



## JUDICIAL COUNCIL OF CALIFORNIA

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# REPORT TO THE JUDICIAL COUNCIL

For business meeting on June 23–24, 2016

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Title	Agenda Item Type
Judicial Branch Administration: Judicial Branch Workers' Compensation Program	Action Required
Rules, Forms, Standards, or Statutes Affected	Effective Date
N/A	July 1, 2016
Recommended by	Date of Report
Judicial Branch Workers' Compensation Program Advisory Committee Tania Ugrin-Capobianco, Chair	June 14, 2016
	Contact
	Linda Cox, Program Administrator 415-865-4290 <a href="mailto:linda.cox@jud.ca.gov">linda.cox@jud.ca.gov</a>

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### Executive Summary

The Judicial Branch Workers' Compensation Program (JBWCP) Advisory Committee recommends approval of the workers' compensation cost allocation for fiscal year (FY) 2016–2017 in the amount of \$18,316,577 for participating trial courts and \$1,167,072 for state judiciary entities. Based on better than expected program performance, the cost allocations reflect a reduced allocation of 5.33 percent (trial courts) and 8.85 percent (state judiciary) over allocations from the prior fiscal year.

### Recommendation

The Judicial Branch Workers' Compensation Program Advisory Committee recommends that the Judicial Council, effective July 1, 2016:

1. Approve the workers' compensation cost allocation for FY 2016–2017 for participating trial courts and the state judiciary,
2. Accept the Bickmore Actuarial Analysis Report for FY 2016-2017 (Attachment A: Bickmore Actuarial Analysis Report (Draft)); and

3. Accept the workers' compensation excess insurance proposal from Arch Insurance Company (Arch) (Attachment C: Excess Workers' Compensation Program insurance rate sheet).

### **Previous Council Action**

At its July 2015 business meeting, the Judicial Council approved the recommendations of the JBWCP Advisory Committee to:

1. Renew the existing annual policy with Safety National for excess insurance for the trial courts and purchase a separate annual excess insurance policy for the state judiciary;
2. Adopt and approve the implementation of an allocation methodology that charges premiums on an ultimate-cost basis; and
3. Identify surpluses or deficiencies based on each year's claims costs with the goal of fully funding the JBWCP by making necessary funding adjustments to ensure that each year's claims costs are maintained.

### **Rationale for Recommendation**

The JBWCP Advisory Committee uses a calculation methodology to determine individual entity allocations. This calculation methodology considers experience, exposure, and other program costs such as excess insurance, third-party administrator claim-handling fees, and brokerage costs. Although each entity varies in size and employee population, the cost allocation methodology relies on factors that make it appropriate for entities of all sizes.

### **Weighting accounts for size and loss experience**

The largest court by three-year payroll size (Superior Court of California, County of Orange) has a weighting of 80 percent of loss experience and 20 percent payroll. The smallest court by payroll size has a weighting of at least 10 percent loss experience. All other courts are weighted by payroll and loss experience along that continuum. This weighting ensures that larger courts with more predictable losses receive an allocation that is primarily based on their loss experience, whereas smaller courts receive allocations that are primarily based on their payroll to ensure more year-to-year budget stability.

### **Program costs are distributed to all entities**

The program costs, including claim handling and brokerage fees, are allocated based on a ratio of 80 percent losses and 20 percent payroll. The cost of excess insurance fees is distributed to each entity based on current budgeted and projected payroll only. The administrative costs of managing the program are spread among all members because the costs occur regardless of claims activity.

## Comments, Alternatives Considered, and Policy Implications

The methodology used to determine the JBWCP actuarial valuation, premium allocation, and excess insurance coverage information did not change; therefore there are no comments, alternatives or policy implications to consider.

## Implementation Requirements, Costs, and Operational Impacts

Table 1 illustrates the total annual cost for the program for the past six fiscal years and the distribution of cost among participating trial courts and state judiciary entities. For details of each member’s share of cost for FY 2016-2017 refer to the Bickmore 2016-2016 premium allocation report (Attachment B: Bickmore Allocation Report (Draft)).

**Table 1. Total Historical Annual Program Costs**

	Trial Courts	State Judiciary	Trial Court Judges	Total Annual Program Cost	% Change
<b>FY 2010–2011</b>	\$17,229,539	\$ 521,037	\$345,031	\$18,095,607	
<b>FY 2011–2012</b>	17,479,555	437,568	380,363	18,297,486	1.12
<b>FY 2012–2013</b>	16,516,037	591,355	462,314	17,569,706	-3.98
<b>FY 2013–2014</b>	15,693,833	412,812	591,230	16,697,875	-4.96
<b>FY 2014–2015</b>	16,536,018	544,369	562,692	17,643,079	5.66
<b>FY 2015–2016</b>	19,347,255	1,280,366*		20,627,621	16.92
<b>FY 2016–2017</b>	18,316,577	1,167,072*		19,483,649	-5.55

\* Bickmore’s actuary has recommended that the State Judiciary and the Trial Court Judge program’s exposure and experience factors be combined for actuarial stability. However, each entity contributes their share according to the program calculation methodology.

In FY 2015–2016, the JBWCP Advisory Committee recommended and the Judicial Council approved a change from “cash flow” annual contributions to an “ultimate cost” basis. This change resulted in an overall increase in total member contributions during FY 2015–2016 of approximately \$2 million. The reasons for the change were:

1. To prevent the further erosion of the overall financial position of the program;
2. To bring the program into conformity with the financial practices of other public entity risk pools in California, which also generate their annual contribution amounts from an “ultimate cost” basis; and
3. To bring the program into compliance with generally accepted accounting principles as detailed by the Governmental Accounting Standards Board (GASB 10 and 45).

## Bickmore Actuarial Analysis Report FY 2016-2017

Since the change in annual funding methodology, the JBWCP has improved upon the assets to meet its claims and program expenses for multiple years. Based on recent actuarial projections, the current JBWCP deficit of \$30 million is expected to be reduced by more than \$5 million by June 30, 2016 (see Attachment A, Bickmore Actuarial Analysis Report (DRAFT)).

In addition, the above chart notes that the total program costs for FY 2016–2017 have decreased by an overall 5.55 percent. Per the attached actuarial report, the trial court and state judiciary’s combined outstanding liabilities fared better than projected since the prior evaluation. The overall reduction in the projected program liability for the previous period resulted in a reduced premium allocation for members for program year 2016–2017.

**Excess insurance quotes for the trial courts and the state judiciary**

Currently, the JBWCP provides excess insurance coverage for participating trial courts and state judiciary entities. The coverage is for a self-insurance retention (SIR) of \$2 million with a limit of up to \$50 million. This year the quotes for the trial courts and the state judiciary came in very favorably. The request for proposal solicited bids for coverage at an SIR of \$2 million, with limits of \$50 million and \$100 million. Quotes were obtained from Safety National Casualty Corporation (incumbent for trial courts) and from Arch (incumbent for state judiciary). Both carriers are rated A+ (Superior) by A.M. Best Company and offered comparable coverage options with a two-year rate guarantee. Arch’s proposal was 19 percent lower for the judiciary and 8 percent lower for the trial courts, with an overall annual savings of \$81,136. Arch provided the most favorable quotes for coverage overall and a two-year rate guarantee that includes a \$2 million SIR and a \$100 million limit (see Attachment C, Excess Workers’ Compensation Program insurance rate sheet).

**Lower member costs**

One of the goals of the JBWCP Advisory Committee is to contain costs for program members. If implemented, additional measures can be introduced to lower future annual contribution levels and to reduce the overall outstanding ultimate liabilities of past claims, such as the measures described below:

**1. Risk Control/Safety Services**

Services should include training that promotes aggressive pre-loss safety initiatives for program members such as:

- Providing certification training to conduct in-house ergonomic assessments at time of hire,
- Providing ergonomic assessments for job classifications that have high rates of injury; and,
- Promoting healthy work-safe habits; and
- Provide training on the benefits of a return to work program that encourages early return to work through modified and/or alternate temporary work assignments.

**2. Claims Cost Reduction Initiatives**

Initiatives would be primarily directed at:

- Prompt reporting and early resolution;

- Mandatory Early return-to-work/modified-duty programs;
- Proactive litigation management with a focus on reducing the number of litigated claims;
- Timely claims closure; and
- Development of assessment plans.

At its March 2016 meeting, the JBWCP Advisory Committee formed two working groups to explore these initiatives and develop implementation plans, if feasible. The working groups will focus on:

1. Developing settlement authority guidelines; and
2. Finding alternatives for deficit reduction.

(See Attachment D, JBWCP Advisory Committee Annual Agenda—2016.)

### **Attachments and Links**

1. Attachment A: Bickmore Actuarial Analysis Report (Draft)
2. Attachment B: Bickmore Member Premium Allocation Report (Draft)
3. Attachment C: Excess Workers' Compensation Program insurance rate sheet
4. Attachment D: JBWCP Advisory Committee Annual Agenda—2016



Attachment A

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

*\* Actuarial Analysis Report \**

*Outstanding Liabilities at June 30, 2016 and Forecast for 2016-17*

*Presented to*  
Judicial Council of California

May 17, 2016 (DRAFT)

DRAFT



Tuesday, May 17, 2016

Ms. Linda M. Cox  
Senior Human Resources Manager  
Human Resources Services Office  
Judicial and Court Administrative Services 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 Ms. Cox:

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, 2016. Estimates are provided at the expected level, as well as various confidence levels.
- Projection of ultimate loss and ALAE for fiscal accident years 2015-16 through 2018-19. Estimates are provided at the expected level, as well as various confidence levels.
- Projection of loss and ALAE payments for fiscal years 2015-16 through 2018-19.

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, 2015, as well as other information provided by the Judicial Council, including exposure and financial data. Our estimates include medical and indemnity benefits, allocated loss adjustment expenses (ALAE), unallocated loss adjustment expenses (ULAE), and benefit payments made under the provisions of labor code 4850. Our estimates exclude all other program expenses. Furthermore, the estimates in this report are not discounted for anticipated investment income.

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

## DRAFT

Our conclusions regarding the JBWCP's liability for unpaid loss and allocated loss adjustment expenses (ALAE) at June 30, 2016 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, 2016

Year	Trial Courts	State Judiciary	Total
Prior	\$342,822	\$945,634	\$1,288,456
2001-02	587,389	162,489	749,878
2002-03	1,496,580	0	1,496,580
2003-04	1,742,723	40,333	1,783,056
2004-05	1,355,697	0	1,355,697
2005-06	2,370,421	0	2,370,421
2006-07	2,499,447	99,838	2,599,285
2007-08	2,838,266	124,917	2,963,183
2008-09	3,159,900	180,716	3,340,616
2009-10	4,296,129	192,816	4,488,945
2010-11	5,345,368	145,144	5,490,512
2011-12	5,094,730	286,031	5,380,761
2012-13	6,721,636	306,304	7,027,940
2013-14	8,016,037	385,958	8,401,995
2014-15	10,441,637	546,593	10,988,230
2015-16	12,894,463	645,930	13,540,393
Loss and ALAE	\$69,203,245	\$4,062,703	\$73,265,948
ULAE	5,276,934	767,310	6,044,244
Total	\$74,480,179	\$4,830,013	\$79,310,192
70% CL	80,364,000	5,463,000	85,827,000
75% CL	82,598,000	5,748,000	88,346,000
85% CL	88,557,000	6,492,000	95,049,000
90% CL	92,877,000	7,042,000	99,919,000

The \$79,310,192 estimate is the minimum liability to be booked by the Judicial Council at June 30, 2016 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 discounted expected loss costs be set



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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, 2016 to be \$75,930.

The table below shows our estimates of projected ultimate loss and ALAE for the JBWCP for the 2015-16 through 2018-19 fiscal years.

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

Year	2015-16	2016-17	2017-18	2018-19
Trial Courts	\$14,680,000	\$15,296,000	\$15,835,000	\$16,390,000
State Judiciary	\$693,000	\$725,000	\$748,000	\$777,000
Total	\$15,373,000	\$16,021,000	\$16,583,000	\$17,167,000
70% Confidence	16,998,000	17,714,000	18,336,000	18,982,000
75% Confidence	17,704,000	18,451,000	19,097,000	19,770,000
85% Confidence	19,574,000	20,400,000	21,115,000	21,860,000
90% Confidence	20,971,000	21,856,000	22,622,000	23,420,000

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 the expected loss and ALAE payments for the JBWCP for the 2015-16 through 2018-19 fiscal year.

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

Year	2015-16	2016-17	2017-18	2018-19
Trial Courts	\$6,485,000	\$13,825,000	\$14,283,000	\$15,011,000
State Judiciary	289,000	596,000	618,000	651,000
Total	\$6,774,000	\$14,421,000	\$14,901,000	\$15,662,000

Note: 2015-16 is for the period 1/1/16 to 6/30/16

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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.

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

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

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### **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, 2015, 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, 2016, project ultimate loss costs for 2015-16, 2016-17, 2017-18, and 2018-19, 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, 2016. The dark-colored bars indicate our estimates of the program's liability for outstanding claims before recognition of the investment income that can be earned on the assets held before the claim payments come due.

Our best estimate of the full value of the JBWCP's liability for outstanding claims within its self-funded retention is \$79,310,192 as of June 30, 2016. 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.

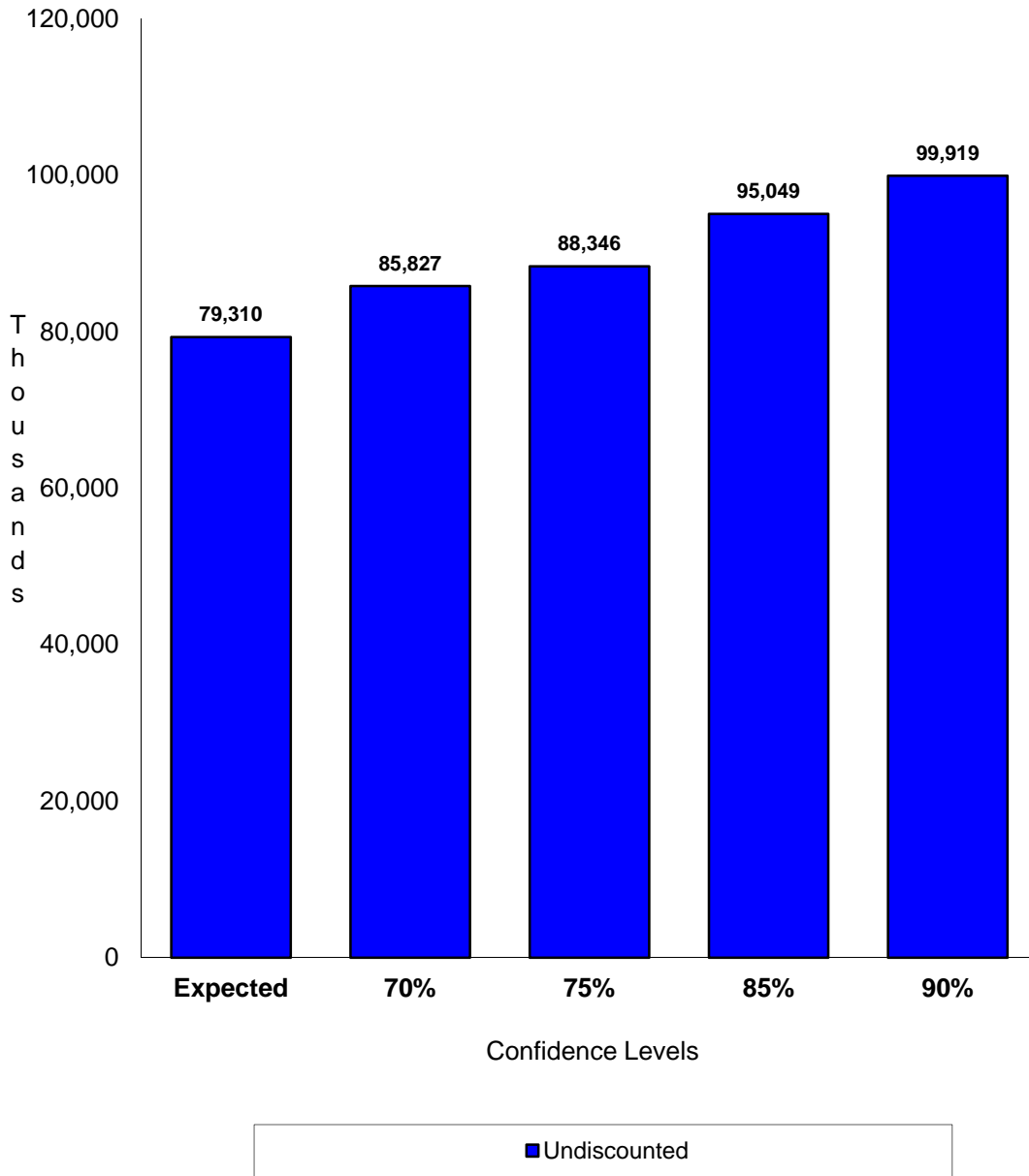
ALAE is the direct cost associated with the defense of individual claims (e.g. legal fees, investigation fees, court charges). ULAE is the cost to administer all claims to final settlement, which may be years into the future (e.g. claims adjusters' salaries, taxes). Other program expenses may include 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, 2016



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The table below displays a breakdown of the program's outstanding loss and ALAE liabilities into case reserves and incurred but not reported (IBNR) reserves at June 30, 2016, 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, 2016**

Year	Case Reserves	IBNR Reserves	Total Outstanding
Prior	\$309,033	\$44,404	\$353,437
1995-96	331,760	8,970	340,730
1996-97	0	0	0
1997-98	0	0	0
1998-99	156,076	19,480	175,556
1999-00	63,218	12,693	75,911
2000-01	247,694	95,128	342,822
2001-02	498,284	251,594	749,878
2002-03	1,098,651	397,929	1,496,580
2003-04	1,157,879	625,177	1,783,056
2004-05	743,160	612,537	1,355,697
2005-06	1,505,486	864,935	2,370,421
2006-07	1,248,677	1,350,608	2,599,285
2007-08	1,346,715	1,616,468	2,963,183
2008-09	975,420	2,365,196	3,340,616
2009-10	1,923,314	2,565,631	4,488,945
2010-11	2,693,823	2,796,689	5,490,512
2011-12	2,292,792	3,087,969	5,380,761
2012-13	3,539,864	3,488,076	7,027,940
2013-14	3,653,995	4,748,000	8,401,995
2014-15	3,011,524	7,976,706	10,988,230
2015-16	2,703,447	10,836,946	13,540,393
Loss and ALAE	\$29,500,812	\$43,765,136	\$73,265,948
ULAE		6,044,244	6,044,244
Total	\$29,500,812	\$49,809,380	\$79,310,192

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.

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

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

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

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

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

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



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

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

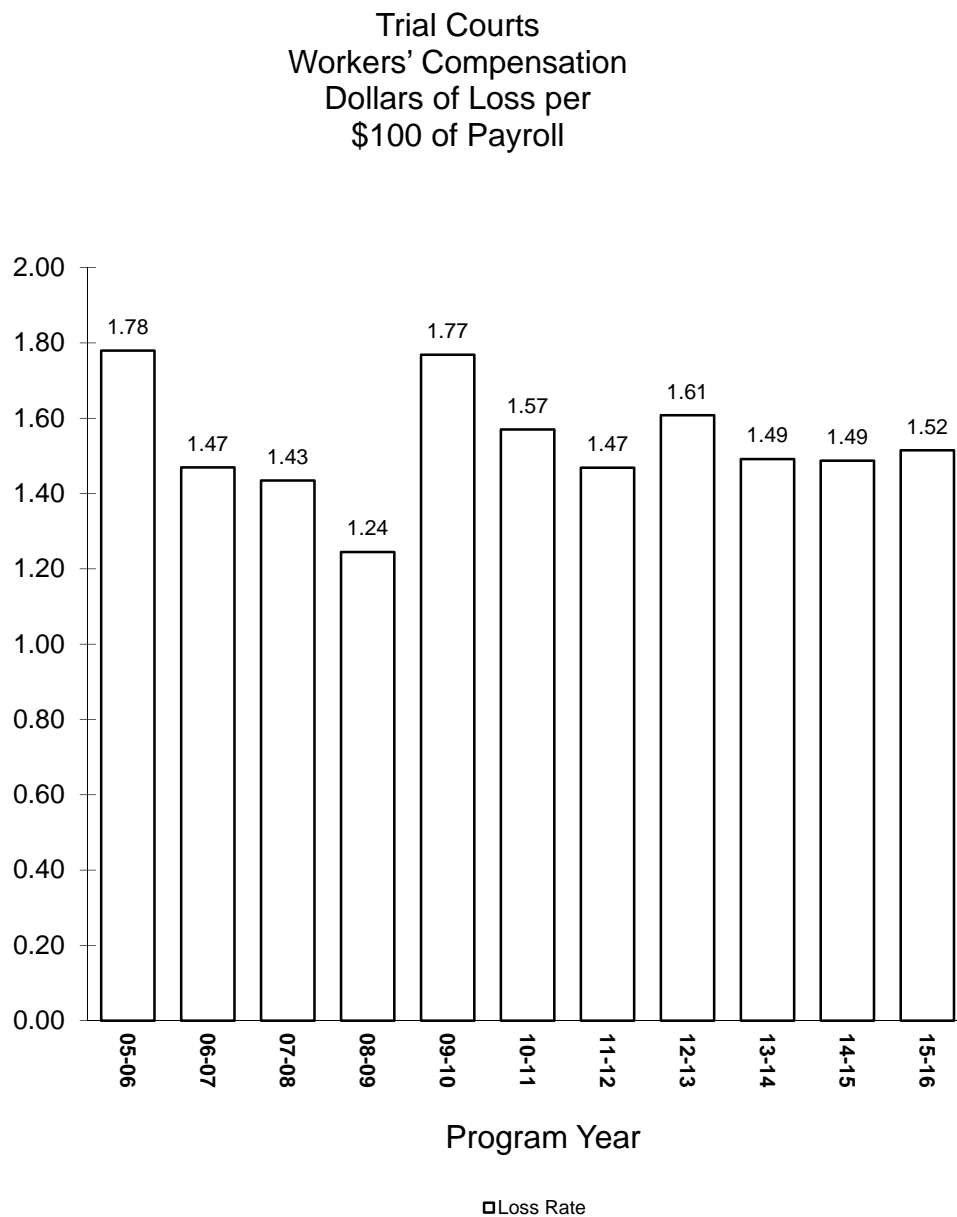
In general, we recommend that you fund each year's claims costs in that year. When surpluses or deficiencies have developed on outstanding liabilities and funding adjustments are necessary, they should be clearly identified as such so that the habit of funding each year's claims costs that year is maintained.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

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

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

The Trial Courts' loss rate (limited to \$250,000 per occurrence) has been relatively stable overall during the past nine years. The Trial Courts' loss rate averaged \$1.48 during the 2005-06 and 2008-09 program years and averaged \$1.57 per \$100 of payroll during 2009-10 through 2014-15. Our projected loss rate for 2015-16 is \$1.52 per \$100 of payroll. This selection is based on the Trial Courts' average for the most recent five years.

Graph 2

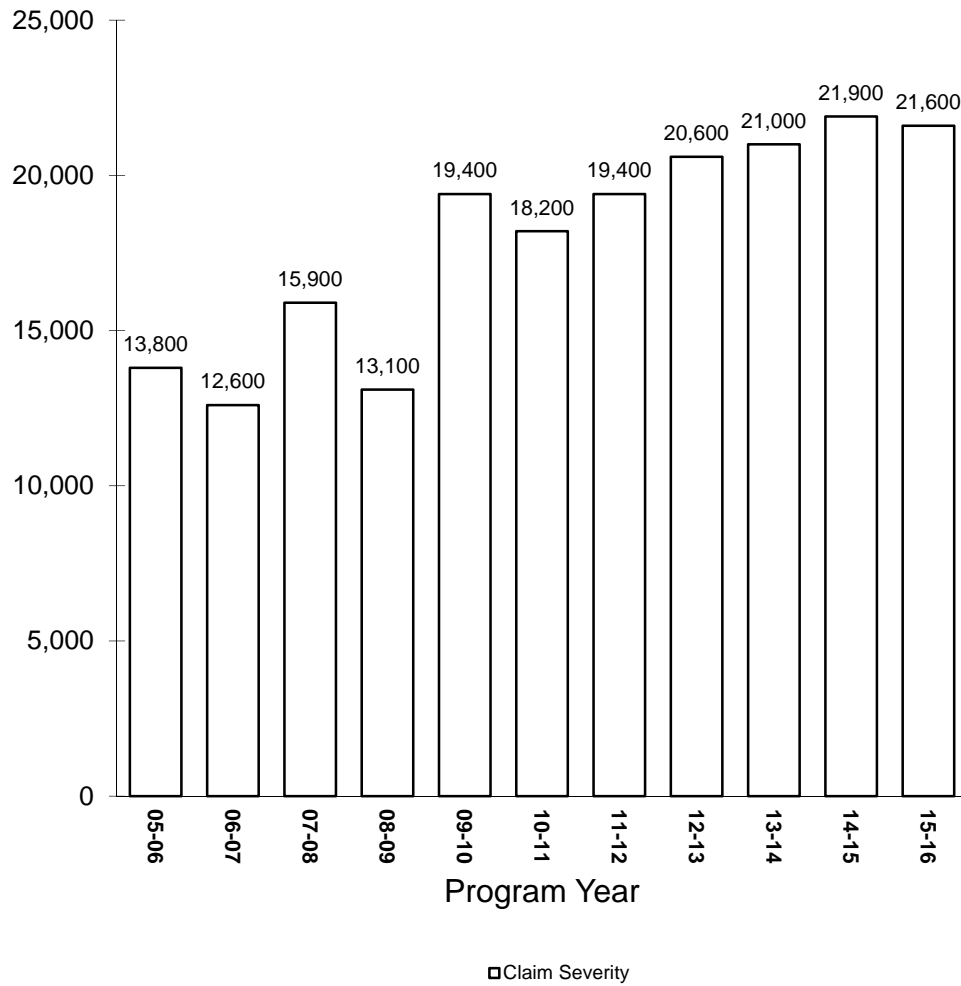


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The Trial Courts' claim severity, or cost per claim (limited to \$250,000 per occurrence), has been rising overall during the past nine years. The projected 2015-16 average cost per claim of \$21,600 is based on the recent increasing trend.

Graph 3

Trial Courts  
Workers' Compensation  
Dollars of Loss per Claim

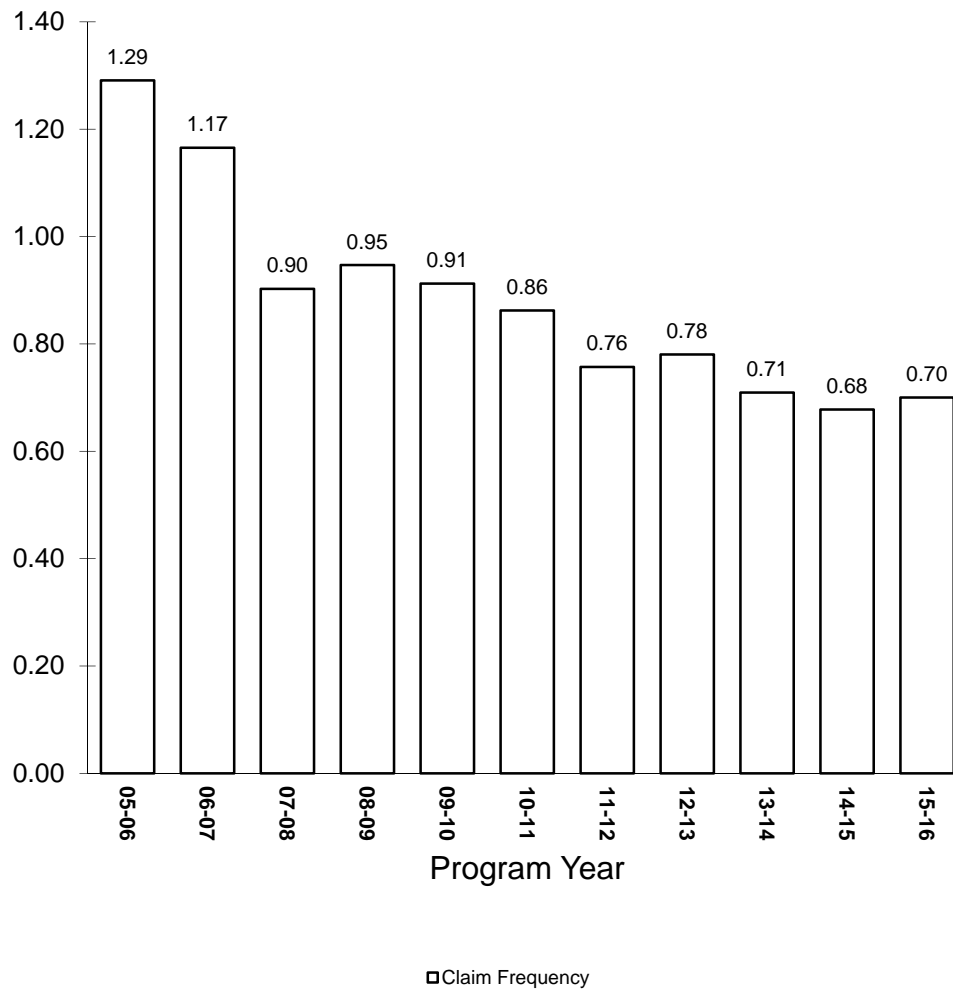


**DRAFT**

The Trial Courts' claim frequency, or number of claims per \$1 million of payroll, had been generally decreasing since 2005-06, but seems to have leveled off during the most recent three program years. Our projected claims frequency of 0.70 for 2015-16 is similar to the average of the recent two years.

Graph 4

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

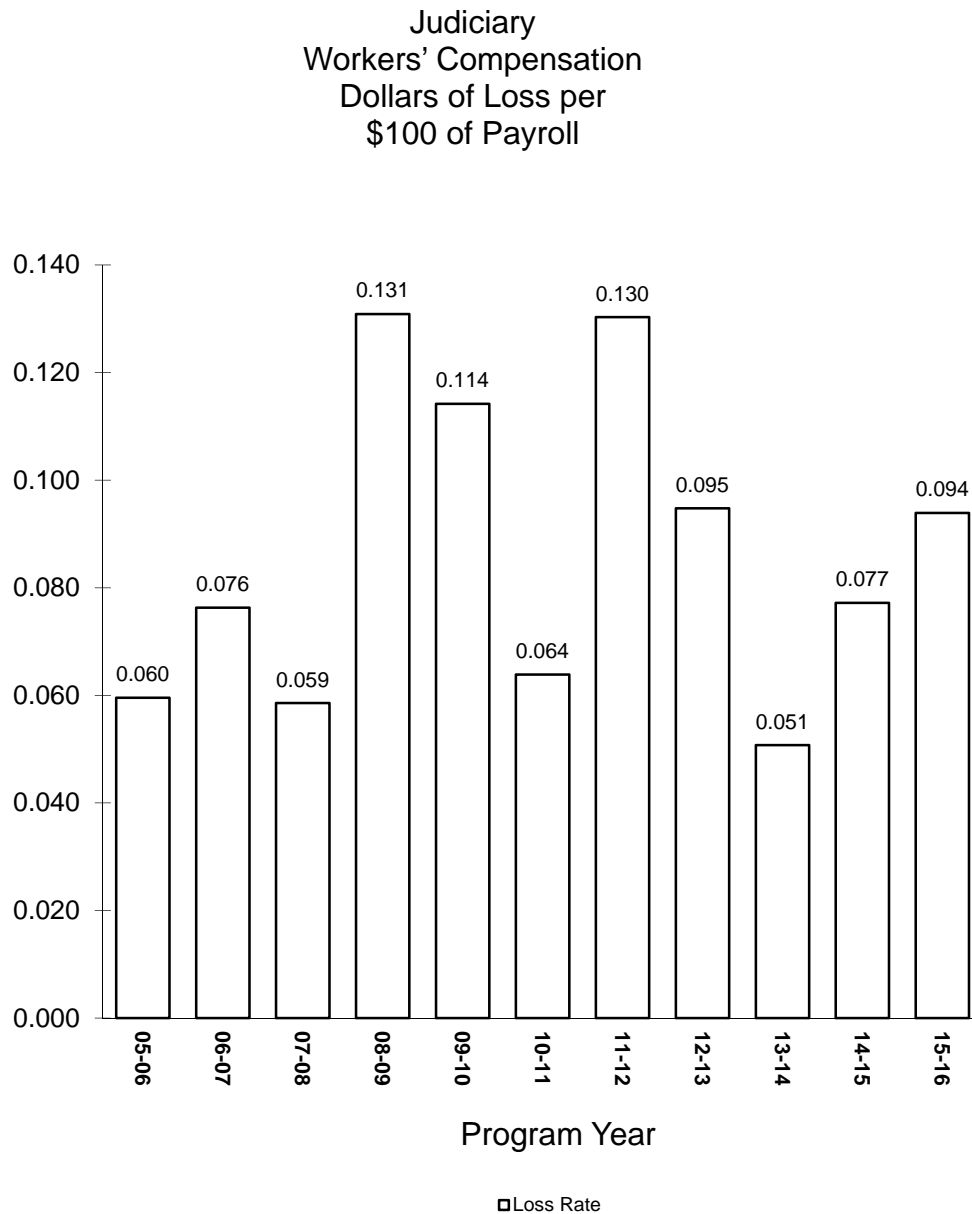


**DRAFT**

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 \$0.065 from 2005-06 to 2007-08 and \$0.095 between 2008-09 and 2014-15. Our projected loss rate for 2015-16 is \$0.094 per \$100 of payroll, which is similar to the average of the last seven years.

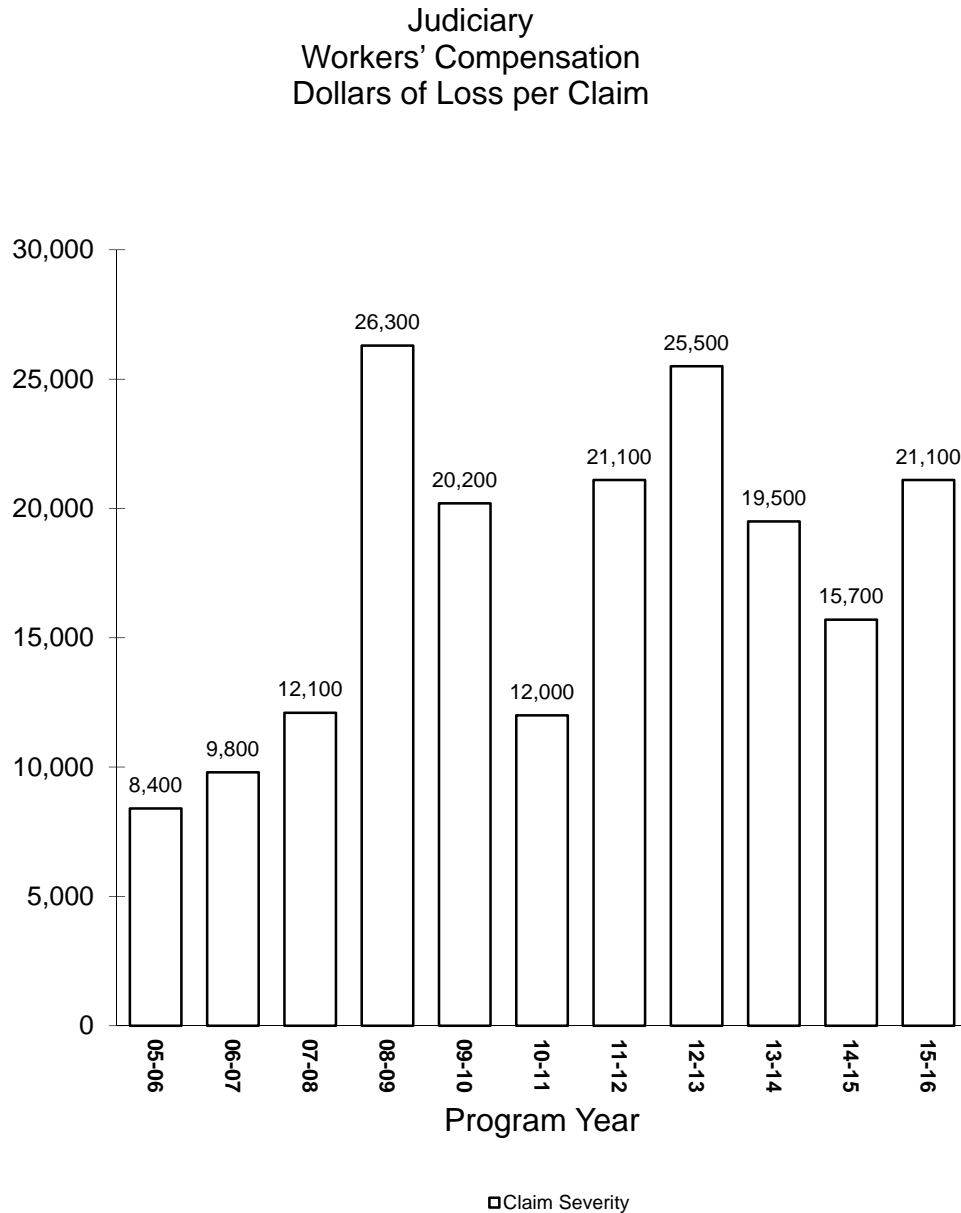
Graph 5



**DRAFT**

The State Judiciary's claim severity, or cost per claim (limited to \$100,000 per occurrence), has been rising overall during the past ten years. The State Judiciary has averaged \$10,100 per claim for the years from 2005-06 through 2007-08 and \$20,100 per claim for the years from 2008-09 through 2014-15. Our projection of \$21,100 for 2015-16 is based on the most recent seven years.

Graph 6

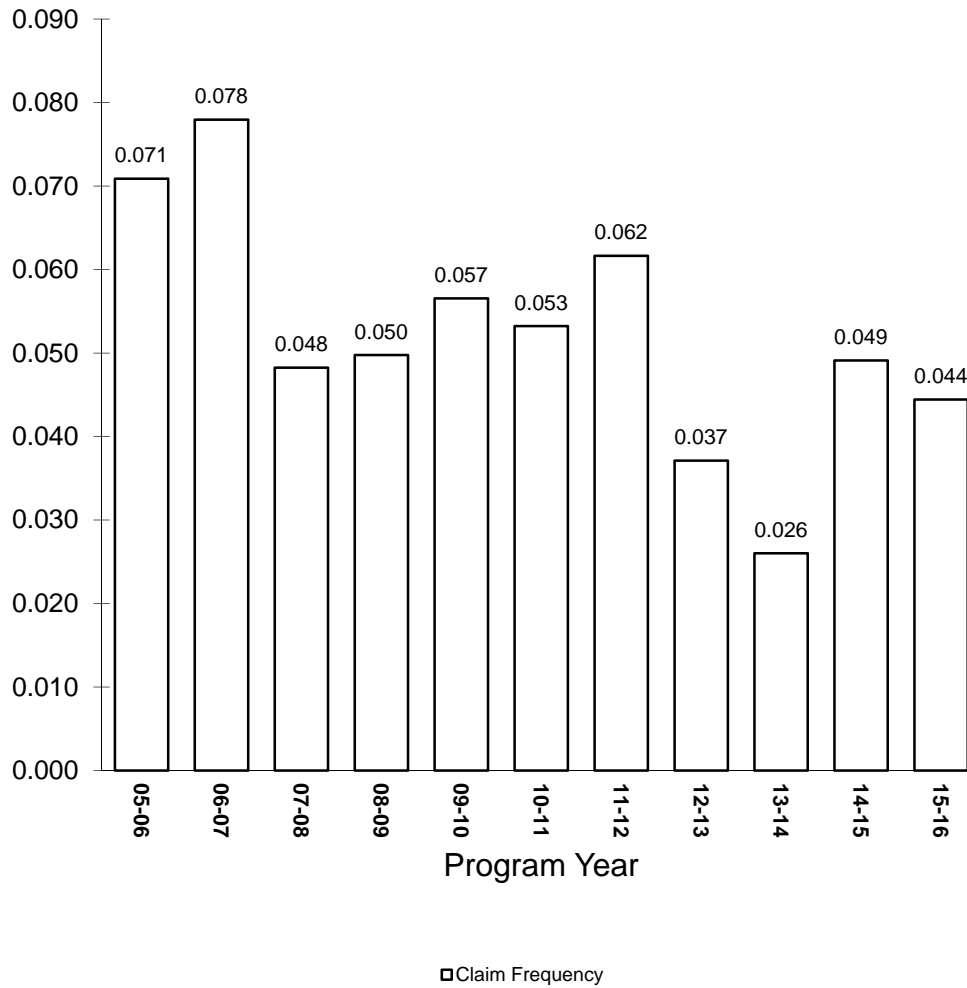


**DRAFT**

The State Judiciary's claim frequency, or number of claims per \$1 million payroll, has generally decreased over the period shown below. The projected 2015-16 frequency is 0.044 claims per \$1 million of payroll, which reflects the apparent downward trend.

Graph 7

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



**DRAFT**

**D. COMPARISON WITH PREVIOUS RESULTS**

The prior report for the Judicial Branch Workers' Compensation Program was dated March 31, 2015. In the following table, we display actual versus expected development of incurred losses and ALAE by accident year for the Trial Courts between the January 31, 2015 evaluation date of the prior report and the December 31, 2015 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	\$57,000	(\$45,000)	(\$102,000)
2001-02	82,000	(61,000)	(143,000)
2002-03	160,000	(133,000)	(293,000)
2003-04	261,000	191,000	(70,000)
2004-05	209,000	63,000	(146,000)
2005-06	246,000	544,000	298,000
2006-07	341,000	458,000	117,000
2007-08	278,000	(159,000)	(437,000)
2008-09	379,000	(114,000)	(493,000)
2009-10	433,000	289,000	(144,000)
2010-11	442,000	755,000	313,000
2011-12	620,000	483,000	(137,000)
2012-13	1,131,000	996,000	(135,000)
2013-14	2,243,000	1,361,000	(882,000)
2014-15	5,215,000	3,549,000	(1,666,000)
Total	\$12,097,000	\$8,177,000	(\$3,920,000)
00/01-08/09	\$2,013,000	\$744,000	(\$1,269,000)
09/10-14/15	\$10,084,000	\$7,433,000	(\$2,651,000)

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 \$12,097,000 between the two evaluation dates. However, actual development was approximately \$8,177,000; or about \$3,920,000 less than expected. Most accident years developed lower than expected. However, the 2005-06, 2006-07, and 2010-11 accident years are emerging higher than expected.



## DRAFT

In the table below we display actual versus expected development of paid losses and ALAE by accident year for the Trial Courts between the January 31, 2015 evaluation date of the prior report and the December 31, 2015 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	\$163,000	\$58,000	(\$105,000)
2001-02	120,000	57,000	(63,000)
2002-03	218,000	74,000	(144,000)
2003-04	299,000	320,000	21,000
2004-05	211,000	174,000	(37,000)
2005-06	315,000	393,000	78,000
2006-07	340,000	587,000	247,000
2007-08	483,000	500,000	17,000
2008-09	489,000	302,000	(187,000)
2009-10	722,000	965,000	243,000
2010-11	878,000	1,164,000	286,000
2011-12	1,182,000	1,586,000	404,000
2012-13	1,716,000	1,842,000	126,000
2013-14	2,331,000	1,893,000	(438,000)
2014-15	2,816,000	2,026,000	(790,000)
Total	\$12,283,000	\$11,941,000	(\$342,000)
00/01-08/09	\$2,638,000	\$2,465,000	(\$173,000)
09/10-14/15	\$9,645,000	\$9,476,000	(\$169,000)

As shown, actual paid development was less than anticipated since the prior report. Based on the assumptions from the prior report, it was expected that paid losses would increase by \$12,283,000 between the two evaluation dates. However, actual development was approximately \$11,941,000; or about \$342,000 less than expected.

**DRAFT**

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	\$9,754,000	\$9,669,000	(\$85,000)
2001-02	14,294,000	14,148,000	(146,000)
2002-03	18,820,000	18,519,000	(301,000)
2003-04	20,324,000	20,271,000	(53,000)
2004-05	14,667,000	14,513,000	(154,000)
2005-06	14,510,000	14,711,000	201,000
2006-07	14,406,000	14,590,000	184,000
2007-08	14,637,000	14,516,000	(121,000)
2008-09	13,526,000	13,341,000	(185,000)
2009-10	17,550,000	17,521,000	(29,000)
2010-11	16,102,000	16,504,000	402,000
2011-12	14,921,000	14,785,000	(136,000)
2012-13	15,550,000	15,297,000	(253,000)
2013-14	15,086,000	14,193,000	(893,000)
2014-15	15,708,000	14,000,000	(1,708,000)
Total	\$229,855,000	\$226,578,000	(\$3,277,000)
00/01-08/09	\$134,938,000	\$134,278,000	(\$660,000)
09/10-14/15	\$94,917,000	\$92,300,000	(\$2,617,000)

As shown, overall we have decreased the estimated ultimates by \$3,277,000 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 loss development shown in the tables on the previous pages.

**DRAFT**

In the following table, we display the State Judiciary's actual versus expected development of incurred losses and ALAE by accident year between the January 31, 2015 evaluation date of the prior report and the December 31, 2015 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	\$6,000	(\$9,000)	(\$15,000)
1995-96	3,000	21,000	18,000
1996-97	0	0	0
1997-98	0	0	0
1998-99	5,000	0	(5,000)
1999-00	3,000	1,000	(2,000)
2000-01	0	0	0
2001-02	7,000	(179,000)	(186,000)
2002-03	2,000	(16,000)	(18,000)
2003-04	3,000	0	(3,000)
2004-05	0	1,000	1,000
2005-06	5,000	(57,000)	(62,000)
2006-07	11,000	(13,000)	(24,000)
2007-08	8,000	(63,000)	(71,000)
2008-09	20,000	13,000	(7,000)
2009-10	23,000	4,000	(19,000)
2010-11	24,000	9,000	(15,000)
2011-12	47,000	(21,000)	(68,000)
2012-13	51,000	(33,000)	(84,000)
2013-14	130,000	26,000	(104,000)
2014-15	232,000	103,000	(129,000)
Total	\$580,000	(\$213,000)	(\$793,000)

For the years shown, actual incurred development was lower than anticipated since the prior report. Based on the assumptions from the prior report, it was expected that incurred losses would increase by \$580,000 between the two evaluation dates. However, actual development was a decrease of approximately \$213,000; or about \$793,000 less than expected. As shown, most accident years developed favorably.

## DRAFT

In the table below we display actual versus expected development of paid losses and ALAE by accident year between the January 31, 2015 evaluation date of the prior report and the December 31, 2015 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	\$57,000	\$0	(\$57,000)
1995-96	33,000	0	(33,000)
1996-97	0	0	0
1997-98	0	0	0
1998-99	18,000	0	(18,000)
1999-00	8,000	0	(8,000)
2000-01	0	0	0
2001-02	46,000	134,000	88,000
2002-03	2,000	0	(2,000)
2003-04	4,000	1,000	(3,000)
2004-05	0	1,000	1,000
2005-06	9,000	0	(9,000)
2006-07	24,000	90,000	66,000
2007-08	30,000	17,000	(13,000)
2008-09	29,000	22,000	(7,000)
2009-10	60,000	248,000	188,000
2010-11	43,000	46,000	3,000
2011-12	76,000	64,000	(12,000)
2012-13	68,000	61,000	(7,000)
2013-14	109,000	10,000	(99,000)
2014-15	95,000	36,000	(59,000)
Total	\$711,000	\$730,000	\$19,000

For the years shown, actual paid development was greater than anticipated since the prior report. Based on the assumptions from the prior report, it was expected that paid losses would increase by \$711,000 between the two evaluation dates. However, actual development was approximately \$730,000; or about \$19,000 more than expected. As shown, most accident years developed favorably. This favorable development is offset by unfavorable development during the 2001-02, 2006-07, and 2009-10 accident years.

**DRAFT**

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

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

Accident Year	Prior Report	Current Report	Change In Ultimate
Prior	\$7,520,000	\$7,510,000	(\$10,000)
1995-96	1,354,000	1,373,000	19,000
1996-97	217,000	217,000	0
1997-98	438,000	438,000	0
1998-99	1,446,000	1,442,000	(4,000)
1999-00	700,000	699,000	(1,000)
2000-01	951,000	951,000	0
2001-02	1,136,000	949,000	(187,000)
2002-03	222,000	196,000	(26,000)
2003-04	332,000	331,000	(1,000)
2004-05	365,000	366,000	1,000
2005-06	310,000	227,000	(83,000)
2006-07	668,000	649,000	(19,000)
2007-08	366,000	292,000	(74,000)
2008-09	793,000	796,000	3,000
2009-10	842,000	854,000	12,000
2010-11	383,000	384,000	1,000
2011-12	876,000	812,000	(64,000)
2012-13	786,000	753,000	(33,000)
2013-14	566,000	458,000	(108,000)
2014-15	779,000	653,000	(126,000)
Total	\$21,050,000	\$20,350,000	(\$700,000)

For the years shown, overall we have decreased the estimated ultimates by \$700,000 since our prior report. The changes in the estimates of ultimate losses generally track with actual versus expected loss development shown in the tables on the previous pages.

## DRAFT

At the time of the prior report, the liability for outstanding claims at the expected level as of June 30, 2015 was estimated to be \$76,294,000 for the Trial Courts and \$5,865,000 for the State Judiciary for a total of \$82,159,000. Our current estimate as of June 30, 2016, is \$74,480,000 for the Trial Courts and \$4,830,000 for the State Judiciary for a total of \$79,310,000. 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, 2015	Current Report at June 30, 2016	Change
(A) Case Reserves:	\$29,820,000	\$27,681,000	(\$2,139,000)
(B) IBNR Reserves:	41,128,000	41,522,000	394,000
(C) Claims Administration Reserves:	5,346,000	5,277,000	(69,000)
(D) Total Reserves:	\$76,294,000	\$74,480,000	(\$1,814,000)

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

	Prior Report at June 30, 2015	Current Report at June 30, 2016	Change
(A) Case Reserves:	\$2,858,000	\$1,819,000	(\$1,039,000)
(B) IBNR Reserves:	2,136,000	2,244,000	108,000
(C) Claims Administration Reserves:	871,000	767,000	(104,000)
(D) Total Reserves:	\$5,865,000	\$4,830,000	(\$1,035,000)

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

	Prior Report at June 30, 2015	Current Report at June 30, 2016	Change
(A) Case Reserves:	\$32,678,000	\$29,500,000	(\$3,178,000)
(B) IBNR Reserves:	43,264,000	43,766,000	502,000
(C) Claims Administration Reserves:	6,217,000	6,044,000	(173,000)
(D) Total Reserves:	\$82,159,000	\$79,310,000	(\$2,849,000)

As shown, the estimate of outstanding claims liabilities at the expected level has decreased between June 30, 2015 and June 30, 2016 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 significantly for the Trial Courts and the State Judiciary. These changes are partially offset by changes in the estimate of IBNR reserves. Reserves for future claims administration expenses have decreased. The overall change is a decrease of \$2,849,000 in the estimate of outstanding claim liabilities for loss and ALAE.

## DRAFT

At the time of the prior report, the 2015-16 ultimate loss and ALAE projections at the expected level were \$16,433,000 for the Trial Courts and \$808,000 for the State Judiciary, for a total of \$17,241,000. Our current projections for the 2016-17 year are \$15,296,000 for the Trial Courts and \$725,000 for the State Judiciary, for a total of \$16,021,000. The comparison is shown in the following table:

### Comparison of Projected Ultimate Loss and ALAE

	Prior Report 2015-16 Self-Funded Retention = \$2M	Current Report 2016-17 Self-Funded Retention = \$2M	Change
(A) Trial Courts:	\$16,433,000	\$15,296,000	(\$1,137,000)
(B) State Judiciary:	808,000	725,000	(83,000)
(C) Total:	\$17,241,000	\$16,021,000	(\$1,220,000)

As you can see, the projected ultimates for the Trial Courts and the State Judiciary have decreased between 2015-16 and 2016-17, as shown in the prior and current reports respectively.

At the time of the prior report, the 2015-16 expected loss and ALAE payments were \$14,368,000 for the Trial Courts and \$778,000 for the State Judiciary, for a total of \$15,146,000. Our current estimates for the 2016-17 year are \$13,825,000 for Trial Courts and \$596,000 for the State Judiciary for a total of \$14,421,000. The comparison is shown in the following table:

### Comparison of Expected Loss and ALAE Payments

	Prior Report 2015-16	Current Report 2016-17	Change
(A) Trial Courts:	\$14,368,000	\$13,825,000	(\$543,000)
(B) State Judiciary:	778,000	596,000	(182,000)
(C) Total:	\$15,146,000	\$14,421,000	(\$725,000)

As you can see, the expected payments for the Trial Courts and the State Judiciary have decreased between 2015-16 and 2016-17, 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.

## DRAFT

### 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 2015-16, 2016-17, 2017-18, and 2018-19 (See Appendix TC-J for the Trial Courts).
- We have assumed that the program has implemented a self-funded retention of \$2,000,000 per occurrence for the State Judiciary for 2015-16, and will remain at \$2,000,000 per occurrence for 2016-17, 2017-18, and 2018-19 (See Appendix J-J for the State Judiciary).
- We received loss data evaluated as of December 31, 2015 (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 1.0% 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.
- We have assumed that the loss rate trend associated with claim costs decreases at 0.5% per year. We have assumed that claim severity increases at 2.5% per year, and that claim frequency decreases at 3.0% per year.

## DRAFT

- We have assumed that payroll and other inflation-sensitive exposure measures increase 2.5% annually due to inflation.
- The claims costs we have estimated include indemnity and medical payments, and all loss adjustment expenses. We have not included estimates for excess insurance contributions and other expenses associated with the program.
- Our funding recommendations do not include provisions for catastrophic events not in the JBWCP's history, such as earthquakes, flooding, mass civil disorder, or mass occupational disease.
- Our estimates assume that all excess insurance is valid and collectible. Further, our funding recommendations do not include a provision for losses greater than the JBWCP's excess coverage.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Paid Losses** - Losses actually paid on all reported claims.

**Program Losses** - Losses, including ALAE, limited to the self-funded retention for each occurrence.

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

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

**Severity** - Average claim cost.

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

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

## Judicial Branch Workers' Compensation Program - Trial Courts

Funding Guidelines for Outstanding Liabilities at  
December 31, 2015

(A) Estimated Ultimate Losses Incurred through 12/31/15: (From Appendix TC-G)	\$233,918,000
(B) Estimated Paid Losses through 12/31/15: (From Appendix TC-G)	165,570,000
(C) Estimated Liability for Claims Outstanding at 12/31/15: (From Appendix TC-G)	<u>\$68,348,000</u>
(D) Estimated Liability for Outstanding Claims Administration Fees at 12/31/15: (From Appendix TC-F)	5,287,000
(E) Total Outstanding Liability for Claims at 12/31/15: ((C) + (D))	<u>\$73,635,000</u>
(F) Reserve Discount Factor (Based on a Discount Rate of 0.0%. (Not Included, Page 1, (G))	1.000
(G) Discounted Outstanding Liability for Claims at 12/31/15: ((E) x (F))	<u>\$73,635,000</u>

	<u>Marginally Acceptable</u>	<u>75%</u>	<u>Recommended</u>	<u>85%</u>	<u>Conservative</u>
Confidence Level of Adequacy:	70%	75%	80%	85%	90%
(H) Confidence Level Factor: (From Appendix TC-I)	1.079	1.109	1.145	1.189	1.247
(I) Margin for Adverse Experience: ((G) x [(H) - 1])	5,817,000	8,026,000	10,677,000	13,917,000	18,188,000
(J) Total Required Available Funding at 12/31/15: ((G) + (I))	<u>\$79,452,000</u>	<u>\$81,661,000</u>	<u>\$84,312,000</u>	<u>\$87,552,000</u>	<u>\$91,823,000</u>

Judicial Branch Workers' Compensation Program - Trial Courts

Funding Guidelines for Outstanding Liabilities at  
June 30, 2016

(A) Estimated Ultimate Losses Incurred through 6/30/16: (From Appendix TC-G)	\$241,258,000
(B) Estimated Paid Losses through 6/30/16: (From Appendix TC-G)	172,055,000
(C) Estimated Liability for Claims Outstanding at 6/30/16: (From Appendix TC-G)	<u>\$69,203,000</u>
(D) Estimated Liability for Outstanding Claims Administration Fees at 6/30/16: (From Appendix TC-F)	5,277,000
(E) Total Outstanding Liability for Claims at 6/30/16: ((C) + (D))	<u>\$74,480,000</u>
(F) Reserve Discount Factor (Based on a Discount Rate of 0.0%. (Not Included, Page 1, (H))	1.000
(G) Discounted Outstanding Liability for Claims at 6/30/16: ((E) x (F))	<u>\$74,480,000</u>

	<u>Marginally Acceptable</u>	<u>75%</u>	<u>Recommended</u>	<u>85%</u>	<u>Conservative</u>
Confidence Level of Adequacy:	70%	75%	80%	85%	90%
(H) Confidence Level Factor: (From Appendix TC-I)	1.079	1.109	1.145	1.189	1.247
(I) Margin for Adverse Experience: ((G) x [(H) - 1])	5,884,000	8,118,000	10,800,000	14,077,000	18,397,000
(J) Total Required Available Funding at 6/30/16: ((G) + (I))	<u>\$80,364,000</u>	<u>\$82,598,000</u>	<u>\$85,280,000</u>	<u>\$88,557,000</u>	<u>\$92,877,000</u>

Judicial Branch Workers' Compensation Program - Trial Courts

Funding Options for Program Year 2015-2016 (SIR = \$2,000,000)

	Dollar Amount	Payroll Rate			
(A) Estimated Ultimate Losses Incurred in Accident Year 2015-2016: (From Appendix TC-G)	\$14,680,000	\$1.766			
(B) Estimated Claims Administration Fees Incurred in Accident Year 2015-2016: (From Exhibit TC-5, Page 1, item (L))	0	0.000			
(C) Total Claims Costs Incurred in Accident Year 2015-2016: ((A) + (B))	<u>\$14,680,000</u>	<u>\$1.766</u>			
(D) Loss Discount Factor (Based on a Discount Rate of 0.0%.) (Not Included, Page 2, (F))	1.000				
(E) Discounted Total Claims Costs Incurred in Accident Year 2015-2016: ((C) x (D))	<u>\$14,680,000</u>	<u>\$1.766</u>			
	<u>Marginally Acceptable</u>		<u>Recommended</u>		<u>Conservative</u>
	70%	75%	80%	85%	90%
(F) Confidence Level Factor: (From Appendix TC-I)	1.103	1.144	1.192	1.251	1.329
(G) Margin for Adverse Experience: ((E) x [(F) - 1])	1,512,000	2,114,000	2,819,000	3,685,000	4,830,000
(H) Recommended Funding in 2015-2016 for Claims Costs and Other Expenses ((E) + (G))	<u>\$16,192,000</u>	<u>\$16,794,000</u>	<u>\$17,499,000</u>	<u>\$18,365,000</u>	<u>\$19,510,000</u>
(I) Rate per \$100 of Payroll: ((H) / \$8,312,682)	\$1.948	\$2.020	\$2.105	\$2.209	\$2.347

Payroll rates are per hundred dollars of 2015-2016 payroll of \$831,268,200.

## Judicial Branch Workers' Compensation Program - Trial Courts

Funding Options for Program Year 2016-2017 (SIR = \$2,000,000)  
One-Year Funding Plan

	Dollar Amount	Payroll Rate			
(A) Estimated Ultimate Losses Incurred in Accident Year 2016-2017: (From Appendix TC-G)	\$15,296,000	\$1.804			
(B) Estimated Claims Administration Fees Incurred in Accident Year 2016-2017: (From Exhibit TC-5, Page 1, item (L))	0	0.000			
(C) Total Claims Costs Incurred in Accident Year 2016-2017: ((A) + (B))	<u>\$15,296,000</u>	<u>\$1.804</u>			
(D) Loss Discount Factor (Based on a Discount Rate of 0.0%.) (Not Included, Page 2, (F))	1.000				
(E) Discounted Total Claims Costs Incurred in Accident Year 2016-2017: ((C) x (D))	<u>\$15,296,000</u>	<u>\$1.804</u>			
	<u>Marginally Acceptable</u>		<u>Recommended</u>		<u>Conservative</u>
	70%	75%	80%	85%	90%
(F) Confidence Level Factor: (From Appendix TC-I)	1.103	1.144	1.192	1.251	1.329
(G) Margin for Adverse Experience: ((E) x [(F) - 1])	1,575,000	2,203,000	2,937,000	3,839,000	5,032,000
(H) Recommended Funding in 2016-2017 for Claims Costs and Other Expenses ((E) + (G))	<u>\$16,871,000</u>	<u>\$17,499,000</u>	<u>\$18,233,000</u>	<u>\$19,135,000</u>	<u>\$20,328,000</u>
(I) Rate per \$100 of Payroll: ((H) / \$8,478,935)	\$1.990	\$2.064	\$2.150	\$2.257	\$2.397

Payroll rates are per hundred dollars of 2016-2017 payroll of \$847,893,500.



Judicial Branch Workers' Compensation Program - Trial Courts

Funding Options for Program Year 2017-2018 (SIR = \$2,000,000)  
One-Year Funding Plan

	Dollar Amount	Payroll Rate			
(A) Estimated Ultimate Losses Incurred in Accident Year 2017-2018: (From Appendix TC-G)	\$15,835,000	\$1.831			
(B) Estimated Claims Administration Fees Incurred in Accident Year 2017-2018: (From Exhibit TC-5, Page 1, item (L))	0	0.000			
(C) Total Claims Costs Incurred in Accident Year 2017-2018: ((A) + (B))	<u>\$15,835,000</u>	<u>\$1.831</u>			
(D) Loss Discount Factor (Based on a Discount Rate of 0.0%.) (Not Included, Page 2, (F))	1.000				
(E) Discounted Total Claims Costs Incurred in Accident Year 2017-2018: ((C) x (D))	<u>\$15,835,000</u>	<u>\$1.831</u>			
	<u>Marginally Acceptable</u>		<u>Recommended</u>		<u>Conservative</u>
	70%	75%	80%	85%	90%
(F) Confidence Level Factor: (From Appendix TC-I)	1.103	1.144	1.192	1.251	1.329
(G) Margin for Adverse Experience: ((E) x [(F) - 1])	1,631,000	2,280,000	3,040,000	3,975,000	5,210,000
(H) Recommended Funding in 2017-2018 for Claims Costs and Other Expenses ((E) + (G))	<u>\$17,466,000</u>	<u>\$18,115,000</u>	<u>\$18,875,000</u>	<u>\$19,810,000</u>	<u>\$21,045,000</u>
(I) Rate per \$100 of Payroll: ((H) / \$8,648,514)	\$2.020	\$2.095	\$2.182	\$2.291	\$2.433

Payroll rates are per hundred dollars of 2017-2018 payroll of \$864,851,400.

## Judicial Branch Workers' Compensation Program - Trial Courts

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

	Dollar Amount	Payroll Rate			
(A) Estimated Ultimate Losses Incurred in Accident Year 2018-2019: (From Appendix TC-G)	\$16,390,000	\$1.858			
(B) Estimated Claims Administration Fees Incurred in Accident Year 2018-2019: (From Exhibit TC-5, Page 1, item (L))	0	0.000			
(C) Total Claims Costs Incurred in Accident Year 2018-2019: ((A) + (B))	<u>\$16,390,000</u>	<u>\$1.858</u>			
(D) Loss Discount Factor (Based on a Discount Rate of 0.0%.) (Not Included, Page 2, (F))	1.000				
(E) Discounted Total Claims Costs Incurred in Accident Year 2018-2019: ((C) x (D))	<u>\$16,390,000</u>	<u>\$1.858</u>			
	<u>Marginally Acceptable</u>		<u>Recommended</u>		<u>Conservative</u>
	70%	75%	80%	85%	90%
(F) Confidence Level Factor: (From Appendix TC-I)	1.103	1.144	1.192	1.251	1.329
(G) Margin for Adverse Experience: ((E) x [(F) - 1])	1,688,000	2,360,000	3,147,000	4,114,000	5,392,000
(H) Recommended Funding in 2018-2019 for Claims Costs and Other Expenses ((E) + (G))	<u>\$18,078,000</u>	<u>\$18,750,000</u>	<u>\$19,537,000</u>	<u>\$20,504,000</u>	<u>\$21,782,000</u>
(I) Rate per \$100 of Payroll: ((H) / \$8,821,484)	\$2.049	\$2.125	\$2.215	\$2.324	\$2.469

Payroll rates are per hundred dollars of 2018-2019 payroll of \$882,148,400.

## Judicial Branch Workers' Compensation Program - Trial Courts

## IBNR as of 6/30/16 at Expected Claims Level

Accident Year	Estimated Ultimate (A)	Reported as of 12/31/15 (B)	Estimated IBNR as of 12/31/15 (C)	Estimated Percent of IBNR Reported Between 1/1/16 and 6/30/16 (D)	Estimated IBNR Reported (E)	Estimated IBNR as of 6/30/16 (F)
2000-2001	\$9,669,000	\$9,535,872	\$133,128	28.3%	\$38,000	\$95,128
2001-2002	14,148,000	13,884,528	263,472	15.5%	41,000	222,472
2002-2003	18,519,000	18,050,071	468,929	15.1%	71,000	397,929
2003-2004	20,271,000	19,547,704	723,296	15.7%	114,000	609,296
2004-2005	14,513,000	13,808,463	704,537	13.1%	92,000	612,537
2005-2006	14,711,000	13,725,065	985,935	12.3%	121,000	864,935
2006-2007	14,590,000	13,131,759	1,458,241	11.3%	165,000	1,293,241
2007-2008	14,516,000	12,749,442	1,766,558	10.3%	182,000	1,584,558
2008-2009	13,341,000	10,865,292	2,475,708	8.7%	215,000	2,260,708
2009-2010	17,521,000	14,871,315	2,649,685	8.3%	220,000	2,429,685
2010-2011	16,504,000	13,585,768	2,918,232	7.7%	225,000	2,693,232
2011-2012	14,785,000	11,644,413	3,140,587	7.3%	229,000	2,911,587
2012-2013	15,297,000	11,711,821	3,585,179	9.1%	326,000	3,259,179
2013-2014	14,193,000	8,970,733	5,222,267	15.2%	794,000	4,428,267
2014-2015	14,000,000	5,086,907	8,913,093	15.3%	1,364,000	7,549,093
2015-2016	14,680,000	1,841,257	5,499,000	19.7%	2,529,000	10,309,743
Totals	\$241,258,000	\$193,010,410	\$40,907,847		\$6,726,000	\$41,521,590

## 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 1/1/16 and 6/30/16. 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 6/30/16. This amount is dependent on both the strength of the case reserves and the average frequency and severity of the losses incurred.

Judicial Branch Workers' Compensation Program - Trial Courts  
Ultimate Program Losses Adjusted For Expected Impact of Legislation

Accident Year	Pre-Ruling Selected Ultimate (A)	Paid Losses as of 12/31/15 (B)	Outstanding Losses as of 12/31/15 (C)	Percentage Impact From Legislation (D)	Post-Ruling Adjusted Ultimate (E)
2000-2001	\$9,669,000	\$9,230,609	\$438,391	0.00%	\$9,669,000
2001-2002	14,148,000	13,505,342	642,658	0.00%	14,148,000
2002-2003	18,519,000	16,897,570	1,621,430	0.00%	18,519,000
2003-2004	20,271,000	18,378,793	1,892,207	0.00%	20,271,000
2004-2005	14,513,000	13,067,694	1,445,306	0.00%	14,513,000
2005-2006	14,711,000	12,189,275	2,521,725	0.00%	14,711,000
2006-2007	14,590,000	11,931,014	2,658,986	0.00%	14,590,000
2007-2008	14,516,000	11,502,979	3,013,021	0.00%	14,516,000
2008-2009	13,341,000	9,946,908	3,394,092	0.00%	13,341,000
2009-2010	17,521,000	12,916,360	4,604,640	0.00%	17,521,000
2010-2011	16,504,000	10,762,466	5,741,534	0.00%	16,504,000
2011-2012	14,785,000	9,300,899	5,484,101	0.00%	14,785,000
2012-2013	15,297,000	7,910,587	7,386,413	0.00%	15,297,000
2013-2014	14,193,000	5,266,456	8,926,544	0.00%	14,193,000
2014-2015	14,000,000	2,346,387	11,653,613	0.00%	14,000,000
Totals	\$226,578,000	\$165,153,339	\$61,424,661		\$226,578,000
2015-2016	\$14,680,000	\$416,214	\$14,263,786	0.00%	\$14,680,000
2016-2017	15,296,000	0	15,296,000	0.00%	15,296,000
2017-2018	15,835,000	0	15,835,000	0.00%	15,835,000
2018-2019	16,390,000	0	16,390,000	0.00%	16,390,000

## Notes:

- (A) From Exhibit TC-4, Page 2.
- (B) Provided by the Judicial Council.
- (C) (A) - (B).
- (D) Based on WCIRB Estimated Impact of SB863, tempered for time since implementation. Trending includes the estimated impact of these rulings for forecast years.
- (E) (B) + (C) \* [1 + (D)].

## Judicial Branch Workers' Compensation Program - Trial Courts

## Estimated Ultimate Program Losses

Accident Year	Reported Loss Development Method (A)	Paid Loss Development Method (B)	Exposure Method Based on Reported Losses (C)	Exposure Method Based on Paid Losses (D)	Frequency-Severity Method (E)	Selected Estimate of Ultimate Losses (F)	
2000-2001	\$9,669,374	\$10,024,441	\$9,676,598	\$10,024,708	\$10,052,420	\$9,669,000	
2001-2002	14,148,334	14,936,908	14,160,221	14,898,315	14,506,930	14,148,000	
2002-2003	18,519,373	19,060,459	18,522,337	19,032,210	18,894,667	18,519,000	
2003-2004	20,270,969	21,227,506	20,279,997	21,104,551	20,337,672	20,271,000	
2004-2005	14,512,695	15,419,879	14,535,779	15,338,702	14,839,793	14,513,000	
2005-2006	14,672,094	14,749,023	14,666,127	14,708,427	14,482,848	14,711,000	
2006-2007	14,313,617	14,866,043	14,214,400	14,500,656	13,046,200	14,590,000	
2007-2008	14,215,628	14,815,837	14,210,154	14,679,674	14,178,047	14,516,000	
2008-2009	12,419,029	13,428,326	12,461,150	13,253,525	12,963,152	13,341,000	
2009-2010	17,488,666	18,444,562	17,553,607	18,280,943	17,441,550	17,521,000	
2010-2011	16,520,294	16,488,098	16,501,664	16,446,825	16,289,658	16,504,000	
2011-2012	14,718,538	15,634,811	14,982,858	15,770,135	14,734,405	14,785,000	
2012-2013	15,740,687	15,655,052	15,451,626	15,141,850	14,655,348	15,297,000	
2013-2014	14,182,729	13,898,177	14,226,177	14,159,183	13,803,571	14,193,000	
2014-2015	10,824,938	10,903,660	12,715,510	13,645,356	13,999,296	14,000,000	
Totals						\$226,578,000	
						Projected Losses for the Year 2015-2016 (G)	\$14,680,000
						Projected Losses for the Year 2016-2017 (H)	\$15,296,000
						Projected Losses for the Year 2017-2018 (I)	\$15,835,000
						Projected Losses for the Year 2018-2019 (J)	\$16,390,000

## Notes:

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

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

## Judicial Branch Workers' Compensation Program - Trial Courts

## Estimated Ultimate Limited Losses Capped at \$250,000 per Claim

Accident Year	Reported Loss Development Method (A)	Paid Loss Development Method (B)	Exposure Method Based on Reported Losses (C)	Exposure Method Based on Paid Losses (D)	Frequency-Severity Method (E)	Selected Ultimate Limited Losses (F)
2000-2001	\$9,252,789	\$9,404,433	\$9,253,374	\$9,400,724	\$9,252,852	\$9,253,000
2001-2002	13,292,351	13,656,576	13,293,444	13,638,074	13,291,740	13,292,000
2002-2003	17,265,702	17,489,933	17,267,398	17,475,602	17,266,161	17,266,000
2003-2004	18,444,758	18,980,661	18,447,414	18,947,750	18,445,053	18,445,000
2004-2005	13,401,859	13,772,505	13,404,886	13,740,908	13,401,742	13,402,000
2005-2006	13,011,853	12,933,469	13,016,400	12,946,157	13,012,096	13,012,000
2006-2007	11,660,514	12,170,726	11,655,314	12,110,233	11,660,550	11,661,000
2007-2008	12,604,413	13,128,935	12,605,183	13,060,785	12,603,942	12,604,000
2008-2009	11,101,476	11,868,876	11,108,836	11,769,879	11,461,568	11,462,000
2009-2010	15,325,784	16,108,374	15,340,678	16,027,270	15,332,744	15,333,000
2010-2011	13,800,728	14,142,703	13,843,062	14,191,234	14,235,045	13,822,000
2011-2012	12,851,607	13,518,664	12,952,000	13,638,642	12,799,255	12,902,000
2012-2013	13,633,315	13,519,193	13,486,410	13,146,115	12,655,128	13,108,000
2013-2014	12,122,418	11,923,256	12,169,144	12,121,646	11,842,348	12,134,000
2014-2015	9,237,823	9,296,385	10,596,839	11,525,517	11,936,448	11,936,000
Totals						\$199,632,000
						Projected Losses for the Year 2015-2016 (G)
						\$12,594,000
						Projected Losses for the Year 2016-2017 (H)
						\$13,041,000
						Projected Losses for the Year 2017-2018 (I)
						\$13,500,000
						Projected Losses for the Year 2018-2019 (J)
						\$13,974,000

## Notes:

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

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

## Judicial Branch Workers' Compensation Program - Trial Courts

## Group II Estimated Limited Outstanding Losses as of 6/30/16

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	4.140	0.816	\$29,702	0.024	\$720
	250,000	0	4.140	1.000	0	0.024	0
	300,000	43,871	4.140	1.041	189,076	0.024	4,582
	500,000	0	4.140	1.136	0	0.024	0
	1,000,000	140,684	4.140	1.211	705,331	0.024	17,091
	Total	\$193,347			\$924,108		\$22,392
2001-2002	\$125,000	\$24,058	2.752	0.811	\$53,690	0.032	\$1,703
	250,000	0	2.752	1.000	0	0.032	0
	300,000	3,405	2.752	1.043	9,774	0.032	310
	500,000	72,609	2.752	1.141	227,982	0.032	7,231
	1,000,000	307,807	2.752	1.222	1,035,079	0.032	32,831
	Total	\$407,879			\$1,326,525		\$42,075
2002-2003	\$125,000	\$0	3.016	0.807	\$0	0.074	\$0
	250,000	47,592	3.016	1.000	143,545	0.074	10,598
	300,000	3,720	3.016	1.044	11,714	0.074	865
	500,000	0	3.016	1.147	0	0.074	0
	1,000,000	0	3.016	1.233	0	0.074	0
	Total	\$51,313			\$155,260		\$11,463
	Grand Total	\$652,538			\$2,405,894		\$75,930

## Notes:

- (B) Provided by the Judicial Council.
- (C) Based on Exhibit TC-4, Page 3.
- (D) Based on a Weibull distribution, a mathematical model of claim sizes.
- (E) (B) x (C) x (D).
- (F) Based on Exhibit TC-4, Page 1.
- (G) (E) x (F).

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

## Judicial Branch Workers' Compensation Program - Trial Courts

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

Accident Year	Ultimate Limited Losses (A)	Trend Factor (B)	Trended Limited Losses (C)	Trended Payroll (\$00) (D)	Trended Limited Loss Rate (E)
2000-2001	\$9,253,000	0.807	\$7,467,171	\$3,236,280	\$2.307
2001-2002	13,292,000	0.812	10,793,104	6,825,088	1.581
2002-2003	17,266,000	0.860	14,848,760	7,894,117	1.881
2003-2004	18,445,000	1.089	20,086,605	8,648,587	2.323
2004-2005	13,402,000	1.406	18,843,212	8,819,481	2.137
2005-2006	13,012,000	1.499	19,504,988	9,358,684	2.084
2006-2007	11,661,000	1.422	16,581,942	9,911,755	1.673
2007-2008	12,604,000	1.321	16,649,884	10,711,233	1.554
2008-2009	11,462,000	1.229	14,086,798	10,949,280	1.287
2009-2010	15,333,000	1.121	17,188,293	10,057,336	1.709
2010-2011	13,822,000	1.079	14,913,938	9,964,378	1.497
2011-2012	12,902,000	1.083	13,972,866	9,698,495	1.441
2012-2013	13,108,000	1.079	14,143,532	8,779,214	1.611
2013-2014	12,134,000	1.079	13,092,586	8,549,260	1.531
2014-2015	11,936,000	1.039	12,401,504	8,224,909	1.508
Totals	\$199,632,000		\$224,575,183	\$131,628,097	\$1.706
09/10-12/13	55,165,000		60,218,629	38,499,423	1.564
10/11-14/15	63,902,000		68,524,426	45,216,256	1.515
				Prior Selected Limited Rate:	\$1.630
				Selected Limited Rate (F1):	\$1.500
				San Diego TD Adjustment (F2):	1.010
				Selected Limited Rate (F3):	\$1.515
Program Year:		2015-2016	2016-2017	2017-2018	2018-2019
(G) Factor to SIR:		1.166	1.173	1.173	1.173
(H) Trend Factor:		1.000	1.015	1.030	1.046
(I) Program Rate:		\$1.766	\$1.804	\$1.831	\$1.858
(J) Trended Payroll (\$00):		\$8,312,682	\$8,478,935	\$8,648,514	\$8,821,484
(K) Projected Program Losses:		14,680,000	15,296,000	15,835,000	16,390,000
(L) Projected ULAE:		0	0	0	0
(M) Projected Loss and ULAE:		\$14,680,000	\$15,296,000	\$15,835,000	\$16,390,000



## Judicial Branch Workers' Compensation Program - Trial Courts

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

## Notes:

- (A) From Exhibit TC-4, Page 3, Column (F).  
For purposes of projecting future losses, losses are capped at \$250,000 per occurrence.
- (B) From Appendix TC-E, Column (B).
- (C)  $(A) \times (B)$ .
- (D) From Appendix TC-L, Column (C).
- (E)  $(C) / (D)$ .
- (F1) Selected based on (E).
- (F2) From Appendix TC-G, Page 5.
- (F3)  $(F1) \times (F2)$ .
- (G) Based on a Weibull distribution, a mathematical model of claim sizes.
- (H) From Appendix TC-E.  
(I)  $(F1) \times (G) \times (H)$ .
- (J) From Appendix TC-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 per \$100 of payroll. The projections will be accurate only to the extent that what has happened in the past is representative of what will happen in the future.

## Judicial Branch Workers' Compensation Program - Trial Courts

## Reported Loss Development

Accident Year (A)	Limited Reported Losses as of 12/31/15 (B)	Reported Loss Development Factor (C)	Ultimate Limited Losses (D)	Program Reported Losses of 12/31/15 (E)	Reported Loss Development Factor (F)	Ultimate Program Losses (G)
2000-2001	\$9,179,354	1.008	\$9,252,789	\$9,535,872	1.014	\$9,669,374
2001-2002	13,173,787	1.009	13,292,351	13,884,528	1.019	14,148,334
2002-2003	17,094,754	1.010	17,265,702	18,050,071	1.026	18,519,373
2003-2004	18,226,045	1.012	18,444,758	19,547,704	1.037	20,270,969
2004-2005	13,203,802	1.015	13,401,859	13,808,463	1.051	14,512,695
2005-2006	12,769,237	1.019	13,011,853	13,725,065	1.069	14,672,094
2006-2007	11,387,221	1.024	11,660,514	13,131,759	1.090	14,313,617
2007-2008	12,201,755	1.033	12,604,413	12,749,442	1.115	14,215,628
2008-2009	10,623,422	1.045	11,101,476	10,865,292	1.143	12,419,029
2009-2010	14,444,660	1.061	15,325,784	14,871,315	1.176	17,488,666
2010-2011	12,754,832	1.082	13,800,728	13,585,768	1.216	16,520,294
2011-2012	11,578,024	1.110	12,851,607	11,644,413	1.264	14,718,538
2012-2013	11,682,361	1.167	13,633,315	11,711,821	1.344	15,740,687
2013-2014	8,913,543	1.360	12,122,418	8,970,733	1.581	14,182,729
2014-2015	5,086,907	1.816	9,237,823	5,086,907	2.128	10,824,938
Totals	\$182,319,704		\$197,007,390	\$191,169,153		\$222,216,965

## Notes:

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

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

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

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

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
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	
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		
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			
2009-2010	1,608,680	8,414,296	11,653,395	13,062,279	13,775,458	14,205,608	14,444,660				
2010-2011	2,077,731	7,600,947	10,005,154	11,627,046	12,296,649	12,754,832					
2011-2012	2,062,750	7,094,966	9,204,118	10,747,063	11,578,024						
2012-2013	1,942,676	7,247,078	10,017,071	11,682,361							
2013-2014	1,883,261	6,621,326	8,913,543								
2014-2015	1,297,240	5,086,907									
2015-2016	1,841,257										

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
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	
2006-2007			1.070	1.020	0.969	0.973	1.018	1.012	1.011		
2007-2008		1.352	1.128	1.070	1.049	1.042	1.002	0.997			
2008-2009	3.906	1.383	1.068	1.025	0.990	1.009	0.988				
2009-2010	5.231	1.385	1.121	1.055	1.031	1.017					
2010-2011	3.658	1.316	1.162	1.058	1.037						
2011-2012	3.440	1.297	1.168	1.077							
2012-2013	3.730	1.382	1.166								
2013-2014	3.516	1.346									
2014-2015	3.921										

	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	3.915	1.352	1.126	1.054	1.022	1.014	1.016	1.019	1.022	1.004	1.005
3-yr	3.700	1.342	1.165	1.062	1.021	1.023	1.003	1.009	1.007	1.001	1.002
4-yr	3.625	1.335	1.153	1.054	1.028	1.011	1.013	1.010	1.012	1.006	1.006
Industry Factors	3.727	1.900	1.434	1.257	1.163	1.103	1.075	1.060	1.050	1.041	1.035
Prior	3.550	1.335	1.125	1.050	1.025	1.020	1.015	1.012	1.009	1.005	1.004
Selected	3.750	1.335	1.165	1.051	1.026	1.020	1.015	1.012	1.009	1.005	1.004
Cumulated	6.810	1.816	1.360	1.167	1.110	1.082	1.061	1.045	1.033	1.024	1.019

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

Limited Losses Reported as of:

Accident Year	138 Months	150 Months	162 Months	174 Months	186 Months
2000-2001	9,248,080	9,192,830	9,278,839	9,306,812	9,179,354
2001-2002	13,119,055	13,179,748	13,303,807	13,173,787	
2002-2003	16,966,022	17,005,514	17,094,754		
2003-2004	18,279,069	18,226,045			
2004-2005	13,203,802				
2005-2006					
2006-2007					
2007-2008					
2008-2009					
2009-2010					
2010-2011					
2011-2012					
2012-2013					
2013-2014					
2014-2015					
2015-2016					

	138-150 Months	150-162 Months	162-174 Months	174-186 Months	186-Ult. Months
2000-2001	0.994	1.009	1.003	0.986	
2001-2002	1.005	1.009	0.990		
2002-2003	1.002	1.005			
2003-2004	0.997				
2004-2005					
2005-2006					
2006-2007					
2007-2008					
2008-2009					
2009-2010					
2010-2011					
2011-2012					
2012-2013					
2013-2014					
2014-2015					

	138-150 Months	150-162 Months	162-174 Months	174-186 Months	186-Ult. Months
Average Dollar-weighted Averages	1.000	1.008	0.997	0.986	
3-yr	1.001	1.008			
4-yr	1.000				
Industry Factors	1.034	1.031	1.027	1.025	1.043
Prior	1.003	1.002	1.001	1.009	
Selected	1.003	1.002	1.001	1.001	1.008
Cumulated	1.015	1.012	1.010	1.009	1.008

Judicial Branch Workers' Compensation Program - 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
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	
2007-2008		133,559				23,517	289,352	372,067	547,688		
2008-2009				24,584	345,494	235,365	247,797	241,870			
2009-2010			14,898	276,901	183,248	194,590	426,655				
2010-2011				55,242	273,550	830,937					
2011-2012					66,389						
2012-2013			941	29,460							
2013-2014			57,190								
2014-2015											
2015-2016											

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
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	
2006-2007			13.355	1.550	1.225	1.940	1.191	1.116	1.268		
2007-2008						12.304	1.286	1.472			
2008-2009				14.054	0.681	1.053	0.976				
2009-2010			18.587	0.662	1.062	2.193					
2010-2011				4.952	3.038						
2011-2012											
2012-2013			31.307								
2013-2014											
2014-2015											

	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			21.083	5.305	4.399	3.000	1.366	1.271	1.269	1.211	1.068
3-yr					1.572	2.125	1.175	1.146	1.203	1.256	1.107
4-yr						2.025	1.156	1.129	1.111	1.240	1.073
Industry	3.801	2.127	1.559	1.316	1.192	1.114	1.089	1.075	1.062	1.053	1.044
Factors	9.188	4.985	3.603	2.896	2.356	2.021	1.814	1.660	1.543	1.450	1.391
Prior	7.602	3.912	2.770	2.167	1.774	1.530	1.387	1.314	1.295	1.255	1.202
Selected	8.395	3.912	2.770	2.167	1.774	1.530	1.387	1.314	1.295	1.255	1.202
Cumulated	3,001.095	357.486	91.382	32.990	15.224	8.582	5.609	4.044	3.078	2.377	1.894

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

Accident Year	<u>Losses Reported as of:</u>									
	138 Months	150 Months	162 Months	174 Months	186 Months	138-150 Months	150-162 Months	162-174 Months	174-186 Months	186-Ult. Months
2000-2001	1,146,497	1,127,258	1,151,406	1,151,406	1,113,665	0.983	1.021	1.000	0.967	
2001-2002	1,851,751	1,853,876	1,841,534	1,731,149		1.001	0.993	0.940		
2002-2003	1,346,228	1,367,884	1,405,829			1.016	1.028			
2003-2004	1,132,654	1,321,659				1.167				
2004-2005	604,660									
2005-2006										
2006-2007										
2007-2008										
2008-2009										
2009-2010										
2010-2011										
2011-2012										
2012-2013										
2013-2014										
2014-2015										
Average Dollar-weighted Averages						1.042	1.014	0.970	0.967	
3-yr						1.049	1.011			
4-yr						1.035				
Industry Factors						1.035	1.030	1.028	1.025	1.023
Prior						1.376	1.344	1.302	1.271	1.536
Selected						1.157	1.109	1.071	1.147	
Cumulated						1.157	1.109	1.071	1.050	1.092
						1.576	1.362	1.228	1.147	1.092

## Judicial Branch Workers' Compensation Program - Trial Courts

## Paid Loss Development

Accident Year (A)	Limited Paid Losses as of 12/31/15 (B)	Paid Loss Development Factor (C)	Ultimate Limited Losses (D)	Program Paid Losses of 12/31/15 (E)	Paid Loss Development Factor (F)	Ultimate Program Losses (G)
2000-2001	\$8,956,603	1.050	\$9,404,433	\$9,230,609	1.086	\$10,024,441
2001-2002	12,920,129	1.057	13,656,576	13,505,342	1.106	14,936,908
2002-2003	16,422,472	1.065	17,489,933	16,897,570	1.128	19,060,459
2003-2004	17,656,429	1.075	18,980,661	18,378,793	1.155	21,227,506
2004-2005	12,681,865	1.086	13,772,505	13,067,694	1.180	15,419,879
2005-2006	11,736,360	1.102	12,933,469	12,189,275	1.210	14,749,023
2006-2007	10,828,048	1.124	12,170,726	11,931,014	1.246	14,866,043
2007-2008	11,396,645	1.152	13,128,935	11,502,979	1.288	14,815,837
2008-2009	9,907,242	1.198	11,868,876	9,946,908	1.350	13,428,326
2009-2010	12,804,749	1.258	16,108,374	12,916,360	1.428	18,444,562
2010-2011	10,554,256	1.340	14,142,703	10,762,466	1.532	16,488,098
2011-2012	9,253,021	1.461	13,518,664	9,300,899	1.681	15,634,811
2012-2013	7,910,587	1.709	13,519,193	7,910,587	1.979	15,655,052
2013-2014	5,266,456	2.264	11,923,256	5,266,456	2.639	13,898,177
2014-2015	2,346,387	3.962	9,296,385	2,346,387	4.647	10,903,660
Totals	\$160,641,249		\$201,914,689	\$165,153,339		\$229,552,782

## Notes:

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

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

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

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

Limited Losses Paid as of:

Accident Year	6 Months	18 Months	30 Months	42 Months	54 Months	66 Months	78 Months	90 Months	102 Months	114 Months	126 Months
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	
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		
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			
2009-2010	429,214	3,866,567	6,981,920	9,142,137	10,885,297	11,814,154	12,804,749				
2010-2011	434,154	3,507,731	6,028,970	8,016,256	9,451,632	10,554,256					
2011-2012	427,443	3,187,957	5,784,261	7,595,166	9,253,021						
2012-2013	389,782	3,201,349	5,892,691	7,910,587							
2013-2014	502,329	3,187,869	5,266,456								
2014-2015	227,098	2,346,387									
2015-2016	416,214										

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
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	
2006-2007			1.284	1.155	1.106	1.059	1.049	1.032	1.026		
2007-2008		1.663	1.328	1.185	1.089	1.104	1.091	1.042			
2008-2009	7.705	1.705	1.293	1.126	1.064	1.039	1.032				
2009-2010	9.008	1.806	1.309	1.191	1.085	1.084					
2010-2011	8.079	1.719	1.330	1.179	1.117						
2011-2012	7.458	1.814	1.313	1.218							
2012-2013	8.213	1.841	1.342								
2013-2014	6.346	1.652									
2014-2015	10.332										

	6-18 Months	18-30 Months	30-42 Months	42-54 Months	54-66 Months	66-78 Months	78-90 Months	90-102 Months	102-114 Months	114-126 Months	126-138 Months
Average Dollar-weighted Averages	8.163	1.743	1.314	1.170	1.095	1.069	1.054	1.040	1.030	1.026	1.015
3-yr	7.805	1.769	1.328	1.195	1.089	1.076	1.058	1.041	1.026	1.025	1.014
4-yr	7.709	1.756	1.323	1.179	1.089	1.072	1.058	1.038	1.026	1.026	1.014
Industry Factors	8.188	3.119	1.941	1.506	1.295	1.184	1.136	1.112	1.095	1.081	1.070
Prior	7.500	1.750	1.300	1.165	1.090	1.065	1.050	1.040	1.025	1.020	1.015
Selected	7.750	1.750	1.325	1.170	1.090	1.065	1.050	1.040	1.025	1.020	1.015
Cumulated	30.706	3.962	2.264	1.709	1.461	1.340	1.258	1.198	1.152	1.124	1.102



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

Limited Losses Paid as of:

Accident Year	138 Months	150 Months	162 Months	174 Months	186 Months
2000-2001	8,709,346	8,739,440	8,802,602	8,895,256	8,956,603
2001-2002	12,598,952	12,736,441	12,895,071	12,920,129	
2002-2003	16,094,236	16,258,522	16,422,472		
2003-2004	17,420,152	17,656,429			
2004-2005	12,681,865				
2005-2006					
2006-2007					
2007-2008					
2008-2009					
2009-2010					
2010-2011					
2011-2012					
2012-2013					
2013-2014					
2014-2015					
2015-2016					

	138-150 Months	150-162 Months	162-174 Months	174-186 Months	186-Ult. Months
2000-2001	1.003	1.007	1.011	1.007	
2001-2002	1.011	1.012	1.002		
2002-2003	1.010	1.010			
2003-2004	1.014				
2004-2005					
2005-2006					
2006-2007					
2007-2008					
2008-2009					
2009-2010					
2010-2011					
2011-2012					
2012-2013					
2013-2014					
2014-2015					

	138-150 Months	150-162 Months	162-174 Months	174-186 Months	186-Ult. Months
Average Dollar-weighted Averages	1.010	1.010	1.007	1.007	
3-yr	1.012	1.010			
4-yr	1.010				
Industry Factors	1.062	1.056	1.051	1.047	1.096
Prior	1.010	1.005	1.005	1.055	
Selected	1.010	1.009	1.008	1.007	1.050
Cumulated	1.086	1.075	1.065	1.057	1.050

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

Losses Paid as of:

Accident Year	6 Months	18 Months	30 Months	42 Months	54 Months	66 Months	78 Months	90 Months	102 Months	114 Months	126 Months
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	
2007-2008								45,884	106,333		
2008-2009						7,468	24,017	39,667			
2009-2010					10,328	97,117	111,611				
2010-2011				2,270	83,989	208,211					
2011-2012					47,878						
2012-2013											
2013-2014											
2014-2015											
2015-2016											

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
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	
2006-2007				3.684	1.365	1.438	1.518	1.250	1.434		
2007-2008								2.317			
2008-2009						3.216	1.652				
2009-2010					9.403	1.149					
2010-2011				37.000	2.479						
2011-2012											
2012-2013											
2013-2014											
2014-2015											

	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				20.342	4.416	1.794	3.040	1.737	1.351	1.299	1.200
3-yr								1.430	1.408	1.182	1.282
4-yr								1.391	1.388	1.280	1.194
Industry	5.004	3.280	2.571	1.941	1.591	1.380	1.272	1.209	1.134	1.089	1.075
Factors	28.833	10.697	6.552	4.556	3.406	2.796	2.448	2.213	2.030	1.878	1.758
Prior	22.115	8.476	5.205	3.641	2.758	2.270	1.992	1.803	1.687	1.598	1.517
Selected	25.474	8.476	5.205	3.641	2.758	2.270	1.992	1.803	1.687	1.598	1.517
Cumulated	2,272,079.988	89,192.117	10,522.902	2,021.691	555.257	201.326	88.690	44.523	24.694	14.638	9.160

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

Accident Year	<u>Losses Paid as of:</u>										
	138 Months	150 Months	162 Months	174 Months	186 Months						
2000-2001	507,948	541,963	574,009	600,925	632,731						
2001-2002	1,123,512	1,208,329	937,176	937,599							
2002-2003	549,918	662,012	800,533								
2003-2004	622,324	722,364									
2004-2005	385,829										
2005-2006											
2006-2007											
2007-2008											
2008-2009											
2009-2010											
2010-2011											
2011-2012											
2012-2013											
2013-2014											
2014-2015											
2015-2016											
	138-150 Months	150-162 Months	162-174 Months	174-186 Months	186-Ult. Months						
2000-2001	1.067	1.059	1.047	1.053							
2001-2002	1.075	0.776	1.000								
2002-2003	1.204	1.209									
2003-2004	1.161										
2004-2005											
2005-2006											
2006-2007											
2007-2008											
2008-2009											
2009-2010											
2010-2011											
2011-2012											
2012-2013											
2013-2014											
2014-2015											
	138-150 Months	150-162 Months	162-174 Months	174-186 Months	186-Ult. Months						
Average	1.127	1.015	1.024	1.053							
Dollar-weighted											
Averages											
3-yr	1.129	0.958									
4-yr	1.118										
Industry	1.062	1.050	1.040	1.035	1.032	1.030	1.030	1.030	1.030	1.047	1.236
Factors	1.681	1.622	1.565	1.515	2.333						
Prior	1.446	1.386	1.336	2.255							
Selected	1.446	1.386	1.336	1.250	1.804						
Cumulated	6.038	4.176	3.013	2.255	1.804						

## Judicial Branch Workers' Compensation Program - Trial Courts

Exposure and Development Method  
Based on Reported Losses

Accident Year	Trended Payroll (\$00) (A)	Reported Losses as of 12/31/15 (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	\$3,236,280	\$9,535,872	1.014	0.014	\$3.106	\$140,726	\$9,676,598
2001-2002	6,825,088	13,884,528	1.019	0.019	2.126	275,693	14,160,221
2002-2003	7,894,117	18,050,071	1.026	0.025	2.393	472,266	18,522,337
2003-2004	8,648,587	19,547,704	1.037	0.036	2.352	732,293	20,279,997
2004-2005	8,819,481	13,808,463	1.051	0.049	1.683	727,316	14,535,779
2005-2006	9,358,684	13,725,065	1.069	0.065	1.547	941,062	14,666,127
2006-2007	9,911,755	13,131,759	1.090	0.083	1.316	1,082,641	14,214,400
2007-2008	10,711,233	12,749,442	1.115	0.103	1.324	1,460,712	14,210,154
2008-2009	10,949,280	10,865,292	1.143	0.125	1.166	1,595,858	12,461,150
2009-2010	10,057,336	14,871,315	1.176	0.150	1.778	2,682,292	17,553,607
2010-2011	9,964,378	13,585,768	1.216	0.178	1.644	2,915,896	16,501,664
2011-2012	9,698,495	11,644,413	1.264	0.209	1.647	3,338,445	14,982,858
2012-2013	8,779,214	11,711,821	1.344	0.256	1.664	3,739,805	15,451,626
2013-2014	8,549,260	8,970,733	1.581	0.367	1.675	5,255,444	14,226,177
2014-2015	8,224,909	5,086,907	2.128	0.530	1.750	7,628,603	12,715,510
Totals	\$131,628,097	\$191,169,153				\$32,989,052	\$224,158,205

## 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 payroll that changes in regular ways over time. The method relies on the premise that the losses that are currently unreported will cost what this relationship would suggest.

## Judicial Branch Workers' Compensation Program - Trial Courts

Exposure and Development Method  
Based on Paid Losses

Accident Year	Trended Payroll (\$00) (A)	Paid Losses as of 12/31/15 (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	\$3,236,280	\$9,230,609	1.086	0.079	\$3.106	\$794,099	\$10,024,708
2001-2002	6,825,088	13,505,342	1.106	0.096	2.126	1,392,973	14,898,315
2002-2003	7,894,117	16,897,570	1.128	0.113	2.393	2,134,640	19,032,210
2003-2004	8,648,587	18,378,793	1.155	0.134	2.352	2,725,758	21,104,551
2004-2005	8,819,481	13,067,694	1.180	0.153	1.683	2,271,008	15,338,702
2005-2006	9,358,684	12,189,275	1.210	0.174	1.547	2,519,152	14,708,427
2006-2007	9,911,755	11,931,014	1.246	0.197	1.316	2,569,642	14,500,656
2007-2008	10,711,233	11,502,979	1.288	0.224	1.324	3,176,695	14,679,674
2008-2009	10,949,280	9,946,908	1.350	0.259	1.166	3,306,617	13,253,525
2009-2010	10,057,336	12,916,360	1.428	0.300	1.778	5,364,583	18,280,943
2010-2011	9,964,378	10,762,466	1.532	0.347	1.644	5,684,359	16,446,825
2011-2012	9,698,495	9,300,899	1.681	0.405	1.647	6,469,236	15,770,135
2012-2013	8,779,214	7,910,587	1.979	0.495	1.664	7,231,263	15,141,850
2013-2014	8,549,260	5,266,456	2.639	0.621	1.675	8,892,727	14,159,183
2014-2015	8,224,909	2,346,387	4.647	0.785	1.750	11,298,969	13,645,356
Totals	\$131,628,097	\$165,153,339				\$65,831,721	\$230,985,060

## 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 payroll that changes in regular ways over time. The method relies on the premise that the losses that are currently unpaid will cost what this relationship would suggest.

## Judicial Branch Workers' Compensation Program - Trial Courts

## Exposure and Development Method

Accident Year	Trended Payroll (\$00) (A)	Ultimate Limited Losses (B)	Trend Factor (C)	Trended Limited Losses (D)	Trended Limited Loss Rate (E)	Limited Loss Rate (F)	Factor to SIR (G)	Program Loss Rate (H)
2000-2001	\$3,236,280	\$9,253,000	0.807	\$7,467,171	\$2.307	\$2.859	1.086	\$3.106
2001-2002	6,825,088	13,292,000	0.812	10,793,104	1.581	1.948	1.091	2.126
2002-2003	7,894,117	17,266,000	0.860	14,848,760	1.881	2.187	1.094	2.393
2003-2004	8,648,587	18,445,000	1.089	20,086,605	2.323	2.133	1.103	2.352
2004-2005	8,819,481	13,402,000	1.406	18,843,212	2.137	1.520	1.107	1.683
2005-2006	9,358,684	13,012,000	1.499	19,504,988	2.084	1.390	1.113	1.547
2006-2007	9,911,755	11,661,000	1.422	16,581,942	1.673	1.176	1.119	1.316
2007-2008	10,711,233	12,604,000	1.321	16,649,884	1.554	1.177	1.125	1.324
2008-2009	10,949,280	11,293,000	1.229	13,879,097	1.268	1.031	1.131	1.166
2009-2010	10,057,336	15,717,000	1.121	17,618,757	1.752	1.563	1.138	1.778
2010-2011	9,964,378	13,972,000	1.079	15,075,788	1.513	1.437	1.144	1.644
2011-2012	9,698,495	13,185,000	1.083	14,279,355	1.472	1.431	1.151	1.647
2012-2013	8,779,214	13,605,000	1.079	14,679,795	1.672	1.437	1.158	1.664
2013-2014	8,549,260	12,073,000	1.079	13,026,767	1.524	1.437	1.166	1.675
2014-2015	8,224,909	9,296,000	1.039	9,658,544	1.174	1.492	1.173	1.750
Total/Avg	\$131,628,097	\$198,076,000		\$222,993,769	\$1.694			
09/10-12/13	38,499,423	56,479,000		61,653,695	\$1.601			
09/10-13/14	47,048,683	68,552,000		74,680,462	\$1.587			
10/11-14/15	45,216,256	62,131,000		66,720,249	\$1.476			
					Selected Limited Rate:	\$1.550		
					Prior Selected Limited Rate:	\$1.630		

## Notes:

- (A) From Appendix TC-L, Column (C).  
 (B) Selected average of results from Appendices A and B.  
 (C) From Appendix TC-E, Column (B).  
 (D)  $(B) \times (C)$ .  
 (E)  $(D) / (A)$ .  
 (F) Selected Limited Rate / (C). For 2009-2010 and prior  $(B) / (A)$ .  
 (G) Based on a Weibull distribution, a mathematical model of claim sizes.  
 (H)  $(F) \times (G)$ .

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

## Judicial Branch Workers' Compensation Program - Trial Courts

## Frequency and Severity Method

Accident Year	Ultimate Program Severity (A)	Adjusted Ultimate Claims (B)	Ultimate Program Losses (C)
2000-2001	\$24,340	413	\$10,052,420
2001-2002	21,178	685	14,506,930
2002-2003	21,743	869	18,894,667
2003-2004	18,472	1,101	20,337,672
2004-2005	15,283	971	14,839,793
2005-2006	15,342	944	14,482,848
2006-2007	14,104	925	13,046,200
2007-2008	17,879	793	14,178,047
2008-2009	14,866	872	12,963,152
2009-2010	22,050	791	17,441,550
2010-2011	21,462	759	16,289,658
2011-2012	22,157	665	14,734,405
2012-2013	23,043	636	14,655,348
2013-2014	23,923	577	13,803,571
2014-2015	25,734	544	13,999,296
Total		11,545	\$224,225,557

## Notes:

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

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

## Judicial Branch Workers' Compensation Program - Trial Courts

## Frequency and Severity Method

Accident Year	Ultimate Limited Losses (A)	Adjusted Ultimate Claims (B)	Ultimate Limited Severity (C)	Trend Factor (D)	Trended Limited Severity (E)	Limited Severity (F)	Factor to SIR (G)	Program Severity (H)
2000-2001	\$9,253,000	413	\$22,404	1.264	\$28,319	\$22,404	1.086	\$24,340
2001-2002	13,292,000	685	19,404	1.234	23,945	19,404	1.091	21,178
2002-2003	17,266,000	869	19,869	1.269	25,214	19,869	1.094	21,743
2003-2004	18,445,000	1,101	16,753	1.559	26,118	16,753	1.103	18,472
2004-2005	13,402,000	971	13,802	1.954	26,969	13,802	1.107	15,283
2005-2006	13,012,000	944	13,784	2.022	27,871	13,784	1.113	15,342
2006-2007	11,661,000	925	12,606	1.860	23,447	12,606	1.119	14,104
2007-2008	12,604,000	793	15,894	1.678	26,670	15,894	1.125	17,879
2008-2009	11,462,000	872	13,144	1.515	19,913	13,144	1.131	14,866
2009-2010	15,333,000	791	19,384	1.341	25,994	19,384	1.138	22,050
2010-2011	13,822,000	759	18,211	1.253	22,818	18,755	1.144	21,462
2011-2012	12,902,000	665	19,402	1.221	23,690	19,247	1.151	22,157
2012-2013	13,316,000	636	20,937	1.181	24,727	19,898	1.158	23,043
2013-2014	12,134,000	577	21,029	1.145	24,078	20,524	1.166	23,923
2014-2015	11,061,000	544	20,333	1.071	21,777	21,942	1.173	25,734

Average Limited Severity: \$24,770

Average 11/12-14/15 Limited Severity: \$23,568

Selected Limited Severity: \$23,500

Prior Selected Limited Severity: \$24,000

## Notes:

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

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



Judicial Branch Workers' Compensation Program - Trial Courts

Frequency and Severity Method  
Projection of Ultimate Claims

Accident Year	Reported Claim Development (A)	Closed Claim Development (B)	Selected Ultimate Claims (C)	Trended Payroll (\$000,000) (D)	Claim Frequency (E)	Trend Factor (F)	Trended Claim Frequency (G)
2000-2001	413	398	413	324	1.276	0.633	0.808
2001-2002	685	670	685	683	1.004	0.653	0.656
2002-2003	869	845	869	789	1.101	0.673	0.741
2003-2004	1,101	1,078	1,101	865	1.273	0.693	0.882
2004-2005	971	958	971	882	1.101	0.715	0.787
2005-2006	944	923	944	936	1.009	0.737	0.744
2006-2007	925	916	925	991	0.933	0.760	0.709
2007-2008	793	776	793	1,071	0.740	0.783	0.579
2008-2009	872	877	872	1,095	0.796	0.807	0.642
2009-2010	791	780	791	1,006	0.786	0.832	0.654
2010-2011	759	742	759	996	0.762	0.859	0.655
2011-2012	665	655	665	970	0.686	0.885	0.607
2012-2013	636	596	636	878	0.724	0.912	0.660
2013-2014	577	548	577	855	0.675	0.941	0.635
2014-2015	544	532	544	822	0.661	0.970	0.641
Total	11,545	11,294	11,545	13,162.810			0.686
					(H) Selected 2015-2016 Frequency:		0.700
					Prior Selected Frequency:		0.750
	Program Year:			2015-2016	2016-2017	2017-2018	2018-2019
	(I) Trend Factor:			1.000	0.970	0.941	0.913
	(J) Selected Frequency:			0.700	0.679	0.659	0.639
	(K) Estimated Payroll (\$000,000):			\$831	\$848	\$865	\$882
	(L) Ultimate Claims:			582	576	570	564

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) divided by 10,000.
- (E) (C) / (D).
- (F) From Appendix TC-E.
- (G) (E) x (F).
- (H) The selected frequency of .700 is based on (G).
- (I) From Appendix TC-E.
- (J) (H) x (I).
- (K) From Appendix TC-L, Column (C) divided by 10,000
- (L) (J) x (K).

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

## Judicial Branch Workers' Compensation Program - Trial Courts

Frequency and Severity Method  
Reported Claim Count Development

Accident Year	Claims Reported as of 12/31/2015 (A)	Reported Claim Development Factor (B)	Ultimate Claims (C)	Trended Claim Frequency (D)
2000-2001	413	1.000	413	0.808
2001-2002	685	1.000	685	0.655
2002-2003	869	1.000	869	0.741
2003-2004	1,101	1.000	1,101	0.882
2004-2005	971	1.000	971	0.787
2005-2006	944	1.000	944	0.743
2006-2007	925	1.000	925	0.709
2007-2008	793	1.000	793	0.580
2008-2009	872	1.000	872	0.643
2009-2010	791	1.000	791	0.654
2010-2011	759	1.000	759	0.654
2011-2012	664	1.001	665	0.607
2012-2013	633	1.004	636	0.661
2013-2014	572	1.009	577	0.635
2014-2015	529	1.028	544	0.642
Total	11,521		11,545	0.686

## Notes:

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

This exhibit shows the calculation of estimated ultimate claims for each year based on reported claims as provided by the Judicial Council. These numbers of claims tend to "develop" or change from period to period as more claims are filed. This development tends to follow quantifiable patterns over time.

## Judicial Branch Workers' Compensation Program - Trial Courts

Frequency and Severity Method  
Closed Claim Count Development

Accident Year	Claims Closed as of 12/31/2015 (A)	Closed Claim Development Factor (B)	Ultimate Claims (C)	Trended Claim Frequency (D)
2000-2001	398	1.001	398	0.778
2001-2002	669	1.002	670	0.641
2002-2003	842	1.003	845	0.720
2003-2004	1,068	1.009	1,078	0.864
2004-2005	945	1.014	958	0.777
2005-2006	904	1.021	923	0.727
2006-2007	890	1.029	916	0.702
2007-2008	747	1.039	776	0.567
2008-2009	834	1.051	877	0.646
2009-2010	727	1.073	780	0.645
2010-2011	672	1.104	742	0.640
2011-2012	567	1.155	655	0.598
2012-2013	490	1.216	596	0.619
2013-2014	413	1.328	548	0.603
2014-2015	330	1.611	532	0.627
Total	10,496		11,294	0.670

## Notes:

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

This exhibit shows the calculation of estimated ultimate claims for each year based on closed claims as provided by the Judicial Council. These numbers of closed claims tend to "develop" or change from period to period as more claims are closed. This development tends to follow quantifiable patterns over time.

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

Number of Claims 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	138 Months	150 Months	162 Months
2000-2001									410	409	409	409	410	410
2001-2002								694	676	679	680	682	684	684
2002-2003							890	867	867	867	867	868	869	869
2003-2004						1,099	1,098	1,101	1,101	1,101	1,101	1,101	1,101	
2004-2005					971	972	970	969	969	969	969	971		
2005-2006				930	931	941	941	941	942	942	944			
2006-2007			929	923	923	918	919	921	922	925				
2007-2008		761	785	792	793	792	793	792	793					
2008-2009	413	857	866	868	870	871	872	872						
2009-2010	355	767	783	783	788	789	791							
2010-2011	328	730	749	753	757	759								
2011-2012	264	647	658	660	664									
2012-2013	283	625	635	633										
2013-2014	274	573	572											
2014-2015	246	529												
2015-2016	250													

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
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	1.000
2003-2004						0.999	1.003	1.000	1.000	1.000	1.000	1.000		
2004-2005					1.001	0.998	0.999	1.000	1.000	1.000	1.002			
2005-2006				1.001	1.011	1.000	1.000	1.001	1.000	1.002				
2006-2007			0.994	1.000	0.995	1.001	1.002	1.001	1.003					
2007-2008		1.032	1.009	1.001	0.999	1.001	0.999	1.001						
2008-2009	2.075	1.011	1.002	1.002	1.001	1.001	1.000							
2009-2010	2.161	1.021	1.000	1.006	1.001	1.003								
2010-2011	2.226	1.026	1.005	1.005	1.003									
2011-2012	2.451	1.017	1.003	1.006										
2012-2013	2.208	1.016	0.997											
2013-2014	2.091	0.998												
2014-2015	2.150													
Average	2.195	1.017	1.001	1.003	1.002	1.000	0.997	0.997	1.001	1.001	1.001	1.002	1.000	1.001
Claim-weighted Averages														
3-yr	2.151	1.011	1.002	1.006	1.002	1.002	1.000	1.001	1.001	1.001	1.001	1.001	1.000	
4-yr	2.225	1.015	1.001	1.005	1.001	1.001	1.000	1.001	1.001	1.001	1.001	1.001		
Industry Factors	2.494	1.052	1.005	1.004	1.002	1.002	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Prior	2.250	1.020	1.003	1.002	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Selected	2.244	1.019	1.005	1.003	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Cumulated	2.307	1.028	1.009	1.004	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

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

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
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	
2004-2005					841	872	898	911	920	935	938	945		
2005-2006				774	817	857	878	883	895	894	904			
2006-2007			640	729	767	835	862	871	876	890				
2007-2008		480	589	644	680	701	722	734	747					
2008-2009	94	588	690	753	786	816	823	834						
2009-2010	104	472	570	641	675	692	727							
2010-2011	123	475	564	604	642	672								
2011-2012	73	413	508	529	567									
2012-2013	72	385	446	490										
2013-2014	97	286	413											
2014-2015	18	330												
2015-2016	59													

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
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	
2003-2004						1.026	1.039	1.013	0.998	1.014	0.999	1.006		
2004-2005					1.037	1.030	1.014	1.010	1.016	1.003	1.007			
2005-2006				1.056	1.049	1.025	1.006	1.014	0.999	1.011				
2006-2007			1.139	1.052	1.089	1.032	1.010	1.006	1.016					
2007-2008		1.227	1.093	1.056	1.031	1.030	1.017	1.018						
2008-2009	6.255	1.173	1.091	1.044	1.038	1.009	1.013							
2009-2010	4.538	1.208	1.125	1.053	1.025	1.051								
2010-2011	3.862	1.187	1.071	1.063	1.047									
2011-2012	5.658	1.230	1.041	1.072										
2012-2013	5.347	1.158	1.099											
2013-2014	2.948	1.444												
2014-2015	18.333													
<b>Average</b>	<b>6.706</b>	<b>1.232</b>	<b>1.094</b>	<b>1.057</b>	<b>1.045</b>	<b>1.029</b>	<b>1.029</b>	<b>1.026</b>	<b>1.025</b>	<b>1.008</b>	<b>1.005</b>	<b>1.008</b>	<b>1.006</b>	<b>1.009</b>
<b>Claim-weighted Averages</b>														
3-yr	5.353	1.261	1.069	1.062	1.037	1.029	1.013	1.012	1.010	1.010	1.005	1.007	1.007	
4-yr	5.438	1.239	1.084	1.057	1.035	1.030	1.011	1.011	1.007	1.008	1.005	1.007		
Industry														
Factors	2.887	1.280	1.065	1.040	1.027	1.020	1.013	1.009	1.006	1.005	1.003	1.003	1.001	1.001
Prior	5.150	1.205	1.095	1.052	1.049	1.029	1.021	1.012	1.010	1.008	1.007	1.005	1.005	1.001
Selected	5.222	1.213	1.092	1.053	1.046	1.029	1.021	1.012	1.010	1.008	1.007	1.005	1.006	1.001
Cumulated	8.413	1.611	1.328	1.216	1.155	1.104	1.073	1.051	1.039	1.029	1.021	1.014	1.009	1.003

## Judicial Branch Workers' Compensation Program - Trial Courts

## Loss Trend Factors

Accident Year	Benefit Level Factor (A)	Factor to	Factor to	Factor to	Factor to	Factor to	Factor to	Factor to	Factor to	Factor to
		2015-2016 Loss Rate Level (B)	2016-2017 Loss Rate Level (C)	2017-2018 Loss Rate Level (D)	2018-2019 Loss Rate Level (E)	2015-2016 Frequency Level (F)	2016-2017 Frequency Level (G)	2017-2018 Frequency Level (H)	2018-2019 Frequency Level (I)	2015-2016 Severity Level (J)
1994-1995	1.627	1.461	1.464	1.457	1.449	0.528	0.512	0.497	0.482	2.732
1995-1996	1.498	1.351	1.354	1.347	1.340	0.544	0.528	0.512	0.497	2.454
1996-1997	1.344	1.217	1.220	1.213	1.207	0.561	0.544	0.528	0.512	2.147
1997-1998	1.164	1.059	1.061	1.056	1.050	0.578	0.561	0.544	0.528	1.814
1998-1999	1.037	0.948	0.950	0.945	0.940	0.596	0.578	0.561	0.544	1.578
1999-2000	0.931	0.855	0.857	0.853	0.848	0.614	0.596	0.578	0.561	1.381
2000-2001	0.873	0.807	0.809	0.805	0.801	0.633	0.614	0.596	0.578	1.264
2001-2002	0.874	0.812	0.814	0.810	0.805	0.653	0.633	0.614	0.596	1.234
2002-2003	0.921	0.860	0.862	0.858	0.854	0.673	0.652	0.633	0.614	1.269
2003-2004	1.160	1.089	1.092	1.086	1.081	0.693	0.673	0.653	0.633	1.559
2004-2005	1.489	1.406	1.409	1.402	1.395	0.715	0.694	0.673	0.653	1.954
2005-2006	1.579	1.499	1.502	1.495	1.487	0.737	0.715	0.694	0.673	2.022
2006-2007	1.490	1.422	1.425	1.418	1.411	0.760	0.738	0.715	0.694	1.860
2007-2008	1.377	1.321	1.324	1.318	1.311	0.783	0.760	0.737	0.715	1.678
2008-2009	1.275	1.229	1.232	1.226	1.220	0.807	0.783	0.760	0.737	1.515
2009-2010	1.156	1.121	1.123	1.118	1.112	0.832	0.808	0.784	0.760	1.341
2010-2011	1.107	1.079	1.082	1.076	1.071	0.859	0.833	0.808	0.784	1.253
2011-2012	1.106	1.083	1.086	1.080	1.075	0.885	0.859	0.833	0.808	1.221
2012-2013	1.096	1.079	1.082	1.076	1.071	0.912	0.885	0.859	0.833	1.181
2013-2014	1.090	1.079	1.081	1.076	1.070	0.941	0.913	0.886	0.859	1.145
2014-2015	1.045	1.039	1.042	1.036	1.031	0.970	0.942	0.913	0.886	1.071
2015-2016	1.000	1.000	1.002	0.997	0.992	1.000	0.970	0.941	0.913	1.000
2016-2017	0.993	--	1.000	0.995	0.990	--	1.000	0.970	0.941	--
2017-2018	0.993	--	--	1.000	0.995	--	--	1.000	0.970	--
2018-2019	0.993	--	--	--	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 -3.0% annual frequency trend.
- (J) (A) adjusted for a 2.5% annual severity trend.

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

## Judicial Branch Workers' Compensation Program - Trial Courts

Outstanding Liability for  
Unallocated Loss Adjustment Expenses  
as of 6/30/15

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)
2015-2016	1,169.0	\$1,297	1.000	\$1,297	\$1,516,193
2016-2017	749.5	1,297	1.050	1,362	1,020,819
2017-2018	531.2	1,297	1.103	1,431	760,147
2018-2019	385.5	1,297	1.158	1,502	579,021
2019-2020	266.3	1,297	1.216	1,577	419,955
2020-2021	183.7	1,297	1.277	1,656	304,207
2021-2022	127.5	1,297	1.341	1,739	221,723
2022-2023	88.1	1,297	1.408	1,826	160,871
2023-2024	59.9	1,297	1.478	1,917	114,828
2024-2025	38.6	1,297	1.552	2,013	77,702
2025-2026	23.6	1,297	1.630	2,114	49,890
2026-2027	13.4	1,297	1.712	2,220	29,748
2027-2028	7.2	1,297	1.798	2,332	16,790
2028-2029	3.7	1,297	1.888	2,449	9,061
2029-2030	2.4	1,297	1.982	2,571	6,170
2030-2031	1.8	1,297	2.081	2,699	4,858
2031-2032	1.1	1,297	2.185	2,834	3,117
2032-2033	0.6	1,297	2.294	2,975	1,785
(G) Total ULAE Outstanding as of 6/30/15:					\$5,296,885
(H) Total ULAE Outstanding as of 12/31/15:					\$5,287,000

## 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 12/31/15.

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

Judicial Branch Workers' Compensation Program - Trial Courts

Outstanding Liability for  
Unallocated Loss Adjustment Expenses  
as of 6/30/16

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)
2016-2017	1,105.4	\$1,297	1.050	\$1,362	\$1,505,555
2017-2018	709.7	1,297	1.103	1,431	1,015,581
2018-2019	508.6	1,297	1.158	1,502	763,917
2019-2020	357.4	1,297	1.216	1,577	563,620
2020-2021	250.4	1,297	1.277	1,656	414,662
2021-2022	174.7	1,297	1.341	1,739	303,803
2022-2023	122.2	1,297	1.408	1,826	223,137
2023-2024	85.1	1,297	1.478	1,917	163,137
2024-2025	57.9	1,297	1.552	2,013	116,553
2025-2026	37.9	1,297	1.630	2,114	80,121
2026-2027	23.2	1,297	1.712	2,220	51,504
2027-2028	13.6	1,297	1.798	2,332	31,715
2028-2029	7.2	1,297	1.888	2,449	17,633
2029-2030	3.6	1,297	1.982	2,571	9,256
2030-2031	2.4	1,297	2.081	2,699	6,478
2031-2032	1.7	1,297	2.185	2,834	4,818
2032-2033	1.2	1,297	2.294	2,975	3,570
2033-2034	0.6	1,297	2.409	3,124	1,874
(G) Total ULAE Outstanding as of 6/30/16:					\$5,276,934

Notes:

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

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



## Judicial Branch Workers' Compensation Program - Trial Courts

## Payment and Reserve Forecast

<u>Accident Year</u>	<u>As of</u> <u>12/31/2015</u>	<u>Calendar Period</u>			
		<u>1/1/2016</u> <u>to</u> <u>6/30/2016</u>	<u>7/1/2016</u> <u>to</u> <u>6/30/2017</u>	<u>7/1/2017</u> <u>to</u> <u>6/30/2018</u>	<u>7/1/2018</u> <u>to</u> <u>6/30/2019</u>
2000-2001					
Ultimate Loss	\$9,669,000	\$9,669,000	\$9,669,000	\$9,669,000	\$9,669,000
Paid in Calendar Period	-	95,569	342,822		
Paid to Date	9,230,609	9,326,178	9,669,000	9,669,000	9,669,000
Outstanding Liability	438,391	342,822			
2001-2002					
Ultimate Loss	\$14,148,000	\$14,148,000	\$14,148,000	\$14,148,000	\$14,148,000
Paid in Calendar Period	-	55,269	172,105	415,284	
Paid to Date	13,505,342	13,560,611	13,732,716	14,148,000	14,148,000
Outstanding Liability	642,658	587,389	415,284		
2002-2003					
Ultimate Loss	\$18,519,000	\$18,519,000	\$18,519,000	\$18,519,000	\$18,519,000
Paid in Calendar Period	-	124,850	245,439	366,584	884,557
Paid to Date	16,897,570	17,022,420	17,267,859	17,634,443	18,519,000
Outstanding Liability	1,621,430	1,496,580	1,251,141	884,557	
2003-2004					
Ultimate Loss	\$20,271,000	\$20,271,000	\$20,271,000	\$20,271,000	\$20,271,000
Paid in Calendar Period	-	149,484	264,894	242,364	361,991
Paid to Date	18,378,793	18,528,277	18,793,171	19,035,535	19,397,526
Outstanding Liability	1,892,207	1,742,723	1,477,829	1,235,465	873,474
2004-2005					
Ultimate Loss	\$14,513,000	\$14,513,000	\$14,513,000	\$14,513,000	\$14,513,000
Paid in Calendar Period	-	89,609	184,375	178,041	162,898
Paid to Date	13,067,694	13,157,303	13,341,678	13,519,719	13,682,617
Outstanding Liability	1,445,306	1,355,697	1,171,322	993,281	830,383
2005-2006					
Ultimate Loss	\$14,711,000	\$14,711,000	\$14,711,000	\$14,711,000	\$14,711,000
Paid in Calendar Period	-	151,304	291,562	282,725	273,012
Paid to Date	12,189,275	12,340,579	12,632,141	12,914,866	13,187,878
Outstanding Liability	2,521,725	2,370,421	2,078,859	1,796,134	1,523,122
2006-2007					
Ultimate Loss	\$14,590,000	\$14,590,000	\$14,590,000	\$14,590,000	\$14,590,000
Paid in Calendar Period	-	159,539	302,433	270,233	262,042
Paid to Date	11,931,014	12,090,553	12,392,986	12,663,219	12,925,261
Outstanding Liability	2,658,986	2,499,447	2,197,014	1,926,781	1,664,739

## Judicial Branch Workers' Compensation Program - Trial Courts

## Payment and Reserve Forecast

<u>Accident Year</u>	<u>As of</u> 12/31/2015	<u>Calendar Period</u>			
		1/1/2016 to 6/30/2016	7/1/2016 to 6/30/2017	7/1/2017 to 6/30/2018	7/1/2018 to 6/30/2019
2007-2008					
Ultimate Loss	\$14,516,000	\$14,516,000	\$14,516,000	\$14,516,000	\$14,516,000
Paid in Calendar Period	-	174,755	337,754	302,562	270,348
Paid to Date	11,502,979	11,677,734	12,015,488	12,318,050	12,588,398
Outstanding Liability	3,013,021	2,838,266	2,500,512	2,197,950	1,927,602
2008-2009					
Ultimate Loss	\$13,341,000	\$13,341,000	\$13,341,000	\$13,341,000	\$13,341,000
Paid in Calendar Period	-	234,192	401,307	328,273	294,069
Paid to Date	9,946,908	10,181,100	10,582,407	10,910,680	11,204,749
Outstanding Liability	3,394,092	3,159,900	2,758,593	2,430,320	2,136,251
2009-2010					
Ultimate Loss	\$17,521,000	\$17,521,000	\$17,521,000	\$17,521,000	\$17,521,000
Paid in Calendar Period	-	308,511	588,570	470,860	385,167
Paid to Date	12,916,360	13,224,871	13,813,441	14,284,301	14,669,468
Outstanding Liability	4,604,640	4,296,129	3,707,559	3,236,699	2,851,532
2010-2011					
Ultimate Loss	\$16,504,000	\$16,504,000	\$16,504,000	\$16,504,000	\$16,504,000
Paid in Calendar Period	-	396,166	726,970	632,721	506,181
Paid to Date	10,762,466	11,158,632	11,885,602	12,518,323	13,024,504
Outstanding Liability	5,741,534	5,345,368	4,618,398	3,985,677	3,479,496
2011-2012					
Ultimate Loss	\$14,785,000	\$14,785,000	\$14,785,000	\$14,785,000	\$14,785,000
Paid in Calendar Period	-	389,371	713,262	595,880	518,626
Paid to Date	9,300,899	9,690,270	10,403,532	10,999,412	11,518,038
Outstanding Liability	5,484,101	5,094,730	4,381,468	3,785,588	3,266,962
2012-2013					
Ultimate Loss	\$15,297,000	\$15,297,000	\$15,297,000	\$15,297,000	\$15,297,000
Paid in Calendar Period	-	664,777	1,102,348	786,700	657,232
Paid to Date	7,910,587	8,575,364	9,677,712	10,464,412	11,121,644
Outstanding Liability	7,386,413	6,721,636	5,619,288	4,832,588	4,175,356
2013-2014					
Ultimate Loss	\$14,193,000	\$14,193,000	\$14,193,000	\$14,193,000	\$14,193,000
Paid in Calendar Period	-	910,507	1,555,111	1,059,592	756,187
Paid to Date	5,266,456	6,176,963	7,732,074	8,791,666	9,547,853
Outstanding Liability	8,926,544	8,016,037	6,460,926	5,401,334	4,645,147

## Judicial Branch Workers' Compensation Program - Trial Courts

## Payment and Reserve Forecast

<u>Accident Year</u>	<u>As of</u> <u>12/31/2015</u>	<u>Calendar Period</u>			
		<u>1/1/2016</u> <u>to</u> <u>6/30/2016</u>	<u>7/1/2016</u> <u>to</u> <u>6/30/2017</u>	<u>7/1/2017</u> <u>to</u> <u>6/30/2018</u>	<u>7/1/2018</u> <u>to</u> <u>6/30/2019</u>
<b>2014-2015</b>					
Ultimate Loss	\$14,000,000	\$14,000,000	\$14,000,000	\$14,000,000	\$14,000,000
Paid in Calendar Period	-	1,211,976	2,150,977	1,608,388	1,095,893
Paid to Date	2,346,387	3,558,363	5,709,340	7,317,728	8,413,621
Outstanding Liability	11,653,613	10,441,637	8,290,660	6,682,272	5,586,379
<b>2015-2016</b>					
Ultimate Loss	\$7,340,000	\$14,680,000	\$14,680,000	\$14,680,000	\$14,680,000
Paid in Calendar Period	-	1,369,323	2,578,893	2,125,007	1,588,969
Paid to Date	416,214	1,785,537	4,364,430	6,489,437	8,078,406
Outstanding Liability	6,923,786	12,894,463	10,315,570	8,190,563	6,601,594
<b>2016-2017</b>					
Ultimate Loss	-	-	\$15,296,000	\$15,296,000	\$15,296,000
Paid in Calendar Period	-	-	1,866,112	2,685,978	2,213,245
Paid to Date	-	-	1,866,112	4,552,090	6,765,335
Outstanding Liability	-	-	13,429,888	10,743,910	8,530,665
<b>2017-2018</b>					
Ultimate Loss	-	-	-	\$15,835,000	\$15,835,000
Paid in Calendar Period	-	-	-	1,931,870	2,780,626
Paid to Date	-	-	-	1,931,870	4,712,496
Outstanding Liability	-	-	-	13,903,130	11,122,504
<b>2018-2019</b>					
Ultimate Loss	-	-	-	-	\$16,390,000
Paid in Calendar Period	-	-	-	-	1,999,580
Paid to Date	-	-	-	-	1,999,580
Outstanding Liability	-	-	-	-	14,390,420
<b>Totals</b>					
Ultimate Loss	\$233,918,000	\$241,258,000	\$256,554,000	\$272,389,000	\$288,779,000
Paid in Calendar Period	-	6,485,202	13,824,934	14,283,062	15,010,623
Paid to Date	165,569,553	172,054,755	185,879,689	200,162,751	215,173,374
Outstanding Liability	68,348,447	69,203,245	70,674,311	72,226,249	73,605,626
Total Outstanding ULAE	5,287,000	5,276,934	5,323,340	5,415,174	5,538,898
Outstanding Liability plus ULAE	73,635,447	74,480,179	75,997,651	77,641,423	79,144,524

Notes appear on the next page.

## Judicial Branch Workers' Compensation Program - Trial Courts

## Payment and Reserve Forecast

Notes to previous page:

- Accident Year is associated with date of loss. Calendar Period is associated with date of transaction. For example, for the losses which occurred during 2013-2014, \$910,507 is expected to be paid between 1/1/16 and 6/30/16, \$6,176,963 will have been paid by 6/30/16, and the reserve for remaining payments on these claims should be \$8,016,037.
- Ultimate Losses for each accident year are from Exhibit TC-4, Page 2.
- Paid in Calendar Period is a proportion of the Outstanding Liability from the previous calendar period. These proportions are derived from the paid loss development pattern selected in Appendix B. For example,  $\$1,555,111 = \$8,016,037 \times 19.4\%$ .
- Paid to Date is Paid in Calendar Period plus Paid to Date from previous calendar period. For example,  $\$7,732,074 = \$1,555,111 + \$6,176,963$ .
- Outstanding Liability is Ultimate Loss minus Paid to Date. For example,  $\$8,016,037 = \$14,193,000 - \$6,176,963$ .

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	Total
2000-2001	472,952	327,238	228,314	64,110	95,207	119,571	93,152	
2001-2002	1,105,388	453,017	447,701	248,693	222,305	-112,523	25,482	
2002-2003	793,960	405,402	474,420	640,534	357,021	276,380	302,471	
2003-2004	912,104	791,374	740,595	533,018	393,815	427,377	336,318	
2004-2005	1,015,234	719,789	649,464	397,683	419,160	362,368	191,893	
2005-2006	1,003,291	866,929	637,727	720,184	653,230	354,475	434,700	
2006-2007	1,648,873	1,264,130	955,440	670,153	691,091	484,163	612,680	
2007-2008	2,112,081	1,735,203	1,304,001	745,269	945,996	956,061	518,584	
2008-2009	3,045,617	2,466,555	1,745,456	968,816	562,903	380,223	323,109	
2009-2010	429,214	3,437,354	3,115,353	2,160,217	1,753,489	1,015,646	1,005,089	
2010-2011	0	434,154	3,073,577	2,521,239	1,989,556	1,517,095	1,226,845	
2011-2012	0	0	427,443	2,760,515	2,596,304	1,810,904	1,705,733	
2012-2013	0	0	0	389,782	2,811,567	2,691,342	2,017,896	
2013-2014	0	0	0	0	502,329	2,685,539	2,078,587	
2014-2015	0	0	0	0	0	227,098	2,119,289	
2015-2016	0	0	0	0	0	0	416,214	
<b>Total</b>	<b>12,538,715</b>	<b>12,901,146</b>	<b>13,799,491</b>	<b>12,820,212</b>	<b>13,993,972</b>	<b>13,195,720</b>	<b>13,408,041</b>	<b>92,657,297</b>

## San Diego TD

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

## San Diego TD Percent of Trial Courts Total Payments

	2009	2010	2011	2012	2013	2014	2015	
	1.3%	1.2%	0.9%	1.1%	1.4%	1.8%	0.0%	1.1%

Selected San Diego TD Load:

1.0%

## Judicial Branch Workers' Compensation Program - Trial Courts

## Short- and Long-Term Liabilities

<u>Liabilities as of 12/31/15:</u>		<u>Expected</u>	<u>Discounted</u>
<u>Current (Short Term)</u>	Loss and ALAE:	\$5,115,879	\$5,115,879
	ULAE:	1,516,193	1,516,193
	Short-Term Loss and LAE:	<u>\$6,632,072</u>	<u>\$6,632,072</u>
<u>Non-Current (Long Term)</u>	Loss and ALAE:	\$63,232,568	\$63,232,568
	ULAE:	3,770,807	3,770,807
	Long-Term Loss and LAE:	<u>\$67,003,375</u>	<u>\$67,003,375</u>
<u>Total Liability</u>	Loss and ALAE:	\$68,348,447	\$68,348,447
	ULAE:	5,287,000	5,287,000
	Total Loss and LAE:	<u>\$73,635,447</u>	<u>\$73,635,447</u>
<u>Liabilities as of 6/30/16:</u>			
<u>Current (Short Term)</u>	Loss and ALAE:	\$11,958,822	\$11,958,822
	ULAE:	1,505,555	1,505,555
	Short-Term Loss and LAE:	<u>\$13,464,377</u>	<u>\$13,464,377</u>
<u>Non-Current (Long Term)</u>	Loss and ALAE:	\$57,244,423	\$57,244,423
	ULAE:	3,771,379	3,771,379
	Long-Term Loss and LAE:	<u>\$61,015,802</u>	<u>\$61,015,802</u>
<u>Total Liability</u>	Loss and ALAE:	\$69,203,245	\$69,203,245
	ULAE:	5,276,934	5,276,934
	Total Loss and LAE:	<u>\$74,480,179</u>	<u>\$74,480,179</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 12/31/15:</u>						
<u>Current (Short Term)</u>	Loss and ALAE:	\$5,520,033	\$5,673,510	\$5,857,681	\$6,082,780	\$6,379,501
	ULAE:	1,635,972	1,681,458	1,736,041	1,802,753	1,890,693
	Short-Term Loss and LAE:	<u>\$7,156,005</u>	<u>\$7,354,968</u>	<u>\$7,593,722</u>	<u>\$7,885,533</u>	<u>\$8,270,194</u>
<u>Non-Current (Long Term)</u>	Loss and ALAE:	\$68,227,941	\$70,124,918	\$72,401,291	\$75,183,523	\$78,851,012
	ULAE:	4,068,701	4,181,825	4,317,574	4,483,490	4,702,196
	Long-Term Loss and LAE:	<u>\$72,296,642</u>	<u>\$74,306,743</u>	<u>\$76,718,865</u>	<u>\$79,667,013</u>	<u>\$83,553,208</u>
<u>Total Liability</u>	Loss and ALAE:	\$73,747,974	\$75,798,428	\$78,258,972	\$81,266,303	\$85,230,513
	ULAE:	5,704,673	5,863,283	6,053,615	6,286,243	6,592,889
	Total Loss and LAE:	<u>\$79,452,647</u>	<u>\$81,661,711</u>	<u>\$84,312,587</u>	<u>\$87,552,546</u>	<u>\$91,823,402</u>
<u>Liabilities as of 6/30/16:</u>						
<u>Current (Short Term)</u>	Loss and ALAE:	\$12,903,569	\$13,262,334	\$13,692,851	\$14,219,039	\$14,912,651
	ULAE:	1,624,494	1,669,660	1,723,860	1,790,105	1,877,427
	Short-Term Loss and LAE:	<u>\$14,528,063</u>	<u>\$14,931,994</u>	<u>\$15,416,711</u>	<u>\$16,009,144</u>	<u>\$16,790,078</u>
<u>Non-Current (Long Term)</u>	Loss and ALAE:	\$61,766,732	\$63,484,065	\$65,544,865	\$68,063,619	\$71,383,796
	ULAE:	4,069,318	4,182,460	4,318,229	4,484,170	4,702,909
	Long-Term Loss and LAE:	<u>\$65,836,050</u>	<u>\$67,666,525</u>	<u>\$69,863,094</u>	<u>\$72,547,789</u>	<u>\$76,086,705</u>
<u>Total Liability</u>	Loss and ALAE:	\$74,670,301	\$76,746,399	\$79,237,716	\$82,282,658	\$86,296,447
	ULAE:	5,693,812	5,852,120	6,042,089	6,274,275	6,580,336
	Total Loss and LAE:	<u>\$80,364,113</u>	<u>\$82,598,519</u>	<u>\$85,279,805</u>	<u>\$88,556,933</u>	<u>\$92,876,783</u>

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

## Judicial Branch Workers' Compensation Program - Trial Courts

## Confidence Level Table

Probability	Projected Losses	Outstanding Losses
95%	1.456	1.339
90	1.329	1.247
85	1.251	1.189
80	1.192	1.145
75	1.144	1.109
70	1.103	1.079
65	1.066	1.050
60	1.032	1.025
55	1.000	1.002
50	0.970	0.979
45	0.941	0.957
40	0.912	0.935
35	0.883	0.913
30	0.854	0.891
25	0.823	0.867

To read table: For the above retention, there is a 90% chance that final loss settlements will be less than 1.329 times the average expected amount of losses.

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

Judicial Branch Workers' Compensation Program - Trial Courts

Program History

Policy Year Start Date	Policy Year End Date	Policy Year	Self-Insured Retention	
			Per Occurrence	Aggregate
7/1/2000	6/30/2001	2000-2001	See Appendix TC-k	(none)
7/1/2001	6/30/2002	2001-2002	See Appendix TC-k	(none)
7/1/2002	6/30/2003	2002-2003	See Appendix TC-k	(none)
7/1/2003	6/30/2004	2003-2004	See Appendix TC-k	(none)
7/1/2004	6/30/2005	2004-2005	See Appendix TC-k	(none)
7/1/2005	6/30/2006	2005-2006	See Appendix TC-k	(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)

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

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



## Judicial Branch Workers' Compensation Program - Trial Courts

## Incurred Losses as of 12/31/15

Accident Year (A)	Unlimited Incurred (B)	Subtractions 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)
1994-1995	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1995-1996	0	0	0	0	0	0	0	0	0	0
1996-1997	0	0	0	0	0	0	0	0	0	0
1997-1998	0	0	0	0	0	0	0	0	0	0
1998-1999	0	0	0	0	0	0	0	0	0	0
1999-2000	0	0	0	0	0	0	0	0	0	0
2000-2001	10,478,845	0	185,826	10,293,019	757,147	1,113,665	9,179,354	356,518	9,535,872	9,535,872
2001-2002	15,671,747	0	766,811	14,904,935	1,020,408	1,731,149	13,173,787	710,741	13,884,528	13,884,528
2002-2003	18,515,535	0	14,953	18,500,583	450,512	1,405,829	17,094,754	955,317	18,050,071	18,050,071
2003-2004	19,633,429	0	85,725	19,547,704	0	1,321,659	18,226,045	1,321,659	19,547,704	19,547,704
2004-2005	13,812,463	0	4,000	13,808,463	0	604,660	13,203,802	604,660	13,808,463	13,808,463
2005-2006	13,785,805	0	60,740	13,725,065	0	955,828	12,769,237	955,828	13,725,065	13,725,065
2006-2007	13,177,595	0	45,837	13,131,759	0	1,744,538	11,387,221	1,744,538	13,131,759	13,131,759
2007-2008	12,756,181	0	6,738	12,749,442	0	547,688	12,201,755	547,688	12,749,442	12,749,442
2008-2009	10,881,565	0	16,273	10,865,292	0	241,870	10,623,422	241,870	10,865,292	10,865,292
2009-2010	14,872,577	0	1,262	14,871,315	0	426,655	14,444,660	426,655	14,871,315	14,871,315
2010-2011	13,586,032	0	264	13,585,768	0	830,937	12,754,832	830,937	13,585,768	13,585,768
2011-2012	11,649,058	0	4,645	11,644,413	0	66,389	11,578,024	66,389	11,644,413	11,644,413
2012-2013	11,712,561	0	740	11,711,821	0	29,460	11,682,361	29,460	11,711,821	11,711,821
2013-2014	8,971,074	0	341	8,970,733	0	57,190	8,913,543	57,190	8,970,733	8,970,733
2014-2015	5,087,500	0	593	5,086,907	0	0	5,086,907	0	5,086,907	5,086,907
2015-2016	1,841,257	0	0	1,841,257	0	0	1,841,257	0	1,841,257	1,841,257
Total	\$196,433,224	\$0	\$1,194,748	\$195,238,476	\$2,228,067	\$11,077,517	\$184,160,959	\$8,849,450	\$193,010,409	\$193,010,409

## Notes:

- (A) Years are 7/1 to 6/30.
- (B) Provided by the Judicial Council.
- (C)
- (D) Excess and Subro Recoveries
- (E) (B) + (C) - (D).
- (F) Sum of incurred losses in excess of SIR.
- (G) Sum of incurred losses in excess of \$250,000.
- (H) (E) - (G).
- (I) (G) - (F).
- (J) (E) - (F).
- (K) Minimum of (J) and the aggregate stop loss. See Appendix TC-J.

## Judicial Branch Workers' Compensation Program - Trial Courts

## Paid Losses as of 12/31/15

Accident Year (A)	Unlimited Paid (B)	Subtractions 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)
1994-1995	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1995-1996	0	0	0	0	0	0	0	0	0	0
1996-1997	0	0	0	0	0	0	0	0	0	0
1997-1998	0	0	0	0	0	0	0	0	0	0
1998-1999	0	0	0	0	0	0	0	0	0	0
1999-2000	0	0	0	0	0	0	0	0	0	0
2000-2001	9,775,160	0	185,826	9,589,334	358,725	632,731	8,956,603	274,006	9,230,609	9,230,609
2001-2002	14,624,539	0	766,811	13,857,728	352,386	937,599	12,920,129	585,213	13,505,342	13,505,342
2002-2003	17,237,957	0	14,953	17,223,004	325,435	800,533	16,422,472	475,098	16,897,570	16,897,570
2003-2004	18,464,518	0	85,725	18,378,793	0	722,364	17,656,429	722,364	18,378,793	18,378,793
2004-2005	13,071,694	0	4,000	13,067,694	0	385,829	12,681,865	385,829	13,067,694	13,067,694
2005-2006	12,250,015	0	60,740	12,189,275	0	452,915	11,736,360	452,915	12,189,275	12,189,275
2006-2007	11,976,850	0	45,837	11,931,014	0	1,102,966	10,828,048	1,102,966	11,931,014	11,931,014
2007-2008	11,509,717	0	6,738	11,502,979	0	106,333	11,396,645	106,333	11,502,979	11,502,979
2008-2009	9,963,181	0	16,273	9,946,908	0	39,667	9,907,242	39,667	9,946,908	9,946,908
2009-2010	12,917,623	0	1,262	12,916,360	0	111,611	12,804,749	111,611	12,916,360	12,916,360
2010-2011	10,762,731	0	264	10,762,466	0	208,211	10,554,256	208,211	10,762,466	10,762,466
2011-2012	9,305,544	0	4,645	9,300,899	0	47,878	9,253,021	47,878	9,300,899	9,300,899
2012-2013	7,911,327	0	740	7,910,587	0	0	7,910,587	0	7,910,587	7,910,587
2013-2014	5,266,797	0	341	5,266,456	0	0	5,266,456	0	5,266,456	5,266,456
2014-2015	2,346,980	0	593	2,346,387	0	0	2,346,387	0	2,346,387	2,346,387
2015-2016	416,214	0	0	416,214	0	0	416,214	0	416,214	416,214
Total	\$167,800,847	\$0	\$1,194,748	\$166,606,098	\$1,036,545	\$5,548,637	\$161,057,461	\$4,512,092	\$165,569,553	\$165,569,553

## Notes:

- (A) Years are 7/1 to 6/30.
- (B) Provided by the Judicial Council.
- (C)
- (D) Excess and Subro Recoveries
- (E) (B) + (C) - (D).
- (F) Sum of paid losses in excess of SIR.
- (G) Sum of paid losses in excess of \$250,000.
- (H) (E) - (G).
- (I) (G) - (F).
- (J) (E) - (F).
- (K) Minimum of (J) and the aggregate stop loss. See Appendix TC-J.

## Judicial Branch Workers' Compensation Program - Trial Courts

## Case Reserves as of 12/31/15

Accident Year (A)	Unlimited Reserves (B)	Subtractions 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 to SIR Layer \$250,000 (I)	Reserves Capped at SIR (J)	Reserves Capped at SIR & Aggregate (K)
1994-1995	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1995-1996	0	0	0	0	0	0	0	0	0	0
1996-1997	0	0	0	0	0	0	0	0	0	0
1997-1998	0	0	0	0	0	0	0	0	0	0
1998-1999	0	0	0	0	0	0	0	0	0	0
1999-2000	0	0	0	0	0	0	0	0	0	0
2000-2001	703,686	0	0	703,686	398,423	480,934	222,751	82,512	305,263	305,263
2001-2002	1,047,207	0	0	1,047,207	668,022	793,549	253,658	125,528	379,185	379,185
2002-2003	1,277,578	0	0	1,277,578	125,077	605,296	672,282	480,219	1,152,501	1,152,501
2003-2004	1,168,911	0	0	1,168,911	0	599,294	569,616	599,294	1,168,911	1,168,911
2004-2005	740,768	0	0	740,768	0	218,831	521,937	218,831	740,768	740,768
2005-2006	1,535,790	0	0	1,535,790	0	502,914	1,032,877	502,914	1,535,790	1,535,790
2006-2007	1,200,745	0	0	1,200,745	0	641,572	559,173	641,572	1,200,745	1,200,745
2007-2008	1,246,464	0	0	1,246,464	0	441,354	805,109	441,354	1,246,464	1,246,464
2008-2009	918,384	0	0	918,384	0	202,204	716,180	202,204	918,384	918,384
2009-2010	1,954,954	0	0	1,954,954	0	315,043	1,639,911	315,043	1,954,954	1,954,954
2010-2011	2,823,302	0	0	2,823,302	0	622,726	2,200,576	622,726	2,823,302	2,823,302
2011-2012	2,343,514	0	0	2,343,514	0	18,511	2,325,003	18,511	2,343,514	2,343,514
2012-2013	3,801,234	0	0	3,801,234	0	29,460	3,771,774	29,460	3,801,234	3,801,234
2013-2014	3,704,277	0	0	3,704,277	0	57,190	3,647,087	57,190	3,704,277	3,704,277
2014-2015	2,740,520	0	0	2,740,520	0	0	2,740,520	0	2,740,520	2,740,520
2015-2016	1,425,043	0	0	1,425,043	0	0	1,425,043	0	1,425,043	1,425,043
Total	\$28,632,377	\$0	\$0	\$28,632,377	\$1,191,522	\$5,528,880	\$23,103,498	\$4,337,358	\$27,440,856	\$27,440,856

## Notes:

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

## Judicial Branch Workers' Compensation Program - Trial Courts

Claim Counts as of 12/31/15

Accident Year (A)	Reported Claims (B)	Subtractions		Adjusted Reported Claims (E)	Closed Claims (F)	Subtractions		Adjusted Closed Claims (I)	Open Claims (J)	Adjusted Open Claims (K)
		to Reported Claims (C)	from Reported Claims (D)			to Closed Claims (G)	from Closed Claims (H)			
1994-1995	0	0	0	0	0	0	0	0	0	0
1995-1996	0	0	0	0	0	0	0	0	0	0
1996-1997	0	0	0	0	0	0	0	0	0	0
1997-1998	0	0	0	0	0	0	0	0	0	0
1998-1999	0	0	0	0	0	0	0	0	0	0
1999-2000	0	0	0	0	0	0	0	0	0	0
2000-2001	413	0	0	413	398	0	0	398	15	15
2001-2002	685	0	0	685	669	0	0	669	16	16
2002-2003	869	0	0	869	842	0	0	842	27	27
2003-2004	1,101	0	0	1,101	1,068	0	0	1,068	33	33
2004-2005	971	0	0	971	945	0	0	945	26	26
2005-2006	944	0	0	944	904	0	0	904	40	40
2006-2007	925	0	0	925	890	0	0	890	35	35
2007-2008	793	0	0	793	747	0	0	747	46	46
2008-2009	872	0	0	872	834	0	0	834	38	38
2009-2010	791	0	0	791	727	0	0	727	64	64
2010-2011	759	0	0	759	672	0	0	672	87	87
2011-2012	664	0	0	664	567	0	0	567	97	97
2012-2013	633	0	0	633	490	0	0	490	143	143
2013-2014	572	0	0	572	413	0	0	413	159	159
2014-2015	529	0	0	529	330	0	0	330	199	199
2015-2016	250	0	0	250	59	0	0	59	191	191
Total	11,771	0	0	11,771	10,555	0	0	10,555	1,216	1,216

## 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 - Trial Courts

Payroll and Loss Summary as of 12/31/15

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)
Imperial	2000-2001	\$300,000	\$1,183,548	8	8	\$124,676	\$0	\$124,676	\$0	\$124,676	\$0	\$124,676	I
	2001-2002	300,000	3,094,296	14	13	139,988	55,370	195,359	0	139,988	55,370	195,359	I
	2002-2003	300,000	2,967,483	16	14	879,172	141,577	1,020,749	0	879,172	141,577	1,020,749	I
	2003-2004	2,000,000	3,456,698	20	18	287,582	52,029	339,611	0	287,582	52,029	339,611	I
	2004-2005	2,000,000	4,332,703	11	10	148,029	21,142	169,171	0	148,029	21,142	169,171	I
	2005-2006	2,000,000	4,232,499	8	8	42,885	0	42,885	0	42,885	0	42,885	I
	2006-2007	2,000,000	5,020,388	13	12	47,931	19,960	67,891	0	47,931	19,960	67,891	I
	2007-2008	2,000,000	5,862,073	9	9	123,532	0	123,532	0	123,532	0	123,532	I
	2008-2009	2,000,000	6,048,054	2	2	874	0	874	0	874	0	874	I
	2009-2010	2,000,000	5,708,906	11	9	319,081	41,806	360,888	0	319,081	41,806	360,888	I
	2010-2011	2,000,000	5,993,508	6	5	62,612	9,762	72,374	0	62,612	9,762	72,374	I
	2011-2012	2,000,000	6,335,229	17	17	84,284	0	84,284	0	84,284	0	84,284	I
	2012-2013	2,000,000	5,995,723	7	7	5,794	0	5,794	0	5,794	0	5,794	I
	2013-2014	2,000,000	6,123,601	7	7	14,803	0	14,803	0	14,803	0	14,803	I
	2014-2015	2,000,000	5,963,608	5	2	25,405	31,289	56,695	0	25,405	31,289	56,695	I
	2015-2016	2,000,000	6,639,783	0	0	0	0	0	0	0	0	0	I
	2016-2017	2,000,000	6,772,579	0	0	0	0	0	0	0	0	0	I
	2017-2018	2,000,000	6,908,031	0	0	0	0	0	0	0	0	0	I
	2018-2019	2,000,000	7,046,191	0	0	0	0	0	0	0	0	0	I
	2019-2020	2,000,000	7,187,115	0	0	0	0	0	0	0	0	0	I
	2020-2021	2,000,000	7,330,857	0	0	0	0	0	0	0	0	0	I
Total				154	141	\$2,306,649	\$372,936	\$2,679,584	\$0	\$2,306,649	\$372,936	\$2,679,584	
Inyo	2000-2001	\$0	\$367,223	0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	III
	2001-2002	0	752,806	0	0	0	0	0	0	0	0	0	III
	2002-2003	0	771,626	0	0	0	0	0	0	0	0	0	III
	2003-2004	0	790,917	0	0	0	0	0	0	0	0	0	III
	2004-2005	0	746,984	0	0	0	0	0	0	0	0	0	III
	2005-2006	0	738,642	0	0	0	0	0	0	0	0	0	III
	2006-2007	0	871,396	0	0	0	0	0	0	0	0	0	III
	2007-2008	0	990,644	0	0	0	0	0	0	0	0	0	III
	2008-2009	2,000,000	996,261	1	1	17,333	0	17,333	0	17,333	0	17,333	I
	2009-2010	2,000,000	1,150,138	2	2	32,664	0	32,664	0	32,664	0	32,664	I
	2010-2011	2,000,000	1,120,494	0	0	0	0	0	0	0	0	0	I
	2011-2012	2,000,000	1,219,647	0	0	0	0	0	0	0	0	0	I
	2012-2013	2,000,000	1,134,299	3	2	16,775	7,004	23,780	0	16,775	7,004	23,780	I
	2013-2014	2,000,000	1,278,293	0	0	0	0	0	0	0	0	0	I
	2014-2015	2,000,000	872,418	0	0	0	0	0	0	0	0	0	I
	2015-2016	2,000,000	926,694	0	0	0	0	0	0	0	0	0	I
	2016-2017	2,000,000	945,228	0	0	0	0	0	0	0	0	0	I
	2017-2018	2,000,000	964,133	0	0	0	0	0	0	0	0	0	I
	2018-2019	2,000,000	983,415	0	0	0	0	0	0	0	0	0	I
	2019-2020	2,000,000	1,003,084	0	0	0	0	0	0	0	0	0	I
	2020-2021	2,000,000	1,023,145	0	0	0	0	0	0	0	0	0	I
Total				6	5	\$66,773	\$7,004	\$73,777	\$0	\$66,773	\$7,004	\$73,777	
Kern	2000-2001	\$400,000	\$7,192,406	17	15	\$1,214,269	\$477,981	\$1,692,251	\$906	\$1,213,363	\$477,981	\$1,691,344	I
	2001-2002	400,000	14,490,134	21	19	743,104	54,748	797,852	166	742,938	54,748	797,686	I
	2002-2003	1,000,000	15,044,074	27	26	879,859	90,756	970,615	0	879,859	90,756	970,615	I
	2003-2004	1,500,000	16,552,292	41	39	1,585,429	381,362	1,966,791	88	1,585,341	381,362	1,966,703	I
	2004-2005	2,000,000	17,329,596	27	27	792,370	0	792,370	0	792,370	0	792,370	I
	2005-2006	2,000,000	18,738,696	25	22	319,687	56,860	376,548	7,500	312,187	56,860	369,048	I
	2006-2007	2,000,000	20,635,832	39	38	394,888	27,093	421,982	27,500	367,388	27,093	394,482	I
	2007-2008	2,000,000	22,846,901	39	38	147,916	14,014	161,930	0	147,916	14,014	161,930	I
	2008-2009	2,000,000	25,171,770	38	37	235,142	10,877	246,020	1,261	233,881	10,877	244,759	I
	2009-2010	2,000,000	22,980,009	37	36	156,219	22,321	178,540	0	156,219	22,321	178,540	I
	2010-2011	2,000,000	26,099,668	37	31	480,350	214,727	695,077	0	480,350	214,727	695,077	I
	2011-2012	2,000,000	25,060,148	35	30	372,066	128,358	500,424	0	372,066	128,358	500,424	I
	2012-2013	2,000,000	21,817,926	28	23	222,030	150,358	372,388	0	222,030	150,358	372,388	I
	2013-2014	2,000,000	22,863,775	24	21	84,387	47,918	132,304	0	84,387	47,918	132,304	I
	2014-2015	2,000,000	24,182,904	17	15	15,748	2,884	18,632	0	15,748	2,884	18,632	I
	2015-2016	2,000,000	24,460,417	9	4	12,220	59,831	72,051	0	12,220	59,831	72,051	I
	2016-2017	2,000,000	24,949,625	0	0	0	0	0	0	0	0	0	I
	2017-2018	2,000,000	25,448,617	0	0	0	0	0	0	0	0	0	I
	2018-2019	2,000,000	25,957,590	0	0	0	0	0	0	0	0	0	I
	2019-2020	2,000,000	26,476,742	0	0	0	0	0	0	0	0	0	I
	2020-2021	2,000,000	27,006,276	0	0	0	0	0	0	0	0	0	I
Total				461	421	\$7,655,685	\$1,740,089	\$9,395,773	\$37,422	\$7,618,263	\$1,740,089	\$9,358,352	
Kings	2000-2001	\$300,000	\$992,237	0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	I
	2001-2002	300,000	2,450,128	0	0	0	0	0	0	0	0	0	I
	2002-2003	300,000	2,739,322	0	0	0	0	0	0	0	0	0	I
	2003-2004	2,000,000	2,686,721	2	2	3,479	0	3,479	0	3,479	0	3,479	I
	2004-2005	2,000,000	2,979,202	5	5	8,566	0	8,566	0	8,566	0	8,566	I
	2005-2006	2,000,000	3,262,280	4	4	2,643	0	2,643	0	2,643	0	2,643	I
	2006-2007	2,000,000	3,768,204	8	7	99,630	62,894	162,524	0	99,630	62,894	162,524	I
	2007-2008	2,000,000	4,437,983	4	4	8,802	0	8,802	0	8,802	0	8,802	I
	2008-2009	2,000,000	4,834,316	4	3	53,500	16,674	70,174	0	53,500	16,674	70,174	I
	2009-2010	2,000,000	4,509,609	7	6	105,976	74,889	180,865	0	105,976	74,889	180,865	I
	2010-2011	2,000,000	4,549,209	5	4	118,994	22,747	141,741	0	118,994	22,747	141,741	I
	2011-2012	2,000,000	4,400,121	9	7	172,900	141,352	314,252	0	172,900	141,352	314,252	I
	2012-2013	2,000,000	4,111,328	3	3	6,141	0	6,141	0	6,141	0	6,141	I
	2013-2014	2,000,000	4,225,888	4	2	19,624	32,885	52,508	0	19,624	32,885	52,508	I
	2014-2015	2,000,000	4,174,358	5	1	46,176	104,519	150,694	0	46,176	104,519	150,694	I
	2015-2016	2,000,000	4,223,089	0	0	0	0	0	0	0	0	0	I
	2016-2017	2,000,000	4,307,551	0	0	0	0	0	0	0	0	0	I
	2017-2018	2,000,000	4,393,702	0	0	0	0	0	0	0	0	0	I
	2018-2019	2,000,000	4,481,576	0	0	0	0	0	0	0	0	0	I
	2019-2020	2,000,000	4,571,207	0	0	0	0	0	0	0	0	0	I
	2020-2021	2,000,000	4,662,631	0	0	0	0	0	0	0	0	0	I
Total				60	48	\$646,430	\$455,959	\$1,102,389	\$0	\$646,430	\$455,959	\$1,102,389	

















Judicial Branch Workers' Compensation Program - Trial Courts

Payroll and Loss Summary as of 12/31/15

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)
Sierra	2000-2001	\$0	\$137,595	0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	III
	2001-2002	0	236,358	0	0	0	0	0	0	0	0	0	III
	2002-2003	0	277,667	0	0	0	0	0	0	0	0	0	III
	2003-2004	2,000,000	286,589	286,589	1	1	306	0	306	0	306	0	I
	2004-2005	2,000,000	355,447	355,447	1	1	1,012	0	1,012	0	1,012	0	I
	2005-2006	2,000,000	413,535	413,535	0	0	0	0	0	0	0	0	I
	2006-2007	2,000,000	362,203	362,203	1	1	16,276	0	16,276	0	16,276	0	I
	2007-2008	2,000,000	371,159	371,159	0	0	0	0	0	0	0	0	I
	2008-2009	2,000,000	327,049	327,049	0	0	0	0	0	0	0	0	I
	2009-2010	2,000,000	315,232	315,232	0	0	0	0	0	0	0	0	I
	2010-2011	2,000,000	308,292	308,292	0	0	0	0	0	0	0	0	I
	2011-2012	2,000,000	218,724	218,724	0	0	0	0	0	0	0	0	I
	2012-2013	2,000,000	208,768	208,768	0	0	0	0	0	0	0	0	I
	2013-2014	2,000,000	223,042	223,042	0	0	0	0	0	0	0	0	I
	2014-2015	2,000,000	249,519	249,519	0	0	0	0	0	0	0	0	I
	2015-2016	2,000,000	279,538	279,538	0	0	0	0	0	0	0	0	I
	2016-2017	2,000,000	285,129	285,129	0	0	0	0	0	0	0	0	I
	2017-2018	2,000,000	290,832	290,832	0	0	0	0	0	0	0	0	I
	2018-2019	2,000,000	296,648	296,648	0	0	0	0	0	0	0	0	I
	2019-2020	2,000,000	302,581	302,581	0	0	0	0	0	0	0	0	I
	2020-2021	2,000,000	308,633	308,633	0	0	0	0	0	0	0	0	I
	Total				3	3	\$17,595	\$0	\$17,595	\$0	\$17,595	\$0	\$17,595
Siskiyou	2000-2001	\$0	\$798,854	0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	III
	2001-2002	0	1,835,739	0	0	0	0	0	0	0	0	0	III
	2002-2003	0	2,189,431	0	0	0	0	0	0	0	0	0	III
	2003-2004	2,000,000	2,273,098	3	3	25,311	0	25,311	0	25,311	0	25,311	I
	2004-2005	2,000,000	2,215,975	3	3	1,573	0	1,573	0	1,573	0	1,573	I
	2005-2006	2,000,000	2,368,419	2	2	13,649	0	13,649	0	13,649	0	13,649	I
	2006-2007	2,000,000	2,471,308	4	4	37,646	0	37,646	0	37,646	0	37,646	I
	2007-2008	2,000,000	2,494,302	1	1	1,389	0	1,389	0	1,389	0	1,389	I
	2008-2009	2,000,000	2,700,219	3	3	14,569	0	14,569	0	14,569	0	14,569	I
	2009-2010	2,000,000	2,751,805	6	6	160,753	0	160,753	0	160,753	0	160,753	I
	2010-2011	2,000,000	2,902,205	4	3	113,685	34,159	147,844	0	113,685	34,159	147,844	I
	2011-2012	2,000,000	2,759,245	2	2	586	0	586	0	586	0	586	I
	2012-2013	2,000,000	2,499,489	3	2	23,359	30,794	54,154	0	23,359	30,794	54,154	I
	2013-2014	2,000,000	2,444,339	1	1	15,037	0	15,037	0	15,037	0	15,037	I
	2014-2015	2,000,000	2,140,102	1	1	590	0	590	0	590	0	590	I
	2015-2016	2,000,000	2,007,903	0	0	0	0	0	0	0	0	0	I
	2016-2017	2,000,000	2,048,061	0	0	0	0	0	0	0	0	0	I
	2017-2018	2,000,000	2,089,022	0	0	0	0	0	0	0	0	0	I
	2018-2019	2,000,000	2,130,803	0	0	0	0	0	0	0	0	0	I
	2019-2020	2,000,000	2,173,419	0	0	0	0	0	0	0	0	0	I
	2020-2021	2,000,000	2,216,887	0	0	0	0	0	0	0	0	0	I
	Total				33	31	\$408,147	\$64,953	\$473,100	\$0	\$408,147	\$64,953	\$473,100
Solano	2000-2001	\$0	\$4,532,498	0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	III
	2001-2002	0	10,262,122	0	0	0	0	0	0	0	0	0	III
	2002-2003	0	10,404,524	1	0	19,230	65,224	84,454	0	19,230	65,224	84,454	III
	2003-2004	2,000,000	10,284,883	14	14	240,388	0	240,388	12,000	228,388	0	228,388	I
	2004-2005	2,000,000	10,991,215	14	14	176,499	0	176,499	0	176,499	0	176,499	I
	2005-2006	2,000,000	11,811,247	22	20	408,865	56,078	464,943	1,650	407,215	56,078	463,293	I
	2006-2007	2,000,000	13,518,926	24	23	267,647	0	267,647	0	267,647	0	267,647	I
	2007-2008	2,000,000	14,813,255	18	17	201,197	21,466	222,663	0	201,197	21,466	222,663	I
	2008-2009	2,000,000	15,228,939	31	29	391,680	5,729	397,409	0	391,680	5,729	397,409	I
	2009-2010	2,000,000	13,774,469	29	23	699,773	259,167	958,941	0	699,773	259,167	958,941	I
	2010-2011	2,000,000	14,531,351	20	15	222,889	101,562	324,452	0	222,889	101,562	324,452	I
	2011-2012	2,000,000	13,962,463	13	11	122,172	33,942	156,114	0	122,172	33,942	156,114	I
	2012-2013	2,000,000	11,653,483	28	18	515,625	314,616	830,240	0	515,625	314,616	830,240	I
	2013-2014	2,000,000	12,873,645	25	17	223,132	128,587	351,720	334	222,799	128,587	351,386	I
	2014-2015	2,000,000	11,988,635	14	5	71,858	87,483	159,340	189	71,668	87,483	159,151	I
	2015-2016	2,000,000	13,134,863	9	3	16,936	40,821	57,756	0	16,936	40,821	57,756	I
	2016-2017	2,000,000	13,397,560	0	0	0	0	0	0	0	0	0	I
	2017-2018	2,000,000	13,665,511	0	0	0	0	0	0	0	0	0	I
	2018-2019	2,000,000	13,938,821	0	0	0	0	0	0	0	0	0	I
	2019-2020	2,000,000	14,217,598	0	0	0	0	0	0	0	0	0	I
	2020-2021	2,000,000	14,501,950	0	0	0	0	0	0	0	0	0	I
	Total				262	209	\$3,577,891	\$1,114,675	\$4,692,566	\$14,173	\$3,563,719	\$1,114,675	\$4,678,393
Sonoma	2000-2001	\$300,000	\$4,237,250	0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	II
	2001-2002	300,000	9,829,378	0	0	0	0	0	0	0	0	0	I
	2002-2003	300,000	10,738,723	0	0	0	0	0	0	0	0	0	I
	2003-2004	2,000,000	11,425,985	27	27	102,193	0	102,193	0	102,193	0	102,193	I
	2004-2005	2,000,000	11,776,398	15	14	146,190	27,149	173,339	0	146,190	27,149	173,339	I
	2005-2006	2,000,000	12,214,413	16	16	142,690	0	142,690	0	142,690	0	142,690	I
	2006-2007	2,000,000	13,104,634	12	12	55,721	0	55,721	0	55,721	0	55,721	I
	2007-2008	2,000,000	13,896,668	13	13	273,571	0	273,571	0	273,571	0	273,571	I
	2008-2009	2,000,000	15,074,105	13	13	104,746	0	104,746	0	104,746	0	104,746	I
	2009-2010	2,000,000	14,388,581	15	14	77,182	9,221	86,403	0	77,182	9,221	86,403	I
	2010-2011	2,000,000	14,001,459	15	15	124,453	0	124,453	0	124,453	0	124,453	I
	2011-2012	2,000,000	13,445,565	8	8	13,469	0	13,469	0	13,469	0	13,469	I
	2012-2013	2,000,000	12,394,983	8	7	123,693	39,964	163,657	0	123,693	39,964	163,657	I
	2013-2014	2,000,000	12,243,891	9	7	16,709	25,754	42,463	0	16,709	25,754	42,463	I
	2014-2015	2,000,000	11,623,434	5	4	6,105	7,539	13,644	0	6,105	7,539	13,644	I
	2015-2016	2,000,000	12,009,948	1	1	1,475	0	1,475	0	1,475	0	1,475	I
	2016-2017	2,000,000	12,250,147	0	0	0	0	0	0	0	0	0	I
	2017-2018	2,000,000	12,495,149	0	0	0	0	0	0	0	0	0	I
	2018-2019	2,000,000	12,745,052	0	0	0	0	0	0	0	0	0	I
	2019-2020	2,000,000	12,999,953	0	0	0	0	0	0	0	0	0	I
	2020-2021	2,000,000	13,259,953	0	0	0	0	0	0	0	0	0	I
	Total				157	151	\$1,188,197	\$109,626	\$1,297,823	\$0	\$1,188,197	\$109,626	\$1,297,823









Judicial Branch Workers' Compensation Program - Trial Courts

Payroll and Loss Summary as of 12/31/15

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 III	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	47,726,807	1	0	19,230	65,224	84,454	0	19,230	65,224	84,454	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
	Total		\$156,314,441	1	0	\$19,230	\$65,224	\$84,454	\$0	\$19,230	\$65,224	\$84,454	

## Judicial Branch Workers' Compensation Program - Trial Courts

## Exposure Measures

Accident Year	Total Payroll (\$00) (A)	Inflation Trend Factor (B)	Trended Payroll (\$00) (C)
2000-2001	2,235,000	1.448	3,236,280
2001-2002	4,830,211	1.413	6,825,088
2002-2003	5,724,523	1.379	7,894,117
2003-2004	6,430,176	1.345	8,648,587
2004-2005	6,722,165	1.312	8,819,481
2005-2006	7,311,472	1.280	9,358,684
2006-2007	7,935,753	1.249	9,911,755
2007-2008	8,786,901	1.219	10,711,233
2008-2009	9,208,814	1.189	10,949,280
2009-2010	8,670,118	1.160	10,057,336
2010-2011	8,802,454	1.132	9,964,378
2011-2012	8,784,868	1.104	9,698,495
2012-2013	8,151,545	1.077	8,779,214
2013-2014	8,134,405	1.051	8,549,260
2014-2015	8,024,301	1.025	8,224,909
2015-2016	8,312,682	1.000	8,312,682
2016-2017	8,478,935	1.000	8,478,935
2017-2018	8,648,514	1.000	8,648,514
2018-2019	8,821,484	1.000	8,821,484

## Notes:

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

Judicial Branch Workers' Compensation Program - State Judiciary

Funding Guidelines for Outstanding Liabilities at  
December 31, 2015

(A) Estimated Ultimate Losses Incurred through 12/31/15: (From Appendix J-G)	\$20,696,000
(B) Estimated Paid Losses through 12/31/15: (From Appendix J-G)	16,690,000
(C) Estimated Liability for Claims Outstanding at 12/31/15: (From Appendix J-G)	<u>\$4,006,000</u>
(D) Estimated Liability for Outstanding Claims Administration Fees at 12/31/15: (From Appendix J-F)	727,000
(E) Total Outstanding Liability for Claims at 12/31/15: ((C) + (D))	<u>\$4,733,000</u>
(F) Reserve Discount Factor (Based on a Discount Rate of 0.0%. (Not Included, Page 1, (G))	1.000
(G) Discounted Outstanding Liability for Claims at 12/31/15: ((E) x (F))	<u>\$4,733,000</u>

	<u>Marginally Acceptable</u>	<u>75%</u>	<u>Recommended</u>	<u>85%</u>	<u>Conservative</u>
Confidence Level of Adequacy:	70%	75%	80%	85%	90%
(H) Confidence Level Factor: (From Appendix J-I)	1.131	1.190	1.259	1.344	1.458
(I) Margin for Adverse Experience: ((G) x [(H) - 1])	620,000	899,000	1,226,000	1,628,000	2,168,000
(J) Total Required Available Funding at 12/31/15: ((G) + (I))	<u>\$5,353,000</u>	<u>\$5,632,000</u>	<u>\$5,959,000</u>	<u>\$6,361,000</u>	<u>\$6,901,000</u>

Judicial Branch Workers' Compensation Program - State Judiciary

Funding Guidelines for Outstanding Liabilities at  
June 30, 2016

(A) Estimated Ultimate Losses Incurred through 6/30/16: (From Appendix J-G)	\$21,042,000
(B) Estimated Paid Losses through 6/30/16: (From Appendix J-G)	16,979,000
(C) Estimated Liability for Claims Outstanding at 6/30/16: (From Appendix J-G)	<u>\$4,063,000</u>
(D) Estimated Liability for Outstanding Claims Administration Fees at 6/30/16: (From Appendix J-F)	767,000
(E) Total Outstanding Liability for Claims at 6/30/16: ((C) + (D))	<u>\$4,830,000</u>
(F) Reserve Discount Factor (Based on a Discount Rate of 0.0%. (Not Included, Page 1, (H))	1.000
(G) Discounted Outstanding Liability for Claims at 6/30/16: ((E) x (F))	<u>\$4,830,000</u>

	<u>Marginally Acceptable</u>	<u>75%</u>	<u>Recommended</u>	<u>85%</u>	<u>Conservative</u>
Confidence Level of Adequacy:	70%	75%	80%	85%	90%
(H) Confidence Level Factor: (From Appendix J-I)	1.131	1.190	1.259	1.344	1.458
(I) Margin for Adverse Experience: ((G) x [(H) - 1])	633,000	918,000	1,251,000	1,662,000	2,212,000
(J) Total Required Available Funding at 6/30/16: ((G) + (I))	<u>\$5,463,000</u>	<u>\$5,748,000</u>	<u>\$6,081,000</u>	<u>\$6,492,000</u>	<u>\$7,042,000</u>

Judicial Branch Workers' Compensation Program - State Judiciary  
Funding Options for Program Year 2015-2016 (SIR = \$2,000,000)

	Dollar Amount	Payroll Rate			
(A) Estimated Ultimate Losses Incurred in Accident Year 2015-2016: (From Appendix J-G)	\$693,000	\$0.140			
(B) Estimated Claims Administration Fees Incurred in Accident Year 2015-2016: (From Exhibit J-5, Page 1, item (L))	0	0.000			
(C) Total Claims Costs Incurred in Accident Year 2015-2016: ((A) + (B))	<u>\$693,000</u>	<u>\$0.140</u>			
(D) Loss Discount Factor (Based on a Discount Rate of 0.0%.) (Not Included, Page 2, (F))	1.000				
(E) Discounted Total Claims Costs Incurred in Accident Year 2015-2016: ((C) x (D))	<u>\$693,000</u>	<u>\$0.140</u>			
	<u>Marginally Acceptable</u>		<u>Recommended</u>		<u>Conservative</u>
	70%	75%	80%	85%	90%
(F) Confidence Level Factor: (From Appendix J-I)	1.163	1.313	1.499	1.745	2.108
(G) Margin for Adverse Experience: ((E) x [(F) - 1])	113,000	217,000	346,000	516,000	768,000
(H) Recommended Funding in 2015-2016 for Claims Costs and Other Expenses ((E) + (G))	<u>\$806,000</u>	<u>\$910,000</u>	<u>\$1,039,000</u>	<u>\$1,209,000</u>	<u>\$1,461,000</u>
(I) Rate per \$100 of Payroll: ((H) / \$4,951,081)	\$0.163	\$0.184	\$0.210	\$0.244	\$0.295

Payroll rates are per hundred dollars of 2015-2016 payroll of \$495,108,100.



Judicial Branch Workers' Compensation Program - State Judiciary  
Funding Options for Program Year 2016-2017 (SIR = \$2,000,000)  
One-Year Funding Plan

	Dollar Amount	Payroll Rate			
(A) Estimated Ultimate Losses Incurred in Accident Year 2016-2017: (From Appendix J-G)	\$725,000	\$0.144			
(B) Estimated Claims Administration Fees Incurred in Accident Year 2016-2017: (From Exhibit J-5, Page 1, item (L))	0	0.000			
(C) Total Claims Costs Incurred in Accident Year 2016-2017: ((A) + (B))	<u>\$725,000</u>	<u>\$0.144</u>			
(D) Loss Discount Factor (Based on a Discount Rate of 0.0%.) (Not Included, Page 2, (F))	1.000				
(E) Discounted Total Claims Costs Incurred in Accident Year 2016-2017: ((C) x (D))	<u>\$725,000</u>	<u>\$0.144</u>			
	<u>Marginally Acceptable</u>		<u>Recommended</u>		<u>Conservative</u>
	70%	75%	80%	85%	90%
(F) Confidence Level Factor: (From Appendix J-I)	1.163	1.313	1.499	1.745	2.108
(G) Margin for Adverse Experience: ((E) x [(F) - 1])	118,000	227,000	362,000	540,000	803,000
(H) Recommended Funding in 2016-2017 for Claims Costs and Other Expenses ((E) + (G))	<u>\$843,000</u>	<u>\$952,000</u>	<u>\$1,087,000</u>	<u>\$1,265,000</u>	<u>\$1,528,000</u>
(I) Rate per \$100 of Payroll: ((H) / \$5,037,724)	\$0.167	\$0.189	\$0.216	\$0.251	\$0.303

Payroll rates are per hundred dollars of 2016-2017 payroll of \$503,772,400.

Judicial Branch Workers' Compensation Program - State Judiciary  
Funding Options for Program Year 2017-2018 (SIR = \$2,000,000)  
One-Year Funding Plan

	Dollar Amount	Payroll Rate			
(A) Estimated Ultimate Losses Incurred in Accident Year 2017-2018: (From Appendix J-G)	\$748,000	\$0.146			
(B) Estimated Claims Administration Fees Incurred in Accident Year 2017-2018: (From Exhibit J-5, Page 1, item (L))	0	0.000			
(C) Total Claims Costs Incurred in Accident Year 2017-2018: ((A) + (B))	\$748,000	\$0.146			
(D) Loss Discount Factor (Based on a Discount Rate of 0.0%.) (Not Included, Page 2, (F))	1.000				
(E) Discounted Total Claims Costs Incurred in Accident Year 2017-2018: ((C) x (D))	\$748,000	\$0.146			
	Marginally Acceptable		Recommended		Conservative
	70%		75%	80%	85%
	90%				
(F) Confidence Level Factor: (From Appendix J-I)	1.163		1.313	1.499	1.745
					2.108
(G) Margin for Adverse Experience: ((E) x [(F) - 1])	122,000		234,000	373,000	557,000
					829,000
(H) Recommended Funding in 2017-2018 for Claims Costs and Other Expenses ((E) + (G))	\$870,000		\$982,000	\$1,121,000	\$1,305,000
					\$1,577,000
(I) Rate per \$100 of Payroll: ((H) / \$5,125,885)	\$0.170		\$0.192	\$0.219	\$0.255
					\$0.308

Payroll rates are per hundred dollars of 2017-2018 payroll of \$512,588,500.

Judicial Branch Workers' Compensation Program - State Judiciary  
Funding Options for Program Year 2018-2019 (SIR = \$2,000,000)  
One-Year Funding Plan

	Dollar Amount	Payroll Rate			
(A) Estimated Ultimate Losses Incurred in Accident Year 2018-2019: (From Appendix J-G)	\$777,000	\$0.149			
(B) Estimated Claims Administration Fees Incurred in Accident Year 2018-2019: (From Exhibit J-5, Page 1, item (L))	0	0.000			
(C) Total Claims Costs Incurred in Accident Year 2018-2019: ((A) + (B))	<u>\$777,000</u>	<u>\$0.149</u>			
(D) Loss Discount Factor (Based on a Discount Rate of 0.0%.) (Not Included, Page 2, (F))	1.000				
(E) Discounted Total Claims Costs Incurred in Accident Year 2018-2019: ((C) x (D))	<u>\$777,000</u>	<u>\$0.149</u>			
	<u>Marginally Acceptable</u>		<u>Recommended</u>		<u>Conservative</u>
	70%	75%	80%	85%	90%
(F) Confidence Level Factor: (From Appendix J-I)	1.163	1.313	1.499	1.745	2.108
(G) Margin for Adverse Experience: ((E) x [(F) - 1])	127,000	243,000	388,000	579,000	861,000
(H) Recommended Funding in 2018-2019 for Claims Costs and Other Expenses ((E) + (G))	<u>\$904,000</u>	<u>\$1,020,000</u>	<u>\$1,165,000</u>	<u>\$1,356,000</u>	<u>\$1,638,000</u>
(I) Rate per \$100 of Payroll: ((H) / \$5,215,588)	\$0.173	\$0.196	\$0.223	\$0.260	\$0.314

Payroll rates are per hundred dollars of 2018-2019 payroll of \$521,558,800.

## Judicial Branch Workers' Compensation Program - State Judiciary

## IBNR as of 6/30/16 at Expected Claims Level

Accident Year	Estimated Ultimate (A)	Reported as of 12/31/15 (B)	Estimated IBNR as of 12/31/15 (C)	Estimated Percent of IBNR Reported Between 1/1/16 and 6/30/16 (D)	Estimated IBNR Reported (E)	Estimated IBNR as of 6/30/16 (F)
Prior	\$7,510,000	\$7,465,596	\$44,404	0.0%	\$0	\$44,404
1995-1996	1,373,000	1,363,030	9,970	14.2%	1,000	8,970
1996-1997	216,654	216,654	0	19.8%	0	0
1997-1998	438,096	438,096	0	15.2%	0	0
1998-1999	1,442,000	1,419,520	22,480	12.3%	3,000	19,480
1999-2000	699,000	684,307	14,693	13.4%	2,000	12,693
2000-2001	950,548	950,548	0	10.5%	0	0
2001-2002	949,000	915,878	33,122	10.8%	4,000	29,122
2002-2003	195,771	195,771	0	10.7%	0	0
2003-2004	331,000	313,119	17,881	10.2%	2,000	15,881
2004-2005	365,861	365,861	0	9.4%	0	0
2005-2006	226,861	226,861	0	9.5%	0	0
2006-2007	649,000	585,633	63,367	9.2%	6,000	57,367
2007-2008	292,000	257,090	34,910	8.6%	3,000	31,910
2008-2009	796,000	681,512	114,488	8.8%	10,000	104,488
2009-2010	854,000	706,054	147,946	8.4%	12,000	135,946
2010-2011	384,000	270,543	113,457	8.8%	10,000	103,457
2011-2012	812,000	615,618	196,382	10.1%	20,000	176,382
2012-2013	753,000	497,103	255,897	10.7%	27,000	228,897
2013-2014	458,000	101,267	356,733	10.3%	37,000	319,733
2014-2015	653,000	160,387	492,613	13.1%	65,000	427,613
2015-2016	693,000	61,797	285,000	16.5%	104,000	527,203
Totals	\$21,041,791	\$18,492,245	\$2,203,343		\$306,000	\$2,243,546

## 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 1/1/16 and 6/30/16. 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 6/30/16. This amount is dependent on both the strength of the case reserves and the average frequency and severity of the losses incurred.

Judicial Branch Workers' Compensation Program - State Judiciary  
Ultimate Program Losses Adjusted For Expected Impact of Legislation

Accident Year	Pre-Ruling Selected Ultimate (A)	Paid Losses as of 12/31/15 (B)	Outstanding Losses as of 12/31/15 (C)	Percentage Impact From Legislation (D)	Post-Ruling Adjusted Ultimate (E)
Prior	\$7,510,000	\$7,174,989	\$335,011	0.00%	\$7,510,000
1995-1996	1,373,000	994,831	378,169	0.00%	1,373,000
1996-1997	216,654	216,654		0.00%	216,654
1997-1998	438,096	438,096		0.00%	438,096
1998-1999	1,442,000	1,258,364	183,636	0.00%	1,442,000
1999-2000	699,000	619,926	79,074	0.00%	699,000
2000-2001	950,548	950,548		0.00%	950,548
2001-2002	949,000	779,032	169,968	0.00%	949,000
2002-2003	195,771	195,771		0.00%	195,771
2003-2004	331,000	288,633	42,367	0.00%	331,000
2004-2005	365,861	365,861		0.00%	365,861
2005-2006	226,861	226,861		0.00%	226,861
2006-2007	649,000	543,463	105,537	0.00%	649,000
2007-2008	292,000	159,251	132,749	0.00%	292,000
2008-2009	796,000	601,263	194,737	0.00%	796,000
2009-2010	854,000	646,000	208,000	0.00%	854,000
2010-2011	384,000	226,748	157,252	0.00%	384,000
2011-2012	812,000	492,412	319,588	0.00%	812,000
2012-2013	753,000	419,336	333,664	0.00%	753,000
2013-2014	458,000	38,936	419,064	0.00%	458,000
2014-2015	653,000	44,999	608,001	0.00%	653,000
Totals	\$20,348,791	\$16,681,974	\$3,666,817		\$20,348,791
2015-2016	\$693,000	\$8,026	\$684,974	0.00%	\$693,000
2016-2017	725,000	0	725,000	0.00%	725,000
2017-2018	748,000	0	748,000	0.00%	748,000
2018-2019	777,000	0	777,000	0.00%	777,000

## Notes:

- (A) From Exhibit J-4, Page 2.
- (B) Provided by the Judicial Council.
- (C) (A) - (B).
- (D) Based on WCIRB Estimated Impact of SB863.  
Trending includes the estimated impact of these rulings for forecast years.
- (E) (B) + (C) \* [1 + (D)].

## Judicial Branch Workers' Compensation Program - 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)
Prior	\$7,510,390	\$7,612,663	\$0	\$0	\$5,724,160	\$7,510,000
1995-1996	1,372,571	1,070,438			739,908	1,373,000
1996-1997	218,821	235,070			275,906	216,654
1997-1998	443,791	478,839			515,004	438,096
1998-1999	1,442,232	1,387,975			1,011,250	1,442,000
1999-2000	699,362	689,978			714,582	699,000
2000-2001	977,163	1,070,317	970,464	1,033,161	737,220	950,548
2001-2002	948,850	888,096	940,389	865,170	698,004	949,000
2002-2003	204,581	226,507	207,317	232,287	267,150	195,771
2003-2004	330,654	339,721	336,353	354,390	439,350	331,000
2004-2005	391,471	439,765	388,153	423,478	344,256	365,861
2005-2006	246,825	279,493	253,325	288,283	321,786	226,861
2006-2007	649,467	689,111	631,235	641,647	464,475	649,000
2007-2008	291,797	209,415	303,387	252,623	389,268	292,000
2008-2009	796,006	835,154	810,511	852,094	894,792	796,000
2009-2010	854,325	960,602	842,460	903,132	788,008	854,000
2010-2011	342,507	369,599	411,218	485,991	717,625	384,000
2011-2012	834,778	963,158	790,454	817,488	867,390	812,000
2012-2013	745,655	1,010,600	710,649	794,484	534,021	753,000
2013-2014	174,483	127,321	372,022	486,327	395,112	458,000
2014-2015	371,456	346,852	538,940	624,824	823,055	653,000
Totals						\$20,348,791
			Projected Losses for the Year 2015-2016 (G)			\$693,000
			Projected Losses for the Year 2016-2017 (H)			\$725,000
			Projected Losses for the Year 2017-2018 (I)			\$748,000
			Projected Losses for the Year 2018-2019 (J)			\$777,000

## Notes:

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

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

## Judicial Branch Workers' Compensation Program - State Judiciary

## 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	\$4,721,052	\$4,783,484			\$4,720,896	\$4,721,000
1995-1996	587,450	602,048			586,989	587,000
1996-1997	218,171	223,587			216,659	216,654
1997-1998	403,340	413,344			400,148	400,139
1998-1999	776,675	795,918			777,000	777,000
1999-2000	543,248	557,232			542,997	543,000
2000-2001	559,775	575,278	559,777	574,732	553,680	553,684
2001-2002	517,664	533,522	517,752	532,799	518,004	518,000
2002-2003	198,512	205,168	198,520	204,802	195,780	195,771
2003-2004	318,442	304,219	318,510	304,806	318,014	318,000
2004-2005	251,136	260,975	251,144	260,013	245,984	245,971
2005-2006	232,759	242,514	232,591	241,758	226,854	226,861
2006-2007	323,336	338,061	323,309	336,857	323,004	323,000
2007-2008	267,117	173,584	267,228	181,393	266,992	267,000
2008-2009	605,092	555,414	605,241	560,532	604,992	605,000
2009-2010	525,342	534,565	525,159	533,243	524,992	525,000
2010-2011	293,810	272,551	305,403	300,881	470,875	300,000
2011-2012	624,486	675,986	603,768	608,110	560,512	613,000
2012-2013	426,850	463,668	424,282	442,732	339,711	434,000
2013-2014	127,293	82,194	183,337	250,548	247,332	234,000
2014-2015	251,968	218,470	309,661	371,511	506,805	356,000
Totals						\$12,960,080
			Projected Losses for the Year 2015-2016 (G)			\$465,000
			Projected Losses for the Year 2016-2017 (H)			\$480,000
			Projected Losses for the Year 2017-2018 (I)			\$495,000
			Projected Losses for the Year 2018-2019 (J)			\$514,000

## Notes:

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

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

## Judicial Branch Workers' Compensation Program - State Judiciary

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)
2002-2003	195,771	0.860	168,363	2,887,130	0.058
2003-2004	318,000	1.089	346,302	4,663,622	0.074
2004-2005	245,971	1.406	345,835	4,830,423	0.072
2005-2006	226,861	1.499	340,065	4,876,306	0.070
2006-2007	323,000	1.422	459,306	5,287,792	0.087
2007-2008	267,000	1.321	352,707	5,557,842	0.063
2008-2009	605,000	1.229	743,545	5,495,858	0.135
2009-2010	525,000	1.121	588,525	5,332,926	0.110
2010-2011	300,000	1.079	323,700	5,316,502	0.061
2011-2012	613,000	1.083	663,879	5,193,574	0.128
2012-2013	434,000	1.079	468,286	4,932,919	0.095
2013-2014	234,000	1.079	252,486	4,847,035	0.052
2014-2015	356,000	1.039	369,884	4,726,709	0.078
Totals	\$5,715,287		\$6,290,322	\$69,485,803	\$0.091
10/11-13/14	1,581,000		1,708,351	20,290,030	0.084
11/12-14/15	1,637,000		1,754,535	19,700,237	0.089
			(F) Selected Limited Rate:		\$0.094
			Prior Selected Limited Rate:		\$0.100
Program Year:		2015-2016	2016-2017	2017-2018	2018-2019
(G) Factor to SIR:		1.492	1.511	1.511	1.511
(H) Trend Factor:		1.000	1.015	1.030	1.046
(I) Program Rate:		\$0.140	\$0.144	\$0.146	\$0.149
(J) Trended Payroll (\$00):		\$4,951,081	\$5,037,724	\$5,125,885	\$5,215,588
(K) Projected Program Losses:		693,000	725,000	748,000	777,000
(L) Projected ULAE:		0	0	0	0
(M) Projected Loss and ULAE:		\$693,000	\$725,000	\$748,000	\$777,000



## Judicial Branch Workers' Compensation Program - State Judiciary

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

## Notes:

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

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

## Judicial Branch Workers' Compensation Program - State Judiciary

## Reported Loss Development

Accident Year (A)	Limited Reported Losses as of 12/31/15 (B)	Reported Loss Development Factor (C)	Ultimate Limited Losses (D)	Program Reported Losses of 12/31/15 (E)	Reported Loss Development Factor (F)	Ultimate Program Losses (G)
Prior	\$4,697,564	1.005	\$4,721,052	\$7,465,596	1.006	\$7,510,390
1995-1996	583,946	1.006	587,450	1,363,030	1.007	1,372,571
1996-1997	216,654	1.007	218,171	216,654	1.010	218,821
1997-1998	400,139	1.008	403,340	438,096	1.013	443,791
1998-1999	769,747	1.009	776,675	1,419,520	1.016	1,442,232
1999-2000	537,869	1.010	543,248	684,307	1.022	699,362
2000-2001	553,684	1.011	559,775	950,548	1.028	977,163
2001-2002	511,526	1.012	517,664	915,878	1.036	948,850
2002-2003	195,771	1.014	198,512	195,771	1.045	204,581
2003-2004	313,119	1.017	318,442	313,119	1.056	330,654
2004-2005	245,971	1.021	251,136	365,861	1.070	391,471
2005-2006	226,861	1.026	232,759	226,861	1.088	246,825
2006-2007	313,310	1.032	323,336	585,633	1.109	649,467
2007-2008	257,090	1.039	267,117	257,090	1.135	291,797
2008-2009	576,827	1.049	605,092	681,512	1.168	796,006
2009-2010	493,279	1.065	525,342	706,054	1.210	854,325
2010-2011	270,543	1.086	293,810	270,543	1.266	342,507
2011-2012	558,075	1.119	624,486	615,618	1.356	834,778
2012-2013	363,277	1.175	426,850	497,103	1.500	745,655
2013-2014	101,267	1.257	127,293	101,267	1.723	174,483
2014-2015	160,387	1.571	251,968	160,387	2.316	371,456
Totals	\$12,346,906		\$12,773,518	\$18,430,448		\$19,847,185

## Notes:

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

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

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

Judicial Branch Workers' Compensation Program - State Judiciary  
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
Prior											
1995-1996											
1996-1997											
1997-1998											
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	
2007-2008		182,230	255,251	163,066	223,161	285,786	323,191	319,880	257,090		
2008-2009	72,893	227,884	390,648	494,307	490,959	558,429	567,221	576,827			
2009-2010	38,553	422,040	493,213	499,430	483,058	493,254	493,279				
2010-2011	36,770	148,198	217,390	238,726	261,768	270,543					
2011-2012	144,363	447,283	515,762	598,208	558,075						
2012-2013	149,222	407,603	399,291	363,277							
2013-2014	31,800	80,977	101,267								
2014-2015	59,415	160,387									
2015-2016	61,797										

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
Prior											
1995-1996											
1996-1997											
1997-1998											
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	
2006-2007			1.134	0.852	1.091	0.947	1.017	0.992	1.000		
2007-2008		1.401	0.639	1.369	1.281	1.131	0.990	0.804			
2008-2009	3.126	1.714	1.265	0.993	1.137	1.016	1.017				
2009-2010	10.947	1.169	1.013	0.967	1.021	1.000					
2010-2011	4.030	1.467	1.098	1.097	1.034						
2011-2012	3.098	1.153	1.160	0.933							
2012-2013	2.732	0.980	0.910								
2013-2014	2.546	1.251									
2014-2015	2.699										

	6-18 Months	18-30 Months	30-42 Months	42-54 Months	54-66 Months	66-78 Months	78-90 Months	90-102 Months	102-114 Months	114-126 Months	126-138 Months
Average Dollar-weighted Averages	4.168	1.305	1.031	1.089	1.173	0.991	0.994	0.974	1.008	0.985	1.004
3-yr	2.699	1.086	1.060	0.975	1.070	1.035	1.010	0.965	1.001	0.974	0.997
4-yr	2.849	1.138	1.046	0.980	1.102	1.017	1.000	0.960	1.001	0.979	1.004
Industry Factors	2.765	1.262	1.070	1.020	1.013	1.010	1.009	1.009	1.008	1.006	1.006
Prior	3.250	1.300	1.080	1.050	1.040	1.020	1.015	1.010	1.007	1.006	1.005
Selected	3.000	1.250	1.070	1.050	1.030	1.020	1.015	1.010	1.007	1.006	1.005
Cumulated	4.713	1.571	1.257	1.175	1.119	1.086	1.065	1.049	1.039	1.032	1.026

Judicial Branch Workers' Compensation Program - 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
Prior					4,614,927	4,624,927	4,628,942	4,638,860	4,679,908	4,681,834	4,697,564
1995-1996			583,946	583,946	583,946	583,946	583,946	583,946	583,946	583,946	583,946
1996-1997		214,656	216,654	216,654	216,654	216,654	216,654	216,654	216,654		
1997-1998	440,902	441,223	400,139	400,139	400,139	400,139	400,139	400,139			
1998-1999	815,537	796,055	769,747	769,747	769,747	769,747	769,747				
1999-2000	532,978	533,335	533,130	535,230	437,869	537,869					
2000-2001	553,684	553,684	553,684	553,684	553,684						
2001-2002	523,770	551,920	547,115	511,526							
2002-2003	204,695	204,939	195,771								
2003-2004	313,119	313,119									
2004-2005	245,971										
2005-2006											
2006-2007											
2007-2008											
2008-2009											
2009-2010											
2010-2011											
2011-2012											
2012-2013											
2013-2014											
2014-2015											
2015-2016											

	138-150 Months	150-162 Months	162-174 Months	174-186 Months	186-198 Months	198-210 Months	210-222 Months	222-234 Months	234-246 Months	246-258 Months	258-Ult. Months
Prior					1.002	1.001	1.002	1.009	1.000	1.003	
1995-1996			1.000	1.000	1.000	1.000	1.000	1.000	1.000		
1996-1997		1.009	1.000	1.000	1.000	1.000	1.000	1.000			
1997-1998	1.001	0.907	1.000	1.000	1.000	1.000	1.000				
1998-1999	0.976	0.967	1.000	1.000	1.000	1.000					
1999-2000	1.001	1.000	1.004	0.818	1.228						
2000-2001	1.000	1.000	1.000	1.000							
2001-2002	1.054	0.991	0.935								
2002-2003	1.001	0.955									
2003-2004	1.000										
2004-2005											
2005-2006											
2006-2007											
2007-2008											
2008-2009											
2009-2010											
2010-2011											
2011-2012											
2012-2013											
2013-2014											
2014-2015											

	138-150 Months	150-162 Months	162-174 Months	174-186 Months	186-198 Months	198-210 Months	210-222 Months	222-234 Months	234-246 Months	246-258 Months	258-Ult. Months
Average Dollar-weighted Averages	1.005	0.976	0.991	0.970	1.038	1.000	1.001	1.003	1.000	1.003	
3-yr	1.027	0.989	0.980	0.948	1.062	1.000	1.000	1.008			
4-yr	1.018	0.992	0.986	0.957	1.055	1.000	1.002				
Industry Factors	1.005	1.004	1.004	1.003	1.003	1.003	1.002	1.002	1.002	1.001	1.006
Prior	1.004	1.003	1.002	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.005
Selected	1.004	1.003	1.002	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.005
Cumulated	1.021	1.017	1.014	1.012	1.011	1.010	1.009	1.008	1.007	1.006	1.005

Judicial Branch Workers' Compensation Program - State Judiciary  
Reported between \$100,000 and \$500,000 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
Prior											
1995-1996											
1996-1997											
1997-1998											
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	
2007-2008											
2008-2009			42,100	119,768	119,768	101,528	101,791	104,685			
2009-2010		191,500	205,410	195,816	205,100	209,294	212,775				
2010-2011											
2011-2012			53,416	68,749	57,543						
2012-2013		197,315	136,141	133,826							
2013-2014											
2014-2015											
2015-2016											

Reported Loss Development Factors:

Accident Year	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
Prior											
1995-1996											
1996-1997											
1997-1998											
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		
2007-2008											
2008-2009			2.845	1.000	0.848	1.003	1.028				
2009-2010		1.073	0.953	1.047	1.020	1.017					
2010-2011											
2011-2012			1.287	0.837							
2012-2013		0.690	0.983								
2013-2014											
2014-2015											

	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		0.882	1.517	0.961	0.966	1.315	1.205	1.677	1.004	0.993	1.083
3-yr									0.969		
4-yr											
Industry Factors	3.801	2.127	1.559	1.316	1.192	1.114	1.089	1.075	1.062	1.053	1.044
Prior	4.374	2.509	1.931	1.590	1.395	1.299	1.242	1.199	1.164	1.142	1.136
Selected	3.801	2.127	1.559	1.316	1.192	1.114	1.089	1.075	1.062	1.053	1.044
Cumulated	3.801	2.127	1.559	1.316	1.192	1.114	1.089	1.075	1.062	1.053	1.044
	36.657	9.644	4.534	2.908	2.210	1.854	1.664	1.528	1.421	1.338	1.271

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

Accident Year	Losses Reported as of:										
	138 Months	150 Months	162 Months	174 Months	186 Months	198 Months	210 Months	222 Months	234 Months	246 Months	258 Months
Prior				2,128,972	2,423,551	2,419,390	2,419,390	2,378,016	2,492,320	2,536,497	2,511,997
1995-1996			400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	
1996-1997											
1997-1998	44,769	42,008	37,957	37,957	37,957	37,957	37,957	37,957			
1998-1999	444,658	476,438	476,438	477,638	619,623	619,622	619,622				
1999-2000	109,716	109,716	109,716	114,191	114,191	146,439					
2000-2001	396,372	396,529	396,686	396,865	396,865						
2001-2002	543,370	543,370	543,938	404,352							
2002-2003											
2003-2004											
2004-2005	119,890										
2005-2006											
2006-2007											
2007-2008											
2008-2009											
2009-2010											
2010-2011											
2011-2012											
2012-2013											
2013-2014											
2014-2015											
2015-2016											
	138-150 Months	150-162 Months	162-174 Months	174-186 Months	186-198 Months	198-210 Months	210-222 Months	222-234 Months	234-246 Months	246-258 Months	258-Ult. Months
Prior				1.138	0.998	1.000	0.983	1.048	1.018	0.990	
1995-1996			1.000	1.000	1.000	1.000	1.000	1.000	1.000		
1996-1997											
1997-1998	0.938	0.904	1.000	1.000	1.000	1.000	1.000				
1998-1999	1.071	1.000	1.003	1.297	1.000	1.000					
1999-2000	1.000	1.000	1.041	1.000	1.282						
2000-2001	1.000	1.000	1.000	1.000							
2001-2002	1.000	1.001	0.743								
2002-2003											
2003-2004											
2004-2005											
2005-2006											
2006-2007											
2007-2008											
2008-2009											
2009-2010											
2010-2011											
2011-2012											
2012-2013											
2013-2014											
2014-2015											
Average Dollar-weighted Averages	1.002	0.981	0.965	1.073	1.056	1.000	0.994	1.024	1.009	0.990	
3-yr			0.872	1.144	1.042						
4-yr			0.912	1.138							
Industry	1.035	1.030	1.028	1.025	1.023	1.017	1.013	1.010	1.006	1.003	1.010
Factors	1.125	1.109	1.098	1.081	1.063	1.039	1.017	1.010	1.006	1.003	1.010
Prior	1.035	1.030	1.028	1.025	1.023	1.017	1.013	1.010	1.006	1.003	1.010
Selected	1.035	1.030	1.028	1.025	1.023	1.017	1.013	1.010	1.006	1.003	1.010
Cumulated	1.217	1.176	1.142	1.111	1.084	1.060	1.042	1.029	1.019	1.013	1.010

## Judicial Branch Workers' Compensation Program - State Judiciary

## Paid Loss Development

Accident Year (A)	Limited Paid Losses as of 12/31/15 (B)	Paid Loss Development Factor (C)	Ultimate Limited Losses (D)	Program Paid Losses of 12/31/15 (E)	Paid Loss Development Factor (F)	Ultimate Program Losses (G)
Prior	\$4,644,159	1.030	\$4,783,484	\$7,174,989	1.061	\$7,612,663
1995-1996	583,946	1.031	602,048	994,831	1.076	1,070,438
1996-1997	216,654	1.032	223,587	216,654	1.085	235,070
1997-1998	400,139	1.033	413,344	438,096	1.093	478,839
1998-1999	769,747	1.034	795,918	1,258,364	1.103	1,387,975
1999-2000	537,869	1.036	557,232	619,926	1.113	689,978
2000-2001	553,684	1.039	575,278	950,548	1.126	1,070,317
2001-2002	511,526	1.043	533,522	779,032	1.140	888,096
2002-2003	195,771	1.048	205,168	195,771	1.157	226,507
2003-2004	288,633	1.054	304,219	288,633	1.177	339,721
2004-2005	245,971	1.061	260,975	365,861	1.202	439,765
2005-2006	226,861	1.069	242,514	226,861	1.232	279,493
2006-2007	313,310	1.079	338,061	543,463	1.268	689,111
2007-2008	159,251	1.090	173,584	159,251	1.315	209,415
2008-2009	499,473	1.112	555,414	601,263	1.389	835,154
2009-2010	466,869	1.145	534,565	646,000	1.487	960,602
2010-2011	226,748	1.202	272,551	226,748	1.630	369,599
2011-2012	489,136	1.382	675,986	492,412	1.956	963,158
2012-2013	285,510	1.624	463,668	419,336	2.410	1,010,600
2013-2014	38,936	2.111	82,194	38,936	3.270	127,321
2014-2015	44,999	4.855	218,470	44,999	7.708	346,852
Totals	\$11,699,192		\$12,811,782	\$16,681,974		\$20,230,674

## Notes:

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

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

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

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

Limited Losses Paid as of:

Accident Year	6 Months	18 Months	30 Months	42 Months	54 Months	66 Months	78 Months	90 Months	102 Months	114 Months	126 Months
Prior											
1995-1996											
1996-1997											
1997-1998											
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	
2007-2008		42,869	76,942	85,522	100,926	129,066	134,527	141,605	159,251		
2008-2009	14,270	155,054	269,155	371,169	425,671	449,069	477,417	499,473			
2009-2010	2,193	112,420	275,166	300,157	344,298	393,422	466,869				
2010-2011	4,096	43,931	79,332	134,773	178,164	226,748					
2011-2012	28,206	159,528	296,493	416,624	489,136						
2012-2013	17,823	53,096	222,714	285,510							
2013-2014	3,931	24,089	38,936								
2014-2015	1,980	44,999									
2015-2016	8,026										

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
Prior											
1995-1996											
1996-1997											
1997-1998											
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	
2006-2007			1.606	1.399	1.176	1.018	1.040	1.038	1.000		
2007-2008		1.795	1.112	1.180	1.279	1.042	1.053	1.125			
2008-2009	10.866	1.736	1.379	1.147	1.055	1.063	1.046				
2009-2010	51.261	2.448	1.091	1.147	1.143	1.187					
2010-2011	10.725	1.806	1.699	1.322	1.273						
2011-2012	5.656	1.859	1.405	1.174							
2012-2013	2.979	4.195	1.282								
2013-2014	6.128	1.616									
2014-2015	22.727										
Average Dollar-weighted Averages	15.763	2.208	1.368	1.225	1.266	1.071	1.081	1.037	1.008	1.010	1.010
3-yr	5.148	2.358	1.398	1.188	1.128	1.110	1.045	1.050	1.003	1.003	1.002
4-yr	5.424	2.271	1.301	1.175	1.142	1.089	1.041	1.047	1.002	1.002	1.005
Industry Factors	3.653	1.715	1.266	1.127	1.069	1.041	1.026	1.017	1.014	1.011	1.009
Prior	8.000	2.300	1.300	1.175	1.150	1.040	1.030	1.020	1.010	1.009	1.008
Selected	8.000	2.300	1.300	1.175	1.150	1.050	1.030	1.020	1.010	1.009	1.008
Cumulated	38.840	4.855	2.111	1.624	1.382	1.202	1.145	1.112	1.090	1.079	1.069



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

Limited Losses Paid as of:

Accident Year	138 Months	150 Months	162 Months	174 Months	186 Months	198 Months	210 Months	222 Months	234 Months	246 Months	258 Months
Prior				4,587,089	4,588,487	4,602,623	4,605,984	4,610,568	4,620,369	4,625,374	4,644,159
1995-1996			583,946	583,946	583,946	583,946	583,946	583,946	583,946	583,946	
1996-1997		214,656	216,654	216,654	216,654	216,654	216,654	216,654	216,654		
1997-1998	391,618	399,978	400,139	400,139	400,139	400,139	400,139	400,139			
1998-1999	769,675	769,747	769,747	769,747	769,747	769,747	769,747				
1999-2000	504,417	508,985	511,376	515,305	437,869	537,869					
2000-2001	553,684	553,684	553,684	553,684	553,684						
2001-2002	499,831	501,748	509,628	511,526							
2002-2003	195,527	195,771									
2003-2004	288,006	288,633									
2004-2005	245,971										
2005-2006											
2006-2007											
2007-2008											
2008-2009											
2009-2010											
2010-2011											
2011-2012											
2012-2013											
2013-2014											
2014-2015											
2015-2016											

	138-150 Months	150-162 Months	162-174 Months	174-186 Months	186-198 Months	198-210 Months	210-222 Months	222-234 Months	234-246 Months	246-258 Months	258-Ult. Months
Prior				1.000	1.003	1.001	1.001	1.002	1.001	1.004	
1995-1996			1.000	1.000	1.000	1.000	1.000	1.000	1.000		
1996-1997		1.009	1.000	1.000	1.000	1.000	1.000	1.000			
1997-1998	1.021	1.000	1.000	1.000	1.000	1.000	1.000				
1998-1999	1.000	1.000	1.000	1.000	1.000	1.000					
1999-2000	1.009	1.005	1.008	0.850	1.228						
2000-2001	1.000	1.000	1.000	1.000							
2001-2002	1.004	1.016	1.004								
2002-2003	1.001	1.000									
2003-2004	1.002										
2004-2005											
2005-2006											
2006-2007											
2007-2008											
2008-2009											
2009-2010											
2010-2011											
2011-2012											
2012-2013											
2013-2014											
2014-2015											

	138-150 Months	150-162 Months	162-174 Months	174-186 Months	186-198 Months	198-210 Months	210-222 Months	222-234 Months	234-246 Months	246-258 Months	258-Ult. Months
Average Dollar-weighted Averages	1.005	1.004	1.002	0.979	1.039	1.000	1.000	1.001	1.001	1.004	
3-yr	1.003	1.006	1.004	0.958	1.062	1.000	1.000	1.002			
4-yr	1.002	1.006	1.002	0.965	1.055	1.000	1.001				
Industry Factors	1.009	1.008	1.006	1.006	1.005	1.004	1.004	1.004	1.004	1.002	1.013
Prior	1.007	1.006	1.005	1.004	1.003	1.002	1.001	1.001	1.001	1.001	1.030
Selected	1.007	1.006	1.005	1.004	1.003	1.002	1.001	1.001	1.001	1.001	1.030
Cumulated	1.061	1.054	1.048	1.043	1.039	1.036	1.034	1.033	1.032	1.031	1.030

Judicial Branch Workers' Compensation Program - 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
Prior											
1995-1996											
1996-1997											
1997-1998											
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	
2007-2008											
2008-2009			5,000	27,875	34,876	101,528	101,791	101,791			
2009-2010				4,316	4,085	4,085	179,131				
2010-2011											
2011-2012				9,253	3,276						
2012-2013			133,826	133,826							
2013-2014											
2014-2015											
2015-2016											

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
Prior											
1995-1996											
1996-1997											
1997-1998											
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		
2007-2008											
2008-2009			5.575	1.251	2.911	1.003	1.000				
2009-2010				0.946	1.000	43.851					
2010-2011											
2011-2012				0.354							
2012-2013			1.000								
2013-2014											
2014-2015											

	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			3.288	0.850	1.956	19.642	1.594	1.225	1.190	1.022	1.072
3-yr											
4-yr											
Industry	5.004	3.280	2.571	1.941	1.591	1.380	1.272	1.209	1.134	1.089	1.075
Factors	7.975	4.140	2.745	2.046	1.696	1.535	1.446	1.378	1.321	1.277	1.248
Prior	5.004	3.280	2.571	1.941	1.591	1.380	1.272	1.209	1.134	1.089	1.075
Selected	5.004	3.280	2.571	1.941	1.591	1.380	1.272	1.209	1.134	1.089	1.075
Cumulated	662.550	132.404	40.367	15.701	8.089	5.084	3.684	2.896	2.395	2.112	1.939

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

Accident Year	<u>Losses Paid as of:</u>										
	138 Months	150 Months	162 Months	174 Months	186 Months	198 Months	210 Months	222 Months	234 Months	246 Months	258 Months
Prior				1,961,166	2,025,731	2,068,218	2,108,288	2,151,493	2,195,471	2,235,466	2,274,795
1995-1996			197,303	208,144	234,604	269,423	298,780	332,321	343,159	400,000	
1996-1997											
1997-1998	37,957	37,957	37,957	37,957	37,957	37,957	37,957	37,957			
1998-1999	266,531	318,330	344,825	367,098	415,343	444,026	488,617				
1999-2000	51,741	53,894	57,206	61,429	68,499	82,057					
2000-2001	396,372	396,529	396,686	396,865	396,865						
2001-2002	119,901	125,415	135,058	267,506							
2002-2003											
2003-2004											
2004-2005	119,890										
2005-2006											
2006-2007											
2007-2008											
2008-2009											
2009-2010											
2010-2011											
2011-2012											
2012-2013											
2013-2014											
2014-2015											
2015-2016											
	138-150 Months	150-162 Months	162-174 Months	174-186 Months	186-198 Months	198-210 Months	210-222 Months	222-234 Months	234-246 Months	246-258 Months	258-Ult. Months
Prior				1.033	1.021	1.019	1.020	1.020	1.018	1.018	
1995-1996			1.055	1.127	1.148	1.109	1.112	1.033	1.166		
1996-1997											
1997-1998	1.000	1.000	1.000	1.000	1.000	1.000	1.000				
1998-1999	1.194	1.083	1.065	1.131	1.069	1.100					
1999-2000	1.042	1.061	1.074	1.115	1.198						
2000-2001	1.000	1.000	1.000	1.000							
2001-2002	1.046	1.077	1.981								
2002-2003											
2003-2004											
2004-2005											
2005-2006											
2006-2007											
2007-2008											
2008-2009											
2009-2010											
2010-2011											
2011-2012											
2012-2013											
2013-2014											
2014-2015											
Average Dollar-weighted Averages	1.056	1.044	1.196	1.068	1.087	1.057	1.044	1.027	1.092	1.018	
3-yr			1.232	1.067	1.081						
4-yr			1.170	1.064							
Industry Factors	1.062	1.050	1.040	1.035	1.032	1.030	1.030	1.030	1.030	1.047	1.236
Prior	1.226	1.205	1.187	1.164	1.142	1.106	1.043	1.010	1.010	1.005	1.020
Selected	1.062	1.050	1.040	1.035	1.032	1.030	1.030	1.030	1.030	1.047	1.236
Cumulated	1.062	1.050	1.040	1.035	1.032	1.030	1.030	1.030	1.030	1.047	1.236
	1.804	1.699	1.618	1.556	1.503	1.456	1.414	1.373	1.333	1.294	1.236

## Judicial Branch Workers' Compensation Program - State Judiciary

Exposure and Development Method  
Based on Reported Losses

Accident Year	Trended Payroll (\$00) (A)	Reported Losses as of 12/31/15 (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)
2002-2003	2,887,130	195,771	1.045	0.043	0.093	11,546	207,317
2003-2004	4,663,622	313,119	1.056	0.053	0.094	23,234	336,353
2004-2005	4,830,423	365,861	1.070	0.065	0.071	22,292	388,153
2005-2006	4,876,306	226,861	1.088	0.081	0.067	26,464	253,325
2006-2007	5,287,792	585,633	1.109	0.098	0.088	45,602	631,235
2007-2008	5,557,842	257,090	1.135	0.119	0.070	46,297	303,387
2008-2009	5,495,858	681,512	1.168	0.144	0.163	128,999	810,511
2009-2010	5,332,926	706,054	1.210	0.174	0.147	136,406	842,460
2010-2011	5,316,502	270,543	1.266	0.210	0.126	140,675	411,218
2011-2012	5,193,574	615,618	1.356	0.263	0.128	174,836	790,454
2012-2013	4,932,919	497,103	1.500	0.333	0.130	213,546	710,649
2013-2014	4,847,035	101,267	1.723	0.420	0.133	270,755	372,022
2014-2015	4,726,709	160,387	2.316	0.568	0.141	378,553	538,940
Totals	\$69,485,803	\$6,843,245				\$1,663,632	\$8,506,877

## 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 payroll that changes in regular ways over time. The method relies on the premise that the losses that are currently unreported will cost what this relationship would suggest.

## Judicial Branch Workers' Compensation Program - State Judiciary

Exposure and Development Method  
Based on Paid Losses

Accident Year	Trended Payroll (\$00) (A)	Paid Losses as of 12/31/15 (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)
2002-2003	2,887,130	195,771	1.157	0.136	0.093	36,516	232,287
2003-2004	4,663,622	288,633	1.177	0.150	0.094	65,757	354,390
2004-2005	4,830,423	365,861	1.202	0.168	0.071	57,617	423,478
2005-2006	4,876,306	226,861	1.232	0.188	0.067	61,422	288,283
2006-2007	5,287,792	543,463	1.268	0.211	0.088	98,184	641,647
2007-2008	5,557,842	159,251	1.315	0.240	0.070	93,372	252,623
2008-2009	5,495,858	601,263	1.389	0.280	0.163	250,831	852,094
2009-2010	5,332,926	646,000	1.487	0.328	0.147	257,132	903,132
2010-2011	5,316,502	226,748	1.630	0.387	0.126	259,243	485,991
2011-2012	5,193,574	492,412	1.956	0.489	0.128	325,076	817,488
2012-2013	4,932,919	419,336	2.410	0.585	0.130	375,148	794,484
2013-2014	4,847,035	38,936	3.270	0.694	0.133	447,391	486,327
2014-2015	4,726,709	44,999	7.708	0.870	0.141	579,825	624,824
Totals	\$69,485,803	\$5,979,114				\$3,076,265	\$9,055,379

## 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 payroll that changes in regular ways over time. The method relies on the premise that the losses that are currently unpaid will cost what this relationship would suggest.

## Judicial Branch Workers' Compensation Program - 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)
2002-2003	2,887,130	195,771	0.860	168,363	0.058	0.068	1.365	0.093
2003-2004	4,663,622	318,000	1.089	346,302	0.074	0.068	1.382	0.094
2004-2005	4,830,423	245,971	1.406	345,835	0.072	0.051	1.400	0.071
2005-2006	4,876,306	226,861	1.499	340,065	0.070	0.047	1.419	0.067
2006-2007	5,287,792	323,000	1.422	459,306	0.087	0.061	1.438	0.088
2007-2008	5,557,842	267,000	1.321	352,707	0.063	0.048	1.458	0.070
2008-2009	5,495,858	605,000	1.229	743,545	0.135	0.110	1.479	0.163
2009-2010	5,332,926	525,000	1.121	588,525	0.110	0.098	1.501	0.147
2010-2011	5,316,502	294,000	1.079	317,226	0.060	0.083	1.524	0.126
2011-2012	5,193,574	624,000	1.083	675,792	0.130	0.083	1.548	0.128
2012-2013	4,932,919	445,000	1.079	480,155	0.097	0.083	1.572	0.130
2013-2014	4,847,035	127,000	1.079	137,033	0.028	0.083	1.598	0.133
2014-2015	4,726,709	252,000	1.039	261,828	0.055	0.087	1.624	0.141
Total/Avg	\$69,485,803	\$5,520,287		\$6,084,121	\$0.088			
08/09-13/14	31,118,814	2,620,000		2,942,276	\$0.095			
09/10-14/15	30,349,665	2,267,000		2,460,559	\$0.081			

Selected Limited Rate: \$0.090  
Prior Selected Limited Rate: \$0.100

## Notes:

- (A) From Appendix J-L, Column (C).
- (B) Selected average of results from Appendices A and B.
- (C) From Appendix J-E, Column (B).
- (D) (B) x (C).
- (E) (D) / (A).
- (F) Selected Limited Rate / (C). For 2009-2010 and prior (B) / (A).
- (G) Based on a Weibull distribution, a mathematical model of claim sizes.
- (H) (F) x (G).

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

## Judicial Branch Workers' Compensation Program - State Judiciary

## Frequency and Severity Method

Accident Year	Ultimate Program Severity (A)	Adjusted Ultimate Claims (B)	Ultimate Program Losses (C)
Prior	\$22,360	256	\$5,724,160
1995-1996	18,972	39	739,908
1996-1997	9,514	29	275,906
1997-1998	18,393	28	515,004
1998-1999	20,225	50	1,011,250
1999-2000	26,466	27	714,582
2000-2001	24,574	30	737,220
2001-2002	19,389	36	698,004
2002-2003	6,850	39	267,150
2003-2004	15,150	29	439,350
2004-2005	10,758	32	344,256
2005-2006	11,918	27	321,786
2006-2007	14,075	33	464,475
2007-2008	17,694	22	389,268
2008-2009	38,904	23	894,792
2009-2010	30,308	26	788,008
2010-2011	28,705	25	717,625
2011-2012	29,910	29	867,390
2012-2013	31,413	17	534,021
2013-2014	32,926	12	395,112
2014-2015	35,785	23	823,055
Total		832	\$17,662,322

## Notes:

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

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

## Judicial Branch Workers' Compensation Program - State Judiciary

## 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	\$4,721,000	256	\$18,441	2.898	\$53,442	\$18,441	1.213	\$22,360
1995-1996	587,000	39	15,051	2.454	36,935	15,051	1.261	18,972
1996-1997	216,654	29	7,471	2.147	16,040	7,471	1.274	9,514
1997-1998	400,139	28	14,291	1.814	25,924	14,291	1.287	18,393
1998-1999	777,000	50	15,540	1.578	24,522	15,540	1.302	20,225
1999-2000	543,000	27	20,111	1.381	27,773	20,111	1.316	26,466
2000-2001	553,684	30	18,456	1.264	23,328	18,456	1.332	24,574
2001-2002	518,000	36	14,389	1.234	17,756	14,389	1.348	19,389
2002-2003	195,771	39	5,020	1.269	6,370	5,020	1.365	6,850
2003-2004	318,000	29	10,966	1.559	17,096	10,966	1.382	15,150
2004-2005	245,971	32	7,687	1.954	15,020	7,687	1.400	10,758
2005-2006	226,861	27	8,402	2.022	16,989	8,402	1.419	11,918
2006-2007	323,000	33	9,788	1.860	18,206	9,788	1.438	14,075
2007-2008	267,000	22	12,136	1.678	20,364	12,136	1.458	17,694
2008-2009	605,000	23	26,304	1.515	39,851	26,304	1.479	38,904
2009-2010	525,000	26	20,192	1.341	27,077	20,192	1.501	30,308
2010-2011	300,000	25	12,000	1.253	15,036	18,835	1.524	28,705
2011-2012	613,000	29	21,138	1.221	25,809	19,328	1.548	29,910
2012-2013	434,000	17	25,529	1.181	30,150	19,983	1.572	31,413
2013-2014	234,000	12	19,500	1.145	22,328	20,611	1.598	32,926
2014-2015	356,000	23	15,478	1.071	16,577	22,035	1.624	35,785

Average Limited Severity: \$23,647

Average 11/12-14/15 Limited Severity: \$23,716

Selected Limited Severity: \$23,600

Prior Selected Limited Severity: \$25,600

## Notes:

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

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



Judicial Branch Workers' Compensation Program - 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	256	249	256	0		0.528	
1995-1996	39	38	39	0		0.544	
1996-1997	29	29	29	0		0.561	
1997-1998	28	28	28	0		0.578	
1998-1999	50	48	50	0		0.596	
1999-2000	27	25	27	0		0.614	
2000-2001	30	30	30	270	0.111	0.633	0.070
2001-2002	36	34	36	284	0.127	0.653	0.083
2002-2003	39	40	39	289	0.135	0.673	0.091
2003-2004	29	29	29	466	0.062	0.693	0.043
2004-2005	32	33	32	483	0.066	0.715	0.047
2005-2006	27	28	27	488	0.055	0.737	0.041
2006-2007	33	34	33	529	0.062	0.760	0.047
2007-2008	22	20	22	556	0.040	0.783	0.031
2008-2009	23	23	23	550	0.042	0.807	0.034
2009-2010	26	27	26	533	0.049	0.832	0.041
2010-2011	25	28	25	532	0.047	0.859	0.040
2011-2012	29	28	29	519	0.056	0.885	0.050
2012-2013	17	17	17	493	0.034	0.912	0.031
2013-2014	12	18	12	485	0.025	0.941	0.024
2014-2015	24	33	23	473	0.048	0.970	0.047
Total	833	839	832	6,948.580			0.045

(H) Selected 2015-2016 Frequency: 0.045  
 Prior Selected Frequency: 0.048

Program Year:	2015-2016	2016-2017	2017-2018	2018-2019
(I) Trend Factor:	1.000	0.970	0.941	0.913
(J) Selected Frequency:	0.045	0.044	0.042	0.041
(K) Estimated Payroll (\$000,000):	\$495	\$504	\$513	\$522
(L) Ultimate Claims:	22	22	22	21

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) divided by 10,000.
- (E) (C) / (D).
- (F) From Appendix J-E.
- (G) (E) x (F).
- (H) The selected frequency of .045 is based on (G).
- (I) From Appendix J-E.
- (J) (H) x (I).
- (K) From Appendix J-L, Column (C) divided by 10,000.
- (L) (J) x (K).

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

## Judicial Branch Workers' Compensation Program - State Judiciary

Frequency and Severity Method  
Reported Claim Count Development

Accident Year	Claims Reported as of 12/31/2015 (A)	Reported Claim Development Factor (B)	Ultimate Claims (C)	Trended Claim Frequency (D)
Prior	256	1.000	256	
1995-1996	39	1.000	39	
1996-1997	29	1.000	29	
1997-1998	28	1.000	28	
1998-1999	50	1.000	50	
1999-2000	27	1.000	27	
2000-2001	30	1.000	30	0.070
2001-2002	36	1.000	36	0.083
2002-2003	39	1.000	39	0.091
2003-2004	29	1.000	29	0.043
2004-2005	32	1.000	32	0.047
2005-2006	27	1.000	27	0.041
2006-2007	33	1.000	33	0.047
2007-2008	22	1.000	22	0.031
2008-2009	23	1.000	23	0.034
2009-2010	26	1.000	26	0.041
2010-2011	25	1.006	25	0.040
2011-2012	29	1.014	29	0.049
2012-2013	16	1.039	17	0.031
2013-2014	11	1.081	12	0.023
2014-2015	21	1.135	24	0.049
Total	828		833	0.045

## Notes:

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

This exhibit shows the calculation of estimated ultimate claims for each year based on reported claims as provided by the Judicial Council. These numbers of claims tend to "develop" or change from period to period as more claims are filed. This development tends to follow quantifiable patterns over time.

## Judicial Branch Workers' Compensation Program - State Judiciary

Frequency and Severity Method  
Closed Claim Count Development

Accident Year	Claims Closed as of 12/31/2015 (A)	Closed Claim Development Factor (B)	Ultimate Claims (C)	Trended Claim Frequency (D)
Prior	248	1.005	249	
1995-1996	38	1.006	38	
1996-1997	29	1.007	29	
1997-1998	28	1.008	28	
1998-1999	48	1.009	48	
1999-2000	25	1.010	25	
2000-2001	30	1.011	30	0.070
2001-2002	34	1.012	34	0.078
2002-2003	39	1.017	40	0.093
2003-2004	28	1.023	29	0.043
2004-2005	32	1.030	33	0.049
2005-2006	27	1.038	28	0.042
2006-2007	32	1.047	34	0.049
2007-2008	19	1.057	20	0.028
2008-2009	21	1.083	23	0.034
2009-2010	24	1.115	27	0.042
2010-2011	24	1.170	28	0.045
2011-2012	22	1.267	28	0.048
2012-2013	12	1.400	17	0.031
2013-2014	10	1.750	18	0.035
2014-2015	13	2.538	33	0.068
Total	783		839	0.047

## Notes:

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

This exhibit shows the calculation of estimated ultimate claims for each year based on closed claims as provided by the Judicial Council. These numbers of closed claims tend to "develop" or change from period to period as more claims are closed. This development tends to follow quantifiable patterns over time.

Judicial Branch Workers' Compensation Program - State Judiciary  
Reported Claim Count Development

Accident Year	Number of Claims Reported as of:													
	6 Months	18 Months	30 Months	42 Months	54 Months	66 Months	78 Months	90 Months	102 Months	114 Months	126 Months	138 Months	150 Months	162 Months
Prior														
1995-1996														39
1996-1997													29	29
1997-1998												28	28	28
1998-1999											50	50	50	50
1999-2000										27	27	27	27	27
2000-2001									30	30	30	30	30	30
2001-2002								36	36	36	36	36	36	36
2002-2003							39	39	39	39	39	39	39	39
2003-2004						29	29	29	29	29	29	29	29	
2004-2005					32	32	32	32	32	32	32	32		
2005-2006				22	23	27	27	27	27	27	27			
2006-2007			34	33	33	33	33	33	33	33				
2007-2008		22	21	21	21	21	22	22	22					
2008-2009	5	17	20	21	23	23	23	23						
2009-2010	12	24	25	25	26	26	26							
2010-2011	8	24	23	25	25	25								
2011-2012	10	22	24	30	29									
2012-2013	7	15	15	16										
2013-2014	6	11	11											
2014-2015	9	21												
2015-2016	13													

Reported Claim Count Development Factors:

	6-18	18-30	30-42	42-54	54-66	66-78	78-90	90-102	102-114	114-126	126-138	138-150	150-162	162-174
	Months	Months	Months	Months	Months	Months	Months	Months	Months	Months	Months	Months	Months	Months
Prior														
1995-1996														1.000
1996-1997													1.000	1.000
1997-1998												1.000	1.000	1.000
1998-1999											1.000	1.000	1.000	1.000
1999-2000										1.000	1.000	1.000	1.000	1.000
2000-2001									1.000	1.000	1.000	1.000	1.000	1.000
2001-2002								1.000	1.000	1.000	1.000	1.000	1.000	1.000
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		
2004-2005					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				
2006-2007			0.971	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						
2008-2009	3.400	1.176	1.050	1.095	1.000	1.000	1.000							
2009-2010	2.000	1.042	1.000	1.040	1.000	1.000								
2010-2011	3.000	0.958	1.087	1.000	1.000									
2011-2012	2.200	1.091	1.250	0.967										
2012-2013	2.143	1.000	1.067											
2013-2014	1.833	1.000												
2014-2015	2.333													
Average	2.416	1.032	1.061	1.021	1.025	1.007	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Claim-weighted Averages														
3-yr	2.136	1.042	1.145	1.000	1.000	1.014	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
4-yr	2.156	1.014	1.103	1.020	1.000	1.010	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Industry Factors	2.494	1.052	1.005	1.004	1.002	1.002	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Prior	2.400	1.050	1.040	1.030	1.010	1.005	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Selected	2.350	1.050	1.040	1.025	1.008	1.006	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Cumulated	2.667	1.135	1.081	1.039	1.014	1.006	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Judicial Branch Workers' Compensation Program - 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
Prior														
1995-1996														38
1996-1997													29	29
1997-1998												26	26	28
1998-1999											46	47	47	48
1999-2000										25	26	25	25	25
2000-2001									27	27	28	30	30	30
2001-2002								30	32	33	33	32	33	33
2002-2003							36	37	37	37	37	38	38	39
2003-2004						27	28	27	29	29	28	28	28	
2004-2005					27	28	30	30	32	32	32	32		
2005-2006				13	18	25	25	26	25	25	27			
2006-2007			21	25	29	29	30	31	32	32				
2007-2008		8	13	15	15	15	17	18	19					
2008-2009	3	10	13	15	17	20	21	21						
2009-2010	1	12	17	21	22	24	24							
2010-2011	4	12	15	18	22	24								
2011-2012	1	9	12	20	22									
2012-2013	1	6	10	12										
2013-2014	2	7	10											
2014-2015	1	13												
2015-2016	4													

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
Prior														
1995-1996														1.000
1996-1997													1.000	1.000
1997-1998												1.000	1.077	1.000
1998-1999											1.022	1.000	1.021	1.000
1999-2000										1.040	0.962	1.000	1.000	1.000
2000-2001									1.000	1.037	1.071	1.000	1.000	1.000
2001-2002								1.067	1.031	1.000	0.970	1.031	1.000	1.030
2002-2003							1.028	1.000	1.000	1.000	1.027	1.000	1.026	
2003-2004						1.037	1.071	1.000	1.067	1.000	1.000	1.000		
2004-2005					1.385	1.389	1.000	1.040	0.962	1.000	1.080			
2005-2006			1.190	1.160	1.000	1.034	1.033	1.032	1.000					
2006-2007		1.625	1.154	1.000	1.000	1.133	1.059	1.056						
2007-2008	3.333	1.300	1.154	1.133	1.176	1.050	1.000							
2008-2009	12.000	1.417	1.235	1.048	1.091	1.000								
2009-2010	3.000	1.250	1.200	1.222	1.091									
2010-2011	9.000	1.333	1.667	1.100										
2011-2012	6.000	1.667	1.200											
2012-2013	3.500	1.429												
2013-2014	13.000													
2014-2015														
Average	7.119	1.432	1.257	1.150	1.112	1.046	1.018	1.037	1.004	1.018	1.007	1.004	1.018	1.004
Claim-weighted Averages														
3-yr	6.500	1.455	1.351	1.119	1.115	1.051	1.029	1.013	1.000	1.012	1.010	1.010	1.010	1.011
4-yr	7.000	1.382	1.315	1.122	1.092	1.045	1.032	1.029	1.000	1.008	1.000	1.008	1.008	1.007
Industry														
Factors	2.887	1.280	1.065	1.040	1.027	1.020	1.013	1.009	1.006	1.005	1.003	1.003	1.001	1.001
Prior	5.500	1.400	1.250	1.100	1.080	1.050	1.030	1.025	1.010	1.009	1.008	1.007	1.006	1.005
Selected	5.875	1.450	1.250	1.105	1.083	1.049	1.030	1.025	1.010	1.009	1.008	1.007	1.006	1.005
Cumulated	14.911	2.538	1.750	1.400	1.267	1.170	1.115	1.083	1.057	1.047	1.038	1.030	1.023	1.017

## Judicial Branch Workers' Compensation Program - State Judiciary

## Loss Trend Factors

Accident Year	Benefit Level Factor (A)	Factor to	Factor to	Factor to	Factor to	Factor to	Factor to	Factor to	Factor to	Factor to
		2015-2016 Loss Rate Level (B)	2016-2017 Loss Rate Level (C)	2017-2018 Loss Rate Level (D)	2018-2019 Loss Rate Level (E)	2015-2016 Frequency Level (F)	2016-2017 Frequency Level (G)	2017-2018 Frequency Level (H)	2018-2019 Frequency Level (I)	2015-2016 Severity Level (J)
Prior	1.726	1.549	1.553	1.545	1.537	0.528	0.512	0.497	0.482	2.898
1995-1996	1.498	1.351	1.354	1.347	1.340	0.544	0.528	0.512	0.497	2.454
1996-1997	1.344	1.217	1.220	1.213	1.207	0.561	0.544	0.528	0.512	2.147
1997-1998	1.164	1.059	1.061	1.056	1.050	0.578	0.561	0.544	0.528	1.814
1998-1999	1.037	0.948	0.950	0.945	0.940	0.596	0.578	0.561	0.544	1.578
1999-2000	0.931	0.855	0.857	0.853	0.848	0.614	0.596	0.578	0.561	1.381
2000-2001	0.873	0.807	0.809	0.805	0.801	0.633	0.614	0.596	0.578	1.264
2001-2002	0.874	0.812	0.814	0.810	0.805	0.653	0.633	0.614	0.596	1.234
2002-2003	0.921	0.860	0.862	0.858	0.854	0.673	0.652	0.633	0.614	1.269
2003-2004	1.160	1.089	1.092	1.086	1.081	0.693	0.673	0.653	0.633	1.559
2004-2005	1.489	1.406	1.409	1.402	1.395	0.715	0.694	0.673	0.653	1.954
2005-2006	1.579	1.499	1.502	1.495	1.487	0.737	0.715	0.694	0.673	2.022
2006-2007	1.490	1.422	1.425	1.418	1.411	0.760	0.738	0.715	0.694	1.860
2007-2008	1.377	1.321	1.324	1.318	1.311	0.783	0.760	0.737	0.715	1.678
2008-2009	1.275	1.229	1.232	1.226	1.220	0.807	0.783	0.760	0.737	1.515
2009-2010	1.156	1.121	1.123	1.118	1.112	0.832	0.808	0.784	0.760	1.341
2010-2011	1.107	1.079	1.082	1.076	1.071	0.859	0.833	0.808	0.784	1.253
2011-2012	1.106	1.083	1.086	1.080	1.075	0.885	0.859	0.833	0.808	1.221
2012-2013	1.096	1.079	1.082	1.076	1.071	0.912	0.885	0.859	0.833	1.181
2013-2014	1.090	1.079	1.081	1.076	1.070	0.941	0.913	0.886	0.859	1.145
2014-2015	1.045	1.039	1.042	1.036	1.031	0.970	0.942	0.913	0.886	1.071
2015-2016	1.000	1.000	1.002	0.997	0.992	1.000	0.970	0.941	0.913	1.000
2016-2017	0.993	--	1.000	0.995	0.990	--	1.000	0.970	0.941	--
2017-2018	0.993	--	--	1.000	0.995	--	--	1.000	0.970	--
2018-2019	0.993	--	--	--	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 -3.0% 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 - State Judiciary

Outstanding Liability for  
Unallocated Loss Adjustment Expenses  
as of 6/30/15

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)
2015-2016	42.0	\$3,755	1.000	\$3,755	\$157,710
2016-2017	31.8	3,755	1.050	3,943	125,387
2017-2018	22.7	3,755	1.103	4,142	94,023
2018-2019	15.7	3,755	1.158	4,348	68,264
2019-2020	11.9	3,755	1.216	4,566	54,335
2020-2021	8.0	3,755	1.277	4,795	38,360
2021-2022	6.1	3,755	1.341	5,035	30,714
2022-2023	4.5	3,755	1.408	5,287	23,792
2023-2024	3.7	3,755	1.478	5,550	20,535
2024-2025	3.0	3,755	1.552	5,828	17,484
2025-2026	2.4	3,755	1.630	6,121	14,690
2026-2027	1.7	3,755	1.712	6,429	10,929
2027-2028	1.3	3,755	1.798	6,751	8,776
2028-2029	1.0	3,755	1.888	7,089	7,089
2029-2030	0.8	3,755	1.982	7,442	5,954
2030-2031	0.5	3,755	2.081	7,814	3,907
2031-2032	0.3	3,755	2.185	8,205	2,462
2032-2033	0.2	3,755	2.294	8,614	1,723
(G) Total ULAE Outstanding as of 6/30/15:					\$686,134
(H) Total ULAE Outstanding as of 12/31/15:					\$727,000

## 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 12/31/15.

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

Judicial Branch Workers' Compensation Program - State Judiciary

Outstanding Liability for  
Unallocated Loss Adjustment Expenses  
as of 6/30/16

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)
2016-2017	46.7	\$3,755	1.050	\$3,943	\$184,138
2017-2018	33.0	3,755	1.103	4,142	136,686
2018-2019	23.4	3,755	1.158	4,348	101,743
2019-2020	17.1	3,755	1.216	4,566	78,079
2020-2021	11.7	3,755	1.277	4,795	56,102
2021-2022	8.7	3,755	1.341	5,035	43,805
2022-2023	6.4	3,755	1.408	5,287	33,837
2023-2024	5.1	3,755	1.478	5,550	28,305
2024-2025	4.1	3,755	1.552	5,828	23,895
2025-2026	3.3	3,755	1.630	6,121	20,199
2026-2027	2.4	3,755	1.712	6,429	15,430
2027-2028	1.8	3,755	1.798	6,751	12,152
2028-2029	1.4	3,755	1.888	7,089	9,925
2029-2030	1.1	3,755	1.982	7,442	8,186
2030-2031	0.7	3,755	2.081	7,814	5,470
2031-2032	0.5	3,755	2.185	8,205	4,103
2032-2033	0.4	3,755	2.294	8,614	3,446
2033-2034	0.2	3,755	2.409	9,046	1,809
(G) Total ULAE Outstanding as of 6/30/16:					\$767,310

Notes:

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

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



## Judicial Branch Workers' Compensation Program - State Judiciary

## Payment and Reserve Forecast

<u>Accident Year</u>	<u>As of</u> <u>12/31/2015</u>	<u>Calendar Period</u>			
		<u>1/1/2016</u> <u>to</u> <u>6/30/2016</u>	<u>7/1/2016</u> <u>to</u> <u>6/30/2017</u>	<u>7/1/2017</u> <u>to</u> <u>6/30/2018</u>	<u>7/1/2018</u> <u>to</u> <u>6/30/2019</u>
Prior					
Ultimate Loss	\$10,979,750	\$10,979,750	\$10,979,750	\$10,979,750	\$10,979,750
Paid in Calendar Period	-	27,093	47,373	46,209	50,028
Paid to Date	10,082,934	10,110,027	10,157,400	10,203,609	10,253,637
Outstanding Liability	896,816	869,723	822,350	776,141	726,113
1999-2000					
Ultimate Loss	\$699,000	\$699,000	\$699,000	\$699,000	\$699,000
Paid in Calendar Period	-	3,163	6,377	5,841	5,987
Paid to Date	619,926	623,089	629,466	635,307	641,294
Outstanding Liability	79,074	75,911	69,534	63,693	57,706
2000-2001					
Ultimate Loss	\$950,548	\$950,548	\$950,548	\$950,548	\$950,548
Paid in Calendar Period	-	-	-	-	-
Paid to Date	950,548	950,548	950,548	950,548	950,548
Outstanding Liability	-	-	-	-	-
2001-2002					
Ultimate Loss	\$949,000	\$949,000	\$949,000	\$949,000	\$949,000
Paid in Calendar Period	-	7,479	15,274	12,219	11,340
Paid to Date	779,032	786,511	801,785	814,004	825,344
Outstanding Liability	169,968	162,489	147,215	134,996	123,656
2002-2003					
Ultimate Loss	\$195,771	\$195,771	\$195,771	\$195,771	\$195,771
Paid in Calendar Period	-	-	-	-	-
Paid to Date	195,771	195,771	195,771	195,771	195,771
Outstanding Liability	-	-	-	-	-
2003-2004					
Ultimate Loss	\$331,000	\$331,000	\$331,000	\$331,000	\$331,000
Paid in Calendar Period	-	2,034	3,993	3,234	3,112
Paid to Date	288,633	290,667	294,660	297,894	301,006
Outstanding Liability	42,367	40,333	36,340	33,106	29,994
2004-2005					
Ultimate Loss	\$365,861	\$365,861	\$365,861	\$365,861	\$365,861
Paid in Calendar Period	-	-	-	-	-
Paid to Date	365,861	365,861	365,861	365,861	365,861
Outstanding Liability	-	-	-	-	-

## Judicial Branch Workers' Compensation Program - State Judiciary

## Payment and Reserve Forecast

<u>Accident Year</u>	<u>As of</u> <u>12/31/2015</u>	<u>Calendar Period</u>			
		<u>1/1/2016</u> <u>to</u> <u>6/30/2016</u>	<u>7/1/2016</u> <u>to</u> <u>6/30/2017</u>	<u>7/1/2017</u> <u>to</u> <u>6/30/2018</u>	<u>7/1/2018</u> <u>to</u> <u>6/30/2019</u>
2005-2006					
Ultimate Loss	\$226,861	\$226,861	\$226,861	\$226,861	\$226,861
Paid in Calendar Period	-				
Paid to Date	226,861	226,861	226,861	226,861	226,861
Outstanding Liability					
2006-2007					
Ultimate Loss	\$649,000	\$649,000	\$649,000	\$649,000	\$649,000
Paid in Calendar Period	-	5,699	10,783	9,707	7,935
Paid to Date	543,463	549,162	559,945	569,652	577,587
Outstanding Liability	105,537	99,838	89,055	79,348	71,413
2007-2008					
Ultimate Loss	\$292,000	\$292,000	\$292,000	\$292,000	\$292,000
Paid in Calendar Period	-	7,832	14,116	11,967	10,773
Paid to Date	159,251	167,083	181,199	193,166	203,939
Outstanding Liability	132,749	124,917	110,801	98,834	88,061
2008-2009					
Ultimate Loss	\$796,000	\$796,000	\$796,000	\$796,000	\$796,000
Paid in Calendar Period	-	14,021	23,855	17,725	15,027
Paid to Date	601,263	615,284	639,139	656,864	671,891
Outstanding Liability	194,737	180,716	156,861	139,136	124,109
2009-2010					
Ultimate Loss	\$854,000	\$854,000	\$854,000	\$854,000	\$854,000
Paid in Calendar Period	-	15,184	27,766	21,787	16,189
Paid to Date	646,000	661,184	688,950	710,737	726,926
Outstanding Liability	208,000	192,816	165,050	143,263	127,074
2010-2011					
Ultimate Loss	\$384,000	\$384,000	\$384,000	\$384,000	\$384,000
Paid in Calendar Period	-	12,108	21,626	17,787	13,956
Paid to Date	226,748	238,856	260,482	278,269	292,225
Outstanding Liability	157,252	145,144	123,518	105,731	91,775
2011-2012					
Ultimate Loss	\$812,000	\$812,000	\$812,000	\$812,000	\$812,000
Paid in Calendar Period	-	33,557	52,630	34,777	28,602
Paid to Date	492,412	525,969	578,599	613,376	641,978
Outstanding Liability	319,588	286,031	233,401	198,624	170,022

## Judicial Branch Workers' Compensation Program - State Judiciary

## Payment and Reserve Forecast

Accident Year	As of 12/31/2015	Calendar Period			
		1/1/2016 to 6/30/2016	7/1/2016 to 6/30/2017	7/1/2017 to 6/30/2018	7/1/2018 to 6/30/2019
<b>2012-2013</b>					
Ultimate Loss	\$753,000	\$753,000	\$753,000	\$753,000	\$753,000
Paid in Calendar Period	-	27,360	56,666	45,933	30,352
Paid to Date	419,336	446,696	503,362	549,295	579,647
Outstanding Liability	333,664	306,304	249,638	203,705	173,353
<b>2013-2014</b>					
Ultimate Loss	\$458,000	\$458,000	\$458,000	\$458,000	\$458,000
Paid in Calendar Period	-	33,106	62,139	59,907	48,560
Paid to Date	38,936	72,042	134,181	194,088	242,648
Outstanding Liability	419,064	385,958	323,819	263,912	215,352
<b>2014-2015</b>					
Ultimate Loss	\$653,000	\$653,000	\$653,000	\$653,000	\$653,000
Paid in Calendar Period	-	61,408	99,480	71,985	69,399
Paid to Date	44,999	106,407	205,887	277,872	347,271
Outstanding Liability	608,001	546,593	447,113	375,128	305,729
<b>2015-2016</b>					
Ultimate Loss	\$347,000	\$693,000	\$693,000	\$693,000	\$693,000
Paid in Calendar Period	-	39,044	100,119	99,338	71,882
Paid to Date	8,026	47,070	147,189	246,527	318,409
Outstanding Liability	338,974	645,930	545,811	446,473	374,591
<b>2016-2017</b>					
Ultimate Loss	-	-	\$725,000	\$725,000	\$725,000
Paid in Calendar Period	-	-	53,650	104,059	103,247
Paid to Date	-	-	53,650	157,709	260,956
Outstanding Liability	-	-	671,350	567,291	464,044
<b>2017-2018</b>					
Ultimate Loss	-	-	-	\$748,000	\$748,000
Paid in Calendar Period	-	-	-	55,352	107,360
Paid to Date	-	-	-	55,352	162,712
Outstanding Liability	-	-	-	692,648	585,288
<b>2018-2019</b>					
Ultimate Loss	-	-	-	-	\$777,000
Paid in Calendar Period	-	-	-	-	57,498
Paid to Date	-	-	-	-	57,498
Outstanding Liability	-	-	-	-	719,502
<b>Totals</b>					
Ultimate Loss	\$20,695,791	\$21,041,791	\$21,766,791	\$22,514,791	\$23,291,791
Paid in Calendar Period	-	289,088	595,847	617,827	651,247
Paid to Date	16,690,000	16,979,088	17,574,935	18,192,762	18,844,009
Outstanding Liability	4,005,791	4,062,703	4,191,856	4,322,029	4,447,782
Total Outstanding ULAE	727,000	767,310	834,025	899,019	948,818
Outstanding Liability plus ULAE	4,732,791	4,830,013	5,025,881	5,221,048	5,396,600

Notes appear on the next page.

## Judicial Branch Workers' Compensation Program - 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 2013-2014, \$33,106 is expected to be paid between 1/1/16 and 6/30/16, \$72,042 will have been paid by 6/30/16, and the reserve for remaining payments on these claims should be \$385,958.
- Ultimate Losses for each accident year are from Exhibit J-4, Page 2.
- Paid in Calendar Period is a proportion of the Outstanding Liability from the previous calendar period. These proportions are derived from the paid loss development pattern selected in Appendix B. For example,  $\$62,139 = \$385,958 \times 16.1\%$ .
- Paid to Date is Paid in Calendar Period plus Paid to Date from previous calendar period. For example,  $\$134,181 = \$62,139 + \$72,042$ .
- Outstanding Liability is Ultimate Loss minus Paid to Date. For example,  $\$385,958 = \$458,000 - \$72,042$ .

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

## Judicial Branch Workers' Compensation Program - State Judiciary

## Short- and Long-Term Liabilities

<u>Liabilities as of 12/31/15:</u>		<u>Expected</u>	<u>Discounted</u>
<u>Current (Short Term)</u>	Loss and ALAE:	\$250,044	\$250,044
	ULAE:	157,710	157,710
	Short-Term Loss and LAE:	<u>\$407,754</u>	<u>\$407,754</u>
<u>Non-Current (Long Term)</u>	Loss and ALAE:	\$3,755,747	\$3,755,747
	ULAE:	569,290	569,290
	Long-Term Loss and LAE:	<u>\$4,325,037</u>	<u>\$4,325,037</u>
<u>Total Liability</u>	Loss and ALAE:	\$4,005,791	\$4,005,791
	ULAE:	727,000	727,000
	Total Loss and LAE:	<u>\$4,732,791</u>	<u>\$4,732,791</u>

<u>Liabilities as of 6/30/16:</u>			
<u>Current (Short Term)</u>	Loss and ALAE:	\$542,197	\$542,197
	ULAE:	184,138	184,138
	Short-Term Loss and LAE:	<u>\$726,335</u>	<u>\$726,335</u>
<u>Non-Current (Long Term)</u>	Loss and ALAE:	\$3,520,506	\$3,520,506
	ULAE:	583,172	583,172
	Long-Term Loss and LAE:	<u>\$4,103,678</u>	<u>\$4,103,678</u>
<u>Total Liability</u>	Loss and ALAE:	\$4,062,703	\$4,062,703
	ULAE:	767,310	767,310
	Total Loss and LAE:	<u>\$4,830,013</u>	<u>\$4,830,013</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 12/31/15:</u>						
<u>Current (Short Term)</u>	Loss and ALAE:	\$282,800	\$297,552	\$314,805	\$336,059	\$364,564
	ULAE:	178,370	187,675	198,557	211,962	229,941
	Short-Term Loss and LAE:	<u>\$461,170</u>	<u>\$485,227</u>	<u>\$513,362</u>	<u>\$548,021</u>	<u>\$594,505</u>
<u>Non-Current (Long Term)</u>	Loss and ALAE:	\$4,247,750	\$4,469,339	\$4,728,486	\$5,047,724	\$5,475,879
	ULAE:	643,867	677,455	716,736	765,126	830,025
	Long-Term Loss and LAE:	<u>\$4,891,617</u>	<u>\$5,146,794</u>	<u>\$5,445,222</u>	<u>\$5,812,850</u>	<u>\$6,305,904</u>
<u>Total Liability</u>	Loss and ALAE:	\$4,530,550	\$4,766,891	\$5,043,291	\$5,383,783	\$5,840,443
	ULAE:	822,237	865,130	915,293	977,088	1,059,966
	Total Loss and LAE:	<u>\$5,352,787</u>	<u>\$5,632,021</u>	<u>\$5,958,584</u>	<u>\$6,360,871</u>	<u>\$6,900,409</u>
<u>Liabilities as of 6/30/16:</u>						
<u>Current (Short Term)</u>	Loss and ALAE:	\$613,225	\$645,214	\$682,626	\$728,713	\$790,523
	ULAE:	208,260	219,124	231,830	247,481	268,473
	Short-Term Loss and LAE:	<u>\$821,485</u>	<u>\$864,338</u>	<u>\$914,456</u>	<u>\$976,194</u>	<u>\$1,058,996</u>
<u>Non-Current (Long Term)</u>	Loss and ALAE:	\$3,981,692	\$4,189,403	\$4,432,317	\$4,731,560	\$5,132,898
	ULAE:	659,568	693,974	734,213	783,783	850,265
	Long-Term Loss and LAE:	<u>\$4,641,260</u>	<u>\$4,883,377</u>	<u>\$5,166,530</u>	<u>\$5,515,343</u>	<u>\$5,983,163</u>
<u>Total Liability</u>	Loss and ALAE:	\$4,594,917	\$4,834,617	\$5,114,943	\$5,460,273	\$5,923,421
	ULAE:	867,828	913,098	966,043	1,031,264	1,118,738
	Total Loss and LAE:	<u>\$5,462,745</u>	<u>\$5,747,715</u>	<u>\$6,080,986</u>	<u>\$6,491,537</u>	<u>\$7,042,159</u>

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

## Judicial Branch Workers' Compensation Program - State Judiciary

## Confidence Level Table

Probability	Projected Losses	Outstanding Losses
95%	2.752	1.647
90	2.108	1.458
85	1.745	1.344
80	1.499	1.259
75	1.313	1.190
70	1.163	1.131
65	1.038	1.079
60	0.930	1.032
55	0.834	0.989
50	0.749	0.947
45	0.670	0.908
40	0.598	0.869
35	0.530	0.831
30	0.465	0.792
25	0.402	0.751

To read table: For the above retention, there is a 90% chance that final loss settlements will be less than 2.108 times the average expected amount of losses.

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

## Judicial Branch Workers' Compensation Program - State Judiciary

## Program History

Policy Year Start Date	Policy Year End Date	Policy Year	Self-Insured Retention	
			Per Occurrence	Aggregate
1/1/1969	6/30/1995	Prior	Unlimited	(none)
7/1/1995	6/30/1996	1995-1996	Unlimited	(none)
7/1/1996	6/30/1997	1996-1997	Unlimited	(none)
7/1/1997	6/30/1998	1997-1998	Unlimited	(none)
7/1/1998	6/30/1999	1998-1999	Unlimited	(none)
7/1/1999	6/30/2000	1999-2000	Unlimited	(none)
7/1/2000	6/30/2001	2000-2001	Unlimited	(none)
7/1/2001	6/30/2002	2001-2002	Unlimited	(none)
7/1/2002	6/30/2003	2002-2003	Unlimited	(none)
7/1/2003	6/30/2004	2003-2004	Unlimited	(none)
7/1/2004	6/30/2005	2004-2005	Unlimited	(none)
7/1/2005	6/30/2006	2005-2006	Unlimited	(none)
7/1/2006	6/30/2007	2006-2007	Unlimited	(none)
7/1/2007	6/30/2008	2007-2008	Unlimited	(none)
7/1/2008	6/30/2009	2008-2009	Unlimited	(none)
7/1/2009	6/30/2010	2009-2010	Unlimited	(none)
7/1/2010	6/30/2011	2010-2011	Unlimited	(none)
7/1/2011	6/30/2012	2011-2012	Unlimited	(none)
7/1/2012	6/30/2013	2012-2013	Unlimited	(none)
7/1/2013	6/30/2014	2013-2014	Unlimited	(none)
7/1/2014	6/30/2015	2014-2015	Unlimited	(none)
7/1/2015	6/30/2016	2015-2016	2,000,000	(none)
7/1/2016	6/30/2017	2016-2017	2,000,000	(none)
	Third Party Claims Administrator		Begin Date	End Date
	Corvel		7/1/2008	9/30/2014
	AIMS		10/1/2014	Current

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

## Judicial Branch Workers' Compensation Program - State Judiciary

## Incurred Losses as of 12/31/15

Accident Year (A)	Unlimited Incurred (B)	Subtractions to Losses (C)	Subtractions from Losses (D)	Adjusted Incurred (E)	Incurred Over SIR (F)	Incurred Over \$100,000 (G)	Incurred Capped at \$100,000 (H)	Incurred to SIR Layer \$100,000 (I)	Incurred Capped at SIR (J)	Incurred Capped at SIR & Aggregate (K)
Prior	\$7,465,596	\$0	\$0	\$7,465,596	\$0	\$2,768,032	\$4,697,564	\$2,768,032	\$7,465,596	\$7,465,596
1995-1996	1,363,030	0	0	1,363,030	0	779,084	583,946	779,084	1,363,030	1,363,030
1996-1997	216,654	0	0	216,654	0	0	216,654	0	216,654	216,654
1997-1998	438,096	0	0	438,096	0	37,957	400,139	37,957	438,096	438,096
1998-1999	1,424,170	0	4,650	1,419,520	0	649,773	769,747	649,773	1,419,520	1,419,520
1999-2000	684,307	0	0	684,307	0	146,439	537,869	146,439	684,307	684,307
2000-2001	950,548	0	0	950,548	0	396,865	553,684	396,865	950,548	950,548
2001-2002	915,878	0	0	915,878	0	404,352	511,526	404,352	915,878	915,878
2002-2003	195,771	0	0	195,771	0	0	195,771	0	195,771	195,771
2003-2004	313,119	0	0	313,119	0	0	313,119	0	313,119	313,119
2004-2005	365,861	0	0	365,861	0	119,890	245,971	119,890	365,861	365,861
2005-2006	226,861	0	0	226,861	0	0	226,861	0	226,861	226,861
2006-2007	585,633	0	0	585,633	0	272,323	313,310	272,323	585,633	585,633
2007-2008	264,526	0	7,436	257,090	0	0	257,090	0	257,090	257,090
2008-2009	681,512	0	0	681,512	0	104,685	576,827	104,685	681,512	681,512
2009-2010	706,054	0	0	706,054	0	212,775	493,279	212,775	706,054	706,054
2010-2011	270,543	0	0	270,543	0	0	270,543	0	270,543	270,543
2011-2012	652,618	0	37,000	615,618	0	57,543	558,075	57,543	615,618	615,618
2012-2013	497,103	0	0	497,103	0	133,826	363,277	133,826	497,103	497,103
2013-2014	101,267	0	0	101,267	0	0	101,267	0	101,267	101,267
2014-2015	160,387	0	0	160,387	0	0	160,387	0	160,387	160,387
2015-2016	61,870	0	73	61,797	0	0	61,797	0	61,797	61,797
Total	\$18,541,405	\$0	\$49,158	\$18,492,247	\$0	\$6,083,543	\$12,408,703	\$6,083,543	\$18,492,247	\$18,492,247

## Notes:

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



## Judicial Branch Workers' Compensation Program - State Judiciary

Paid Losses as of 12/31/15

Accident Year (A)	Unlimited Paid (B)	Subtractions to Losses (C)	Subtractions from Losses (D)	Adjusted Paid (E)	Paid Over SIR (F)	Paid Over \$100,000 (G)	Paid Capped at \$100,000 (H)	Paid \$100,000 to SIR Layer (I)	Paid Capped at SIR (J)	Paid Capped at SIR & Aggregate (K)
Prior	\$7,174,989	\$0	\$0	\$7,174,989	\$0	\$2,530,831	\$4,644,159	\$2,530,831	\$7,174,989	\$7,174,989
1995-1996	994,831	0	0	994,831	0	410,885	583,946	410,885	994,831	994,831
1996-1997	216,654	0	0	216,654	0	0	216,654	0	216,654	216,654
1997-1998	438,096	0	0	438,096	0	37,957	400,139	37,957	438,096	438,096
1998-1999	1,263,014	0	4,650	1,258,364	0	488,617	769,747	488,617	1,258,364	1,258,364
1999-2000	619,926	0	0	619,926	0	82,057	537,869	82,057	619,926	619,926
2000-2001	950,548	0	0	950,548	0	396,865	553,684	396,865	950,548	950,548
2001-2002	779,032	0	0	779,032	0	267,506	511,526	267,506	779,032	779,032
2002-2003	195,771	0	0	195,771	0	0	195,771	0	195,771	195,771
2003-2004	288,633	0	0	288,633	0	0	288,633	0	288,633	288,633
2004-2005	365,861	0	0	365,861	0	119,890	245,971	119,890	365,861	365,861
2005-2006	226,861	0	0	226,861	0	0	226,861	0	226,861	226,861
2006-2007	543,463	0	0	543,463	0	230,153	313,310	230,153	543,463	543,463
2007-2008	166,686	0	7,436	159,251	0	0	159,251	0	159,251	159,251
2008-2009	601,263	0	0	601,263	0	101,791	499,473	101,791	601,263	601,263
2009-2010	646,000	0	0	646,000	0	179,131	466,869	179,131	646,000	646,000
2010-2011	226,748	0	0	226,748	0	0	226,748	0	226,748	226,748
2011-2012	529,412	0	37,000	492,412	0	3,276	489,136	3,276	492,412	492,412
2012-2013	419,336	0	0	419,336	0	133,826	285,510	133,826	419,336	419,336
2013-2014	38,936	0	0	38,936	0	0	38,936	0	38,936	38,936
2014-2015	44,999	0	0	44,999	0	0	44,999	0	44,999	44,999
2015-2016	8,098	0	73	8,026	0	0	8,026	0	8,026	8,026
Total	\$16,739,159	\$0	\$49,158	\$16,690,001	\$0	\$4,982,785	\$11,707,217	\$4,982,785	\$16,690,001	\$16,690,001

## Notes:

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

## Judicial Branch Workers' Compensation Program - State Judiciary

## Case Reserves as of 12/31/15

Accident Year (A)	Unlimited Reserves (B)	Subtractions to Losses (C)	Subtractions from Losses (D)	Adjusted Reserves (E)	Reserves Over SIR (F)	Reserves Over \$100,000 (G)	Reserves Capped at \$100,000 (H)	Reserves \$100,000 to SIR Layer (I)	Reserves Capped at SIR (J)	Reserves Capped at SIR & Aggregate (K)
Prior	\$290,606	\$0	\$0	\$290,606	\$0	\$237,202	\$53,405	\$237,202	\$290,606	\$290,606
1995-1996	368,199	0	0	368,199	0	368,199	0	368,199	368,199	368,199
1996-1997	0	0	0	0	0	0	0	0	0	0
1997-1998	0	0	0	0	0	0	0	0	0	0
1998-1999	161,156	0	0	161,156	0	161,156	0	161,156	161,156	161,156
1999-2000	64,381	0	0	64,381	0	64,381	0	64,381	64,381	64,381
2000-2001	0	0	0	0	0	0	0	0	0	0
2001-2002	136,846	0	0	136,846	0	136,846	0	136,846	136,846	136,846
2002-2003	0	0	0	0	0	0	0	0	0	0
2003-2004	24,487	0	0	24,487	0	0	24,487	0	24,487	24,487
2004-2005	0	0	0	0	0	0	0	0	0	0
2005-2006	0	0	0	0	0	0	0	0	0	0
2006-2007	42,170	0	0	42,170	0	42,170	0	42,170	42,170	42,170
2007-2008	97,839	0	0	97,839	0	0	97,839	0	97,839	97,839
2008-2009	80,248	0	0	80,248	0	2,894	77,354	2,894	80,248	80,248
2009-2010	60,054	0	0	60,054	0	33,644	26,410	33,644	60,054	60,054
2010-2011	43,795	0	0	43,795	0	0	43,795	0	43,795	43,795
2011-2012	123,206	0	0	123,206	0	54,267	68,939	54,267	123,206	123,206
2012-2013	77,767	0	0	77,767	0	0	77,767	0	77,767	77,767
2013-2014	62,331	0	0	62,331	0	0	62,331	0	62,331	62,331
2014-2015	115,388	0	0	115,388	0	0	115,388	0	115,388	115,388
2015-2016	53,772	0	0	53,772	0	0	53,772	0	53,772	53,772
Total	\$1,802,245	\$0	\$0	\$1,802,245	\$0	\$1,100,759	\$701,487	\$1,100,759	\$1,802,245	\$1,802,245

## Notes:

- (A) Years are 7/1 to 6/30.  
 (B) Appendix J-K, Page 1, Column (B) - Appendix J-K, Page 2, Column (B).  
 (C) Appendix J-K, Page 1, Column (C) - Appendix J-K, Page 2, Column (C).  
 (D) Appendix J-K, Page 1, Column (D) - Appendix J-K, Page 2, Column (D).  
 (E) (B) + (C) - (D).  
 (F) Sum of case reserves in excess of SIR.  
 (G) Sum of case reserves in excess of \$100,000.  
 (H) (E) - (G).  
 (I) (G) - (F).  
 (J) (E) - (F).  
 (K) Minimum of (J) and the aggregate stop loss. See Appendix J-J.

## Judicial Branch Workers' Compensation Program - State Judiciary

Claim Counts as of 12/31/15

Accident Year (A)	Reported Claims (B)	Subtractions to Reported Claims (C)	Subtractions from Reported Claims (D)	Adjusted Reported Claims (E)	Closed Claims (F)	Subtractions to Closed Claims (G)	Subtractions from Closed Claims (H)	Adjusted Closed Claims (I)	Open Claims (J)	Adjusted Open Claims (K)
Prior	256	0	0	256	248	0	0	248	8	8
1995-1996	39	0	0	39	38	0	0	38	1	1
1996-1997	29	0	0	29	29	0	0	29	0	0
1997-1998	28	0	0	28	28	0	0	28	0	0
1998-1999	50	0	0	50	48	0	0	48	2	2
1999-2000	27	0	0	27	25	0	0	25	2	2
2000-2001	30	0	0	30	30	0	0	30	0	0
2001-2002	36	0	0	36	34	0	0	34	2	2
2002-2003	39	0	0	39	39	0	0	39	0	0
2003-2004	29	0	0	29	28	0	0	28	1	1
2004-2005	32	0	0	32	32	0	0	32	0	0
2005-2006	27	0	0	27	27	0	0	27	0	0
2006-2007	33	0	0	33	32	0	0	32	1	1
2007-2008	22	0	0	22	19	0	0	19	3	3
2008-2009	23	0	0	23	21	0	0	21	2	2
2009-2010	26	0	0	26	24	0	0	24	2	2
2010-2011	25	0	0	25	24	0	0	24	1	1
2011-2012	29	0	0	29	22	0	0	22	7	7
2012-2013	16	0	0	16	12	0	0	12	4	4
2013-2014	11	0	0	11	10	0	0	10	1	1
2014-2015	21	0	0	21	13	0	0	13	8	8
2015-2016	13	0	0	13	4	0	0	4	9	9
Total	841	0	0	841	787	0	0	787	54	54

## Notes:

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

## Judicial Branch Workers' Compensation Program - State Judiciary

## Exposure Measures

Accident Year	Total Payroll (\$00) (A)	Inflation Trend Factor (B)	Trended Payroll (\$00) (C)
2000-2001	1,865,950	1.448	2,701,896
2001-2002	2,006,560	1.413	2,835,269
2002-2003	2,093,640	1.379	2,887,130
2003-2004	3,467,377	1.345	4,663,622
2004-2005	3,681,725	1.312	4,830,423
2005-2006	3,809,614	1.280	4,876,306
2006-2007	4,233,621	1.249	5,287,792
2007-2008	4,559,345	1.219	5,557,842
2008-2009	4,622,252	1.189	5,495,858
2009-2010	4,597,350	1.160	5,332,926
2010-2011	4,696,557	1.132	5,316,502
2011-2012	4,704,324	1.104	5,193,574
2012-2013	4,580,240	1.077	4,932,919
2013-2014	4,611,832	1.051	4,847,035
2014-2015	4,611,423	1.025	4,726,709
2015-2016	4,951,081	1.000	4,951,081
2016-2017	5,037,724	1.000	5,037,724
2017-2018	5,125,885	1.000	5,125,885
2018-2019	5,215,588	1.000	5,215,588

## Notes:

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



Attachment B

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

*\* Member Premium Allocation Report \**

*Allocation of Program Costs by Member for Fiscal Year 2016-17*

*Presented to*  
Judicial Council of California

May 17, 2016 (DRAFT)

DRAFT



Tuesday, May 17, 2016

Ms. Linda M. Cox  
Senior Human Resources Manager  
Human Resources Services Office  
Judicial and Court Administrative Services Division  
Judicial Council of California  
455 Golden Gate Avenue  
San Francisco, CA 94102-3688

Re: Member Premium Allocation for Fiscal Year 2016-17

Dear Ms. Cox:

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 2016-17 program premiums. The premiums include a provision for:

- Expected Ultimate loss and ALAE
- Third-Party Claims Administration Fees
- Excess Insurance
- Consulting and Brokerage Expenses

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

## DRAFT

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 2016-17 premiums, the experience period used includes the 2012-13, 2013-14, and 2014-15 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:

$$\sqrt[3]{\frac{\text{Individual Court Payroll for 3 – Yr Period } (\$000's)}{625,057}}$$

**DRAFT**

where 625,057 is a constant derived to set the weight given to the largest court at 80%.

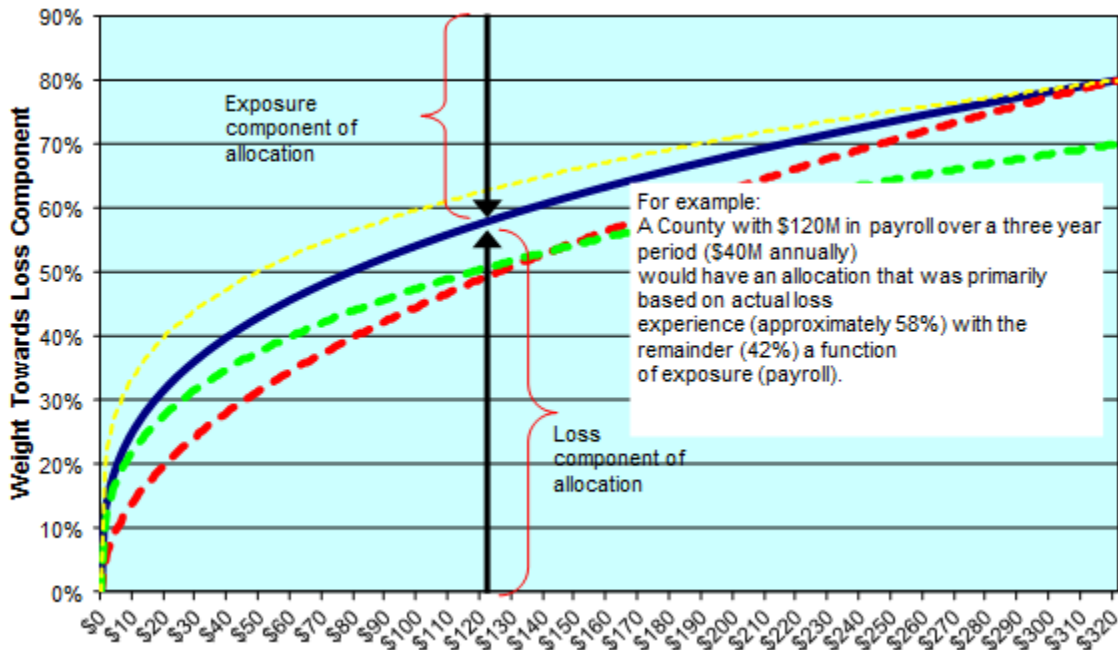
Inputs:

- 320,029 = 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 expense component, including claim handling and brokerage fees, is allocated based on 80% losses and 20% payroll, on the theory that these expenses are incurred regardless of claims activity and therefore should have at least some component of exposure used in the allocation. Excess insurance costs are allocated based upon the distribution of payroll by member.

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

Sincerely,

Bickmore

**DRAFT**

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

**DRAFT**

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**Judicial Branch Workers' Compensation Program**  
**Workers' Compensation Cost Allocation for Fiscal Year 2016-17**  
**Trial Courts**

Allocation of 2016-17 Costs

Court	2012-13 to 2014-15 Payroll (\$000) (A)	Percent Payroll (B)	2016-17 Indicated Allocation Based on Payroll (C)	2012-13 to 2014-15 Incurred Limited to \$75K (D)	Percent Limited Losses (E)	2016-17 Indicated Allocation Based on Losses (F)	Weighting (G)	2016-17 Weighted Allocation (H)	2016-17 Adjusted Allocation (I)	Allocation of Excess Premium (J)	Allocation of Claims Handling (TPA) Fees (K)	Allocation of Program Admin. (L)	Allocation Brokerage / Consulting (M)	2016-17 Total Allocation (N)	2016-17 Percent of Allocation (O)
Alameda	\$151,581	6.23%	\$953,264	\$1,306,972	6.15%	\$940,608	62.36%	\$945,372	\$967,612	\$31,237	\$128,008	\$0	\$27,333	\$1,154,190	6.30%
Alpine	624	0.03%	3,923	0	0.00%	0	9.99%	3,531	3,614	129	106	0	23	3,872	0.02%
Amador	4,396	0.18%	27,644	51,428	0.24%	37,012	19.16%	29,439	30,131	906	4,769	0	1,018	36,825	0.20%
Butte	17,668	0.73%	111,108	293,439	1.38%	211,183	30.46%	141,592	144,923	3,641	25,946	0	5,540	180,051	0.98%
Calaveras	4,781	0.20%	30,064	30,537	0.14%	21,977	19.70%	28,471	29,141	985	3,202	0	684	34,012	0.19%
Colusa	2,469	0.10%	15,529	0	0.00%	0	15.81%	13,074	13,382	509	422	0	90	14,402	0.08%
Contra Costa	69,995	2.88%	440,186	1,010,940	4.76%	727,558	48.20%	578,700	592,315	14,424	90,947	0	19,419	717,106	3.92%
Del Norte	4,833	0.20%	30,394	0	0.00%	0	19.77%	24,384	24,957	996	825	0	176	26,954	0.15%
El Dorado	13,056	0.54%	82,104	116,727	0.55%	84,007	27.54%	82,628	84,572	2,690	11,350	0	2,424	101,036	0.55%
Fresno	71,928	2.96%	452,338	1,013,160	4.77%	729,156	48.64%	586,982	600,791	14,823	91,451	0	19,527	726,591	3.97%
Glenn	3,661	0.15%	23,025	12,215	0.06%	8,791	18.03%	20,459	20,941	755	1,580	0	337	23,612	0.13%
Humboldt	11,651	0.48%	73,271	360,091	1.69%	259,152	26.51%	122,557	125,440	2,401	30,128	0	6,433	164,402	0.90%
Imperial	18,083	0.74%	113,720	77,291	0.36%	55,625	30.70%	95,886	98,141	3,726	9,127	0	1,949	112,943	0.62%
Inyo	3,285	0.14%	20,659	23,780	0.11%	17,114	17.39%	20,042	20,514	677	2,419	0	517	24,126	0.13%
Kern	68,865	2.83%	433,075	516,619	2.43%	371,803	47.94%	403,701	413,199	14,191	52,126	0	11,130	490,647	2.68%
Kings	12,512	0.51%	78,683	198,327	0.93%	142,733	27.15%	96,073	98,334	2,578	17,634	0	3,765	122,311	0.67%
Lake	4,827	0.20%	30,359	223,564	1.05%	160,896	19.77%	56,161	57,483	995	18,294	0	3,906	80,678	0.44%
Lassen	4,242	0.17%	26,678	0	0.00%	0	18.93%	21,627	22,136	874	724	0	155	23,889	0.13%
Madera	14,888	0.61%	93,629	88,985	0.42%	64,041	28.77%	85,116	87,118	3,068	9,495	0	2,027	101,709	0.56%
Marin	25,075	1.03%	157,691	34,745	0.16%	25,006	34.23%	112,269	114,910	5,167	6,996	0	1,494	128,567	0.70%
Mariposa	1,924	0.08%	12,097	8,100	0.04%	5,829	14.55%	11,186	11,449	396	961	0	205	13,012	0.07%
Mendocino	9,215	0.38%	57,948	67,163	0.32%	48,336	24.52%	55,592	56,899	1,899	6,821	0	1,457	67,076	0.37%
Merced	17,322	0.71%	108,936	105,870	0.50%	76,193	30.26%	99,028	101,357	3,570	11,230	0	2,398	118,555	0.65%
Modoc	1,590	0.07%	9,996	0	0.00%	0	13.65%	8,632	8,835	328	271	0	58	9,492	0.05%
Mono	2,391	0.10%	15,034	25,602	0.12%	18,425	15.64%	15,564	15,931	493	2,409	0	514	19,346	0.11%
Monterey	33,989	1.40%	213,748	293,877	1.38%	211,499	37.89%	212,896	217,904	7,004	28,767	0	6,142	259,818	1.42%
Napa	14,952	0.61%	94,030	123,287	0.58%	88,728	28.81%	92,502	94,679	3,081	12,187	0	2,602	112,548	0.61%
Nevada	9,904	0.41%	62,284	86,503	0.41%	62,255	25.12%	62,276	63,742	2,041	8,450	0	1,804	76,037	0.42%
Orange	320,029	13.16%	2,012,595	1,281,112	6.03%	921,997	80.00%	1,140,116	1,166,938	65,950	154,743	0	33,041	1,420,673	7.76%
Placer	23,795	0.98%	149,640	245,889	1.16%	176,962	33.64%	158,831	162,568	4,904	23,277	0	4,970	195,718	1.07%
Plumas	2,278	0.09%	14,325	0	0.00%	0	15.39%	12,121	12,406	469	389	0	83	13,347	0.07%
Riverside	186,290	7.66%	1,171,536	1,476,673	6.95%	1,062,739	66.80%	1,098,863	1,124,715	38,390	147,194	0	31,429	1,341,728	7.33%
Sacramento	132,656	5.45%	834,244	669,414	3.15%	481,767	59.65%	623,996	638,675	27,337	74,956	0	16,005	756,974	4.13%
San Benito	5,279	0.22%	33,200	8,825	0.04%	6,351	20.36%	27,732	28,385	1,088	1,591	0	340	31,403	0.17%
San Bernardino	157,066	6.46%	987,757	1,437,152	6.76%	1,034,297	63.10%	1,017,125	1,041,053	32,368	139,117	0	29,705	1,242,243	6.78%
San Diego	246,448	10.13%	1,549,859	2,920,251	13.74%	2,101,660	73.33%	1,954,482	2,000,463	50,787	270,270	0	57,709	2,379,229	12.99%
San Francisco	115,577	4.75%	726,842	814,590	3.83%	586,248	56.97%	646,745	661,960	23,818	83,385	0	17,805	786,968	4.30%
San Joaquin	49,070	2.02%	308,592	610,939	2.87%	439,683	42.82%	364,724	373,304	10,112	56,118	0	11,982	451,516	2.47%
San Luis Obispo	26,117	1.07%	164,247	212,903	1.00%	153,223	34.70%	160,422	164,196	5,382	21,096	0	4,504	195,178	1.07%
San Mateo	57,817	2.38%	363,601	811,358	3.82%	583,922	45.23%	463,241	474,139	11,915	73,272	0	15,645	574,972	3.14%
Santa Barbara	44,274	1.82%	278,430	255,094	1.20%	183,587	41.38%	239,189	244,816	9,124	27,492	0	5,870	287,302	1.57%
Santa Clara	152,902	6.29%	961,567	1,284,993	6.05%	924,789	62.54%	938,566	960,646	31,509	126,516	0	27,014	1,145,686	6.25%
Santa Cruz	24,324	1.00%	152,970	136,790	0.64%	98,445	33.89%	134,493	137,657	5,013	14,842	0	3,169	160,680	0.88%
Shasta	26,962	1.11%	169,556	235,217	1.11%	169,282	35.07%	169,460	173,447	5,556	22,983	0	4,907	206,894	1.13%
Sierra	681	0.03%	4,285	0	0.00%	0	10.29%	3,844	3,934	140	116	0	25	4,216	0.02%
Siskiyou	7,084	0.29%	44,549	69,780	0.33%	50,220	22.46%	45,823	46,901	1,460	6,662	0	1,423	56,446	0.31%

### Judicial Branch Workers' Compensation Program Workers' Compensation Cost Allocation for Fiscal Year 2016-17 Trial Courts

#### Allocation of 2016-17 Costs

Court	2012-13 to 2014-15 Payroll (\$000) (A)	Percent Payroll (B)	2016-17 Indicated Allocation Based on Payroll (C)	2012-13 to 2014-15 Incurred Limited to \$75K (D)	Percent Limited Losses (E)	2016-17 Indicated Allocation Based on Losses (F)	Weighting (G)	2016-17 Weighted Allocation (H)	2016-17 Adjusted Allocation (I)	Allocation of Excess Premium (J)	Allocation of Claims Handling (TPA) Fees (K)	Allocation of Program Admin. (L)	Allocation Brokerage / Consulting (M)	2016-17 Total Allocation (N)	2016-17 Percent of Allocation (O)
Solano	36,516	1.50%	229,640	1,042,830	4.91%	750,509	38.80%	431,747	441,904	7,525	87,724	0	18,731	555,885	3.03%
Sonoma	36,262	1.49%	228,046	140,217	0.66%	100,912	38.71%	178,830	183,037	7,473	17,147	0	3,661	211,319	1.15%
Stanislaus	34,972	1.44%	219,930	241,087	1.13%	173,507	38.25%	202,174	206,930	7,207	24,809	0	5,297	244,244	1.33%
Sutter	8,270	0.34%	52,006	92,927	0.44%	66,878	23.65%	55,523	56,829	1,704	8,673	0	1,852	69,059	0.38%
Tehama	6,508	0.27%	40,925	66,367	0.31%	47,763	21.84%	42,418	43,416	1,341	6,297	0	1,345	52,399	0.29%
Trinity	2,481	0.10%	15,601	77,076	0.36%	55,471	15.83%	21,913	22,429	511	6,447	0	1,376	30,763	0.17%
Tulare	32,772	1.35%	206,098	315,407	1.48%	226,994	37.43%	213,919	218,952	6,754	30,242	0	6,457	262,404	1.43%
Tuolumne	6,175	0.25%	38,834	43,364	0.20%	31,208	21.46%	37,197	38,072	1,273	4,443	0	949	44,736	0.24%
Ventura	66,280	2.73%	416,819	501,509	2.36%	360,928	47.33%	390,365	399,548	13,659	50,504	0	10,784	474,495	2.59%
Yolo	15,158	0.62%	95,326	87,486	0.41%	62,963	28.95%	85,959	87,981	3,124	9,424	0	2,012	102,541	0.56%
Yuba	8,517	0.35%	53,562	105,278	0.50%	75,767	23.88%	58,866	60,251	1,755	9,681	0	2,067	73,754	0.40%
All Courts	\$2,432,264	100.00%	\$15,296,000	\$21,253,752	100.00%	\$15,296,000		\$14,944,424	\$15,296,000	\$501,232	\$2,076,058	\$0	\$443,288	\$18,316,577	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)]. Total (F) was provided by Judicial Branch Workers' Compensation Program.
- (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): (H) x (F) + [1-(H)] x (G)
- (I): (H) subject to an adjustment of 1.024.
- (J): (B) x [Total (J)]. Total (J) was provided by Judicial Branch Workers' Compensation Program.
- (K): [(B) x 0.20 + (E) x 0.80] 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 0.20 + (E) x 0.80] x Total (M). Total (M) was provided by Judicial Branch Workers' Compensation Program.
- (N): Sum[(I)..(M)]
- (O): (N)/[Total (N)]

**Judicial Branch Workers' Compensation Program**  
**Workers' Compensation Cost Allocation for Fiscal Year 2016-17**  
**Trial Courts**

Summary of Payroll

Court	Payroll		
	2012-13	2013-14	2014-15
Alameda	\$49,655,539	\$51,392,643	\$50,533,291
Alpine	193,967	175,765	254,102
Amador	1,549,721	1,471,884	1,374,133
Butte	6,860,643	5,361,954	5,444,966
Calaveras	1,628,174	1,645,407	1,507,034
Colusa	841,818	876,863	750,617
Contra Costa	24,443,199	22,827,248	22,724,908
Del Norte	1,543,344	1,671,038	1,618,601
El Dorado	4,601,205	4,086,446	4,367,975
Fresno	23,220,885	24,720,023	23,986,710
Glenn	1,179,293	1,204,445	1,277,574
Humboldt	3,700,308	4,074,323	3,876,485
Imperial	5,995,723	6,123,601	5,963,608
Inyo	1,134,299	1,278,293	872,418
Kern	21,817,926	22,863,775	24,182,904
Kings	4,111,328	4,225,888	4,174,358
Lake	1,533,921	1,617,288	1,676,203
Lassen	1,713,189	1,334,297	1,194,682
Madera	5,047,741	4,967,640	4,872,827
Marin	8,686,260	8,460,909	7,927,685
Mariposa	617,737	656,857	649,016
Mendocino	2,999,889	3,189,732	3,024,928
Merced	5,799,760	5,622,523	5,899,998
Modoc	546,417	555,061	488,052
Mono	827,414	823,132	740,081
Monterey	11,068,298	12,047,639	10,872,756
Napa	4,980,101	5,126,534	4,845,416
Nevada	3,258,549	3,206,545	3,438,818
Orange	108,702,345	108,572,489	102,754,102
Placer	8,385,338	7,686,753	7,722,600
Plumas	723,835	898,577	655,502
Riverside	60,698,399	60,444,097	65,147,113
Sacramento	44,153,791	45,249,453	43,252,521
San Benito	1,763,213	1,904,229	1,611,810
San Bernardino	52,089,616	51,644,432	53,332,204
San Diego	85,925,807	80,709,371	79,812,744
San Francisco	37,490,945	39,330,020	38,756,484
San Joaquin	15,678,398	15,840,228	17,551,540
San Luis Obispo	8,238,022	9,055,874	8,823,578
San Mateo	20,045,369	19,048,416	18,723,585
Santa Barbara	16,359,422	14,592,446	13,322,210
Santa Clara	52,732,588	51,119,967	49,049,205
Santa Cruz	7,607,928	8,649,932	8,066,301
Shasta	8,803,769	9,354,640	8,803,224
Sierra	208,768	223,042	249,519
Siskiyou	2,499,489	2,444,339	2,140,102

**Judicial Branch Workers' Compensation Program**  
**Workers' Compensation Cost Allocation for Fiscal Year 2016-17**  
**Trial Courts**

Summary of Payroll

Court	Payroll		
	2012-13	2013-14	2014-15
Solano	11,653,483	12,873,645	11,988,635
Sonoma	12,394,983	12,243,891	11,623,434
Stanislaus	12,049,239	11,111,956	11,810,523
Sutter	2,784,136	2,683,627	2,801,801
Tehama	2,252,405	2,170,782	2,084,484
Trinity	816,855	861,615	802,217
Tulare	10,439,525	11,076,669	11,256,132
Tuolumne	2,193,229	2,039,140	1,942,675
Ventura	21,682,357	22,546,961	22,050,310
Yolo	5,109,655	5,096,011	4,952,488
Yuba	2,942,396	2,771,729	2,802,954
All Courts	\$815,981,951	\$813,852,084	\$802,430,146

Notes:

Provided by Judicial Branch Workers' Compensation Program.

**Judicial Branch Workers' Compensation Program**  
**Workers' Compensation Cost Allocation for Fiscal Year 2016-17**  
**Trial Courts**

Summary of Loss Data

Court	Incurred Losses			Incurred Losses Capped at \$75K		
	2012-13	2013-14	2014-15	2012-13	2013-14	2014-15
Alameda	\$936,864	\$854,887	\$110,682	\$675,679	\$520,610	\$110,682
Alpine	0	0	0	0	0	0
Amador	0	28,295	23,133	0	28,295	23,133
Butte	249,225	375	90,828	202,236	375	90,828
Calaveras	0	30,537	0	0	30,537	0
Colusa	0	0	0	0	0	0
Contra Costa	385,282	466,202	317,666	335,857	373,136	301,947
Del Norte	0	0	0	0	0	0
El Dorado	67,462	0	49,265	67,462	0	49,265
Fresno	353,586	456,223	344,866	332,161	336,133	344,866
Glenn	12,215	0	0	12,215	0	0
Humboldt	166,957	65,679	127,455	166,957	65,679	127,455
Imperial	5,794	14,803	56,695	5,794	14,803	56,695
Inyo	23,780	0	0	23,780	0	0
Kern	372,388	132,304	18,632	365,683	132,304	18,632
Kings	6,141	52,508	150,694	6,141	52,508	139,678
Lake	85,621	122,115	15,828	85,621	122,115	15,828
Lassen	0	0	0	0	0	0
Madera	5,567	96,742	5,429	5,567	77,990	5,429
Marin	4,846	29,900	0	4,846	29,900	0
Mariposa	0	0	8,100	0	0	8,100
Mendocino	35,068	17,934	14,161	35,068	17,934	14,161
Merced	17,787	85,019	3,064	17,787	85,019	3,064
Modoc	0	0	0	0	0	0
Mono	25,602	0	0	25,602	0	0
Monterey	253,400	50,681	62,663	180,533	50,681	62,663
Napa	4,591	114,264	4,432	4,591	114,264	4,432
Nevada	149,925	0	973	85,531	0	973
Orange	798,220	844,083	180,027	562,509	538,576	180,027
Placer	34,148	276	215,160	34,148	276	211,465
Plumas	0	0	0	0	0	0
Riverside	814,633	647,920	223,695	676,613	576,366	223,695
Sacramento	427,887	218,242	128,613	338,338	202,462	128,613
San Benito	8,825	0	0	8,825	0	0
San Bernardino	938,449	544,992	442,799	582,021	432,516	422,615
San Diego	1,561,258	734,439	994,639	1,207,146	722,242	990,863
San Francisco	366,688	429,787	189,492	343,583	281,515	189,492
San Joaquin	438,888	239,308	71,562	339,534	199,842	71,562
San Luis Obispo	43,215	95,914	91,007	43,215	78,681	91,007
San Mateo	155,335	820,174	153,872	155,335	502,151	153,872
Santa Barbara	177,963	20,133	64,700	170,262	20,133	64,700
Santa Clara	822,538	397,610	368,147	583,611	333,235	368,147
Santa Cruz	63,109	71,502	2,179	63,109	71,502	2,179
Shasta	111,374	28,376	95,468	111,374	28,376	95,468
Sierra	0	0	0	0	0	0
Siskiyou	54,154	15,037	590	54,154	15,037	590

**Judicial Branch Workers' Compensation Program**  
**Workers' Compensation Cost Allocation for Fiscal Year 2016-17**  
**Trial Courts**

Summary of Loss Data

Court	Incurred Losses			Incurred Losses Capped at \$75K		
	2012-13	2013-14	2014-15	2012-13	2013-14	2014-15
Solano	830,240	351,386	159,151	577,066	306,613	159,151
Sonoma	163,657	42,463	13,644	84,111	42,463	13,644
Stanislaus	146,540	43,248	51,299	146,540	43,248	51,299
Sutter	162	48,289	44,477	162	48,289	44,477
Tehama	65,395	972	0	65,395	972	0
Trinity	281,151	386	0	76,690	386	0
Tulare	80,598	188,387	114,296	80,598	120,512	114,296
Tuolumne	27,196	11,414	4,754	27,196	11,414	4,754
Ventura	339,522	400,594	70,901	272,125	158,482	70,901
Yolo	9,075	109,174	0	9,075	78,412	0
Yuba	922	102,488	1,869	922	102,488	1,869
All Courts	11,923,240	9,025,064	5,086,907	9,252,763	6,968,472	5,032,517

## Notes:

Provided by Judicial Branch Workers' Compensation Program.

**Judicial Branch Workers' Compensation Program**  
**Workers' Compensation Cost Allocation for Fiscal Year 2016-17**  
**Trial Courts**

Comparison to Prior Allocation

Court	2015-16 Total Allocation (A)	2016-17 Total Allocation (B)	Difference (C)	Percent Change (D)
Alameda	\$1,090,810	\$1,154,190	\$63,380	5.81%
Alpine	3,993	3,872	-121	-3.04%
Amador	41,539	36,825	-4,714	-11.35%
Butte	149,344	180,051	30,706	20.56%
Calaveras	31,265	34,012	2,747	8.79%
Colusa	15,753	14,402	-1,351	-8.58%
Contra Costa	783,982	717,106	-66,876	-8.53%
Del Norte	32,957	26,954	-6,003	-18.21%
El Dorado	97,300	101,036	3,736	3.84%
Fresno	816,894	726,591	-90,303	-11.05%
Glenn	33,938	23,612	-10,326	-30.43%
Humboldt	135,013	164,402	29,389	21.77%
Imperial	138,582	112,943	-25,638	-18.50%
Inyo	29,156	24,126	-5,030	-17.25%
Kern	583,700	490,647	-93,054	-15.94%
Kings	131,542	122,311	-9,231	-7.02%
Lake	48,531	80,678	32,147	66.24%
Lassen	28,298	23,889	-4,410	-15.58%
Madera	154,467	101,709	-52,758	-34.15%
Marin	177,304	128,567	-48,737	-27.49%
Mariposa	11,659	13,012	1,352	11.60%
Mendocino	116,947	67,076	-49,871	-42.64%
Merced	148,234	118,555	-29,679	-20.02%
Modoc	10,395	9,492	-903	-8.69%
Mono	35,184	19,346	-15,837	-45.01%
Monterey	273,660	259,818	-13,842	-5.06%
Napa	113,804	112,548	-1,256	-1.10%
Nevada	68,835	76,037	7,202	10.46%
Orange	1,637,389	1,420,673	-216,716	-13.24%
Placer	139,038	195,718	56,680	40.77%
Plumas	14,680	13,347	-1,333	-9.08%
Riverside	1,414,830	1,341,728	-73,102	-5.17%
Sacramento	832,445	756,974	-75,471	-9.07%
San Benito	36,071	31,403	-4,668	-12.94%
San Bernardino	1,241,752	1,242,243	491	0.04%
San Diego	2,143,739	2,379,229	235,490	10.98%
San Francisco	1,031,006	786,968	-244,038	-23.67%
San Joaquin	477,075	451,516	-25,559	-5.36%
San Luis Obispo	185,132	195,178	10,046	5.43%
San Mateo	672,260	574,972	-97,288	-14.47%
Santa Barbara	363,282	287,302	-75,981	-20.92%
Santa Clara	1,246,922	1,145,686	-101,237	-8.12%
Santa Cruz	187,194	160,680	-26,515	-14.16%
Shasta	255,590	206,894	-48,697	-19.05%
Sierra	4,196	4,216	20	0.48%
Siskiyou	55,510	56,446	935	1.68%



**Judicial Branch Workers' Compensation Program**  
**Workers' Compensation Cost Allocation for Fiscal Year 2016-17**  
**Trial Courts**

Comparison to Prior Allocation

Court	2015-16 Total Allocation (A)	2016-17 Total Allocation (B)	Difference (C)	Percent Change (D)
Solano	502,808	555,885	53,077	10.56%
Sonoma	231,558	211,319	-20,239	-8.74%
Stanislaus	287,607	244,244	-43,363	-15.08%
Sutter	56,347	69,059	12,712	22.56%
Tehama	48,008	52,399	4,391	9.15%
Trinity	29,897	30,763	866	2.90%
Tulare	242,245	262,404	20,160	8.32%
Tuolumne	70,234	44,736	-25,498	-36.30%
Ventura	445,452	474,495	29,043	6.52%
Yolo	114,629	102,541	-12,088	-10.55%
Yuba	77,270	73,754	-3,516	-4.55%
All Courts	\$19,347,255	\$18,316,577	-\$1,030,677	-5.33%

Notes:

- (A): From Prior Allocation.
- (B): From Exhibit TC-1.
- (C): (B) - (A)
- (D): (C) / (A)

**Judicial Branch Workers' Compensation Program  
Workers' Compensation Cost Allocation for Fiscal Year 2016-17  
State Judiciary**

Allocation of 2016-17 Costs

Court	2012-13 to 2014-15 Payroll (\$000) (A)	Percent Payroll (B)	2016-17 Indicated Allocation Based on Payroll (C)	2012-13 to 2014-15 Incurred Limited to \$75K (D)	Percent Limited Losses (E)	2016-17 Indicated Allocation Based on Losses (F)	Weighting (G)	2016-17 Weighted Allocation (H)	2016-17 Adjusted Allocation (I)	Allocation of Excess Premium (J)	Allocation of Claims Handling (TPA) Fees (K)	Allocation of Program Admin. (L)	Allocation of Brokerage / Consulting (M)	2016-17 Total Allocation (N)	2016-17 Percent of Allocation (O)
Supreme Court	\$50,697	3.67%	\$26,627	\$10,209	1.77%	\$12,810	31.13%	\$22,327	\$23,217	\$6,683	\$4,093	\$0	\$874	\$34,867	2.99%
1st District Court	40,519	2.94%	21,282	656	0.11%	823	28.88%	15,372	15,985	5,341	1,520	0	325	23,171	1.99%
2nd District Court	82,961	6.01%	43,573	77,975	13.50%	97,839	36.68%	63,477	66,008	10,936	20,999	0	4,484	102,427	8.78%
3rd District Court	27,491	1.99%	14,439	662	0.11%	830	25.38%	10,985	11,423	3,624	1,082	0	231	16,360	1.40%
4th District Court	66,570	4.82%	34,965	9,776	1.69%	12,267	34.08%	27,228	28,314	8,776	4,528	0	967	42,584	3.65%
5th District Court	24,290	1.76%	12,758	32,079	5.55%	40,251	24.36%	19,454	20,229	3,202	8,307	0	1,774	33,512	2.87%
6th District Court	17,902	1.30%	9,403	620	0.11%	778	22.00%	7,505	7,804	2,360	749	0	160	11,073	0.95%
Judicial Council	184,529	13.37%	96,920	168,353	29.14%	211,241	47.88%	151,655	157,701	24,325	45,521	0	9,720	237,267	20.33%
CJP	5,937	0.43%	3,118	0	0.00%	0	15.23%	2,644	2,749	783	200	0	43	3,775	0.32%
HCRC	18,629	1.35%	9,785	0	0.00%	0	22.29%	7,603	7,906	2,456	628	0	134	11,125	0.95%
Trial Court Judges	860,824	62.36%	452,130	277,474	48.02%	348,161	80.00%	368,955	383,664	113,477	126,715	0	27,057	650,912	55.77%
All Courts	\$1,380,350	100.00%	\$725,000	\$577,804	100.00%	\$725,000		\$697,205	\$725,000	\$181,963	\$214,342	\$0	\$45,767	\$1,167,072	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)]. Total (F) was provided by Judicial Branch Workers' Compensation Program.
- (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): (H) x (F) + [1-(H)] x (G)
- (I): (H) subject to an adjustment of 1.04.
- (J): (B) x [Total (J)]. Total (J) was provided by Judicial Branch Workers' Compensation Program.
- (K): [(B) x 0.20 + (E) x 0.80] 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 0.20 + (E) x 0.80] x Total (M). Total (M) was provided by Judicial Branch Workers' Compensation Program.
- (N): Sum[(I)..(M)]
- (O): (N)/[Total (N)]

\* Supreme Court includes the California Judicial Center Library

**Judicial Branch Workers' Compensation Program**  
**Workers' Compensation Cost Allocation for Fiscal Year 2016-17**  
**State Judiciary**

Summary of Payroll

Court	Payroll		
	2012-13	2013-14	2014-15
Supreme Court	\$17,424,601	\$16,725,113	\$16,547,000
1st District Court	13,969,192	12,918,969	13,631,000
2nd District Court	28,367,200	27,181,425	27,412,000
3rd District Court	8,940,133	9,100,274	9,451,000
4th District Court	22,137,823	22,023,226	22,409,000
5th District Court	8,001,512	8,034,066	8,254,000
6th District Court	5,843,524	5,876,586	6,182,000
Judicial Council	64,337,995	64,827,084	55,364,000
CJP	1,903,435	2,011,012	2,022,857
HCRC	6,303,418	6,017,821	6,308,000
Trial Court Judges	280,795,205	286,467,580	293,561,457
All Courts	\$458,024,038	\$461,183,156	\$461,142,314

Notes:

Provided by Judicial Branch Workers' Compensation Program.

\* Supreme Court includes the California Judicial Center Library

**Judicial Branch Workers' Compensation Program**  
**Workers' Compensation Cost Allocation for Fiscal Year 2016-17**  
**State Judiciary**

Summary of Loss Data

Court	<u>Incurred Losses</u>			<u>Incurred Losses Capped at \$75K</u>		
	2012-13	2013-14	2014-15	2012-13	2013-14	2014-15
Supreme Court	\$0	\$709	\$9,500	\$0	\$709	\$9,500
1st District Court	0	0	656	0	0	656
2nd District Court	0	80,436	0	0	77,975	0
3rd District Court	662	0	0	662	0	0
4th District Court	0	0	9,776	0	0	9,776
5th District Court	32,062	0	17	32,062	0	17
6th District Court	0	620	0	0	620	0
Judicial Council	51,713	19,503	97,136	51,713	19,503	97,136
CJP	0	0	0	0	0	0
HCRC	0	0	0	0	0	0
Trial Court Judges	412,666	0	43,301	234,173	0	43,301
All Courts	497,103	101,267	160,387	318,610	98,807	160,387

Notes:

Provided by Judicial Branch Workers' Compensation Program.

\* Supreme Court includes the California Judicial Center Library

**Judicial Branch Workers' Compensation Program**  
**Workers' Compensation Cost Allocation for Fiscal Year 2016-17**  
**State Judiciary**

Comparison to Prior Allocation

Court	2015-16 Total Allocation (A)	2016-17 Total Allocation (B)	Difference (C)	Percent Change (D)
Supreme Court	\$73,817	\$34,867	-\$38,951	-52.77%
1st District Court	28,741	23,171	-5,570	-19.38%
2nd District Court	54,206	102,427	48,221	88.96%
3rd District Court	18,342	16,360	-1,982	-10.81%
4th District Court	39,557	42,584	3,027	7.65%
5th District Court	37,230	33,512	-3,718	-9.99%
6th District Court	19,962	11,073	-8,890	-44.53%
Judicial Council	368,677	237,267	-131,410	-35.64%
CJP	4,238	3,775	-463	-10.94%
HCRC	18,011	11,125	-6,886	-38.23%
Trial Court Judges	617,584	650,912	33,328	5.40%
All Courts	\$1,280,366	\$1,167,072	-\$113,294	-8.85%

Notes:

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

\* Supreme Court includes the California Judicial Center Library

**Judicial Branch Workers' Compensation Program**  
**Workers' Compensation Cost Allocation for Fiscal Year 2016-17**  
**State Judiciary**

Summary of Payroll, Losses and Expenses

Division	2012-13 to 2014-15 Payroll (\$000) (A)	Percent Payroll (B)	2012-13 to 2014-15 Incurred Limited to \$75K (C)	Percent Limited Losses (D)	2016-17 Claims Handling (E)	2016-17 Program Admin. (F)	2016-17 Brokerage / Consulting (G)
Trial Courts	\$2,432,264	63.80%	\$21,253,752	97.35%	\$2,076,058	\$0	\$443,288
Judiciary	519,525	13.63%	300,330	1.38%	87,627	0	18,710
Trial Court Judges	860,824	22.58%	277,474	1.27%	126,715	0	27,057
<b>Total</b>	<b>\$3,812,614</b>	<b>100.00%</b>	<b>\$21,831,556</b>	<b>100.00%</b>	<b>\$2,290,400</b>	<b>\$0</b>	<b>\$489,055</b>

## Notes:

Provided by Judicial Branch Workers' Compensation Program.

**JUDICIAL COUNCIL OF CALIFORNIA , ETAL.**  
**EXCESS WORKERS' COMPENSATION PROGRAM**  
**JULY 1, 2016 TO JULY 1, 2017**  
**2-Year**

Attachment C

**JUDICIARY**

	QUOTE	QUOTE	QUOTE	QUOTE	QUOTE
Carrier	Arch Insurance Co.	Arch Insurance Company	Arch Insurance Company	Safety National Casualty Corp.	Safety National Casualty Corp.
2016 AM Best Rating	A+ XV- Admitted	A+ XV - Admitted	A+ XV - Admitted	A+ XIV- Admitted	A+ XIV- Admitted
Policy Term	07/01/2016 to 07/01/2017	07/01/2016 to 07/01/2017	07/01/2016 to 07/01/2017	07/01/2016 to 07/01/2017	07/01/2016 to 07/01/2017
Coverage	Specific Excess WC	Specific Excess WC	Specific Excess WC	Specific Excess WC	Specific Excess WC
Covered State	CALIFORNIA	CALIFORNIA	CALIFORNIA	CALIFORNIA	CALIFORNIA
Estimated 2 Year Payroll	\$1,007,544,896	\$1,007,544,896	\$1,007,544,896	\$1,007,544,896	\$1,007,544,896
Workers Compensation Limit	<b>\$50,000,000</b>	<b>\$100,000,000</b>	Statutory	<b>\$50,000,000</b>	<b>\$100,000,000</b>
Employers Liability Limit	\$2,000,000/\$2,000,000	\$2,000,000/\$2,000,000	\$2,000,000/\$2,000,000	\$2,000,000/\$2,000,000	\$2,000,000/\$2,000,000
Self-Insured Retention (SIR)	accident/disease/employee \$2,000,000	accident/disease/employee \$2,000,000	accident/disease/employee \$2,000,000	per Occurrence and Aggregate \$2,000,000	per Occurrence and Aggregate \$2,000,000
<b>Rate per \$100 of payroll</b>	<b>\$0.0344</b>	<b>\$0.0385</b>	<b>\$0.0547</b>	<b>\$0.0452</b>	<b>\$0.0474</b>
<b>Deposit Premium</b>	<b>\$346,595</b>	<b>\$387,905</b>	<b>\$551,127</b>	<b>\$454,986</b>	<b>\$477,258</b>
Minimum Premium	\$346,595	\$387,905	\$551,127	\$454,986	\$477,258
Commission	5%	5%	5%	5%	5%
Pay Plan	Annual	Annual	Annual	Annual	Annual
Audit	Annual	Annual	Annual	Annual	Annual
Subjectivities	None	None	None	None	None

**TRIAL COURTS**

	QUOTE	QUOTE	QUOTE	QUOTE	QUOTE
Carrier	Arch Insurance Co.	Arch Insurance Company	Arch Insurance Company	Safety National Casualty Corp.	Safety National Casualty Corp.
2016 AM Best Rating	A+ XV- Admitted	A+ XV - Admitted	A+ XV - Admitted	A+ XIV- Admitted	A+ XII - Admitted
Policy Term	07/01/2016 to 07/01/2017	07/01/2016 to 07/01/2017	07/01/2016 to 07/01/2017	07/01/2016 to 07/01/2017	07/01/2016 to 07/01/2017
Coverage	Specific Excess WC	Specific Excess WC	Specific Excess WC	Specific Excess WC	Specific Excess WC
Covered State	CALIFORNIA	CALIFORNIA	CALIFORNIA	CALIFORNIA	CALIFORNIA
Estimated 2 Year Payroll	\$1,695,787,062	\$1,695,787,062	\$1,695,787,062	\$1,695,787,062	\$1,695,787,062
Workers Compensation Limit	<b>\$50,000,000</b>	<b>\$100,000,000</b>	Statutory	<b>\$50,000,000</b>	<b>\$100,000,000</b>
Employers Liability Limit	\$2,000,000/\$2,000,000	\$2,000,000/\$2,000,000	\$2,000,000/\$2,000,000	\$2,000,000/\$2,000,000	\$2,000,000/\$2,000,000
Self-Insured Retention	accident/disease/employee \$2,000,000	accident/disease/employee \$2,000,000	accident/disease/employee \$2,000,000	per Occurrence and Aggregate \$2,000,000	per Occurrence and Aggregate \$2,000,000
<b>Rate per \$100 of payroll</b>	<b>\$0.0468</b>	<b>\$0.0520</b>	<b>\$0.0624</b>	<b>\$0.0551</b>	<b>\$0.0563</b>
<b>Deposit Premium</b>	<b>\$793,628</b>	<b>\$881,809</b>	<b>\$1,058,171</b>	<b>\$934,379</b>	<b>\$954,728</b>
Minimum Premium	\$793,628	\$881,809	\$1,058,171	\$840,941	\$859,255
Commission	0%	0%	0%	0%	0%
Pay Plan	Annual	Annual	Annual	Annual	Annual
Audit	Annual	Annual	Annual	Annual	Annual
Subjectivities	None	None	None	None	None

**Judicial Branch Workers' Compensation Program Advisory Committee**

**Annual Agenda—2016**

**Approved by Litigation Management Committee: April 14, 2016**

Attachment D

**I. ADVISORY BODY INFORMATION**

<b>Chair:</b>	Tania Ugrin-Capobianco, Court Executive Officer, Superior Court of California, El Dorado County
<b>Staff:</b>	Linda Cox, Principal Manager, Judicial Council of California

**Advisory Body's Charge:**

**Rule 10.67. Judicial Branch Workers' Compensation Advisory Committee (JBWCP)**

**(a) Area of focus**

The committee makes recommendations to the council for improving the statewide administration of the Judicial Branch Workers' Compensation Program and on allocations to and from the Judicial Branch Workers' Compensation Fund established under Government Code section 68114.10.

**(b) Additional duties**

In addition to the duties specified in rule 10.34, the committee must review:

- (1) The progress of the Judicial Branch Workers' Compensation Program;
- (2) The annual actuarial report; and
- (3) The annual allocation, including any changes to existing methodologies for allocating workers' compensation costs.

The Judicial Branch Workers' Compensation Program is administered by the Judicial Council staff under rule 10.350



**Advisory Body's Membership:** The advisory committee is a 16-member advisory committee is comprised of appellate court clerk/administrators, court executive officers, trial court human resources directors, and human resources senior staff involved in workers' compensation administration. Members may serve a one, two or three year team.

- **Ms. Tania Ugrin-Capobianco, Chair**, Court Executive Officer, Superior Court of California, County of El Dorado
- **Ms. Jeanine Bean**, Human Resources Director, Superior Court of California, County of Stanislaus
- **Ms. Colette Bruggman**, Assistant Clerk/Administrator, Court of Appeal, Third Appellate District
- **Ms. Heather Capps**, Benefits and Disability Programs Officer, Superior Court of California, County of Orange
- **Hon. Wynne Carvill**, Judge, Superior Court of California, County of Alameda
- **Ms. Stephanie Cvitkovich**, Human Resources Analyst, Superior Court of California, County of San Diego
- **Mr. Kevin Harrigan**, Court Executive Officer, Superior Court of California, County of Glenn
- **Ms. Tammy Grimm**, Court Executive Officer, Superior Court of California, County of Imperial
- **Ms. Cindia Martinez**, Deputy Court Executive Officer, Superior Court of California, County of Sonoma
- **Mr. James Owen**, Director of Finance and Human Resources, Superior Court of California, County of Santa Cruz
- **Ms. Michele Ramos**, Human Resources Director, Superior Court of California, County of Fresno
- **Ms. Shannon Stone**, Human Resources Director, Superior Court of California, County of Contra Costa
- **Mr. Brian Taylor**, Court Executive Officer, Superior Court of California, County of Solano
- **Ms. Christine Volkens**, Court Executive Officer, Superior Court of California, County of San Bernardino
- **Mr. David H. Yamasaki**, Court Executive Officer, Superior Court of California, County of Santa Clara
- **Mr. T. Michael Yuen**, Court Executive Officer, Superior Court of California, County of San Francisco

#### **Judicial Council Staff Liaison**

**Ms. Linda M. Cox**, Lead Staff, Senior Manager, Human Resources, Judicial Council of California

#### **Subgroups/Working Groups:**

##### Settlement Authority Group

- **Ms. Jeanine Bean**, Human Resources Director, Superior Court of California, County of Stanislaus
- **Ms. Colette Bruggman**, Assistant Clerk/Administrator, Court of Appeal, Third Appellate District
- **Ms. Heather Capps**, Benefits and Disability Programs Officer, Superior Court of California, County of Orange
- **Ms. Stephanie Cvitkovich**, Human Resources Analyst, Superior Court of California, County of San Diego
- **Ms. Tammy Grimm**, Court Executive Officer, Superior Court of California, County of Imperial
- **Ms. Cindia Martinez**, Deputy Court Executive Officer, Superior Court of California, County of Sonoma
- **Ms. Shannon Stone**, Human Resources Director, Superior Court of California, County of Contra Costa
- **Ms. Christine Volkens**, Court Executive Officer, Superior Court of California, County of San Bernardino

##### Alternative Deficit Reduction Group

- **Ms. Colette Bruggman**, Assistant Clerk/Administrator, Court of Appeal, Third Appellate District

- **Ms. Heather Capps**, Benefits and Disability Programs Officer, Superior Court of California, County of Orange
- **Hon. Wynne Carvill**, Judge, Superior Court of California, County of Alameda
- **Ms. Stephanie Cvitkovich**, Human Resources Analyst, Superior Court of California, County of San Diego
- **Mr. Kevin Harrigan**, Court Executive Officer, Superior Court of California, County of Glenn
- **Ms. Cindia Martinez**, Deputy Court Executive Officer, Superior Court of California, County of Sonoma
- **Mr. Brian Taylor**, Court Executive Officer, Superior Court of California, County of Solano
- **Mr. T. Michael Yuen**, Court Executive Officer, Superior Court of California, County of San Francisco

**Advisory Body’s Key Objectives for 2016:**

It is the key objective of the JBWCP Advisory Committee is to protect the interests of the program participants and eligible injured workers. Participants of the program include the following judicial branch entities:

**State Judicial Branch**

- Supreme Court of California (Justices and Employees)
- Courts of Appeal (Justices and Employees)
- Habeas Corpus Resource Center
- Commission on Judicial Performance
- Judicial Council of California

**Trial Courts**

- Superior Courts of California, excluding Los Angeles

**Judicial Officers**

- Superior Court judges

## II. ADVISORY BODY PROJECTS

#	Project <sup>1</sup>	Priority <sup>2</sup>	Specifications	Completion Date/Status	Describe End Product/ Outcome of Activity
1.	<p><i>Review and present to the Judicial Council, the program actuarial evaluation.</i></p> <p><i>Review and recommend approval of the annual membership premium allocation which is based on the program actuarial evaluation.</i></p> <p><i>Each year the advisory committee reviews and considers the actuarial value of the program's assets and liabilities and compares it with the performance of the State of California workers' compensation trends. The annual actuarial report is the baseline for the annual premium allocation for members.</i></p>	1	<p>Judicial Council Direction: <i>Duties established in CRC 10.67</i></p> <p>Origin of Project: <i>Judicial Branch Workers' Compensation Program Advisory Committee</i></p> <p>Key Objective Supported: <i>This project is a key objective.</i></p> <p>Resources: <i>Judicial Council staff, Program Consultant, program third party administrator.</i></p>	June 23, 2016 Judicial Council Meeting	<i>Judicial Council adoption of the annual premium allocation for the coming fiscal year.</i>
2.	<p><i>Research other state-wide pooled programs and consider options for standardized settlement authority protocol and policy and recommend to the Judicial council for adoption.</i></p> <p><i>The JBWCP program is a permissibly uninsured self-funded program. The program members</i></p>	2	<p>Judicial Council Direction: <i>Duties established in CRC 10.67</i></p> <p>Origin of Project: <i>Judicial Branch Workers' Compensation Program Advisory Committee</i></p> <p>Key Objective Supported: <i>This project is a key objective.</i></p>	December 2017	<i>Judicial Council adoption of settlement authority protocol and policy that define levels of authority for settlement approval.</i>

<sup>1</sup> 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.

<sup>2</sup> 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.

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	<p><i>share in the cost of the program based on each member's claims experience and exposure. As a pooled program each member shares in the overall cost of the program branch-wide. It is recognized throughout pooled programs across the state that, having established settlement authority policies in place will allow for consistency, stability, and equity of the shared fund for a pooled program.</i></p>		<p>Resources:  <i>Judicial Council staff, Program Consultant, program third party administrator.</i></p>		
3.	<p><i>Research and consider alternate deficit reduction measures that do not incur increased premium allocations to members to recommend to the Judicial council for adoption.</i></p> <p><i>The JBWCP workers' compensation reserve fund is not fully funded to meet the total liability obligations of the program. Last year the Council approved a funding methodology that will minimize the increase to the fund deficit. Additional non-monetary measures are proposed to be considered for additional deficit reduction strategies.</i></p>	2	<p>Judicial Council Direction:  <i>Duties established in CRC 10.67</i></p> <p>Origin of Project:  <i>Judicial Branch Workers' Compensation Program Advisory Committee</i></p> <p>Key Objective Supported:  <i>This project is a key objective.</i></p> <p>Resources:  <i>Judicial Council staff, Program Consultant, program third party administrator.</i></p>	Ongoing	<p><i>Judicial Council adoption of mandatory, alternative deficit reduction methods.</i></p>