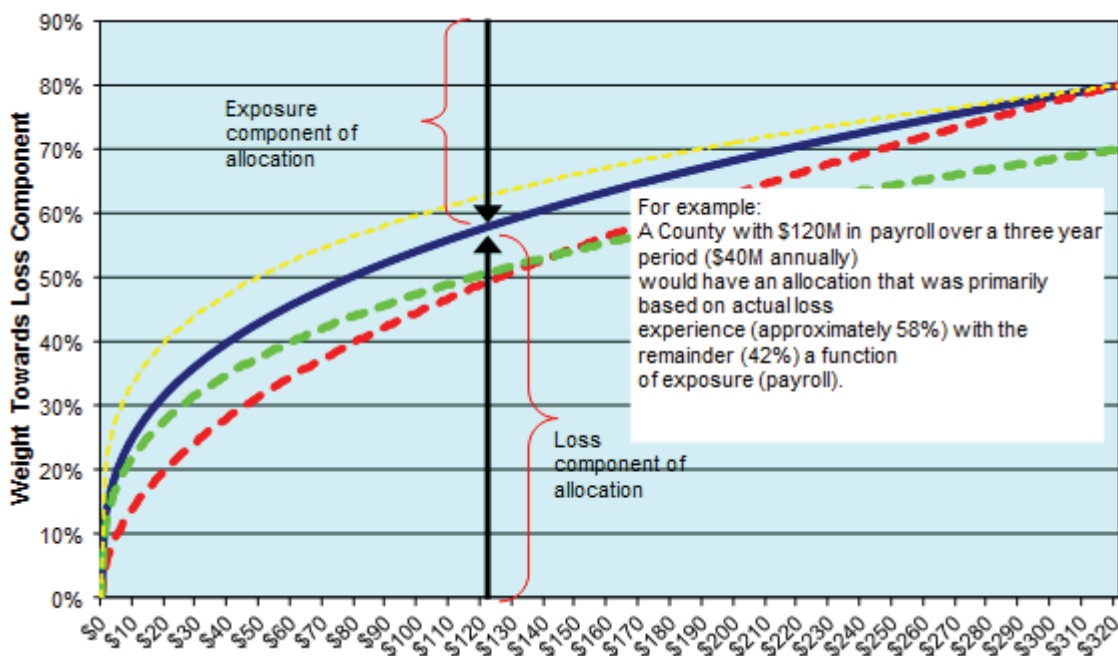
Inputs:

- 313,005 = 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 Actuarial

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Mike Harrington, FCAS, MAAA
President and Principal, Bickmore Actuarial
Fellow, Casualty Actuarial Society
Member, American Academy of Actuaries

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**Judicial Branch Workers' Compensation Program
Workers' Compensation Fiscal Year 2020-21 Premium
Trial Courts**

2020-21 Premium

Court	2016-17 to 2018-19 Payroll (\$000) (A)	Percent Payroll (B)	2020-21 Indicated Loss & ALAE Premium Based on Payroll (C)	2016-17 to 2018-19 Incurred Limited to \$75K (D)	Percent Limited Losses (E)	2020-21 Indicated Loss & ALAE Premium Based on Losses (F)	Weighting (G)	2020-21 Weighted Loss & ALAE Premium (H)	2020-21 Weighted Loss & ALAE Premium (I)	2020-21 Excess Premium (J)	2020-21 Claims Handling (TPA) Fees (K)	2020-21 Program Admin. Premium (L)	2020-21 Brokerage / Consulting Premium (M)	2020-21 Total Premium (N)	2020-21 Percent of Premium (O)
Alameda	\$150,337	5.69%	\$859,481	\$870,872	4.71%	\$711,604	62.65%	\$766,834	\$758,116	\$26,864	\$122,295	\$0	\$20,888	\$928,163	5.05%
Alpine	933	0.04%	5,332	0	0.00%	0	11.51%	4,718	4,665	167	752	0	130	5,713	0.03%
Amador	5,057	0.19%	28,912	3,777	0.02%	3,086	20.22%	23,688	23,419	904	3,778	0	703	28,803	0.16%
Butte	20,023	0.76%	114,469	167,201	0.90%	136,622	31.99%	121,557	120,175	3,578	19,386	0	2,782	145,921	0.79%
Calaveras	4,476	0.17%	25,589	68	0.00%	56	19.42%	20,631	20,396	800	3,290	0	622	25,108	0.14%
Colusa	2,215	0.08%	12,663	0	0.00%	0	15.36%	10,718	10,596	396	1,709	0	308	13,009	0.07%
Contra Costa	74,843	2.83%	427,880	865,711	4.68%	707,386	49.65%	566,667	560,224	13,374	90,372	0	10,399	674,369	3.67%
Del Norte	4,414	0.17%	25,236	0	0.00%	0	19.33%	20,359	20,127	789	3,247	0	613	24,776	0.13%
El Dorado	13,961	0.53%	79,815	155,709	0.84%	127,233	28.37%	93,268	92,208	2,495	14,874	0	1,940	111,517	0.61%
Fresno	83,184	3.15%	475,567	342,390	1.85%	279,772	51.43%	374,861	370,599	14,864	59,783	0	11,558	456,804	2.49%
Glenn	3,459	0.13%	19,772	26	0.00%	21	17.82%	16,253	16,068	618	2,592	0	481	19,759	0.11%
Humboldt	12,603	0.48%	72,052	122,990	0.67%	100,497	27.42%	79,851	78,944	2,252	12,735	0	1,751	95,681	0.52%
Imperial	19,501	0.74%	111,488	206,240	1.12%	168,522	31.71%	129,576	128,103	3,485	20,665	0	2,709	154,962	0.84%
Inyo	3,029	0.11%	17,317	0	0.00%	0	17.05%	14,365	14,202	541	2,291	0	421	17,455	0.09%
Kern	92,133	3.49%	526,726	596,925	3.23%	487,757	53.22%	505,988	500,236	16,463	80,695	0	12,801	610,195	3.32%
Kings	12,963	0.49%	74,109	167,443	0.91%	136,821	27.68%	91,467	90,427	2,316	14,587	0	1,801	109,132	0.59%
Lake	5,574	0.21%	31,864	17	0.00%	14	20.89%	25,211	24,924	996	4,021	0	774	30,715	0.17%
Lassen	3,741	0.14%	21,386	895	0.00%	731	18.29%	17,608	17,408	668	2,808	0	520	21,404	0.12%
Madera	15,600	0.59%	89,188	30,801	0.17%	25,168	29.44%	70,340	69,540	2,788	11,218	0	2,168	85,713	0.47%
Marin	24,040	0.91%	137,435	87,026	0.47%	71,111	34.01%	114,881	113,575	4,296	18,321	0	3,340	139,532	0.76%
Mariposa	2,073	0.08%	11,849	0	0.00%	0	15.02%	10,069	9,954	370	1,606	0	288	12,218	0.07%
Mendocino	10,417	0.39%	59,556	149,988	0.81%	122,557	25.73%	75,768	74,906	1,861	12,083	0	1,447	90,299	0.49%
Merced	19,514	0.74%	111,564	45,098	0.24%	36,851	31.72%	87,863	86,865	3,487	14,012	0	2,711	107,075	0.58%
Modoc	1,627	0.06%	9,301	0	0.00%	0	13.86%	8,012	7,921	291	1,278	0	226	9,715	0.05%
Mono	2,543	0.10%	14,540	68,894	0.37%	56,295	16.08%	21,256	21,014	454	3,390	0	353	25,212	0.14%
Monterey	38,070	1.44%	217,646	155,770	0.84%	127,282	39.64%	181,829	179,762	6,803	28,998	0	5,289	220,852	1.20%
Napa	15,459	0.59%	88,382	23,605	0.13%	19,288	29.35%	68,101	67,327	2,762	10,861	0	2,148	83,098	0.45%
Nevada	10,146	0.38%	58,006	138,081	0.75%	112,829	25.51%	71,990	71,172	1,813	11,481	0	1,410	85,876	0.47%
Orange	313,005	11.85%	1,789,454	1,894,911	10.25%	1,548,363	80.00%	1,596,581	1,578,429	55,932	254,622	0	43,489	1,932,472	10.52%
Placer	26,065	0.99%	149,013	123,885	0.67%	101,228	34.93%	132,320	130,815	4,658	21,102	0	3,621	160,197	0.87%
Plumas	1,897	0.07%	10,845	0	0.00%	0	14.59%	9,263	9,158	339	1,477	0	264	11,238	0.06%
Riverside	228,003	8.63%	1,303,499	1,270,727	6.88%	1,038,332	71.98%	1,112,628	1,099,978	40,742	177,442	0	31,679	1,349,841	7.35%
Sacramento	146,664	5.55%	838,481	315,727	1.71%	257,986	62.14%	477,781	472,349	26,208	76,196	0	20,378	595,131	3.24%
San Benito	4,423	0.17%	25,288	0	0.00%	0	19.34%	20,397	20,165	790	3,253	0	615	24,823	0.14%
San Bernardino	199,399	7.55%	1,139,968	940,563	5.09%	768,549	68.84%	884,299	874,245	35,631	141,028	0	27,705	1,078,609	5.87%
San Diego	251,738	9.53%	1,439,191	2,986,757	16.16%	2,440,527	74.40%	2,184,156	2,159,324	44,984	348,329	0	34,977	2,587,613	14.08%
San Francisco	117,555	4.45%	672,067	959,774	5.19%	784,247	57.72%	736,817	728,439	21,006	117,507	0	16,333	883,286	4.81%
San Joaquin	60,768	2.30%	347,412	534,799	2.89%	436,993	46.32%	388,909	384,487	10,859	62,023	0	8,443	465,812	2.53%
San Luis Obispo	27,315	1.03%	156,159	57,307	0.31%	46,827	35.48%	117,363	116,029	4,881	18,717	0	3,795	143,422	0.78%
San Mateo	66,994	2.54%	383,006	260,257	1.41%	212,660	47.85%	301,489	298,061	11,971	48,081	0	9,308	367,422	2.00%
Santa Barbara	43,014	1.63%	245,912	334,916	1.81%	273,665	41.28%	257,370	254,443	7,686	41,045	0	5,976	309,151	1.68%
Santa Clara	151,593	5.74%	866,661	2,104,638	11.39%	1,719,734	62.83%	1,402,605	1,386,658	27,089	223,687	0	21,062	1,658,496	9.03%
Santa Cruz	25,249	0.96%	144,347	8,048	0.04%	6,576	34.57%	96,725	95,625	4,512	15,426	0	3,508	119,070	0.65%
Shasta	30,889	1.17%	176,591	266,396	1.44%	217,676	36.97%	191,780	189,599	5,520	30,585	0	4,292	229,996	1.25%

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**Judicial Branch Workers' Compensation Program
Workers' Compensation Fiscal Year 2020-21 Premium
Trial Courts**

2020-21 Premium

Court	2016-17 to 2018-19		2020-21 Indicated Loss & ALAE		2016-17 to 2018-19		2020-21 Indicated Loss & ALAE		2020-21 Weighted		2020-21 Excess Premium (J)	2020-21 Claims Handling (TPA) Fees (K)	2020-21 Program Admin. Premium (L)	2020-21 Brokerage / Consulting Premium (M)	2020-21 Total Premium (N)	2020-21 Percent of Premium (O)
	Payroll (\$000) (A)	Percent Payroll (B)	Premium Based on Payroll (C)	Limited to \$75K (D)	Percent Limited Losses (E)	Premium Based on Losses (F)	Weighting (G)	Weighted Loss & ALAE Premium (H)	Adjusted Loss & ALAE Premium (I)							
Sierra	1,055	0.04%	6,033	0	0.00%	0	12.00%	5,310	5,249	189	847	0	147	6,431	0.03%	
Siskiyou	5,190	0.20%	29,669	34,331	0.19%	28,053	20.40%	29,339	29,006	927	4,679	0	721	35,333	0.19%	
Solano	40,259	1.52%	230,160	701,399	3.80%	573,124	40.38%	368,657	364,466	7,194	58,793	0	5,594	436,047	2.37%	
Sonoma	38,838	1.47%	222,040	292,291	1.58%	238,835	39.90%	228,742	226,141	6,940	36,480	0	5,396	274,957	1.50%	
Stanislaus	40,314	1.53%	230,476	183,453	0.99%	149,903	40.40%	197,923	195,673	7,204	31,565	0	5,601	240,043	1.31%	
Sutter	9,218	0.35%	52,699	56,196	0.30%	45,918	24.70%	51,024	50,443	1,647	8,137	0	1,281	61,509	0.33%	
Tehama	7,374	0.28%	42,158	3,724	0.02%	3,043	22.93%	33,187	32,810	1,318	5,293	0	1,025	40,445	0.22%	
Trinity	2,717	0.10%	15,530	0	0.00%	0	16.44%	12,977	12,830	485	2,070	0	377	15,762	0.09%	
Tulare	40,402	1.53%	230,980	129,805	0.70%	106,066	40.43%	180,477	178,425	7,220	28,782	0	5,614	220,040	1.20%	
Tuolumne	5,842	0.22%	33,398	31,390	0.17%	25,649	21.22%	31,754	31,393	1,044	5,064	0	812	38,313	0.21%	
Ventura	76,542	2.90%	437,590	664,205	3.59%	542,733	50.03%	490,190	484,617	13,677	78,175	0	10,635	587,105	3.19%	
Yolo	17,989	0.68%	102,846	97,390	0.53%	79,579	30.87%	95,663	94,575	3,215	15,256	0	2,499	115,545	0.63%	
Yuba	9,166	0.35%	52,402	28,431	0.15%	23,232	24.66%	45,209	44,695	1,638	7,210	0	1,274	54,816	0.30%	
All Courts	\$2,641,412	100.00%	\$15,101,000	\$18,480,846	100.00%	\$15,101,000		\$15,274,662	\$15,101,000	\$472,000	\$2,436,000	\$0	\$367,000	\$18,376,000	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 2020-21 Premium
Trial Courts

Summary of Payroll

Court	Payroll		
	2016-17	2017-18	2018-19
Alameda	\$49,310,192	\$48,767,088	\$52,259,981
Alpine	295,296	311,859	325,532
Amador	1,608,113	1,639,764	1,809,230
Butte	6,325,398	6,428,064	7,269,128
Calaveras	1,449,194	1,434,016	1,592,674
Colusa	737,363	764,891	712,719
Contra Costa	24,827,716	24,788,954	25,226,505
Del Norte	1,529,303	1,433,307	1,451,629
El Dorado	4,725,069	4,691,692	4,544,224
Fresno	28,164,713	27,504,206	27,515,506
Glenn	1,156,405	1,117,341	1,184,764
Humboldt	4,152,745	4,179,550	4,270,775
Imperial	6,806,798	6,446,892	6,247,329
Inyo	985,924	989,990	1,053,128
Kern	29,573,567	30,126,594	32,432,880
Kings	4,188,347	4,377,861	4,396,743
Lake	1,798,429	1,807,895	1,967,275
Lassen	1,233,697	1,250,186	1,256,897
Madera	5,044,600	5,192,583	5,363,249
Marin	8,212,662	7,901,955	7,924,960
Mariposa	684,180	691,997	696,365
Mendocino	3,284,324	3,395,718	3,737,201
Merced	6,371,735	6,314,823	6,827,782
Modoc	537,354	529,057	560,441
Mono	762,766	867,274	913,269
Monterey	12,236,418	12,530,957	13,302,519
Napa	5,084,055	5,295,902	5,079,475
Nevada	3,416,057	3,388,016	3,342,188
Orange	104,334,906	103,264,589	105,405,399
Placer	8,164,073	8,808,805	9,091,971
Plumas	654,168	659,331	583,499
Riverside	74,686,540	75,075,388	78,241,380
Sacramento	48,389,568	48,436,897	49,837,569
San Benito	1,497,440	1,452,787	1,472,980
San Bernardino	62,798,802	66,493,936	70,106,352
San Diego	85,912,175	82,677,865	83,147,995
San Francisco	40,714,593	38,658,753	38,182,149
San Joaquin	19,546,776	19,787,421	21,433,799
San Luis Obispo	9,170,351	9,070,135	9,074,252
San Mateo	21,683,009	22,105,506	23,205,563
Santa Barbara	14,516,565	14,047,699	14,449,758
Santa Clara	48,555,701	50,562,354	52,475,192
Santa Cruz	8,268,761	8,155,842	8,824,026
Shasta	9,780,398	10,299,080	10,809,155
Sierra	331,546	429,322	294,482
Siskiyou	1,940,672	1,669,735	1,579,216

**Judicial Branch Workers' Compensation Program
Workers' Compensation Fiscal Year 2020-21 Premium
Trial Courts**

Summary of Payroll

Court	Payroll		
	2016-17	2017-18	2018-19
Solano	12,920,623	13,583,088	13,754,974
Sonoma	13,007,129	13,283,800	12,547,462
Stanislaus	13,056,422	13,044,382	14,213,191
Sutter	3,061,714	3,085,419	3,070,731
Tehama	2,290,138	2,453,499	2,630,443
Trinity	906,649	880,974	928,883
Tulare	12,498,618	13,462,391	14,441,157
Tuolumne	1,919,418	1,960,641	1,961,866
Ventura	23,858,039	25,467,281	27,216,418
Yolo	5,770,856	5,769,951	6,448,614
Yuba	2,837,553	3,152,661	3,175,774
All Courts	\$867,575,621	\$871,967,969	\$901,868,615

Notes:

Provided by Judicial Branch Workers' Compensation Program.

Judicial Branch Workers' Compensation Program
Workers' Compensation Fiscal Year 2020-21 Premium
Trial Courts

Summary of Loss Data

Court	Incurred Losses			Incurred Losses Capped at \$75K		
	2016-17	2017-18	2018-19	2016-17	2017-18	2018-19
Alameda	\$482,148	\$251,509	\$190,309	\$429,792	\$251,509	\$189,572
Alpine	0	0	0	0	0	0
Amador	527	2,201	1,049	527	2,201	1,049
Butte	300	145,375	21,526	300	145,375	21,526
Calaveras	0	0	68	0	0	68
Colusa	0	0	0	0	0	0
Contra Costa	384,988	320,793	301,760	255,264	320,793	289,653
Del Norte	0	0	0	0	0	0
El Dorado	198,687	4,977	26,489	124,243	4,977	26,489
Fresno	187,546	56,507	122,033	163,850	56,507	122,033
Glenn	26	0	0	26	0	0
Humboldt	121,261	0	11,400	111,590	0	11,400
Imperial	6,476	175,555	24,208	6,476	175,555	24,208
Inyo	0	0	0	0	0	0
Kern	383,617	388,005	61,388	331,201	204,336	61,388
Kings	174,191	28,941	59,487	79,016	28,941	59,487
Lake	17	0	0	17	0	0
Lassen	895	0	0	895	0	0
Madera	26,962	1,777	2,063	26,962	1,777	2,063
Marin	1,468	84,922	636	1,468	84,922	636
Mariposa	0	0	0	0	0	0
Mendocino	136,249	41,910	27,861	80,216	41,910	27,861
Merced	0	19,729	25,369	0	19,729	25,369
Modoc	0	0	0	0	0	0
Mono	68,365	529	0	68,365	529	0
Monterey	13,386	118,292	24,092	13,386	118,292	24,092
Napa	3,226	576	19,803	3,226	576	19,803
Nevada	27,346	1,078	187,229	27,346	1,078	109,657
Orange	1,193,962	830,463	406,983	763,367	770,785	360,759
Placer	8,233	54,966	60,686	8,233	54,966	60,686
Plumas	0	0	0	0	0	0
Riverside	609,899	493,613	234,354	551,008	485,365	234,354
Sacramento	97,603	64,691	153,433	97,603	64,691	153,433
San Benito	0	0	0	0	0	0
San Bernardino	130,047	646,679	311,179	130,047	499,337	311,179
San Diego	2,138,495	775,192	693,348	1,541,498	751,911	693,348
San Francisco	347,532	508,342	172,493	334,553	467,157	158,064
San Joaquin	385,171	234,724	180,063	305,742	139,768	89,289
San Luis Obispo	5,076	20,057	32,175	5,076	20,057	32,175
San Mateo	63,084	124,975	72,198	63,084	124,975	72,198
Santa Barbara	192,431	301,574	4,647	176,743	153,526	4,647
Santa Clara	1,041,590	929,326	752,023	783,781	732,791	588,067
Santa Cruz	4,612	181	3,254	4,612	181	3,254
Shasta	22,592	234,191	44,132	22,592	199,672	44,132
Sierra	0	0	0	0	0	0
Siskiyou	0	34,331	0	0	34,331	0

Judicial Branch Workers' Compensation Program
Workers' Compensation Fiscal Year 2020-21 Premium
Trial Courts

Summary of Loss Data

Court	Incurred Losses			Incurred Losses Capped at \$75K		
	2016-17	2017-18	2018-19	2016-17	2017-18	2018-19
Solano	345,317	315,696	150,239	284,366	266,794	150,239
Sonoma	112,331	128,438	58,195	105,658	128,438	58,195
Stanislaus	89,673	17,651	78,641	87,162	17,651	78,641
Sutter	55,432	0	763	55,432	0	763
Tehama	2,886	0	837	2,886	0	837
Trinity	0	0	0	0	0	0
Tulare	56,750	39,610	33,445	56,750	39,610	33,445
Tuolumne	0	30,703	687	0	30,703	687
Ventura	130,388	257,395	333,850	130,388	220,521	313,296
Yolo	2,280	127,831	16,513	2,280	78,597	16,513
Yuba	22,237	1,943	4,251	22,237	1,943	4,251
All Courts	9,275,300	7,815,249	4,905,159	7,259,262	6,742,778	4,478,806

Notes:

Provided by Judicial Branch Workers' Compensation Program.

Judicial Branch Workers' Compensation Program
Workers' Compensation Fiscal Year 2020-21 Premium
Trial Courts

Comparison to Prior Premium

Court	2019-20 Total Premium (A)	2020-21 Total Premium (B)	Difference (C)	Percent Change (D)
Alameda	\$952,164	\$928,163	-\$24,001	-2.52%
Alpine	5,603	5,713	111	1.98%
Amador	41,035	28,803	-12,232	-29.81%
Butte	170,295	145,921	-24,374	-14.31%
Calaveras	25,128	25,108	-20	-0.08%
Colusa	13,420	13,009	-411	-3.06%
Contra Costa	510,065	674,369	164,304	32.21%
Del Norte	39,516	24,776	-14,740	-37.30%
El Dorado	102,042	111,517	9,475	9.29%
Fresno	430,789	456,804	26,015	6.04%
Glenn	20,892	19,759	-1,134	-5.43%
Humboldt	163,505	95,681	-67,823	-41.48%
Imperial	164,689	154,962	-9,728	-5.91%
Inyo	17,113	17,455	342	2.00%
Kern	589,790	610,195	20,405	3.46%
Kings	137,130	109,132	-27,998	-20.42%
Lake	30,494	30,715	221	0.72%
Lassen	21,607	21,404	-203	-0.94%
Madera	136,002	85,713	-50,289	-36.98%
Marin	131,628	139,532	7,904	6.00%
Mariposa	12,403	12,218	-185	-1.49%
Mendocino	78,451	90,299	11,848	15.10%
Merced	100,450	107,075	6,625	6.60%
Modoc	9,750	9,715	-35	-0.35%
Mono	25,219	25,212	-7	-0.03%
Monterey	209,225	220,852	11,627	5.56%
Napa	89,665	83,098	-6,567	-7.32%
Nevada	61,263	85,876	24,612	40.17%
Orange	1,981,831	1,932,472	-49,359	-2.49%
Placer	138,909	160,197	21,288	15.33%
Plumas	11,777	11,238	-539	-4.58%
Riverside	1,344,199	1,349,841	5,643	0.42%
Sacramento	560,250	595,131	34,880	6.23%
San Benito	26,043	24,823	-1,221	-4.69%
San Bernardino	970,674	1,078,609	107,935	11.12%
San Diego	2,650,556	2,587,613	-62,943	-2.37%
San Francisco	826,676	883,286	56,610	6.85%
San Joaquin	443,685	465,812	22,127	4.99%
San Luis Obispo	151,278	143,422	-7,856	-5.19%
San Mateo	436,206	367,422	-68,784	-15.77%
Santa Barbara	361,037	309,151	-51,885	-14.37%
Santa Clara	1,599,582	1,658,496	58,914	3.68%
Santa Cruz	119,711	119,070	-641	-0.54%
Shasta	251,779	229,996	-21,784	-8.65%
Sierra	6,395	6,431	36	0.57%
Siskiyou	38,526	35,333	-3,192	-8.29%

Judicial Branch Workers' Compensation Program
Workers' Compensation Fiscal Year 2020-21 Premium
Trial Courts

Comparison to Prior Premium

Court	2019-20 Total Premium (A)	2020-21 Total Premium (B)	Difference (C)	Percent Change (D)
Solano	441,711	436,047	-5,664	-1.28%
Sonoma	254,324	274,957	20,633	8.11%
Stanislaus	200,270	240,043	39,774	19.86%
Sutter	62,110	61,509	-601	-0.97%
Tehama	39,160	40,445	1,285	3.28%
Trinity	16,097	15,762	-335	-2.08%
Tulare	305,184	220,040	-85,144	-27.90%
Tuolumne	39,979	38,313	-1,666	-4.17%
Ventura	483,927	587,105	103,178	21.32%
Yolo	109,097	115,545	6,448	5.91%
Yuba	62,692	54,816	-7,876	-12.56%
All Courts	\$18,223,000	\$18,376,000	\$153,000	0.84%

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 2020-21 Premium
State Judiciary**

2020-21 Premium

Court	2016-17 to 2018-19		2016-17 to 2018-19		Percent Limited Losses (E)	2020-21 Indicated Loss & ALAE		2020-21 Weighted Loss & ALAE		2020-21 Excess Premium (J)	2020-21 Claims Handling (TPA) Fees (K)	2020-21 Program Admin. Premium (L)	2020-21 Brokerage / Consulting Premium (M)	2020-21 Total Premium (N)	2020-21 Percent of Premium (O)
	Payroll (\$000) (A)	Percent Payroll (B)	Loss & ALAE Premium Based on Payroll (C)	Incurred Limited to \$75K (D)		Loss & ALAE Premium Based on Losses (F)	Weighting (G)	Loss & ALAE Premium (H)	Adjusted Loss & ALAE Premium (I)						
Supreme Court	\$53,921	3.44%	\$23,801	\$1,389	0.34%	\$2,342	30.47%	\$17,262	\$20,038	\$6,338	\$7,134	\$0	\$7,474	\$40,983	3.06%
1st District Court	44,606	2.85%	19,689	8,574	2.09%	14,459	28.61%	18,193	21,119	5,243	7,518	0	6,183	40,063	2.99%
2nd District Court	91,107	5.82%	40,215	38,169	9.31%	64,365	36.30%	48,980	56,858	10,708	20,242	0	12,629	100,437	7.51%
3rd District Court	32,129	2.05%	14,182	6,405	1.56%	10,800	25.64%	13,314	15,456	3,776	5,502	0	4,454	29,188	2.18%
4th District Court	73,969	4.73%	32,650	7,745	1.89%	13,060	33.86%	26,017	30,201	8,694	10,752	0	10,253	59,901	4.48%
5th District Court	27,613	1.76%	12,188	1,337	0.33%	2,254	24.38%	9,766	11,337	3,245	4,036	0	3,828	22,446	1.68%
6th District Court	20,817	1.33%	9,189	9,052	2.21%	15,264	22.19%	10,537	12,231	2,447	4,354	0	2,886	21,918	1.64%
Judicial Council	214,859	13.72%	94,839	279,888	68.30%	471,981	48.31%	277,046	321,605	25,254	114,493	0	29,783	491,135	36.71%
CJP	7,889	0.50%	3,482	0	0.00%	0	16.06%	2,923	3,393	927	1,208	0	1,093	6,622	0.49%
HCRC	21,486	1.37%	9,484	51	0.01%	86	22.42%	7,377	8,563	2,525	3,048	0	2,978	17,115	1.28%
CJCL	1,539	0.10%	679	0	0.00%	0	9.31%	616	715	181	255	0	213	1,364	0.10%
Trial Court Judges	975,533	62.32%	430,602	57,159	13.95%	96,388	80.00%	163,231	189,484	114,661	67,457	0	135,225	506,827	37.88%
All Courts	\$1,565,467	100.00%	\$691,000	\$409,768	100.00%	\$691,000		\$595,262	\$691,000	\$184,000	\$246,000	\$0	\$217,000	\$1,338,000	100.00%

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)].

Judicial Branch Workers' Compensation Program
Workers' Compensation Fiscal Year 2020-21 Premium
State Judiciary

Summary of Payroll

Court	Payroll		
	2016-17	2017-18	2018-19
Supreme Court	\$17,193,164	\$17,860,314	\$18,867,737
1st District Court	14,702,252	15,316,570	14,587,098
2nd District Court	29,034,914	30,418,269	31,653,387
3rd District Court	10,415,011	10,822,301	10,891,309
4th District Court	23,474,686	24,560,574	25,934,153
5th District Court	8,833,214	9,107,436	9,671,912
6th District Court	6,751,226	6,733,060	7,332,430
Judicial Council	67,205,124	72,782,506	74,871,422
CJP	2,447,511	2,683,044	2,758,074
HCRC	6,605,907	7,472,052	7,408,297
CJCL	365,744	550,331	623,148
Trial Court Judges	308,693,047	321,395,608	345,443,929
All Courts	\$495,721,800	\$519,702,066	\$550,042,896

Notes:

Provided by Judicial Branch Workers' Compensation Program.

Judicial Branch Workers' Compensation Program
Workers' Compensation Fiscal Year 2020-21 Premium
State Judiciary

Summary of Loss Data

Court	Incurred Losses			Incurred Losses Capped at \$75K		
	2016-17	2017-18	2018-19	2016-17	2017-18	2018-19
Supreme Court	\$0	\$0	\$1,389	\$0	\$0	\$1,389
1st District Court	747	3,972	3,855	747	3,972	3,855
2nd District Court	0	38,169	0	0	38,169	0
3rd District Court	0	328	6,077	0	328	6,077
4th District Court	3,461	0	4,284	3,461	0	4,284
5th District Court	0	1,337	0	0	1,337	0
6th District Court	0	0	9,052	0	0	9,052
Judicial Council	295,786	10,382	71,003	198,504	10,382	71,003
CJP	0	0	0	0	0	0
HCRC	0	51	0	0	51	0
CJCL	0	0	0	0	0	0
Trial Court Judges	16,769	23,497	16,893	16,769	23,497	16,893
All Courts	316,763	77,735	112,551	219,481	77,735	112,551

Notes:

Provided by Judicial Branch Workers' Compensation Program.

**Judicial Branch Workers' Compensation Program
Workers' Compensation Fiscal Year 2020-21 Premium
State Judiciary**

Comparison to Prior Premium

Court	2019-20 Total Premium (A)	2020-21 Total Premium (B)	Difference (C)	Percent Change (D)
Supreme Court	\$39,792	\$40,983	\$1,191	2.99%
1st District Court	36,704	40,063	3,359	9.15%
2nd District Court	77,837	100,437	22,600	29.04%
3rd District Court	25,089	29,188	4,100	16.34%
4th District Court	55,761	59,901	4,140	7.42%
5th District Court	21,966	22,446	480	2.19%
6th District Court	16,582	21,918	5,337	32.18%
Judicial Council	597,084	491,135	-105,949	-17.74%
CJP	6,349	6,622	273	4.29%
HCRC	16,830	17,115	285	1.70%
CJCL	1,351	1,364	13	0.96%
Trial Court Judges	443,656	506,827	63,171	14.24%
All Courts	\$1,339,000	\$1,338,000	-\$1,000	-0.07%

Notes:

- (A): From Prior Premium Report
- (B): From Exhibit J-1.
- (C): (B) - (A)
- (D): (C) / (A)

**Judicial Branch Workers' Compensation Program
Workers' Compensation Fiscal Year 2020-21 Premium
State Judiciary**

Trial Court and State Judiciary Claims Handling, Program Admin and Brokerage/Consulting Premium

Division	2016-17 to 2018-19 Payroll (\$000) (A)	Percent Payroll (B)	2016-17 to 2018-19 Incurred Limited to \$75K (C)	Percent Limited Losses (D)	2020-21 Claims Handling (E)	2020-21 Program Admin. (F)	2020-21 Brokerage / Consulting (G)
Trial Courts	\$2,641,412	62.79%	\$18,480,846	97.83%	\$2,436,000	\$0	\$367,000
State Judiciary	1,565,467	37.21%	409,768	2.17%	246,000	0	217,000
Total	\$4,206,879	100.00%	\$18,890,614	100.00%	\$2,682,000	\$0	\$584,000

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.



January 22, 2020

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

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RE: 2019 Claims Technical and Contractual Administration Audit – Preliminary Report

Dear Mr. Farrales:

Please find attached our preliminary draft report of audit findings for the technical and contractual audit of claims administration and medical management services conducted for the Judicial Branch Workers' Compensation Program (JBWCP) in 2019.

Sedgwick appreciates the opportunity to provide claims auditing services and the assistance received from personnel of the JBWCP and staff at the third-party administrator, Acclamation Insurance Management Services, Inc. (AIMS) and medical management provider Allied Managed Care (AMC), in completing this audit.

This report has been provided to AIMS for their review and response. It is understood the final draft report may involve some alteration in report format.

Sedgwick stands ready to answer any questions and discuss the finalization of the report.

Sincerely,

Jacquelyn Miller
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Sedgwick

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- A. Recommended Reserve Changes
- B. Scoring by Claim Summary
- C. Files Selected for Review
- D. AIMS Audit and Plans for Improvement

I. Executive Summary

The JBWCP is a permissibly uninsured workers' compensation program. The third-party administrator (TPA) 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:

1. Solicited and analyzed claims data and considered the audit report and audit criteria from the amended criteria utilized in the 2017 audit. We selected a cross section of claims related to the Program with sufficient claims in the sampling to represent overall performance;
2. Examined and scored a sample of 180 claims (the audit sampling was increased by 30 files to represent a final Spot Check review for 2019) for technical administration and contractual compliance of the work performed during the period of November 1, 2018 through October 31, 2019. Files were also reviewed relating to Medical Management services in the form of timely Utilization Review, Independent Medical Review outcomes as well as the timeliness of Bill Review services. The audit was conducted by review of electronic claim files offsite by Jacquelyn Miller 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.
3. Communicated with AIMS Management throughout the audit, providing feedback on individual claim findings. AIMS has been given the opportunity to provide rebuttals to the feedback for the auditors' reconsideration of scoring, any final changes will be incorporated into the FINAL report.
4. Will provide preliminary audit results to the JBWCP staff and AIMS by teleconference in January 2020.

To promote continued improvement, the target score identified for compliance by the Committee has been raised from 85% to 90%. We score the overall compliance as shown in Table I-3 at 88% with comparison to the 2017 and 2018 Audits where applicable, showing the change in percentage score.

This scoring is separated into three specific sections: Member Issues at 93%; Technical Score at 89%; and TPA Diaries/Contractual Score at 87%. The two areas reflecting only the work performance of AIMS (Technical and TPA Diaries/Contractual) demonstrate a final audit score

of 88%. It is noted that while the overall score and that of AIMS do not meet the *current* target score, they do exceed the prior target.

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.

The Medical Management services aspect of the review was not calculated in to the score but will be recognized in the Audit Analysis.

To arrive at our performance assessment, we graded each claim included in Appendix C, "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 90% compliance.

Opportunities for Improvement with Recommendations are identified where actual scores at the criteria level (see Table I-2) are below 90% compliance.

Worksheets were provided to AIMS for review of the findings and will be 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 A provides “Recommended Reserve Changes” detailing our recommended reserves for the claims sample reviewed with a *decrease of \$219*, 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. It is noted that 45% of the files identified for recommended reserve changes, were also noted for delayed Supervisor reviews and guidance which is discussed below in the Audit Analysis.

Table I-1
Areas of Success

Component	Actual Score	Target Score	Recommendations/Comments
Member Issues			
Modified Duty Available	92%	90%	The member involvement in identifying modified duty opportunities is recognized in this review. This area shows an increase from the prior Audit of 1%.
Participation in Claim	99%	90%	This area continues to be a success for the members. While this is a decrease of 1% from the prior Audit, active participation is noted.
Response to Adjuster	91%	90%	This category shows a decrease of 8% from the prior Audit, with the members remaining responsive to adjusters' request for information and authorization overall.
Technical			
Benefits Paid Correctly	92%	90%	This category demonstrated an increase of 4% over the prior Audit.
Attorney Assignment Thorough	100%	90%	This category demonstrated an increase of 7% over the prior Audit.
Assigned to Specific Attorney	100%	90%	This category remained at 100% in comparison to the prior Audit.
Attorney Monitored	92%	90%	This category demonstrated a decrease of 7% from the prior Audit.
QME Documents Submitted Timely	100%	90%	This category demonstrated an increase of 8% over the prior Audit.
Medical Managed Well	97%	90%	This category showed an improvement of 4% over the prior Audit.
RTW Issues Well Managed	93%	90%	This category increased by 5% over the prior Audit.
Management Guidance Effective	100%	90%	An increase of 15% is noted in this category when compared to the prior Audit. Management guidance is well documented for those areas requiring input by senior level management staff.
Management Addresses Concerns	100%	90%	This category increased by 9% over the prior Audit.
TPA Diaries/Contract Compliance			
Plan of Action Review Timely	94%	90%	This category continues in compliance with no change from the prior Audit.
Reserve Review Timely	97%	90%	This category remained at the same level as the prior Audit, demonstrating reviews were conducted timely.
Supervisor Review Follows Guidelines	91%	90%	This category decreased by 7% from the prior Audit.
Timely Response to Members	99%	90%	This claims staff continues to demonstrate consistent and timely response to member inquiries with this category again scoring 99% compliance for the 3 rd year.
Professional Response to Members	100%	90%	This category continues to show professional and appropriate response to member inquiries, with a score of 100%. No change from the prior Audit.
SAR Well Documented	92%	90%	This category decreased by 2% from the prior Audit.

Component	Actual Score	Target Score	Recommendations/Comments
Settlement Follows Guidelines	95%	90%	A 5% 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	92%	90%	This category increased by 7% from the prior Audit.

Table I-2
Recommendations to Improve Performance

Component	Actual Score	Target Score	Recommendations
Member Issues			
Reported Timely	80%	90%	This category shows an increase of 4% over the prior Audit. Files are required to be reported within 5 days of the employer's knowledge the employee is seeking benefits; the average for those files reviewed with specific delays noted is 13.6 days due to for various reasons around whether a claim is reportable or not. Although AIMS staff has concentrated efforts in discussing timely reporting with members as they present claim reviews and while discussing individual claims, 55% of the late claims had no explanation for the delay. It is recommended that AIMS inquire as to the reason and note the files for future evaluation of late reporting trends.
Technical			
Employer Communication	89%	90%	This category decreased by 5% from the prior Audit. It is noted, that but for the increase in the Target Score, this category would be in compliance.
Investigation	67%	90%	This category decreased by 23% from the prior Audit. This category applied to only 6 files, with 2 noted for requiring additional investigation in to "out of State" activities and potential fraud.
Reserves Accurate	85%	90%	This category increased by 5% over the prior audit. Accurate reserving will require the adjuster to document the file with information supporting the specific reserve for each file. As previously recommended, a review of the reserving guidelines focused on <i>probable outcome</i> is recommended for all newly assigned adjusters and for all adjusters on an annual basis.
Resolution Focus	74%	90%	This category decreased by 5% from the prior Audit. This category as well as that of Proactive Diaries demonstrates the need for recognition of all outstanding issues by adjusting staff.

Component	Actual Score	Target Score	Recommendations
Subrogation	88%	90%	This category decreased by 3% from the prior Audit. It is noted, that but for the increase in the Target Score, this category would be in compliance. The category applied to only 7 files, with 1 requiring clarification of a global settlement.
TPA Diaries/Contract Compliance			
Excess Reporting Timely	89%	90%	This category increased by 26% over the prior Audit. Although this category applies to a very limited number of files (9), adjusters and supervisors must recognize timely reporting and responsiveness to excess inquiries.
Supervisory Review Timely	59%	90%	This category showed a serious decrease of 14% from the prior Audit. It is noted there was a concentrated effort to review files in the recent months, however the lack of supervisory guidance has had a negative impact on the overall work product. Additional information regarding this category is provided in the Audit Analysis.
Proactive Diaries	87%	90%	This category decreased by 6% from the prior Audit. Use of Proactive Diaries will aid in keeping files on track. It is recommended that companion files include Proactive Diaries to match those of the Master files to assure they will not be overlooked in resolution.
Supervisor Review Thorough	87%	90%	Due to the concentrated effort to bring the supervisory reviews current, this category exceeded the prior Audit by 2%. It is noted, that but for the increase in the Target Score, this category would be in compliance.
Issues Recognized and Escalated	85%	90%	This category continues to improve and increased by 4% over the prior Audit. We continue to recommend training 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. It is noted, that but for the increase in the Target Score, this category would be in compliance.
Settlement Pursued Timely	36%	90%	This category experienced a significant decrease of 42% from the prior Audit. Please refer to the Audit Analysis for more information regarding the impact of this category.

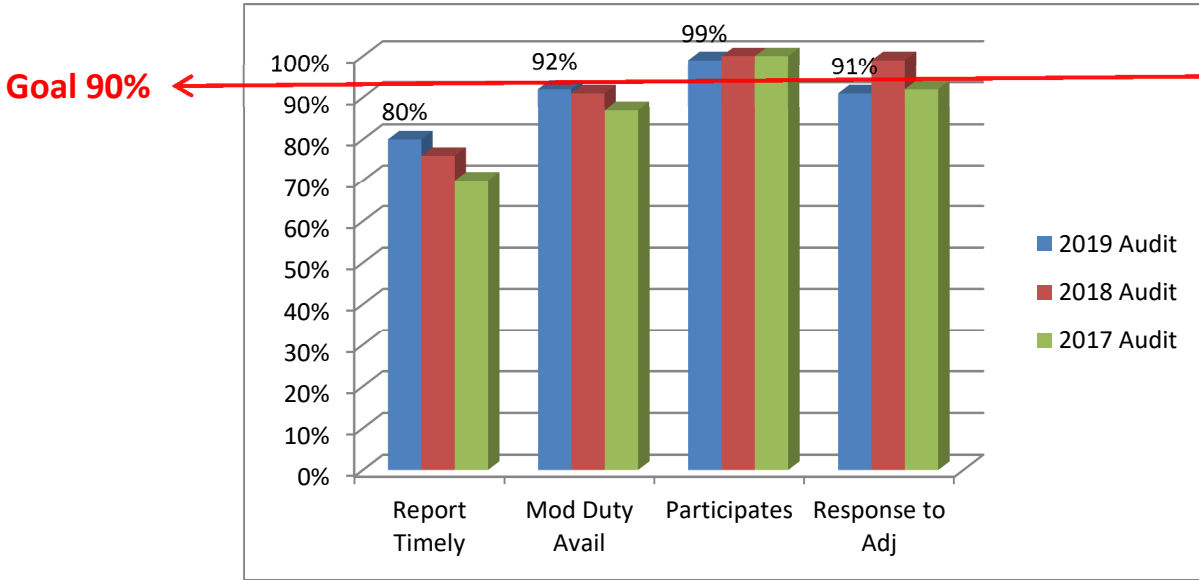
Table I-3
Summary Scores by Criteria with Comparisons

Member Issues	2019 % Comparison to Target	2019 Audit	2018 Audit	2017 Audit	Target
Reported Timely	-10%	80%	76%	70%	90%
Mod Duty Available	2%	92%	91%	87%	90%
Participates in Claim	9%	99%	100%	100%	90%
Response to Adjuster	1%	91%	99%	92%	90%
Members Issues Overall Score	3%	93%	95%	90%	90%

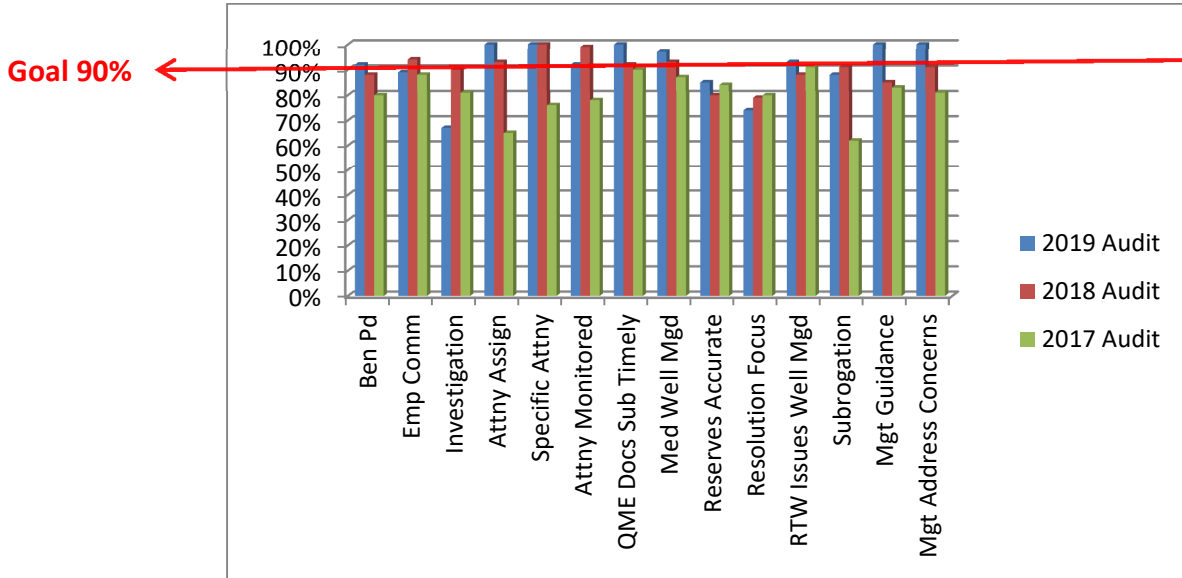
Technical	2019 % Comparison to Target	2019 Audit	2018 Audit	2017 Audit	Target
Benefits Paid Correctly	2%	92%	88%	80%	90%
Employer Communication	-1%	89%	94%	88%	90%
Investigation	-23	67%	90%	81%	90%
Attny Assignment Thorough	10%	100%	93%	65%	90%
Assigned to Specific Attny	10%	100%	100%	76%	90%
Attny Monitored	2%	92%	99%	78%	90%
QME Docs Sub Timely	10%	100%	92%	90%	90%
Medical Mgd Well	7%	97%	93%	87%	90%
Reserves Accurate	-5%	85%	80%	84%	90%
Resolution Focus	-16%	74%	79%	80%	90%
RTW Issues Well Mgd	3%	93%	88%	91%	90%
Subrogation	-2%	88%	91%	62%	90%
Mgt Guidance Effective	10%	100%	85%	83%	90%
Mgt Address Concerns	10%	100%	91%	81%	90%
Technical Overall Score	-1%	89%	88%	83%	90%

TPA Diaries/Contract	2019 % Comparison to Target	2019 Audit	2018 Audit	2017 Audit	Target
Excess Reporting	-1%	89%	63%	70%	90%
POA Review Timely	4%	94%	94%	72%	90%
Reserve Review Timely	7%	97%	97%	84%	90%
Supervisory Review Timely	-31%	59%	73%	57%	90%
Proactive Diaries Set	-3%	87%	93%	85%	90%
Sup Review Thorough	-3%	87%	85%	84%	90%
Sup Rev Follows Guidelines	1%	91%	98%	88%	90%
Timely Resp to Members	9%	99%	99%	99%	90%
Prof Resp to Members	10%	100%	100%	96%	90%
Issues Recog/Escalated	-5%	85%	81%	83%	90%
Settlement Pursuit Timely	-54%	36%	78%	60%	90%
SAR Well Documented	2%	92%	95%	85%	90%
Settlement Guide Followed	5%	95%	90%	83%	90%
Settlement Sub Approp	2%	92%	85%	85%	90%
TPA Diaries/Contract Overall Score	-3%	87%	90%	81%	90%
AIMS OVERALL SCORES	-2%	88%	89%	82%	90%
OVERALL SCORES ALL CATEGORIES	-2%	88%	90%	83%	90%

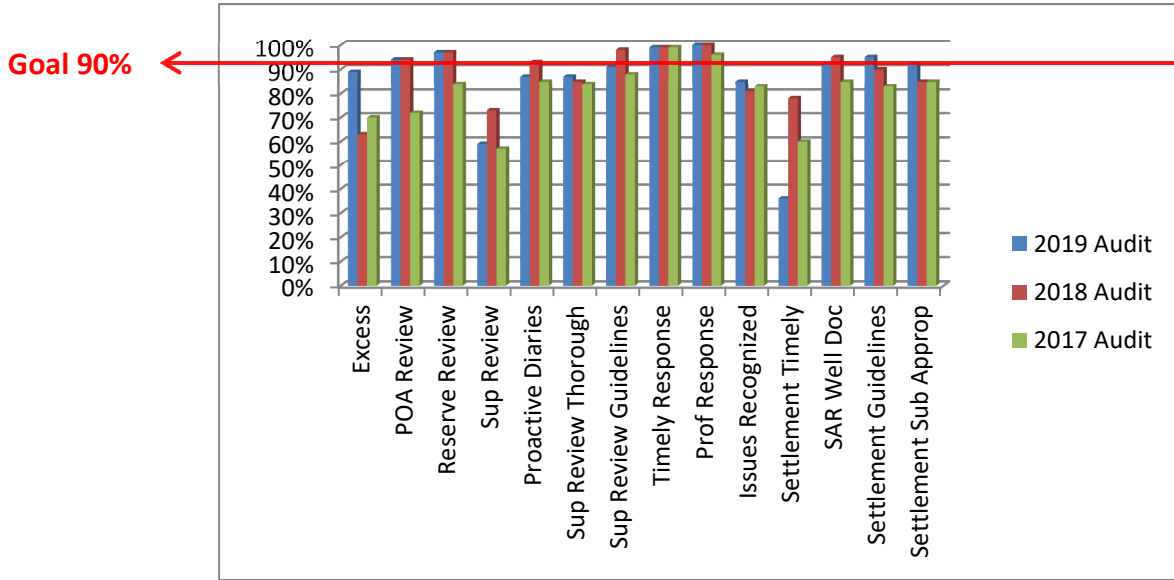
Member Issues



Technical



Diaries/Contract Compliance



We recommend our report be read in its entirety.

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:

- 1 Program Manager;
- 1 Assistant Program Manager;
- 2 Claim Supervisors;
- 9 Senior Adjusters;
- 1 Future Medical (FM) Adjuster;
- 1 Medical Only (MO) Adjuster; and
- 3 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 occasionally 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 79 files (a 10 file decrease from the 2018 audit), with the overall Indemnity Adjuster caseload (when combined with a small number of FM and MO files) at 94 claims. This is well below the contracted 130 caseload per adjuster and demonstrates an increase over the prior audit of 11 claims. Staff has remained relatively stable during the current review period, although caseloads have been adjusted between the existing adjusters to meet client needs.

Files were also reviewed for increased costs due to administrative error, finding a total of \$32,594.75 incurred relating to overpayment of Permanent Disability, payments on the incorrect file, duplicate or delayed payments, and unnecessary or unauthorized payments. Specific information regarding the increased costs has been provided on the Audit Worksheets with a summary in Table II-1. It is noted that \$1,247 of the overpayments relate directly to files noted for delayed Supervisor review below.

These increased costs have been noticed to AIMS for reimbursement to the program as appropriate.

Exhibit II-1

Increased Costs Due to Administrative Error

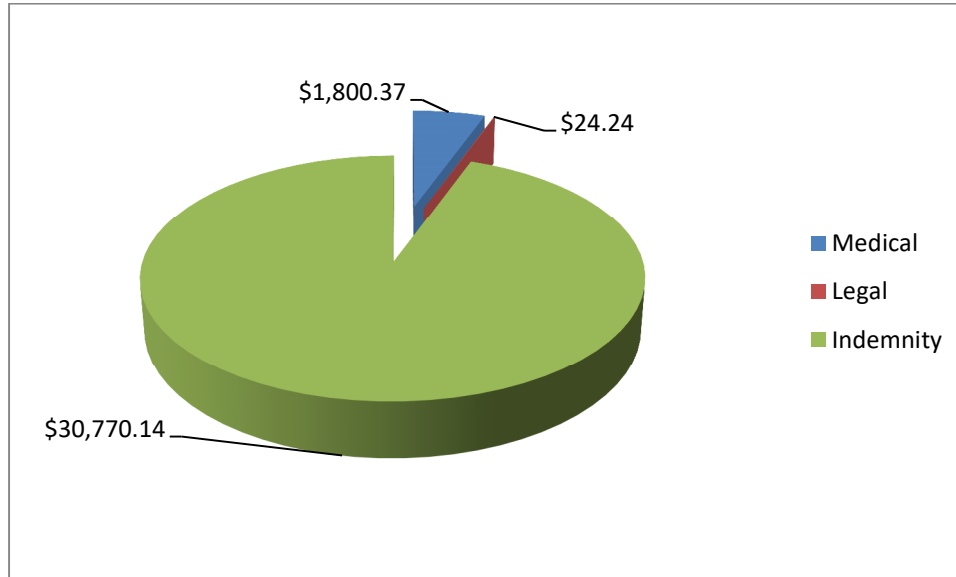


Table II-1

Files Identified for Specific Increased Costs

Item #	Amount Incurred	Medical	Legal	Indemnity	Comment
58	\$30,681			\$30,681	PD paid post subrogation settlement
61	\$89.14			\$89.14	Self-Imposed Increase PD Delay
67	\$1,157.90	\$1,157.90			Duplicate Mileage Payment
98	\$500	\$500			Depo Fee – Cancelled/Reimb Due
107	\$166.71	\$142.47	\$24.24		Paid Mileage/Bill Review post settlement
	\$32,594.75	\$1,800.37	\$24.24	\$30,770.14	

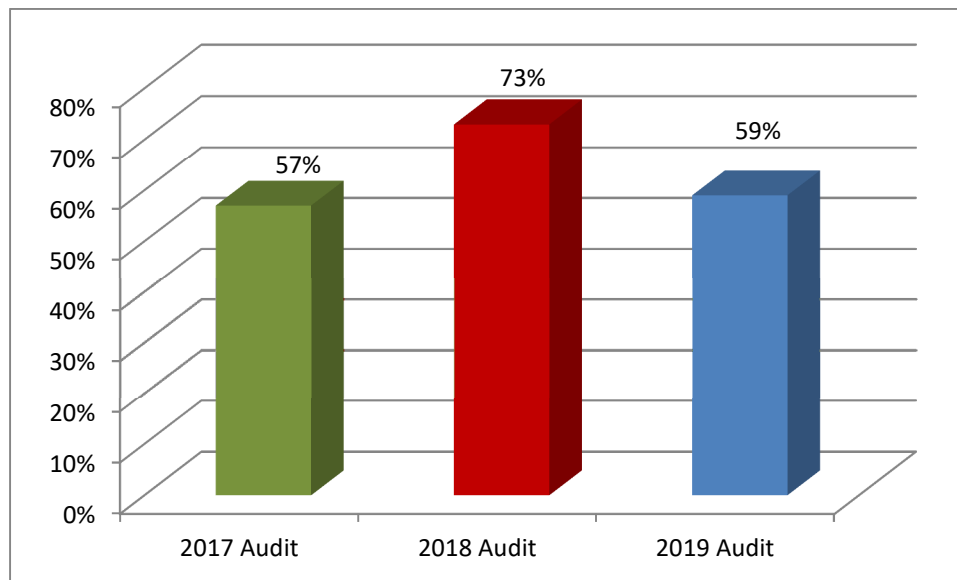
Supervisory Review and Guidance

The two primary Supervisors and the Assistant Program Manager do not maintain a caseload, with the intention to allow their focus on quality control and staff guidance. The importance of supervisory review and guidance and the lack of timely reviews have been noted in both the 2017 and 2018 Audits, with the current audit showing no improvement and an average of 434 days between Supervisory reviews (1.19 years). The Assistant Program Manager has provided some additional coverage for the supervisory staff in recent months, as have two of the more experience claims adjusters. This accounts for the more positive result in the area of Supervisory Review Thorough.

An analysis of the claims with delayed Supervisory diaries demonstrates 67% of the delayed Supervisory diaries relate to Active Indemnity claims, claims that would benefit from supervisory guidance focused on claim resolution. 31 of the JBWCP members have files with delayed Supervisory diaries, which will negatively impact claim resolution.

Supervisory Review Timely is an area that continues to require improvement at 59% compliance. Increased focus on meeting the Service Guidelines regarding supervisory review is recommended, with a specific measurable plan to address this issue developed by AIMS in their response to the audit.

Supervisory Review Timely



Settlements

The JBWCP developed a formal Settlement Authority process in 2017, providing specific authority levels for the TPA, the JBWCP Member and the Settlement Working Group. Timelines for review and response to Settlement Authority Requests (SARs) were established and training was provided to the Members and AIMS staff on the new process.

A review of the 25 files selected for this audit show an average of 58 calendar days from the adjuster's receipt of sufficient information to request settlement authority to the SAR actually submitted to management for review. On average, an additional 20 calendar days is taken for management at AIMS to review and submit the SAR to the appropriate Court. Data indicates the Courts are then taking an average of 9.6 days to review and return the SAR to AIMS.

Understanding that the Settlement Authority process is based upon "Court Days" for response from the JBWCP members, this analysis would appear to show the members are responsive to the SARs as they are received. However, there does appear to be a delay from the receipt of sufficient information to settle the claim, to actual preparation of the SAR document and submission to management. This is an area which can be better served by utilizing Proactive Diaries, focused on key dates such as expected receipt of Maximum Medical Improvement reports. It is recognized that the use of Proactive Diaries has improved over time; continued focus on this important tool will benefit the SAR process.

During this review period, the responsibility for review and approval of the SAR at the AIMS management level has changed from the direct supervisory review to the Assistant Program Manager. Delays have been noted during the year, with the audit proving out an average of 20 days from receipt of the SAR to providing it to the member. It is recommended AIMS review the approval process to determine if further adjustment would benefit the program and move the cases to resolution more timely.

This audit analysis relies upon the audit criteria developed in 2017 with the addition of the Medical Management services provided through the Utilization Review and Bill Review processes.

The claims technical team receives support for medical cost containment activities from Allied Managed Care, Inc. (AMC), an AIMS subsidiary with separate contract provisions. A review of the services provided by AMC in the areas of Timeliness of Medical Bill Review and Utilization Review as well as the accuracy of Utilization Review decisions when compared to Independent Medical Review were evaluated.

Medical Bill Review Timeliness and Accuracy – California Labor Code 4603.2 provides for payment of Medical Treatment bills upon receipt of itemization and any applicable reports within 60 days. Bills are received by the AIMS adjuster and reviewed by AMC for accuracy when applied against the California Fee Schedule before payment is issued. This review significantly reduces the amount paid on each file as medical vendors will typically bill at fee for service without appropriate Fee Schedule limits. A review of the *Turn Around Times Detail Report* supplied by AMC, demonstrated an average turn a round of only 8.55 days for the 24,356 bills reviewed. This represents an area of success for AMC as this is well below the Labor Code requirement.

A medical provider can dispute the amount paid by a TPA when the bill has been properly submitted by applying for an Independent Bill Review (IBR).

For this review period, only two bills went through the IBR process. After review by the IBR vendor, additional fees were due the provider. This too is an area of success for AMC, demonstrating accurate bill review with virtually no disputes escalated to the IBR process.

Utilization Review Timeliness and Appropriateness

Utilization Review (UR) is mandated in the State of California and provided to the JBWCP by AMC. This process requires (with minimal exception when the adjuster may APPROVE a request) that ALL requests for medical care and testing proceed through a UR process where the requests must be supported by medical evidence and meet the Medical Treatment Utilization Schedule (MTUS) established by the State.

Because prompt and appropriate treatment of injured workers is the key to their recovery, specific timelines have been placed regarding review of treatment requests. Generally speaking, there are four types of reviews: Prospective; Concurrent; Retrospective and Expedited, each requiring a specific turn-around time from receipt of the request for care (with supporting documentation) and recommendation for authorization, amendment or denial of care. These timelines run from the rare Expedited review at 72 hours or less for conditions in which the injured worker “faces an imminent and serious threat to his or her health” to a retrospective review conducted after medical services have been provided and the review must be completed within 30 days of receiving the necessary information required to make a decision. The most frequent review is the Prospective review which is conducted before the requested service is provided. This review must be made within five business days from first receipt of the request.

322 UR instances were reviewed for eighty of the files selected in the Technical Audit. This review demonstrated an average one day turnaround from receipt of the request for care by the adjuster to receipt by AMC staff for UR. Additionally, the UR reviews were conducted on average at 2.5 days from receipt from the adjusting staff. This is a solid success for AIMS staff and AMC staff as well as the integration process between the two in moving the requests for care to the appropriate review well below the required timeline.

Injured workers and/or the requesting physician have an opportunity to appeal a UR decision to the Independent Medical Review (IMR) process. For this review period 30 instances of IMR were identified for 19 of the selected files. Of these 93% of the instances were UPHeld by IMR, with the remaining 7% only partially overturned.

Overall, the review of Medical Management services provided by AMC meets and exceeds industry expectations and requirements.

Appendix A

Recommended Reserve Changes

Recommended Reserve Changes

Item #	Original Incurred	Recommended Change	Recommended Incurred	Comments
7	\$94,860	\$3,600	\$98,460	Medical reserve does not support SAR
8	\$31,561	\$31,424.56	\$62,985.56	Surgery and TD costs
9	\$107,709	\$10,000	\$117,709	Surgery costs
31	\$17,588	\$12,583	\$30,171	Surgery costs
44	\$74,667	\$1	\$74,668	Reopen to monitor for reimbursement to employee
64	\$17,948	-\$4,000	\$13,948	Discharged without future care – reduce Medical
80	\$240,648	-\$1,900	\$238,748	Reduce Legal fees
83	\$115,922	-\$3,500	\$112,422	Reduce PD to 18%
89	\$11,192	-\$2,500	\$8,692	Reduce Legal fees
90	\$465,565	-\$2,100	\$463,465	Reduce Legal fees
94	\$7,480	-\$3,000	\$4,480	Discovery costs on Master file
100	\$9,215	\$100	\$9,315	Reopen file with minimal reserves, recent representation
108	\$26,489	-\$3,500	\$22,989	Reduce Medical
124	\$97,840	-\$700	\$97,140	Reduce Legal, no outstanding issue
125	\$97,171	-\$30,800	\$66,371	No outstanding Indemnity/liens, used Life Expectancy
133	\$20,542	\$1,500	\$22,042	Still treating/QME potential
138	\$79,165	\$8,772	\$87,937	Outstanding PD estimate
153	\$53,121	-\$14,400	\$38,721	Reduce PD to 5%, reduce medical as not treating
154	\$37,300	-\$5,000	\$32,300	Reserve non-specific, not treating
156	\$18,509	\$1,000	\$19,509	Reopen to address EDD
174	\$43,639	\$200	\$43,839	Medical reserve does not support C/R proposed
175	\$358	\$2,000	\$2,358	Reopen to address litigation

\$1,668,489

-\$219

\$1,668,270

Recommended Reserve Changes by Reserve Category

CATEGORY	RECOMMENDED CHANGE
Indemnity	\$8,380
Medical	-\$3,500
Bill Review/Legal	-\$5,099
TOTAL CHANGE	-\$219



Appendix B

Scoring by Claim Summary

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 Assgmtnet 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 (%)		
101	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	na	na	na	na	na	na	na	na	na	na	80	89
102	na	na	na	na		Y	na	na	na	na	na	na	Y	Y	na	na	na	na	na	100	Y	Y	Y	N	na	Y	Y	na	na	na	na	na	na	na	na	na	83	89
103	na	na	Y	N	50	Y	Y	na	Y	Y	na	na	Y	N	Y	na	na	na	na	86	na	Y	Y	Y	N	Y	Y	na	na	na	Y	Y	Y	Y	Y	90	84	
104	na	na	na	na		na	na	na	na	na	na	na	na	Y	na	na	na	na	na	100	na	Y	Y	N	na	Y	Y	na	na	na	na	na	na	na	na	na	80	83
105	na	na	Y	N	50	Y	Y	na	na	na	na	na	Y	Y	N	na	na	na	na	80	na	Y	Y	Y	N	Y	Y	na	na	na	N	Y	Y	Y	Y	80	76	
106	Y	na	Y	Y	100	Y	Y	na	Y	Y	Y	Y	Y	Y	Y	na	na	na	na	100	na	Y	Y	Y	Y	Y	Y	na	na	na	na	na	na	na	na	na	100	100
107	na	na	Y	Y	100	N	Y	na	Y	Y	Y	na	Y	N	Y	na	na	Y	Y	80	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	100	92	
108	Y	na	Y	Y	100	Y	Y	na	na	na	na	na	Y	N	N	Y	na	na	na	67	na	Y	Y	Y	Y	Y	Y	Y	Y	na	N	Y	Y	na	91	85		
109	na	na	Y	Y	100	Y	Y	na	Y	Y	Y	Y	Y	Y	Y	na	na	na	na	100	na	Y	Y	Y	Y	Y	Y	Y	Y	na	Y	Y	Y	na	100	100		
110	Y	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	na	na	na	na	na	na	na	na	100	100	
111	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	na	100	100	
112	na	na	Y	N	50	Y	Y	na	Y	Y	Y	Y	Y	Y	Y	na	na	na	100	na	Y	Y	N	Y	Y	Y	Y	Y	na	Y	Y	Y	na	91	91			
113	na	na	Y	Y	100	Y	Y	na	na	na	na	Y	Y	Y	Y	na	na	Y	Y	100	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y	Y	na	92	96	
114	na	na	na	na		Y	na	na	na	na	na	na	Y	Y	na	na	na	na	na	100	na	Y	Y	N	na	na	na	na	na	na	na	na	na	na	na	67	83	
115	na	na	Y	Y	100	Y	Y	na	na	na	na	na	Y	Y	N	na	na	na	na	80	na	Y	Y	Y	N	Y	Y	Y	Y	na	na	na	na	na	na	88	87	
116	na	Y	N	N	33	Y	Y	na	na	na	na	Y	Y	Y	N	Y	na	na	na	86	na	Y	Y	N	Y	N	Y	na	na	na	na	na	na	na	na	67	69	
117	N	Y	Y	Y	75	N	Y	Y	na	na	na	Y	Y	Y	Y	Y	na	na	na	88	na	Y	Y	Y	Y	Y	Y	Y	Y	na	na	na	na	na	100	90		
118	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	na	100	100	
119	Y	Y	Y	Y	100	Y	N	na	na	na	na	na	Y	Y	N	Y	na	na	na	67	na	Y	Y	Y	Y	N	Y	Y	Y	na	na	na	na	na	na	88	83	
120	na	na	na	na		Y	na	na	na	na	na	na	Y	Y	na	na	na	na	na	100	na	Y	Y	Y	Y	Y	na	na	na	na	na	na	na	na	na	100	100	
121	na	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	na	100	100	
122	na	Y	Y	Y	100	Y	Y	na	na	na	na	Y	Y	Y	N	Y	na	na	na	86	na	Y	Y	N	Y	N	N	na	na	na	na	na	na	na	na	50	75	
123	Y	Y	Y	Y	100	N	Y	na	na	na	na	na	Y	Y	Y	Y	na	na	na	83	na	Y	Y	Y	Y	N	Y	Y	Y	N	na	na	na	na	na	78	84	
124	na	na	Y	Y	100	Y	N	na	na	na	na	na	Y	N	Y	na	na	na	na	60	na	Y	Y	Y	Y	Y	Y	na	na	na	na	na	na	na	na	100	85	
125	na	na	Y	Y	100	Y	Y	na	Y	Y	Y	na	Y	N	Y	na	na	na	na	88	na	Y	Y	N	Y	Y	Y	na	na	na	na	na	na	Y	Y	88	89	

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 Assgmnet 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 (%)	
176	na	na	na	na		Y	na	na	na	na	Y	na	na	Y	Y	na	na	na	na	100	na	Y	Y	N	Y	Y	Y	na	na	na	na	na	na	na	na	na	83	90
177	na	na	na	na		Y	na	na	na	na	na	na	Y	Y	na	na	na	Y	Y	100	na	Y	Y	Y	na	Y	Y	na	na	na	na	na	na	na	na	na	100	100
178	na	na	na	na		Y	na	na	na	na	na	na	Y	Y	N	na	na	na	na	75	na	Y	Y	N	na	Y	Y	na	na	na	na	na	na	na	na	na	80	78
179	Y	na	na	na	100	Y	Y	Y	Y	Y	Y	na	Y	Y	Y	na	na	na	na	100	na	Y	Y	Y	Y	Y	Y	Y	Y	na	na	na	na	na	na	100	100	
180	na	Y	Y	Y	100	Y	Y	na	Y	Y	Y	na	Y	Y	Y	Y	na	na	na	100	na	Y	Y	Y	N	Y	Y	Y	Y	na	N	Y	Y	Y	83	92		
TOT	80	92	99	91	93	92	89	67	100	100	92	100	97	85	74	93	88	100	100	89	89	94	97	59	87	87	91	99	100	85	36	92	95	92	87	89		

Appendix C

Files Selected For Review

Files Selected for Review

Ref #	Claim Number
1	180000673JUD
2	JC03000889
3	190000439JUD
4	180000022JUD
5	180000207JUD
6	160000744JUD
7	JC06000718
8	180000674JUD
9	0000009JUD
10	200000064JUD
11	JC14020187
12	JC08000098
13	JC06000367
14	190000362JUD
15	JC04000583
16	180000219JUD
17	JC13020132
18	180000501JUD
19	180000669JUD
20	JC04000385
21	JC15020066
22	190000679JUD
23	190000066JUD
24	160000055JUD
25	JC86000001
26	JC13020147
27	200000035JUD
28	170000465JUD
29	JC10000334
30	200000013JUD
31	190000508JUD
32	190000506JUD
33	0000029JUD
34	190000589JUD
35	190000217JUD
36	190000301JUD

Ref #	Claim Number
37	180000634JUD
38	190000551JUD
39	190000639JUD
40	JC13020683
41	190000332JUD
42	JC13020652
43	JC15020064
44	JC11000415
45	170000411JUD
46	180000418JUD
47	200000041JUD
48	JC09020810
49	160000585JUD
50	150000469JUD
51	190000398JUD
52	170000266JUD
53	180000730JUD
54	170000775JUD
55	190000422JUD
56	180000401JUD
57	170000735JUD
58	JC13020704
59	190000216JUD
60	190000486JUD
61	JC14020080
62	170000443JUD
63	170000693JUD
64	190000337JUD
65	190000143JUD
66	190000302JUD
67	JC11000802
68	200000077JUD
69	160000473JUD
70	190000660JUD
71	160000597JUD
72	190000325JUD

Ref #	Claim Number
73	JC12020324
74	200000053JUD
75	190000476JUD
76	200000129JUD
77	150000497JUD
78	JC04000862
79	JC04000729
80	JC11000630
81	JC14020171
82	170000771JUD
83	180000245JUD
84	JC09020797
85	170000585JUD
86	JC12020558
87	180000307JUD
88	JC01000042
89	JC14020103
90	JC07000960
91	JC11000177
92	JC14020363
93	200000031JUD
94	180000653JUD
95	190000370JUD
96	170000525JUD
97	200000046JUD
98	170000709JUD
99	170000260JUD
100	JC09000017
101	180000328JUD
102	JC02000722
103	180000470JUD
104	JC02000170
105	180000546JUD
106	190000461JUD
107	JC07000629
108	190000447JUD

Ref #	Claim Number
109	190000276JUD
110	190000605JUD
111	200000121JUD
112	180000662JUD
113	JC12020374
114	150000288JUD
115	180000496JUD
116	JC13020160
117	190000584JUD
118	200000128JUD
119	190000554JUD
120	JC02000256
121	180000654JUD
122	180000552JUD
123	190000470JUD
124	JC13020522
125	0000144JUD
126	200000119JUD
127	190000577JUD
128	JC08000156
129	200000089JUD
130	190000342JUD
131	JC02000610
132	JC13020085
133	200000120JUD
134	190000449JUD
135	170000701JUD
136	180000420JUD
137	190000483JUD
138	190000126JUD
139	160000377JUD
140	180000044JUD
141	190000305JUD
142	JC12020400
143	180000619JUD
144	190000680JUD

Ref #	Claim Number
145	200000075JUD
146	180000728JUD
147	170000237JUD
148	160000438JUD
149	180000545JUD
150	190000432JUD
151	200000091JUD
152	180000157JUD
153	150000444JUD
154	150000569JUD
155	180000261JUD
156	160000470JUD
157	JC08020009
158	JC14020557
159	200000127JUD
160	JC03000829
161	JC13020705
162	JC11000575
163	JC14020286
164	180000300JUD
165	JC13020302
166	200000066JUD
167	190000345JUD
168	JC08000081
169	170000122JUD
170	190000204JUD
171	160000495JUD
172	180000710JUD
173	190000549JUD
174	JC030020203
175	190000628JUD
176	JC13020729
177	JC02000167
178	JC08000317
179	200000040JUD
180	180000708JUD

Appendix D

AIMS Audit Response

2019 Claims Technical Administration Audit Response

FROM: Beth Harville, Program Manager
TO: Patrick Farrales, Supervising Analyst, Judicial Council of California

Report Date: January 16, 2020

Dear Patrick:

We have reviewed the 2019 Claims Technical Administration Audit results and have prepared our summary and response as directed below.

AUDIT SUMMARY:

The passing score on this audit was 90%. Our total score before rebuttals was 85% and after rebuttals was 88%. While we have missed the passing score due to the scoring increase, I am very pleased with the final results nonetheless as I believe the specific audit findings demonstrate quality work being done and improvement in results overall.

The Sedgwick auditor examined and scored a sample of 180 claims for technical administration during the period November 1, 2018, through October 31, 2019.

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/Sedgwick quarterly. Due to timing issues, the final Spot Check for 2019 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.

Scoring Analysis:

After rebuttals, the categories scored as follows:

Member Issues: 93%

Technical: 89%

TPA Diaries/Contract Compliance: 87%.

The overall audit score is 88%, with the categories related to AIMS' performance also reaching a final score of 88%, below this year's target of 90%, but above last year's 85% compliance level.

Increased Costs due to Administrative Error: The audit report identifies increased costs to the claims totaling \$32,594.75. AIMS has disputed the validity of \$30,681 of these costs, but has added all identified items to the Overpayment/Reimbursement Log for later review with the Program.

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 \$11,238. This is a change of less than a percentage point in the total incurred for this audit sample which was at \$15,753,387 as the audit began. I am very pleased with this result which points to very accurate reserving outcomes.

AIMS’ RESPONSE AND IMPROVEMENT STRATEGY

Overall Performance Scoring:

Areas of Success

In review of the preliminary draft of Sedgwick’s report, of the 28 components assessing AIMS’ performance, we achieved the 90% compliance threshold on 17. As the compliance threshold did increase from last year’s 85%, we note scores at 85% or higher on 24 of the 28, which is an increase from 22 categories in the 2018 audit.

Ordered by category and score, the components reaching 90% were:

Technical:

- A4: Attorney assignment thorough: 100%
- A5: Assigned to specific attorney: 100%
- A7: QME Docs submitted timely: 100%
- A13: Management guidance effective: 100%
- A14: Management address concerns: 100%
- A8: Medical managed well: 97%
- A11: Return To Work issues managed well: 93%
- A1: Benefits paid correctly: 92%
- A6: Attorney monitored: 92%

TPA Diaries/Contract Compliance:

- B9: Professional response to members: 100%
- B8: Timely response to members: 99%
- B3: Reserve review timely: 97%
- B13: Settlement guidelines followed: 95%
- B2: Plan of Action review timely: 94%
- B12: SAR well documented: 92%
- B14: Settlement submitted appropriately: 92%
- B7: Supervisor review follows guidelines: 91%

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 2020.

Improvement recommendations

Based on this year's 90% scoring threshold, 11 components did not pass.

Technical:

A2: Employer Communication: 89% (1 file from a passing score)

- Several of these deficiencies appear to stem from poor documentation from an examiner who is no longer with AIMS. From an overall Program standpoint, it appears that communication between the examiners and the Members remains on track.
 - We will continue to emphasize the need to document all communications with the employer contacts, particularly with regard to authorities sought and received.

A3: Investigation: 67% (2 files from a passing score)

- This component was scored at 90% last year, but due to the file selections, there were only 6 files applicable this year as opposed to last year's 30. As a result of the small sample, a single shortcoming would mathematically come in below 90%.
- In this case, there were 2 deficiencies, both of which were reviewed. They both involved unusual circumstances, with judgment calls being made as to how to handle.
 - Examiners will be reminded that when they encounter situations outside the norm, they should discuss their handling recommendation with management to ensure the best choice is made with sufficient documentation to explain the decision.
 - We will continue to encourage thorough investigation as appropriate from claim onset through completion.

A9: Reserves accurate: 85% (9 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 auditor and the AIMS' staff was a net change of less than 1%, it appears that overall, there is appropriate money on the files to secure the Program's financial needs.
- I reviewed the 29 deficiencies in this component to determine other drivers of negative results besides differences of opinion due to different experience and expertise. I noted a couple of files where the reserves were set too close to the value of an upcoming settlement, so ongoing claim activity left insufficient money for that settlement. I also noted ongoing need for clarification as to delineation of payment obligations in situations with multiple open files for the same injured worker.
 - Examiners will be reminded to include reserves for ongoing claim activity anticipated prior to completion of a proposed settlement.
 - AIMS will continue to focus on delineating care and discovery in cases of multiple open files on a single injured worker.

A10: Resolution focus: 74% (26 files from a passing score)

- This is one of three categories that I am most concerned about, with scores below last year's threshold of 85%, and double-digit deficiencies, 42 in this case.
- While closing ratios have remained well in excess of the industry standard of 100%, and settlement and closures remain high, there continues to be much room for improvement in this component, with overlapping onto other areas of concern.
- About a quarter of the deficiencies in this category stemmed from delays in the SAR process. Following last year's audit, in an effort to speed the submission of SARs to the Members, we re-distributed the management workload so the Assistant Program Manager (APM) became the gatekeeper of the settlement authority requests (SARs), removing the duties from the two supervisors. We were able to improve the timeliness of the SARs with this change.
- We had also hoped to improve the timeliness of supervisor reviews across the whole Program with this change, but that did not occur. We continue to believe that supervisor/management reviews and recommendations being completed across the entire file population will improve resolution focus scores as well.
 - We have adjusted our procedures again, as we continue to strive for a balance that will keep our SARs moving forward while ensuring that all files have the necessary diary review by management staff.
 - Future medical examiner has been moved under the direct supervision of the APM. This has reduced the span of control for both supervisors.
 - SAR review will be returned to an examiner's assigned supervisor.
 - Examiners will be reminded to keep their action plans moving at each diary review if possible. They will also be encouraged to document all activity so if there are roadblocks to immediate resolution, this will be clear in review of the file.

A12: Subrogation: 88% (1 file from a passing score)

- The single deficiency in this category stems from an oversight in 2017 that was not corrected until 2019.
 - Examiners will be reminded that subrogation may not end with receipt of recovery and of the need to finalize credit agreements with the WCAB.

TPA Diaries/Contract Compliance:

B1: Excess reporting timely: 89% (1 file from a passing score)

- Only 9 files were applicable in this component, with a single deficit related to subsequent reporting on the Midlands' policy.
 - With the upgraded claims system, an improved excess report to keep this scenario from repeating is being developed.

B4: Supervisor review timely: 59%. (55 files from a passing score)

- This is the second of the three categories of greatest concern, with scores below last year's threshold of 85%, and double-digit deficiencies, 73 in this case.
- As discussed above in A10 – Resolution Focus, although we improved our SAR results by moving that activity from the individual supervisors to the APM, we were not able to gain ground in the timeliness of the supervisor reviews as we had hoped.
- Based on the varied deficiencies outlined in the Resolution Focus component, and all the passing components as well, it is clear that the lack of management review on a high number of the files is a detriment without regular input from supervisors or managers.
 - The change of supervisory assignments discussed under A10 has been made to enable the supervisors to focus on slightly fewer files that are newer and more active, to focus attention on claim activity and conclusion.
 - The APM will focus on the larger future medical caseload with emphasis on settlement by way of Compromise and Release where practical or on management of the medical awards where not.

B5: Proactive diaries set: 87% (4 files from a passing score)

- This component is difficult because there is not usually a diary history in the file with most diaries being worked and then updated, leaving no trail to be assessed past activity.
 - We will continue to maintain our 90 day POA diary schedule, while also managing a 30-45 day action diary between the POAs. The specificity of these 30-45 day diaries will depend on individual file needs, and occasionally there will be additional diaries set due to particular activities taking place.

B6: Supervisor review thorough: 87% (5 files from a passing score)

- While timeliness of the supervisor reviews continues to lag behind the desired threshold, the work done by the management staff on these files is noted to be of good quality.
 - We will continue in our efforts to bring the supervisor reviews current while maintaining the quality of the management team's work.

B10: Issues recognized and escalated: 85% (1 file from a passing score)

- The 2 deficiencies in this component have been reviewed with the examiner to improve handling of similar situations in the future.
 - Improving the timeliness of management reviews will aid when an examiner may have gone an unusual direction on an issue and additional recommendations for further action would be beneficial.

B11: Settlement pursuit timely 36% (25 files from a passing score)

- This is the third component where my greatest concerns lie, with scores below last year's threshold of 85%, and double-digit deficiencies, 29 here.
- I do note that although many settlements have taken longer than preferred, resulting in this deficiency, and that of Resolution Focus, the number of claim settlements made annually on this Program continues to be high overall.
- Improving results on settlement pursuit has been an area of high focus for most of 2019, and we changed our procedures in April to have the APM take the lead on all SARs so they would not be delayed by other duties of the supervisors. This did lead to improved results for the SAR turn-around, but likely added to the time needed on more complex SARs because the APM did not have prior knowledge of the files and had to learn the case in order to validate the SAR recommendations.
- I also have noted that the high number of settlements being processed on this Program does work against us in achieving prompt turn-around. A high number of SARs coming through causes a bottleneck in management review, resulting in increased processing time. We have endeavored to prioritize the more time-sensitive SARs ahead of those without any pending deadlines, but this has added to the number of days that the lower priority SARs wait.
 - We continue to strive to find the best distribution of duties to maximize all our efforts. By pulling the Future Medical examiner out of a regular unit, we reassign ~450 diaries per year from the supervisors to the APM, allowing more time for diary review across the whole caseload, and returning the supervisors' individual file knowledge to the SAR approval process.

Increased Costs due to Administrative Error:

The audit identified increased costs of \$32,594. We dispute \$30,681 of these costs. The remaining \$1,913 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 #	Medical	Other	Indemnity	Auditor Comment	Response
58			\$30,681	PD paid after subrogation settlement	Parties agreed to settlement wherein the file received \$125,000 of a subrogation recovery and would get credit for the applicant's net recovery against any future medical paid in the future. This agreement specifically noted that the PD award reached 2 years earlier would continue to be paid. The document finalizing this agreement was not filed with the WCAB until 2019, after the PD was paid as agreed. The language used stated that future benefits of all types would not be owed by the claim file unless the applicant's subro recovery was exhausted. The auditor found that the use of this language in 2019 should be applicable retroactively and the PD paid is an 'Increased Cost'. Since our receipt of the \$125,000 was contingent on the continued payment of the PD, we disagree with this finding.
61			\$89	Self-imposed penalty	No dispute; delay in PD payment – identified pre-Audit.
67	\$1158			Duplicate mileage paid	No dispute; this has already been recovered from the injured worker.
98	\$500			Depo fee – appt cancelled	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.
107	\$142	24		Medical bill & Bill Review fee post settlement	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.

Medical Bill Review and Utilization Review

Review of Allied Managed Care’s (AMC) services on the JBWCP files was included in the 2019 Audit. The results were extremely positive.

Medical Bill Timeliness	8.55 days from initial receipt by AIMS mail room to review completion	60 day standard
Medical Bill Accuracy	Of 24,356 bills, only 2 went through IBR, with minimal additional payment directed.	
Utilization Review Timeliness	2.5 days from initial receipt by AIMS mail room to review completion	72 hours to 30 day standard (most frequently 5 days)
Utilization Review Accuracy	Of 322 instances of UR (on audited files), 30 went through IMR with 93% of UR decisions upheld by IMR.	

These findings reflect highly on the timely action of the AIMS’ Mailroom, the handling examiners, and the AMC staff, with industry standards being exceeded.

AIMS Improvement Strategy

Our primary action item for improvement of audit results is bringing the supervisors into compliance with regard to timely reviews while continuing to provide quality work. We believe that improvement here will improve all areas of claim handling, with particular emphasis on moving more of the files to a quicker resolution while continuing to maintain appropriate prioritization of litigation and settlements. We have made the changes discussed above as we continue to evaluate what is working and what needs more attention. We continue to monitor backlogs in diaries and SAR processing to gauge whether our changes are improving results. We also continue to explore alternatives to maximize management’s impact on the entire caseload.

In addition, our identified action items are as follows:

- We will continue to emphasize the need for:
 - Documentation of all communications with the employer contacts, particularly with regard to authorities sought and received.
 - Thorough investigation as appropriate from claim onset through completion.
 - Reserving for ongoing claim activity anticipated prior to completion of a proposed settlement.
 - Delineating care and discovery in cases of multiple open files on a single injured worker.

- Forward motion in action plans at each diary review if possible, with thorough documentation of all activity so any roadblocks will be clearly noted with a plan for resolution.
- Complete subrogation activity through the finalization of credit issues before the WCAB.
- Specific language in diaries when appropriate to trigger reminders of file needs.
- We are using the reporting functionality in the upgraded claims system to improve our reporting capacity, such as an improved excess report to trigger timely reporting.
- We will also remind the examiners to escalate issues outside the norm, to identify any new issues so we can resolve them early and ensure that we are making the best choices for the overall Program results.

We will continue our efforts to provide excellent service to the JBWCP Program and its Member Agencies with ongoing training 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 have 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.

Beth Harville, Program Manager
Acclamation Insurance Management Services (AIMS)

**Judicial Branch Workers' Compensation Program Advisory Committee
Annual Agenda¹—2019**

Approved by Litigation Management Committee: May 16, 2019

I. COMMITTEE INFORMATION

Chair:	Ms. Tania Ugrin-Capobianco, Court Executive Officer, Superior Court of California, County of El Dorado
Lead Staff:	Mr. Patrick Farrales, Supervising Analyst, Judicial Council of California
Committee's Charge/Membership: In conjunction with Rule 10.350, Rule 10.67 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. Rule 10.67 states that the committee must review: <ul style="list-style-type: none">• The progress of the Judicial Branch Workers' Compensation Program;• The annual actuarial report; and• The annual allocation, including any changes to existing methodologies for allocating workers' compensation costs.	
The Committee currently has 16 members. The attached term of services chart provides the composition of the Committee.	
Subcommittees/Working Groups²: <ol style="list-style-type: none">1. Deficit Reduction Alternatives Working Group2. Settlement Authority Working Group	

¹ The annual agenda outlines the work a committee will focus on in the coming year and identifies areas of collaboration with other advisory bodies and the Judicial Council staff resources.

² 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 ³	
1.	Project Title: Risk Consultant Solicitation	Priority 1⁴
<p>Project Summary⁵: Consistent with Rule 10.350(b), members of the Advisory Committee will support the Judicial Council in its role in the Judicial Branch Workers’ Compensation Program to designate a risk consultant, actuary, and excess insurance broker for the workers’ compensation program by participating on the panel for selection.</p> <p>Status/Timeline: The Request for Proposals process will be begin in July 2019 for risk consulting services expected to begin in July 2020.</p> <p>Fiscal Impact/Resources: Coordination through lead staff to the committee with input from the Judicial Council’s offices of Branch Accounting & Procurement and Budget Services.</p> <p>Internal/External Stakeholders: JBWCP Members</p> <p>AC Collaboration: N/A</p>		
2.	Project Title Revisions to the Settlement Authority Policy	Priority 1⁴
<p>Project Summary: The Advisory Committee will consider a recommendation to the Judicial Council regarding a revised settlement authority policy that will address delays in processing times at the court, JBWCP staff and third party administrator levels.</p> <p>Status/Timeline: The Settlement Authority Working Group will begin its policy review in May 2019, and provide recommendations to the Advisory Committee in the fall.</p>		

³ All proposed projects for the year must be included on the Annual Agenda. If a project implements policy or is a program, identify it as *implementation* or a *program* in the project description and attach the Judicial Council authorization/assignment or prior approved Annual Agenda to this Annual Agenda.

⁴ For non-rules and forms projects, select priority level 1 (must be done) or 2 (should be done). For rules and forms proposals, select one of the following priority levels: 1(a) Urgently needed to conform to the law; 1(b) Urgently needed to respond to a recent change in the law; 1(c) Adoption or amendment of rules or forms by a specified date required by statute or council decision; 1(d) Provides significant cost savings and efficiencies, generates significant revenue, or avoids a significant loss of revenue; 1(e) Urgently needed to remedy a problem that is causing significant cost or inconvenience to the courts or the public; 1(f) Otherwise urgent and necessary, such as a proposal that would mitigate exposure to immediate or severe financial or legal risk; 2(a) Useful, but not necessary, to implement statutory changes; 2(b) Helpful in otherwise advancing Judicial Council goals and objectives.

⁵ A key objective is a strategic aim, purpose, or “end of action” to be achieved for the coming year.

#	New or One-Time Projects ³
	<p data-bbox="176 253 1155 289"><i>Fiscal Impact/Resources:</i> Coordination through lead staff to the committee.</p> <p data-bbox="176 321 840 357"><i>Internal/External Stakeholders:</i> JBWCP Members</p> <p data-bbox="176 389 913 425"><i>AC Collaboration:</i> Settlement Authority Working Group</p>

#	Ongoing Projects and Activities	
1.	Project Title Allocation of Fiscal Year 2019-2020 Workers' Compensation Premiums	Priority 1⁴
<p>Project Summary: The Advisory Committee will consider recommendations to the Judicial Council regarding the fiscal year 2019-2020 workers' compensation membership premium, which is based on the program's actuarial evaluation.</p> <p>Status/Timeline: The Advisory Committee will provide its recommendations in a report to the Judicial Council at its May 2019 meeting.</p> <p>Fiscal Impact/Resources: Coordination through lead staff to the Advisory Committee with input from the Judicial Council's Budget Services office.</p> <p>Internal/External Stakeholders: JBWCP Members</p> <p>AC Collaboration: 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.	Project Title Review of Third Party Administrator Compliance with Service Guidelines	Priority 1⁴
<p>Project Summary: Consistent with Rule 10.350, Judicial Council staff will continue to solicit input from the Advisory Committee, monitor the performance of the third party administrator through the development of quarterly reports, and consider appropriate recommendations. The review will include claims administration and managed care. The schedule will also shift from quarterly to trimester.</p> <p>Status/Timeline: Ongoing</p> <p>Fiscal Impact/Resources: Coordination through lead staff to the Advisory Committee.</p> <p>Internal/External Stakeholders: JBWCP Members, AIMS, York</p> <p>AC Collaboration: N/A</p>		

#	Ongoing Projects and Activities	
3.	<i>Project Title</i> Assessment Plan and Confidence Levels	<i>Priority 2⁴</i>
<p><i>Project Summary:</i> The Advisory Committee will continue to review 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, 15, and 20 years).</p> <p><i>Status/Timeline:</i> Ongoing</p> <p><i>Fiscal Impact/Resources:</i> Coordination through lead staff to the Advisory Committee.</p> <p><i>Internal/External Stakeholders:</i> JBWCP Members</p> <p><i>AC Collaboration:</i> Deficit Reduction Alternatives Working Group</p>		

III. LIST OF 2018 PROJECT ACCOMPLISHMENTS

#	Project Highlights and Achievements
1.	The third party administrator has shown improved performance over the last year and received an overall score of 90 percent across all audit categories in 2018. The minimum passing score is 85 percent.
2.	The return-to-work pilot program generated a net savings of \$25,926 to the workers' compensation fund.
3.	23 trial courts have volunteered to participate in the state workers' compensation buddy program to assist each other on workers' compensation-related inquiries.
4.	40 respondents, representing 35 courts, participated in the 2018 Annual Workers' Compensation Survey, and provided multiple recommendations for next fiscal year's educational curriculum.
5.	The Advisory Committee approved a recommendation to allow three members of the Advisory Committee to approve Level IV settlements, and to allow five members of the Advisory Committee to approve Level V settlements.