

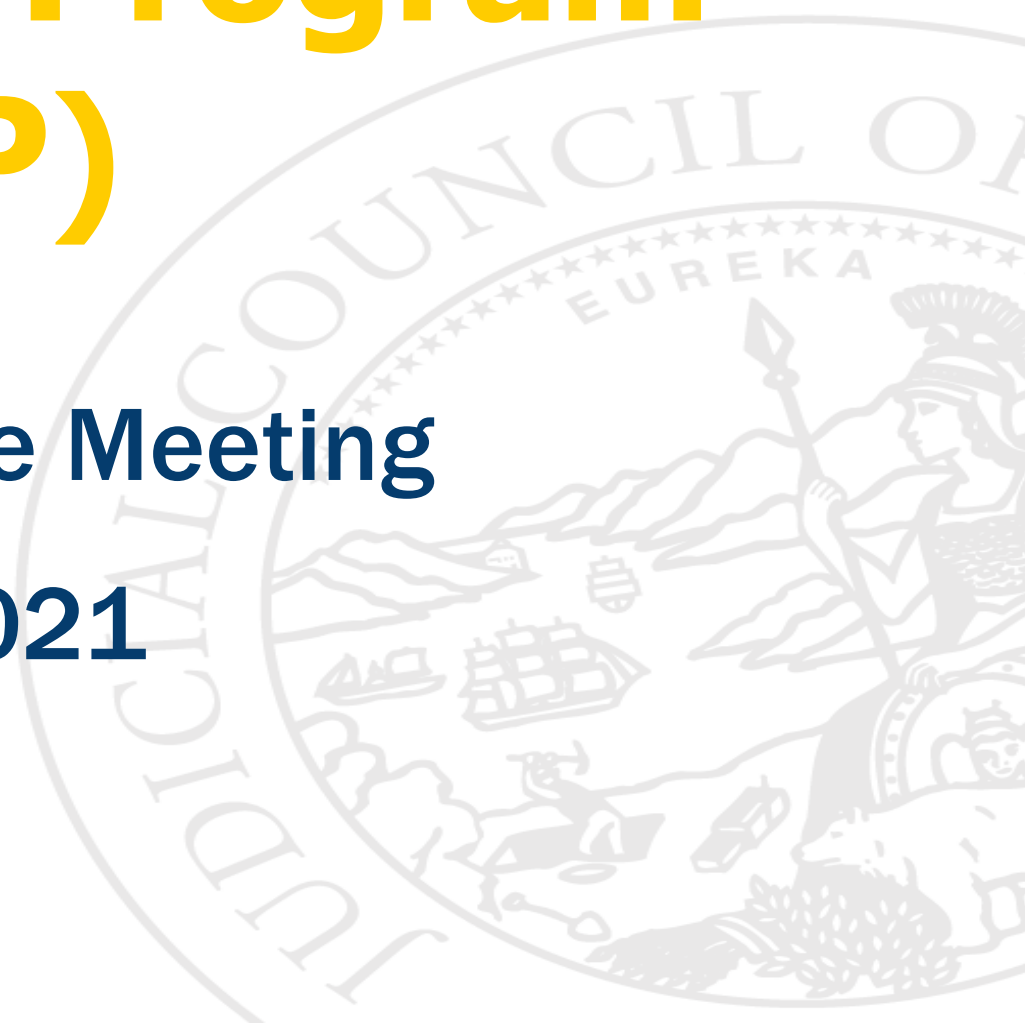
Judicial Branch Workers' Compensation Program (JBWCP)

Advisory Committee Meeting

March 12, 2021



JUDICIAL COUNCIL
OF CALIFORNIA



Call to Order & Roll Call



JUDICIAL COUNCIL
OF CALIFORNIA

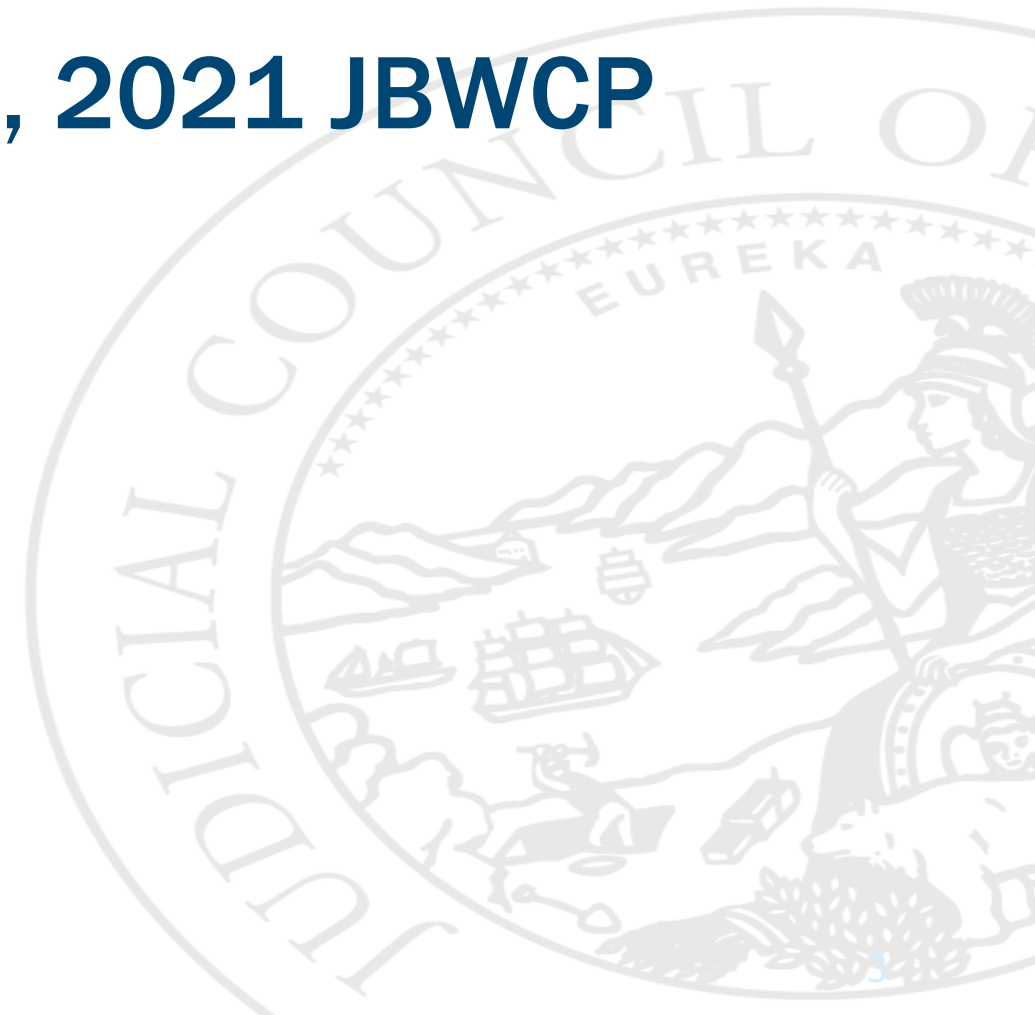


Approval of Minutes

Minutes from the February 23, 2021 JBWCP
Advisory Committee meeting



JUDICIAL COUNCIL
OF CALIFORNIA



Public Comments



JUDICIAL COUNCIL
OF CALIFORNIA



Presentation of Confidence Level Funding

Becky Richard

Senior Manager, Actuarial Consulting, Bickmore



JUDICIAL COUNCIL
OF CALIFORNIA

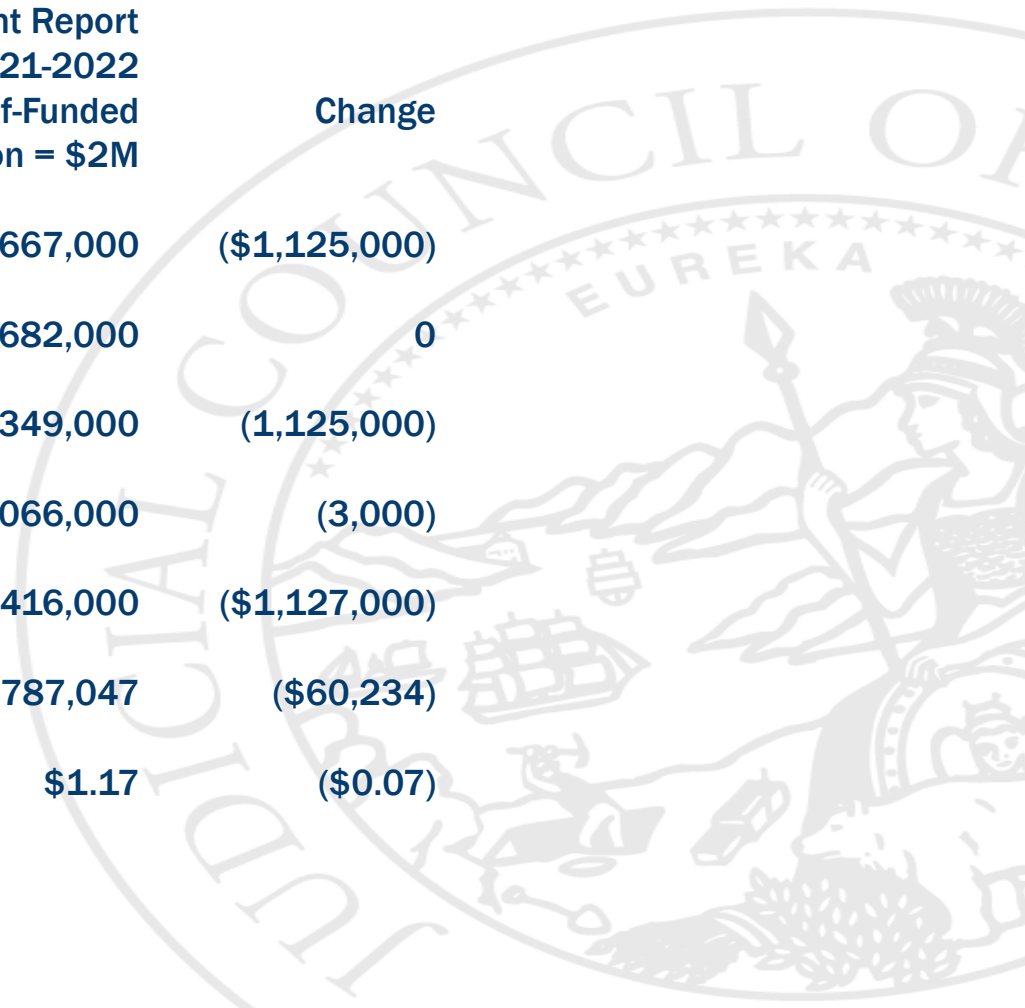


Projected Total Funding For 2021 - 22

Total Required Funding for Claims Between 7/1/21 and 6/30/22

"Expected"
56% Confidence
Level

	Prior Report 2020-2021 Self-Funded Retention = \$2M	Current Report 2021-2022 Self-Funded Retention = \$2M	Change
Loss and ALAE	\$15,792,000	\$14,667,000	(\$1,125,000)
ULAE	2,682,000	2,682,000	0
Total Claims	18,474,000	17,349,000	(1,125,000)
Non Claim Expenses	1,069,000	1,066,000	(3,000)
Total Funding	\$19,543,000	\$18,416,000	(\$1,127,000)
Payroll	\$15,847,281	\$15,787,047	(\$60,234)
Total Rate	\$1.23	\$1.17	(\$0.07)



Confidence Level Funding

- **Currently the JBWCP funds each program at the “Expected” Confidence Level:**
 - **55% for Trial Courts**
 - **60% for State Judiciary**
 - **56% for Trial Court and State Judiciary combined**
- **It is generally recommended that programs be funded between the 75% and 85% confidence levels**



Confidence Level Funding

Total Required Funding for Claims Between 7/1/21 and 6/30/22

	Prior Report 2020-2021 Self-Funded Retention = \$2M	Current Report 2021-2022 Self-Funded Retention = \$2M	Change
Loss and ALAE	\$15,792,000	\$14,667,000	(\$1,125,000)

About the 56%
Confidence
Level

Potential Savings



Confidence Level Funding

Alternative Funding for Claims Between 7/1/21 and 6/30/22

	2020-2021	2021-2022	Change		Alternative 2021-22
Loss and ALAE	\$15,792,000	\$14,667,000	(\$1,125,000)	➔	\$15,792,000
ULAE	2,682,000	2,682,000	0		2,682,000
Total Claims	18,474,000	17,349,000	(1,125,000)		18,474,000
Non Claim Expenses	1,069,000	1,066,000	(3,000)		1,066,000
Total Funding	\$19,543,000	\$18,416,000	(\$1,127,000)		\$19,540,000

Apply savings to increase funding confidence level

56% Confidence Level

66% Confidence Level



Confidence Funding For 2021 - 22

Trial Courts and State Judiciary

Keep Loss/ALAE
Funding at
2020-21 Level

	2020-21	Expected 56% Confidence Level 2021-22	60% Confidence Level 2021-22	65% Confidence Level 2021-22	66% Confidence Level 2021-22
Total	\$19,543,000	\$18,416,000	\$18,866,000	\$19,452,000	\$19,540,000
Change from Prior		-1,127,000	-677,000	-91,000	-3,000
Minimum Change		-41.30%	-39.78%	-38.11%	-37.63%
Maximum Change		134.37%	135.01%	157.40%	144.89%
Average Change		2.00%	2.05%	3.95%	2.89%



Confidence Funding For 2021 - 22

Trial Courts

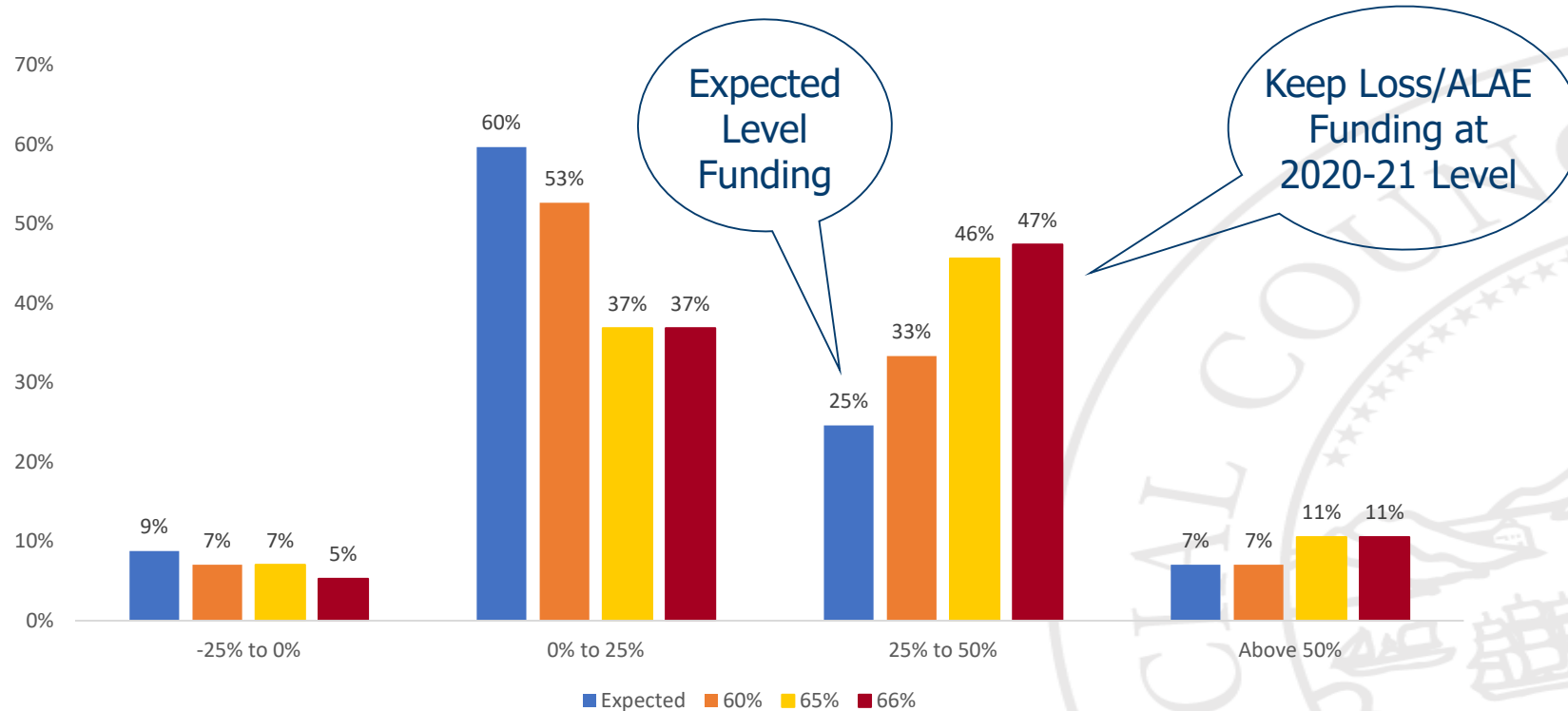
Keep Loss/ALAE Funding at 2020-21 Level

	2020-21	Expected 55% Confidence Level 2021-22	60% Confidence Level 2021-22	65% Confidence Level 2021-22	66% Confidence Level 2021-22
Total	\$18,267,000	\$17,170,000	\$17,618,000	\$18,109,000	\$18,250,000
Change from Prior		-1,097,000	-649,000	-158,000	-17,000
Minimum Change		-41.30%	-39.78%	-38.11%	-37.63%
Maximum Change		39.04%	42.69%	46.69%	47.84%
Average Change		-4.00%	-1.50%	1.23%	2.02%



Confidence Funding For 2021 - 22

Trial Court Distribution of 2020-21 to 2021-22 Premium Changes



JUDICIAL COUNCIL
OF CALIFORNIA

Confidence Funding For 2021 - 22

State Judiciary

Keep Loss/ALAE
Funding at
2020-21 Level

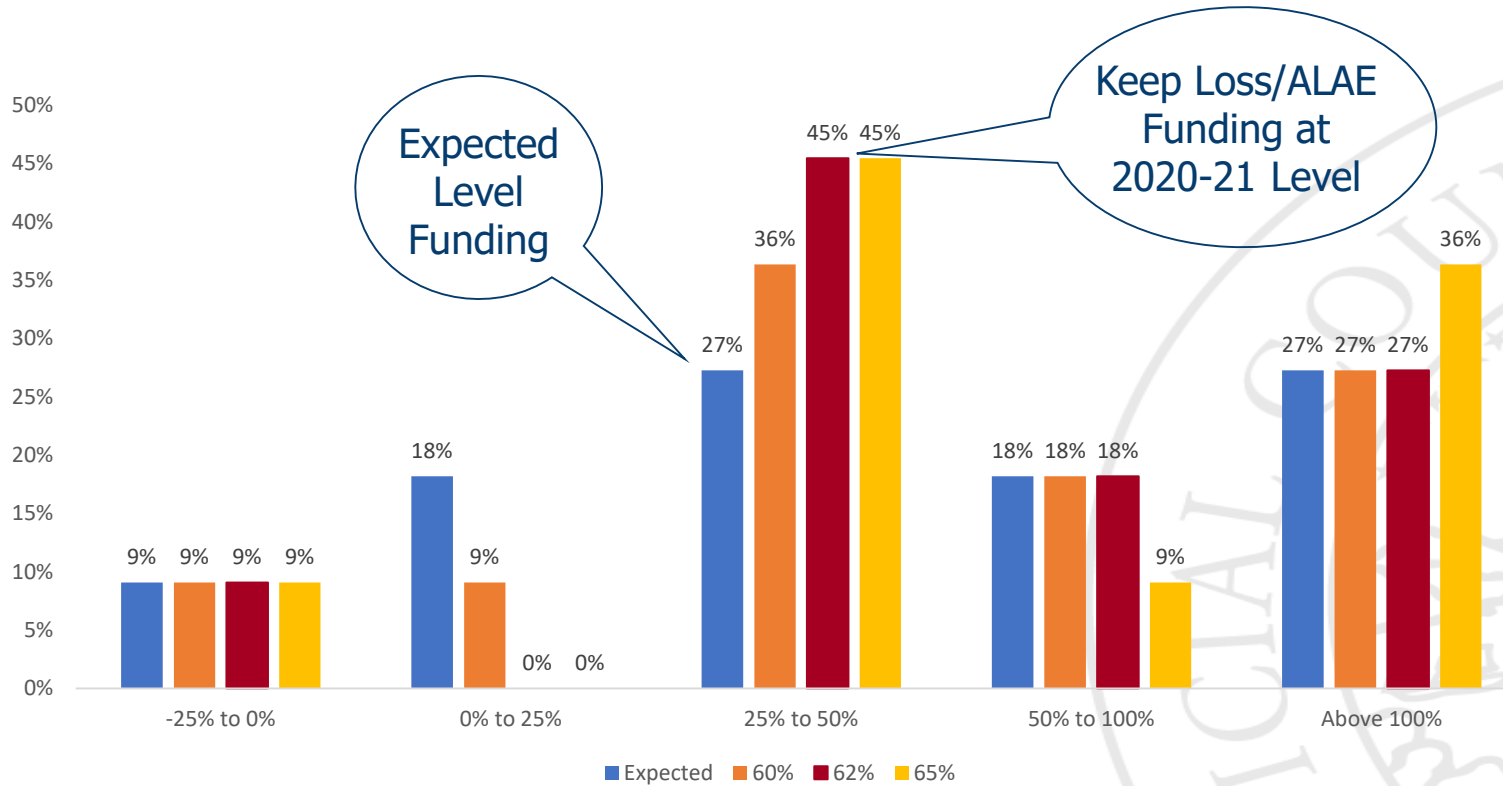
	2020-21	Expected 60% Confidence Level 2021-22	60% Confidence Level 2021-22	65% Confidence Level 2021-22	62% Confidence Level 2021-22
Total	\$1,276,000	\$1,246,000	\$1,248,000	\$1,343,000	\$1,290,000
Change from Prior		-30,000	-28,000	67,000	14,000
Minimum Change		-35.50%	-35.34%	-29.62%	-32.82%
Maximum Change		134.37%	135.01%	157.40%	144.89%
Average Change		30.48%	30.80%	41.73%	35.62%



JUDICIAL COUNCIL
OF CALIFORNIA

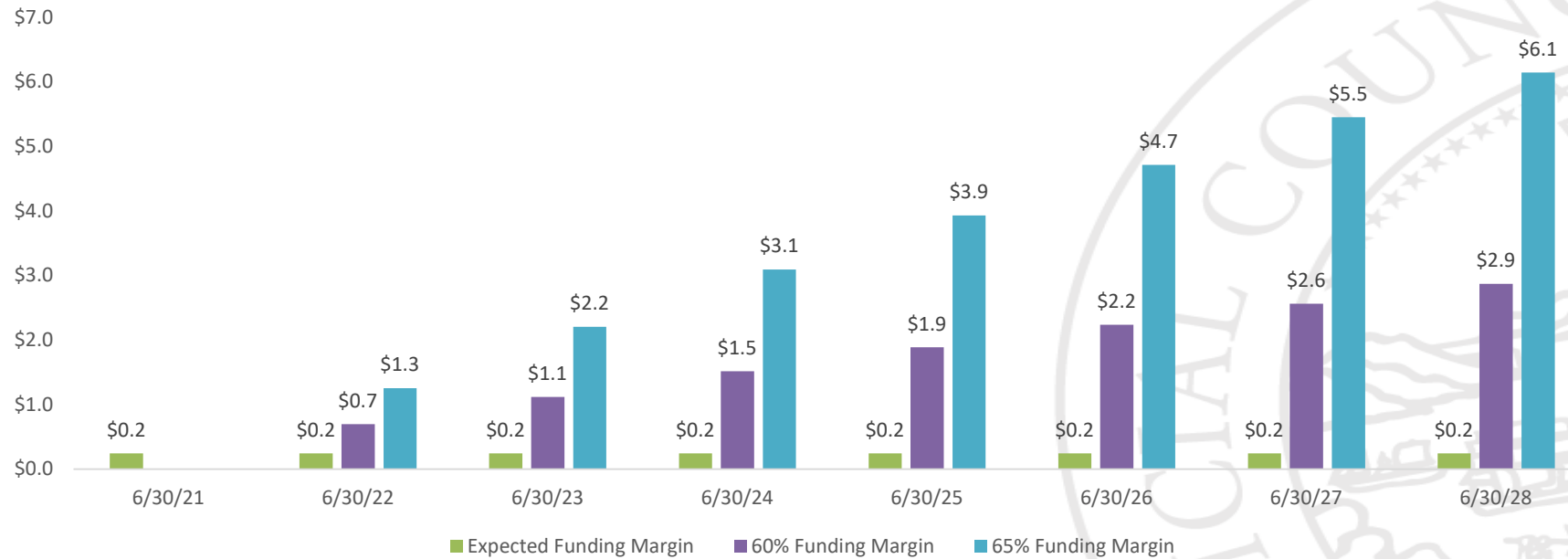
Confidence Funding For 2021 - 22

State Judiciary Distribution of 2020-21 to 2021-22 Premium Changes



Confidence Funding For 2021 - 22

Year-End Surplus Assuming
Increase in Confidence Level Funding
Starting in 2021-2022
(In Millions)



JUDICIAL COUNCIL
OF CALIFORNIA

Confidence Level Funding

- The JBWCP could elect to pass those savings onto the members:
 - ✓ Programs would continue to be funded at about the 56% confidence level

OR

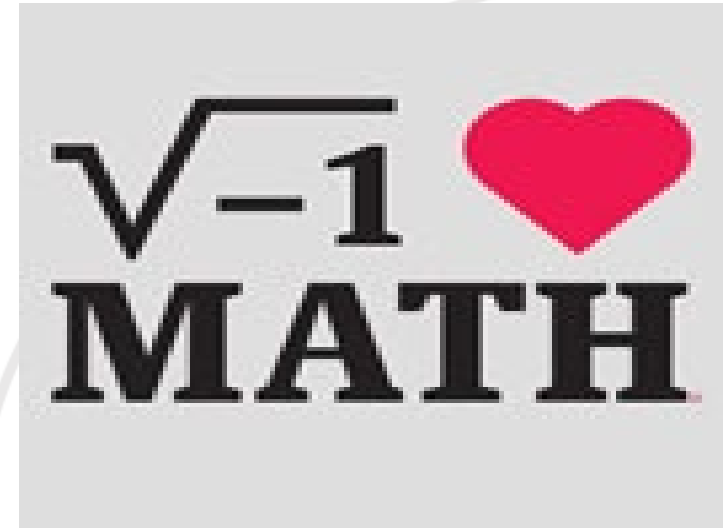
- The JBWCP could elect to keep the 2021-22 funding at the 2020-21 funding level:
 - ✓ Programs would be funded at about the 66% confidence level



Questions ??

Ask an Actuary !

Call 1-800-[(10x)²-2x+34]



JUDICIAL COUNCIL
OF CALIFORNIA