



JUDICIAL COUNCIL OF CALIFORNIA

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R E P O R T T O T H E J U D I C I A L C O U N C I L

For business meeting on: May 24, 2018

Title	Agenda Item Type
Judicial Branch Administration: Judicial Branch Workers' Compensation Program	Action Required
	Effective Date
Rules, Forms, Standards, or Statutes Affected	May 24, 2018
N/A	
	Date of Report
Recommended by	May 10, 2018
Judicial Branch Workers' Compensation Program Advisory Committee	Contact
Tania Ugrin-Capobianco, Chair	Patrick Farrales, 415-865-8806 patrick.farrales@jud.ca.gov

Executive Summary

The Judicial Branch Workers' Compensation Program Advisory Committee recommends approval of the workers' compensation cost allocation for fiscal year 2018–19, and implementation of various initiatives to increase program outreach and educate members on workers' compensation programs.

Recommendation

The Judicial Branch Workers' Compensation Program (JBWCP) Advisory Committee recommends that the Judicial Council, effective May 24, 2018:

1. Approve the workers' compensation premium for fiscal year (FY) 2018–19 for participating trial courts and the state judiciary (Attachment A: Member Premium Allocation for Fiscal Year 2018-2019 (Draft)).
2. Approve the JBWCP Advisory Committee's recommendations to improve the administration of the workers' compensation program. These improvements include the development of quarterly progress reports and mentor court programs, and the modification of the existing settlement authority policy.

3. Approve the JBWCP Advisory Committee's recommendation to research the fiscal impact of increasing member premiums and raising funding confidence levels.

Relevant Previous Council Action

At its meeting in November 2017, the Judicial Council approved a revision to the workers' compensation premium methodology for FY 2018–19. The reasons for this change were:

- Reducing volatility in the claims handling fees for trial court judges.
- Excluding losses from the brokerage and consulting fees equation allowed members to benefit from a stable distribution of costs since payroll growth trends are not subject to significant fluctuations as are workers' compensation loss trends. Furthermore, there was no meaningful correlation between brokerage and consulting services and losses. The services were provided regardless of members' losses.

Analysis/Rationale

Trial court workers' compensation trends

Loss Rate. The trial courts' loss rate (which is limited to \$250,000 per occurrence) has been relatively stable overall during the past 10 years. The trial courts' loss rate averaged \$1.57 per \$100 of payroll during the FY 2007–08 and 2012–13 program years, and averaged \$1.49 per \$100 of payroll during 2013–14 through 2016–17. Based on the trial courts' average for the most recent four years, the projected loss rate for 2017–18 is \$1.48 per \$100 of payroll.

Claims Severity. The trial courts' claim severity, or cost per claim (limited to \$250,000 per occurrence), has been rising overall during the past 10 years. The projected 2017–18 average cost per claim of \$22,700 is based on the recent increasing trend.

Claims Frequency. The trial courts' claim frequency, or number of claims per \$1 million of payroll, has been generally decreasing since 2007–08. The projected claims frequency of 0.65 for 2017–18 is similar to the average of the recent four years and the apparent downward trend.

Impact on Premiums. The incurred losses have developed more than anticipated since the prior year. This is primarily due to the third-party administrator Acclamation Insurance Management Services (AIMS) case reserve strengthening. Paid losses developed just slightly more. Due to the strengthening in the case reserves, the program gave more weight to the paid indications and increased estimated ultimate losses in line with the increase in paid losses. Case reserves overall are up \$4.9 million since the prior study. However, the program has decreased its Incurred but not Reported (IBNR) losses and total outstanding liability is up \$2 million. Trial court premiums have decreased primarily due to a decrease in the allocation of brokerage costs to trial courts.

State judiciary workers' compensation trends

Loss Rate. The state judiciary's loss rate (limited to \$100,000 per occurrence) has been quite volatile over the past 10 years. The state judiciary's loss rate averaged \$0.093 from 2007–08 to

2010–11, and \$0.074 between 2011–12 and 2016–17. The projected loss rate for 2017–18 is \$0.075 per \$100 of payroll, which is similar to the average years.

Claims Severity. The state judiciary’s claim severity, or cost per claim (limited to \$100,000 per occurrence), averaged \$17,700 during the period 2007–08 to 2010–11. Since that time, the average claim severity has declined overall to \$16,800. The projection of \$16,700 for 2017–18 is based on the most recent six years and apparent downward trend.

Claims Frequency. Since 2007–08, the state judiciary’s claim frequency, or number of claims per \$1 million payroll, has ranged from a high of 0.060 in 2011–12 to a low of 0.024 during 2013–14. The projected 2017–18 frequency of 0.045 claims per \$1 million of payroll is based on the average of the most recent six years.

Impact on Premiums. Incurred and paid losses have developed less than anticipated since the prior report, resulting in a decrease in the program’s estimated ultimate losses. The program estimates a decrease in the outstanding liability of \$220,000. Projected funding is up primarily due to an increase in the allocation of brokerage costs to the state judiciary.

Trial Courts and State Judiciary Funding Margin. The actuary generally recommends that this program include some funding margin for the possibility that actual loss costs will be greater than the best estimate. The current funding margin for the program is reflected below:

	<u>Funding Margin</u>		
	Prior Report at June 30, 2017	Current Report at June 30, 2018	Change
(A) Outstanding Liability at the Discounted Expected Level:	\$80,870,000	\$82,645,000	\$1,775,000
(B) Estimated Assets at June 30:	\$59,735,000	\$60,268,000	\$533,000
(C) Deficit:	(\$21,135,000)	(\$22,377,000)	(\$1,242,000)

The estimate of the program’s funding margin at the discounted, expected level has decreased by \$1,242,000 between June 30, 2017, and June 30, 2018. This is driven by an increase in the estimated fund assets between the two points, more than offset with an increase in the estimated outstanding liability.

Policy implications

The liability increase reinforces the urgency to continue efforts to implement deficit reduction measures, either through the implementation of process efficiencies and policy, or direct funding

mechanisms through assessment plans. To address these issues, the JBWCP Advisory Committee will be undertaking the following initiatives for FY 2018–19:

1. Correct the performance gap of the third-party administrator, AIMS, by implementing quarterly spot checks consistent with the format of the 2017 Claims Technical Administration Audit. The committee will review the spot checks for progress, address process deficiencies, and determine next steps if there is no improvement.
2. Develop a mentor court program in which members can partner with other members to serve as a resource for workers' compensation best practices, and provide advice on claims administration and other workers' compensation–related inquiries.
3. Revise the settlement authority policy to include a change to the approval thresholds of Level IV and Level V settlement types. The policy will allow three members of the committee to approve Level IV settlements, and allow five members of the committee to approve Level V settlements. Previously, those levels required a quorum of the committee to approve large settlement amounts.
4. Review options to reduce the deficit by raising funding confidence levels and implementing an assessment plan. The options will include multiple scenarios over defined timeframes: 10, 15, and 20 years.

Comments

External comments. On February 23, 2018, the committee convened a public meeting to discuss the initiatives. The committee did not receive any comments from the public.

Internal comments. The committee reviewed the progress of last year's deficit reduction initiatives and recommended that program staff continue to pursue cost-neutral efforts to reduce the deficit. This includes:

- Developing a program survey that will be sent to all program members in the upcoming fiscal year. The survey will include feedback from members on current service levels and on the settlement authority policy.
- Continuing the efforts of the settlement closure project and reassigning the work to AIMS, without the use of an external contractor.
- Delaying the solicitation of a loss control provider for two years, and implementing cost-neutral loss prevention efforts that can be accessed by the courts.
- Delaying the implementation of Judicial Branch Workers' Compensation Fund investment efforts for one year, and reviewing pending funding conditions for the judicial branch.
- Continuing the efforts of the Pilot Return-to-Work program for review by the committee at its next meeting in 2019.
- Developing a customized, high-level training for employees of the state appellate courts.

Court Executives Advisory Committee comments. The Court Executives Advisory Committee requested a status update on the initiative to yield higher returns on the Judicial Branch Workers'

Compensation Fund (JBWCF). The Trial Court Trust Fund (TCTF) borrows from the JBWCF to maintain court operations at the beginning of the fiscal year. Due to this borrowing, the JBWCF does not maintain sufficient cash balance throughout the year to earn significant returns.

The committee determined that court operational funding should remain a priority and that the JBWCF investing policy should remain the same and placed on hold for review and follow-up in one year.

Alternatives considered

The committee determined that the status quo was not an option. It will continue to move forward on a number of initiatives until the Judicial Branch Workers' Compensation Fund deficit is eliminated.

Fiscal and Operational Impacts

As illustrated in Attachment B, projected funding for the program remains stable. Member premiums rose by approximately .02 percent, compared to last year's increase of 4.97 percent. Premium increases have continued to decline for the past three years. In the short term, this is helpful for members who are struggling with budgetary issues. In the long term, this only contributes to the growing deficit of the program.

Attachments

1. Attachment A: Member Premium Allocation for Fiscal Year 2018-2019
2. Attachment B: JBWCP Premium Comparison



Attachment A

Bickmore

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

Member Premium Allocation for Fiscal Year 2018-19

Presented to
Judicial Council of California

March 30, 2018





Friday, March 30, 2018

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

Re: Member Premium Allocation for Fiscal Year 2018-19

Dear Mr. Farrales:

We have completed our review of the Judicial Council of California (the Judicial Council), Judicial Branch Workers' Compensation Program (JBWCP), and have updated the member cost allocation for fiscal year 2018-19 program premiums. The premiums include a provision for:

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

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

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

JBWCP Methodology

The methodology used by the JBWCP utilizes a calculation derived from experience and exposure, along with program costs, such as excess insurance, third party administrator (TPA) claim handling, and brokerage fees. Given the relative sizes of the courts and judiciary entities participating in the JBWCP, the JBWCP's methodology has features which make it appropriate for entities of all sizes.

Each year JBWCP retains an actuary to undertake an actuarial analysis and estimate of loss costs. The actuarial projections are based on loss data from the inception of the JBWCP program (1/1/2001), provided by the Judicial Council and the third party claims administrators. Additionally, historical and projected payroll is provided. The actuary determines the estimated outstanding liabilities since program inception and the forecasted program costs for the upcoming policy term. They also provide an estimate of the loss payments that will be made during the upcoming fiscal year. It is the amount of loss payments expected to be made that is allocated among the participating courts.

For purposes of calculating the allocation, the actuarial data is combined with cost data, consisting of excess insurance premiums, TPA fees, and brokerage and consulting costs. The allocation formula uses a combination of a 3-year loss distribution and a 3-year payroll distribution for calculating the annual charge to each member using a weighting formula. For determining 2018-19 premiums, the experience period used includes the 2014-15, 2015-16, and 2016-17 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:

$$\sqrt[3]{\frac{\text{Individual Court Payroll for 3 – Yr Period (\$000's)}}{605,966}}$$

where 605,966 is a constant derived to set the weight given to the largest court at 80%.

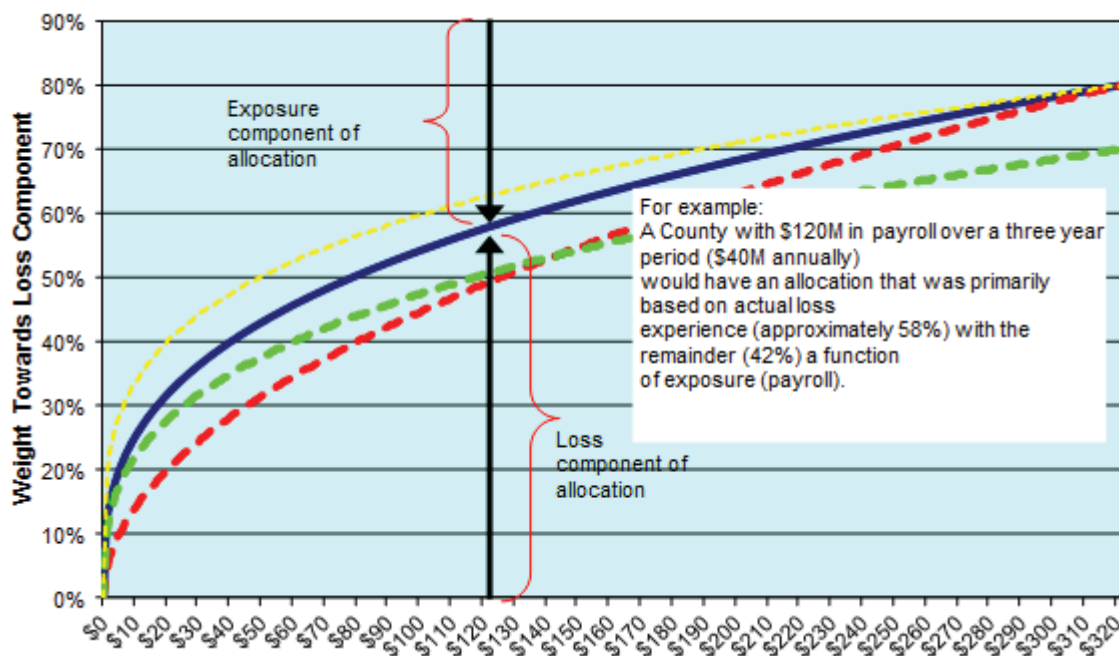
Inputs:

310,255 = 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:



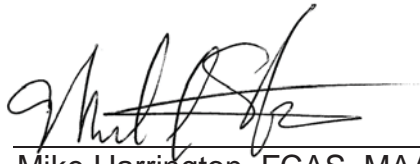
The selected parameters of 80% weight and power of 3 are shown as the solid line above. Other parameters are shown as dashed lines for comparison.

The claims handling fees are allocated based upon the distribution of Loss and ALAE premium by member. Brokerage fees and Excess insurance costs are allocated based upon the distribution of payroll by member.

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

Sincerely,

Bickmore



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Fellow, Casualty Actuarial Society
Member, American Academy of Actuaries



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Judicial Branch Workers' Compensation Program
Workers' Compensation Fiscal Year 2018-19 Premium
Trial Courts

2018-19 Premium

Court	2014-15 to 2016-17 Payroll (\$000) (A)	Percent Payroll (B)	2018-19 Indicated Loss & ALAE Premium Based on Payroll (C)	2014-15 to 2016-17 Incurred Limited to \$75K (D)	Percent Limited Losses (E)	2018-19 Indicated Loss & ALAE Premium Based on Losses (F)	Weighting (G)	2018-19 Weighted Loss & ALAE Premium (H)	2018-19 Weighted Adjusted Loss & ALAE Premium (I)	2018-19 Excess Premium (J)	2018-19 Claims Handling (TPA) Fees (K)	2018-19 Program Admin. Premium (L)	2018-19 Brokerage / Consulting Premium (M)	2018-19 Total Premium (N)	2018-19 Percent of Premium (O)
Alameda	\$151,089	6.00%	\$949,448	\$993,970	4.69%	\$742,210	62.94%	\$819,012	\$825,454	\$28,808	\$126,375	\$0	\$21,726	\$1,002,362	5.25%
Alpine	835	0.03%	5,245	0	0.00%	0	11.13%	4,661	4,698	159	719	0	120	\$5,697	0.03%
Amador	4,517	0.18%	28,386	122,567	0.58%	91,522	19.53%	40,719	41,040	861	6,283	0	650	\$48,834	0.26%
Butte	17,999	0.71%	113,104	256,658	1.21%	191,649	30.97%	137,429	138,510	3,432	21,206	0	2,588	\$165,736	0.87%
Calaveras	4,439	0.18%	27,895	279	0.00%	208	19.42%	22,518	22,695	846	3,475	0	638	\$27,655	0.14%
Colusa	2,221	0.09%	13,956	0	0.00%	0	15.42%	11,804	11,897	423	1,821	0	319	\$14,461	0.08%
Contra Costa	72,357	2.87%	454,697	740,949	3.50%	553,276	49.24%	503,240	507,198	13,796	77,651	0	10,405	\$609,049	3.19%
Del Norte	4,654	0.18%	29,247	71,473	0.34%	53,370	19.73%	34,007	34,274	887	5,247	0	669	\$41,078	0.22%
El Dorado	13,705	0.54%	86,125	118,184	0.56%	88,250	28.28%	86,726	87,408	2,613	13,382	0	1,971	\$105,374	0.55%
Fresno	79,205	3.15%	497,730	728,553	3.44%	544,020	50.75%	521,222	525,321	15,102	80,425	0	11,389	\$632,238	3.31%
Glenn	3,745	0.15%	23,534	26	0.00%	19	18.35%	19,218	19,370	714	2,965	0	539	\$23,588	0.12%
Humboldt	11,960	0.48%	75,156	615,405	2.90%	459,531	27.02%	179,031	180,439	2,280	27,625	0	1,720	\$212,064	1.11%
Imperial	19,547	0.78%	122,836	150,487	0.71%	112,370	31.83%	119,504	120,444	3,727	18,440	0	2,811	\$145,422	0.76%
Inyo	2,778	0.11%	17,456	0	0.00%	0	16.61%	14,556	14,670	530	2,246	0	399	\$17,845	0.09%
Kern	80,819	3.21%	507,866	451,691	2.13%	337,283	51.09%	420,711	424,020	15,409	64,916	0	11,621	\$515,967	2.70%
Kings	12,509	0.50%	78,606	442,951	2.09%	330,757	27.43%	147,776	148,938	2,385	22,802	0	1,799	\$175,924	0.92%
Lake	5,266	0.21%	33,090	5,396	0.03%	4,029	20.56%	27,115	27,328	1,004	4,184	0	757	\$33,274	0.17%
Lassen	3,635	0.14%	22,844	895	0.00%	668	18.17%	18,815	18,963	693	2,903	0	523	\$23,082	0.12%
Madera	14,752	0.59%	92,699	266,753	1.26%	199,188	28.98%	123,562	124,534	2,813	19,066	0	2,121	\$148,533	0.78%
Marin	23,685	0.94%	148,834	1,368	0.01%	1,021	33.94%	98,671	99,447	4,516	15,225	0	3,406	\$122,594	0.64%
Mariposa	2,013	0.08%	12,650	74,761	0.35%	55,825	14.92%	19,092	19,242	384	2,946	0	289	\$22,862	0.12%
Mendocino	9,421	0.37%	59,200	79,095	0.37%	59,061	24.96%	59,165	59,630	1,796	9,129	0	1,355	\$71,911	0.38%
Merced	18,221	0.72%	114,503	17,755	0.08%	13,258	31.10%	83,019	83,672	3,474	12,810	0	2,620	\$102,577	0.54%
Modoc	1,535	0.06%	9,647	872	0.00%	651	13.63%	8,420	8,487	293	1,299	0	221	\$10,299	0.05%
Mono	2,253	0.09%	14,160	86,250	0.41%	64,404	15.49%	21,944	22,117	430	3,386	0	324	\$26,256	0.14%
Monterey	34,388	1.37%	216,094	168,387	0.79%	125,737	38.43%	181,371	182,798	6,557	27,986	0	4,945	\$222,285	1.16%
Napa	14,917	0.59%	93,740	44,904	0.21%	33,531	29.09%	76,225	76,825	2,844	11,762	0	2,145	\$93,575	0.49%
Nevada	10,463	0.42%	65,753	11,540	0.05%	8,617	25.85%	50,985	51,386	1,995	7,867	0	1,505	\$62,753	0.33%
Orange	310,255	12.32%	1,949,649	1,717,153	8.11%	1,282,220	80.00%	1,415,706	1,426,841	59,155	218,446	0	44,613	\$1,749,054	9.17%
Placer	23,917	0.95%	150,296	181,320	0.86%	135,394	34.05%	145,222	146,364	4,560	22,408	0	3,439	\$176,772	0.93%
Plumas	1,943	0.08%	12,207	0	0.00%	0	14.74%	10,407	10,489	370	1,606	0	279	\$12,744	0.07%
Riverside	214,196	8.51%	1,346,013	952,729	4.50%	711,414	70.71%	897,316	904,374	40,840	138,457	0	30,800	\$1,114,471	5.84%
Sacramento	138,943	5.52%	873,125	437,789	2.07%	326,902	61.21%	538,802	543,040	26,492	83,138	0	19,979	\$672,649	3.52%
San Benito	4,700	0.19%	29,535	207	0.00%	154	19.79%	23,719	23,906	896	3,660	0	676	\$29,138	0.15%
San Bernardino	175,764	6.98%	1,104,507	1,081,259	5.10%	807,390	66.20%	907,829	914,970	33,512	140,079	0	25,274	\$1,113,836	5.84%
San Diego	250,060	9.93%	1,571,387	3,798,001	17.93%	2,836,015	74.45%	2,512,904	2,532,669	47,678	387,745	0	35,957	\$3,004,050	15.74%
San Francisco	119,884	4.76%	753,352	871,204	4.11%	650,539	58.27%	693,444	698,898	22,858	106,999	0	17,239	\$845,994	4.43%
San Joaquin	55,950	2.22%	351,591	595,410	2.81%	444,600	45.20%	393,629	396,725	10,668	60,738	0	8,045	\$476,175	2.50%
San Luis Obispo	26,810	1.06%	168,477	126,440	0.60%	94,414	35.37%	142,282	143,401	5,112	21,954	0	3,855	\$174,322	0.91%
San Mateo	60,662	2.41%	381,203	547,075	2.58%	408,508	46.43%	393,881	396,979	11,566	60,776	0	8,723	\$478,045	2.50%
Santa Barbara	41,488	1.65%	260,711	354,599	1.67%	264,783	40.91%	262,377	264,441	7,910	40,485	0	5,966	\$318,802	1.67%
Santa Clara	144,488	5.74%	907,969	2,417,019	11.41%	1,804,818	62.01%	1,464,105	1,475,621	27,549	225,914	0	20,777	\$1,749,860	9.17%
Santa Cruz	24,531	0.97%	154,155	12,106	0.06%	9,039	34.34%	104,327	105,148	4,677	16,098	0	3,527	\$129,451	0.68%
Shasta	27,763	1.10%	174,463	331,357	1.56%	247,428	35.78%	200,572	202,150	5,293	30,949	0	3,992	\$242,384	1.27%

Judicial Branch Workers' Compensation Program
Workers' Compensation Fiscal Year 2018-19 Premium
Trial Courts

2018-19 Premium

Court	2014-15 to 2016-17 Payroll (\$000) (A)	Percent Payroll (B)	2018-19 Indicated Loss & ALAE Premium Based on Payroll (C)	2014-15 to 2016-17 Incurred Limited to \$75K (D)	Percent Limited Losses (E)	2018-19 Indicated Loss & ALAE Premium Based on Losses (F)	Weighting (G)	2018-19 Weighted Loss & ALAE Premium (H)	2018-19 Weighted Adjusted Loss & ALAE Premium (I)	2018-19 Excess Premium (J)	2018-19 Claims Handling (TPA) Fees (K)	2018-19 Program Admin. Premium (L)	2018-19 Brokerage / Consulting Premium (M)	2018-19 Total Premium (N)	2018-19 Percent of Premium (O)
Sierra	845	0.03%	5,308	0	0.00%	0	11.17%	4,715	4,752	161	728	0	121	\$5,762	0.03%
Siskiyou	6,099	0.24%	38,324	590	0.00%	440	21.59%	30,145	30,382	1,163	4,651	0	877	\$37,073	0.19%
Solano	37,806	1.50%	237,573	772,142	3.64%	576,568	39.66%	372,023	374,950	7,208	57,404	0	5,436	\$444,998	2.33%
Sonoma	37,460	1.49%	235,399	127,069	0.60%	94,884	39.54%	179,839	181,253	7,142	27,749	0	5,386	\$221,531	1.16%
Stanislaus	37,549	1.49%	235,957	93,507	0.44%	69,823	39.57%	170,215	171,554	7,159	26,264	0	5,399	\$210,377	1.10%
Sutter	8,955	0.36%	56,271	152,546	0.72%	113,908	24.54%	70,415	70,969	1,707	10,865	0	1,288	\$84,829	0.44%
Tehama	6,615	0.26%	41,568	2,886	0.01%	2,155	22.18%	32,825	33,083	1,261	5,065	0	951	\$40,361	0.21%
Trinity	2,633	0.10%	16,548	0	0.00%	0	16.32%	13,848	13,957	502	2,137	0	379	\$16,974	0.09%
Tulare	36,004	1.43%	226,252	495,326	2.34%	369,866	39.02%	282,292	284,512	6,865	43,558	0	5,177	\$340,112	1.78%
Tuolumne	5,768	0.23%	36,248	4,754	0.02%	3,550	21.19%	29,318	29,549	1,100	4,524	0	829	\$36,002	0.19%
Ventura	68,859	2.74%	432,711	537,451	2.54%	401,321	48.44%	417,507	420,791	13,129	64,422	0	9,901	\$508,243	2.66%
Yolo	16,172	0.64%	101,627	53,259	0.25%	39,769	29.88%	83,141	83,795	3,083	12,829	0	2,325	\$102,033	0.53%
Yuba	8,446	0.34%	53,075	71,839	0.34%	53,643	24.07%	53,212	53,630	1,610	8,211	0	1,214	\$64,666	0.34%
All Courts	\$2,517,494	100.00%	\$15,820,000	\$21,186,201	100.00%	\$15,820,000		\$15,696,538	\$15,820,000	\$480,000	\$2,422,000	\$0	\$362,000	\$19,084,000	100.00%

Notes:

- (A): From Exhibit TC-2.
- (B): (A)/[Total (A)]
- (C): (B) x [Total (C)]. Total (C) was provided by Judicial Branch Workers' Compensation Program.
- (D): From Exhibit TC-3.
- (E): (D)/[Total (D)]
- (F): (E) x [Total (F)].
- (G): Based on relative size (according the (A)) of each court. The largest is subjectively set to an 80.00% weight. The weight of all other courts are based on that standard.
- (H): (G) x (F) + [1-(G)] x (C)
- (I): [Total (F) / Total (H)] x (H)
- (J): (B) x [Total (J)]. Total (J) was provided by Judicial Branch Workers' Compensation Program.
- (K): [(I) / Total (I)] x Total (K). Total (K) was provided by Judicial Branch Workers' Compensation Program.
- (L): (B) x [Total (L)]. Total (L) was provided by Judicial Branch Workers' Compensation Program.
- (M): (B) x [Total (M)]. Total (M) was provided by Judicial Branch Workers' Compensation Program.
- (N): Sum[(I)..(M)]
- (O): (N) x [Total (N)].

Judicial Branch Workers' Compensation Program
Workers' Compensation Fiscal Year 2018-19 Premium
Trial Courts

Summary of Payroll

Court	Payroll		
	2014-15	2015-16	2016-17
Alameda	\$50,533,291	\$51,245,619	\$49,310,192
Alpine	254,102	285,257	295,296
Amador	1,374,133	1,534,912	1,608,113
Butte	5,444,966	6,228,346	6,325,398
Calaveras	1,507,034	1,482,859	1,449,194
Colusa	750,617	732,834	737,363
Contra Costa	22,724,908	24,804,870	24,827,716
Del Norte	1,618,601	1,506,353	1,529,303
El Dorado	4,367,975	4,612,376	4,725,069
Fresno	23,986,710	27,054,074	28,164,713
Glenn	1,277,574	1,311,008	1,156,405
Humboldt	3,876,485	3,930,548	4,152,745
Imperial	5,963,608	6,776,881	6,806,798
Inyo	872,418	919,428	985,924
Kern	24,182,904	27,062,031	29,573,567
Kings	4,174,358	4,146,164	4,188,347
Lake	1,676,203	1,791,041	1,798,429
Lassen	1,194,682	1,206,873	1,233,697
Madera	4,872,827	4,834,170	5,044,600
Marin	7,927,685	7,544,203	8,212,662
Mariposa	649,016	679,852	684,180
Mendocino	3,024,928	3,111,398	3,284,324
Merced	5,899,998	5,949,523	6,371,735
Modoc	488,052	509,694	537,354
Mono	740,081	750,490	762,766
Monterey	10,872,756	11,278,687	12,236,418
Napa	4,845,416	4,987,731	5,084,055
Nevada	3,438,818	3,608,557	3,416,057
Orange	102,754,102	103,165,722	104,334,906
Placer	7,722,600	8,030,431	8,164,073
Plumas	655,502	632,850	654,168
Riverside	65,147,113	74,362,204	74,686,540
Sacramento	43,252,521	47,301,366	48,389,568
San Benito	1,611,810	1,590,786	1,497,440
San Bernardino	53,332,204	59,633,246	62,798,802
San Diego	79,812,744	84,335,535	85,912,175
San Francisco	38,756,484	40,412,514	40,714,593
San Joaquin	17,551,540	18,851,546	19,546,776
San Luis Obispo	8,823,578	8,816,343	9,170,351
San Mateo	18,723,585	20,255,613	21,683,009
Santa Barbara	13,322,210	13,649,086	14,516,565
Santa Clara	49,049,205	46,883,537	48,555,701
Santa Cruz	8,066,301	8,196,207	8,268,761
Shasta	8,803,224	9,179,380	9,780,398
Sierra	249,519	263,656	331,546
Siskiyou	2,140,102	2,017,899	1,940,672

Judicial Branch Workers' Compensation Program
Workers' Compensation Fiscal Year 2018-19 Premium
Trial Courts

Summary of Payroll

Court	Payroll		
	2014-15	2015-16	2016-17
Solano	11,988,635	12,896,516	12,920,623
Sonoma	11,623,434	12,829,282	13,007,129
Stanislaus	11,810,523	12,681,724	13,056,422
Sutter	2,801,801	3,091,111	3,061,714
Tehama	2,084,484	2,240,284	2,290,138
Trinity	802,217	924,540	906,649
Tulare	11,256,132	12,249,528	12,498,618
Tuolumne	1,942,675	1,906,230	1,919,418
Ventura	22,050,310	22,950,540	23,858,039
Yolo	4,952,488	5,448,847	5,770,856
Yuba	2,802,954	2,805,505	2,837,553
All Courts	\$802,430,146	\$847,487,805	\$867,575,621

Notes:

Provided by Judicial Branch Workers' Compensation Program.

Judicial Branch Workers' Compensation Program
Workers' Compensation Fiscal Year 2018-19 Premium
Trial Courts

Summary of Loss Data

Court	Incurred Losses			Incurred Losses Capped at \$75K		
	2014-15	2015-16	2016-17	2014-15	2015-16	2016-17
Alameda	\$505,371	\$364,184	\$263,107	\$378,745	\$352,118	\$263,107
Alpine	0	0	0	0	0	0
Amador	47,041	75,092	527	47,041	75,000	527
Butte	276,318	106,358	300	150,000	106,358	300
Calaveras	0	279	0	0	279	0
Colusa	0	0	0	0	0	0
Contra Costa	725,832	213,473	215,861	447,990	156,732	136,227
Del Norte	0	71,473	0	0	71,473	0
El Dorado	30,325	0	87,859	30,325	0	87,859
Fresno	622,868	130,774	64,000	533,779	130,774	64,000
Glenn	0	0	26	0	0	26
Humboldt	269,436	476,741	41,386	176,281	397,739	41,386
Imperial	51,202	174,402	6,038	51,202	93,248	6,038
Inyo	0	0	0	0	0	0
Kern	44,992	292,148	221,172	44,992	185,527	221,172
Kings	278,334	145,960	289,499	266,009	79,215	97,727
Lake	5,379	0	17	5,379	0	17
Lassen	0	0	895	0	0	895
Madera	5,452	389,537	27,504	5,452	233,797	27,504
Marin	0	0	1,368	0	0	1,368
Mariposa	74,761	0	0	74,761	0	0
Mendocino	42,531	18,713	17,851	42,531	18,713	17,851
Merced	3,064	14,690	0	3,064	14,690	0
Modoc	0	872	0	0	872	0
Mono	0	0	91,557	0	0	86,250
Monterey	74,998	79,531	13,857	74,998	79,531	13,857
Napa	4,432	37,246	3,226	4,432	37,246	3,226
Nevada	973	1,434	9,134	973	1,434	9,134
Orange	443,725	721,573	769,537	402,219	599,055	715,878
Placer	426,655	6,844	5,935	168,541	6,844	5,935
Plumas	0	0	0	0	0	0
Riverside	244,623	578,059	301,228	244,623	421,665	286,441
Sacramento	209,658	200,770	82,087	209,658	146,043	82,087
San Benito	0	207	0	0	207	0
San Bernardino	977,989	408,043	176,012	530,481	374,767	176,012
San Diego	2,077,564	1,537,558	1,403,618	1,594,517	1,055,932	1,147,553
San Francisco	501,295	646,877	169,799	375,711	325,694	169,799
San Joaquin	201,325	93,479	366,402	135,529	93,479	366,402
San Luis Obispo	40,685	83,728	4,771	40,685	80,984	4,771
San Mateo	453,745	295,798	55,451	261,810	229,814	55,451
Santa Barbara	101,148	174,870	78,581	101,148	174,870	78,581
Santa Clara	1,441,183	950,423	920,497	870,517	813,604	732,898
Santa Cruz	2,179	9,528	398	2,179	9,528	398
Shasta	79,811	336,407	33,755	79,811	217,791	33,755
Sierra	0	0	0	0	0	0
Siskiyou	590	0	0	590	0	0

Judicial Branch Workers' Compensation Program
Workers' Compensation Fiscal Year 2018-19 Premium
Trial Courts

Summary of Loss Data

Court	Incurred Losses			Incurred Losses Capped at \$75K		
	2014-15	2015-16	2016-17	2014-15	2015-16	2016-17
Solano	275,712	317,319	216,629	259,205	296,307	216,629
Sonoma	50,378	4,465	72,225	50,378	4,465	72,225
Stanislaus	60,584	8,574	24,349	60,584	8,574	24,349
Sutter	72,180	1,406	105,058	72,180	1,406	78,960
Tehama	0	0	2,886	0	0	2,886
Trinity	0	0	0	0	0	0
Tulare	191,910	398,655	71,951	130,775	292,599	71,951
Tuolumne	4,754	0	0	4,754	0	0
Ventura	267,223	225,029	156,605	201,837	179,008	156,605
Yolo	0	50,978	2,280	0	50,978	2,280
Yuba	1,869	47,754	22,216	1,869	47,754	22,216
All Courts	11,190,094	9,691,252	6,397,454	8,137,555	7,466,113	5,582,533

Notes:

Provided by Judicial Branch Workers' Compensation Program.

Judicial Branch Workers' Compensation Program
Workers' Compensation Fiscal Year 2018-19 Premium
Trial Courts

Comparison to Prior Premium

Court	2017-18 Total Premium (A)	2018-19 Total Premium (B)	Difference (C)	Percent Change (D)
Alameda	\$1,063,087	\$1,002,362	-\$60,725	-5.71%
Alpine	4,474	5,697	1,223	27.33%
Amador	49,015	48,834	-181	-0.37%
Butte	139,718	165,736	26,017	18.62%
Calaveras	41,467	27,655	-13,813	-33.31%
Colusa	13,975	14,461	486	3.47%
Contra Costa	730,999	609,049	-121,949	-16.68%
Del Norte	60,903	41,078	-19,824	-32.55%
El Dorado	77,020	105,374	28,354	36.81%
Fresno	767,041	632,238	-134,803	-17.57%
Glenn	21,796	23,588	1,791	8.22%
Humboldt	223,145	212,064	-11,080	-4.97%
Imperial	155,786	145,422	-10,364	-6.65%
Inyo	17,892	17,845	-46	-0.26%
Kern	434,307	515,967	81,661	18.80%
Kings	131,650	175,924	44,274	33.63%
Lake	64,677	33,274	-31,404	-48.55%
Lassen	21,490	23,082	1,592	7.41%
Madera	166,656	148,533	-18,122	-10.87%
Marin	120,319	122,594	2,275	1.89%
Mariposa	13,726	22,862	9,136	66.56%
Mendocino	77,098	71,911	-5,187	-6.73%
Merced	139,798	102,577	-37,222	-26.63%
Modoc	9,592	10,299	707	7.37%
Mono	13,715	26,256	12,541	91.44%
Monterey	240,303	222,285	-18,018	-7.50%
Napa	123,582	93,575	-30,007	-24.28%
Nevada	54,860	62,753	7,893	14.39%
Orange	1,616,295	1,749,054	132,759	8.21%
Placer	172,943	176,772	3,829	2.21%
Plumas	13,005	12,744	-261	-2.00%
Riverside	1,268,815	1,114,471	-154,344	-12.16%
Sacramento	740,766	672,649	-68,118	-9.20%
San Benito	28,766	29,138	372	1.29%
San Bernardino	1,231,923	1,113,836	-118,088	-9.59%
San Diego	2,789,318	3,004,050	214,732	7.70%
San Francisco	887,232	845,994	-41,238	-4.65%
San Joaquin	376,148	476,175	100,027	26.59%
San Luis Obispo	203,481	174,322	-29,159	-14.33%
San Mateo	715,799	478,045	-237,754	-33.22%
Santa Barbara	311,552	318,802	7,250	2.33%
Santa Clara	1,337,755	1,749,860	412,105	30.81%
Santa Cruz	142,560	129,451	-13,109	-9.20%
Shasta	245,704	242,384	-3,320	-1.35%
Sierra	4,601	5,762	1,162	25.25%
Siskiyou	40,794	37,073	-3,721	-9.12%

Judicial Branch Workers' Compensation Program
Workers' Compensation Fiscal Year 2018-19 Premium
Trial Courts

Comparison to Prior Premium

Court	2017-18 Total Premium (A)	2018-19 Total Premium (B)	Difference (C)	Percent Change (D)
Solano	508,767	444,998	-63,770	-12.53%
Sonoma	180,609	221,531	40,922	22.66%
Stanislaus	206,806	210,377	3,571	1.73%
Sutter	90,237	84,829	-5,408	-5.99%
Tehama	36,078	40,361	4,282	11.87%
Trinity	15,336	16,974	1,638	10.68%
Tulare	359,442	340,112	-19,329	-5.38%
Tuolumne	39,944	36,002	-3,942	-9.87%
Ventura	458,425	508,243	49,818	10.87%
Yolo	134,168	102,033	-32,135	-23.95%
Yuba	95,166	64,666	-30,500	-32.05%
All Courts	\$19,230,524	\$19,084,000	-\$146,524	-0.76%

Notes:

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

Judicial Branch Workers' Compensation Program
Workers' Compensation Fiscal Year 2018-19 Premium
State Judiciary

2018-19 Premium

Court	2014-15 to 2016-17 Payroll (\$000) (A)	Percent Payroll (B)	2018-19 Indicated Loss & ALAE Premium Based on Payroll (C)	2014-15 to 2016-17 Incurred Limited to \$75K (D)	Percent Limited Losses (E)	2018-19 Indicated Loss & ALAE Premium Based on Losses (F)	Weighting (G)	2018-19 Weighted Loss & ALAE Premium (H)	2018-19 Weighted Adjusted Loss & ALAE Premium (I)	2018-19 Excess Premium (J)	2018-19 Claims Handling (TPA) Fees (K)	2018-19 Program Admin. Premium (L)	2018-19 Brokerage / Consulting Premium (M)	2018-19 Total Premium (N)	2018-19 Percent of Premium (O)
Supreme Court	\$51,014	3.54%	\$24,132	\$76,224	11.51%	\$78,516	30.66%	\$40,809	\$49,041	\$7,891	\$18,696	\$0	\$7,360	\$82,988	6.04%
1st District Court	42,486	2.95%	20,098	1,137	0.17%	1,171	28.85%	14,637	17,590	6,572	6,706	0	6,130	36,997	2.69%
2nd District Court	84,910	5.89%	40,167	0	0.00%	0	36.34%	25,570	30,728	13,134	11,715	0	12,250	67,827	4.94%
3rd District Court	29,668	2.06%	14,034	0	0.00%	0	25.60%	10,442	12,549	4,589	4,784	0	4,280	26,202	1.91%
4th District Court	68,537	4.75%	32,422	33,511	5.06%	34,519	33.84%	33,131	39,815	10,601	15,179	0	9,888	75,483	5.50%
5th District Court	25,516	1.77%	12,071	17	0.00%	18	24.34%	9,137	10,980	3,947	4,186	0	3,681	22,794	1.66%
6th District Court	19,425	1.35%	9,189	0	0.00%	0	22.23%	7,147	8,588	3,005	3,274	0	2,802	17,669	1.29%
Judicial Council	188,601	13.08%	89,218	506,105	76.44%	521,324	47.42%	294,102	353,434	29,172	134,740	0	27,210	544,556	39.66%
CJP	6,578	0.46%	3,112	0	0.00%	0	15.49%	2,630	3,160	1,018	1,205	0	949	6,332	0.46%
HCRC	19,109	1.33%	9,040	0	0.00%	0	22.10%	7,042	8,462	2,956	3,226	0	2,757	17,401	1.27%
Trial Court Judges	905,862	62.83%	428,518	45,096	6.81%	46,452	80.00%	122,865	147,652	140,117	56,289	0	130,692	474,750	34.58%
All Courts	\$1,441,707	100.00%	\$682,000	\$662,090	100.00%	\$682,000		\$567,511	\$682,000	\$223,000	\$260,000	\$0	\$208,000	\$1,373,000	100.00%

Notes:

- (A): From Exhibit J-2.
- (B): (A)/[Total (A)]
- (C): (B) x [Total (C)]. Total (C) was provided by Judicial Branch Workers' Compensation Program.
- (D): From Exhibit J-3.
- (E): (D)/[Total (D)]
- (F): (E) x [Total (F)].
- (G): Based on relative size (according the (A)) of each court. The largest is subjectively set to an 80.00% weight. The weight of all other courts are based on that standard.
- (H): (G) x (F) + [1-(G)] x (C)
- (I): [Total (F) / Total (H)] x (H)
- (J): (B) x [Total (J)]. Total (J) was provided by Judicial Branch Workers' Compensation Program.
- (K): [(I) / Total (I)] x Total (K). Total (K) was provided by Judicial Branch Workers' Compensation Program.
- (L): (B) x [Total (L)]. Total (L) was provided by Judicial Branch Workers' Compensation Program.
- (M): (B) x [Total (M)]. Total (M) was provided by Judicial Branch Workers' Compensation Program.
- (N): Sum[(I)..(M)]
- (O): (N) x [Total (N)].

* Supreme Court includes the California Judicial Center Library

Judicial Branch Workers' Compensation Program
Workers' Compensation Fiscal Year 2018-19 Premium
State Judiciary

Summary of Payroll

Court	Payroll		
	2014-15	2015-16	2016-17
Supreme Court	\$16,547,000	\$16,908,239	\$17,558,908
1st District Court	13,631,000	14,152,370	14,702,252
2nd District Court	27,412,000	28,462,891	29,034,914
3rd District Court	9,451,000	9,801,921	10,415,011
4th District Court	22,409,000	22,653,677	23,474,686
5th District Court	8,254,000	8,429,258	8,833,214
6th District Court	6,182,000	6,491,330	6,751,226
Judicial Council	55,364,000	66,032,259	67,205,124
CJP	2,022,857	2,107,899	2,447,511
HCRC	6,308,000	6,195,564	6,605,907
Trial Court Judges	293,561,457	303,607,527	308,693,047
All Courts	\$461,142,314	\$484,842,935	\$495,721,800

Notes:

Provided by Judicial Branch Workers' Compensation Program.

* Supreme Court includes the California Judicial Center Library

Judicial Branch Workers' Compensation Program
Workers' Compensation Fiscal Year 2018-19 Premium
State Judiciary

Summary of Loss Data

Court	Incurred Losses			Incurred Losses Capped at \$75K		
	2014-15	2015-16	2016-17	2014-15	2015-16	2016-17
Supreme Court	\$107,314	\$1,224	\$0	\$75,000	\$1,224	\$0
1st District Court	0	390	747	0	390	747
2nd District Court	0	0	0	0	0	0
3rd District Court	0	0	0	0	0	0
4th District Court	20,350	2,662	10,500	20,350	2,662	10,500
5th District Court	17	0	0	17	0	0
6th District Court	0	0	0	0	0	0
Judicial Council	94,657	297,582	119,596	90,188	297,179	118,738
CJP	0	0	0	0	0	0
HCRC	0	0	0	0	0	0
Trial Court Judges	18,147	6,436	20,513	18,147	6,436	20,513
All Courts	240,485	308,294	151,356	203,702	307,891	150,498

Notes:

Provided by Judicial Branch Workers' Compensation Program.

* Supreme Court includes the California Judicial Center Library

Judicial Branch Workers' Compensation Program
Workers' Compensation Fiscal Year 2018-19 Premium
State Judiciary

Comparison to Prior Premium

Court	2017-18 Total Premium (A)	2018-19 Total Premium (B)	Difference (C)	Percent Change (D)
Supreme Court	\$75,014	\$82,988	\$7,975	10.63%
1st District Court	25,307	36,997	11,691	46.20%
2nd District Court	97,917	67,827	-30,091	-30.73%
3rd District Court	18,010	26,202	8,192	45.49%
4th District Court	77,853	75,483	-2,370	-3.04%
5th District Court	15,872	22,794	6,922	43.61%
6th District Court	12,443	17,669	5,227	42.00%
Judicial Council	372,261	544,556	172,296	46.28%
CJP	4,262	6,332	2,070	48.56%
HCRC	12,125	17,401	5,276	43.51%
Trial Court Judges	510,614	474,750	-35,865	-7.02%
All Courts	\$1,221,678	\$1,373,000	\$151,322	12.39%

Notes:

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

* Supreme Court includes the California Judicial Center Library

Judicial Branch Workers' Compensation Program
Workers' Compensation Fiscal Year 2018-19 Premium
State Judiciary

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

Division	2014-15 to 2016-17 Payroll (\$000) (A)	Percent Payroll (B)	2014-15 to 2016-17 Incurred Limited to \$75K (C)	Percent Limited Losses (D)	2018-19 Claims Handling (E)	2018-19 Program Admin. (F)	2018-19 Brokerage / Consulting (G)
Trial Courts	\$2,517,494	63.59%	\$21,186,201	96.97%	\$2,422,000	\$0	\$362,000
State Judiciary	1,441,707	36.41%	662,090	3.03%	260,000	0	208,000
Total	\$3,959,201	100.00%	\$21,848,291	100.00%	\$2,682,000	\$0	\$570,000

Notes:

- (A): Provided by Judicial Branch Workers' Compensation Program.
 (B): (A)/[Total (A)]
 (C): Provided by Judicial Branch Workers' Compensation Program.
 (D): (C)/[Total (C)]
 (E): Total (E) x [80% x (D) + 20% x (B)]
 (F): (B) x [Total (F)]. Total (F) was provided by Judicial Branch Workers' Compensation Program.
 (G): (B) x [Total (G)]. Total (G) was provided by Judicial Branch Workers' Compensation Program.

ATTACHMENT B - JBWCP PREMIUM COMPARISON

	3 Years Payroll	Indicated Loss & ALAE Premium Based on Payroll	Incurred Limited to \$75k	Indicated Losses & ALAE Premium Based on Losses	Weighted Loss & ALAE Premium	Weighted Allocation	Allocation of Excess Premium	Allocation of Claims Handling Fees	Allocation of Progrm Admin.	Brokerage/ Consulting Premium	Total Premium	
TOTALS												% INCREASE
FY 2015-16	3,898,798	15,148,077	24,192,179	15,148,077	14,683,609	15,148,077	480,114	2,250,000	-	465,591	18,343,782	
FY 2016-17	3,182,614	16,021,000	21,831,556	16,021,000	15,641,629	16,021,000	683,195	2,290,400	-	489,055	19,483,650	6.21%
FY 2017-18	3,870,938	16,458,000	21,542,701	16,458,000	16,086,211	16,458,000	661,049	2,763,000	-	570,152	20,452,201	4.97%
FY 2018-19	3,959,201	16,502,000	21,848,291	16,502,000	16,264,049	16,502,000	703,000	2,682,000	-	570,146	20,457,146	0.02%