



Experience Modification Factors for the Workers' Compensation Program

Program Year 2017-18

Presented to

Santa Clara County Schools Insurance Group

March 7, 2017





March 7, 2017

Ms. Corinne Kelsch
Executive Director
Santa Clara County Schools' Insurance Group
645 Wool Creek Drive
San Jose, CA 95112

RE: Experience Modification Factors for the Workers' Compensation Program

Dear Ms. Kelsch:

As you requested, we have developed experience modification factors for the Santa Clara County Schools' Insurance Group's workers' compensation program. Attached are detailed calculations for each member for the 2017-18 program year. We understand that the Group has adopted a credibility weighted methodology based on losses from the previous five years which are individually capped at \$125,000.

The table on the following page summarizes the prior 2016-17 and current 2017-18 experience modification factors for the Group's members.

SCCSIG PROPOSED 2017-18 EXPERIENCE MODIFICATION FACTORS
FIVE-YEAR CREDIBILITY METHOD
BASED ON LOSSES LIMITED TO \$125,000 PER OCCURRENCE

	Actual 2016-17 Prior	Proposed 2017-18 Current	% Change From 16-17
BERRYESSA	0.976	1.028	5%
CAMBRIAN	0.848	0.939	11%
CUPERTINO	0.923	0.917	-1%
EAST SIDE	1.116	1.081	-3%
FRANKLIN-MCKINLEY	1.411	1.348	-4%
FREMONT UNION	0.780	0.792	2%
GILROY	1.269	1.313	4%
LAKESIDE JOINT	0.966	0.969	0%
LOMA PRIETA	0.951	0.928	-2%
LOS ALTOS	0.753	0.738	-2%
LOS GATOS – SARATOGA DCER	1.033	1.045	1%
LOS GATOS-SARATOGA	0.719	0.724	1%
LOS GATOS UNION	0.787	0.820	4%
LUTHER BURBANK	1.103	1.066	-3%
METRO EDUCATION DISTRICT	0.961	1.035	8%
MORELAND	0.875	0.906	4%
MORGAN HILL	1.099	1.148	4%
MT PLEASANT	1.013	0.962	-5%
MOUNTAIN VIEW WHISMAN	0.940	0.982	5%
MT VIEW - LOS ALTOS	0.650	0.655	1%
OAK GROVE	1.068	1.079	1%
ORCHARD	0.987	0.955	-3%
SARATOGA UNION	0.958	0.901	-6%
SUNNYVALE	0.887	0.910	3%
UNION	0.811	0.847	4%
MILPITAS USD	1.236	1.170	-5%
SANTA CLARA USD	0.996	1.021	3%
AVERAGE	1.000	1.000	0%

The following table illustrates the correlation between the change in the calculated experience mod and the percentage change in experience period losses. The prior mods were based on losses from accident years 2010-11 to 2014-15. The current mods are based on losses from accident years 2011-12 to 2015-16.

SCCSIG PROPOSED 2017-18 EXPERIENCE MODIFICATION FACTORS

Change in X-mods vs. Change in Experience Losses

	Prior X-mod	Current X-mod	Change X-mod	Prior X-mod Losses	Current X-mod Losses	Change X-mod Losses
BERRYESSA	0.976	1.028	5%	\$1,286,458	\$1,339,220	4%
CAMBRIAN	0.848	0.939	11%	299,147	476,908	59%
CUPERTINO	0.923	0.917	-1%	3,185,036	3,037,924	-5%
EAST SIDE	1.116	1.081	-3%	5,725,147	5,139,846	-10%
FRANKLIN-MCKINLEY	1.411	1.348	-4%	3,231,243	2,824,333	-13%
FREMONT UNION	0.780	0.792	2%	1,619,040	1,611,483	0%
GILROY	1.269	1.313	4%	3,081,673	3,058,311	-1%
LAKESIDE JOINT	0.966	0.969	0%	0	0	0%
LOMA PRIETA	0.951	0.928	-2%	50,326	6,090	-88%
LOS ALTOS	0.753	0.738	-2%	375,861	315,790	-16%
LOS GATOS – SARATOGA DCER	1.033	1.045	1%	203,762	204,269	0%
LOS GATOS-SARATOGA	0.719	0.724	1%	212,469	212,524	0%
LOS GATOS UNION	0.787	0.820	4%	199,017	259,464	30%
LUTHER BURBANK	1.103	1.066	-3%	325,982	241,409	-26%
METRO EDUCATION DISTRICT	0.961	1.035	8%	279,820	363,549	30%
MORELAND	0.875	0.906	4%	671,925	713,541	6%
MORGAN HILL	1.099	1.148	4%	1,773,803	1,790,793	1%
MT PLEASANT	1.013	0.962	-5%	603,894	451,460	-25%
MOUNTAIN VIEW WHISMAN	0.940	0.982	5%	849,719	922,554	9%
MT VIEW - LOS ALTOS	0.650	0.655	1%	313,200	328,836	5%
OAK GROVE	1.068	1.079	1%	2,357,103	2,244,329	-5%
ORCHARD	0.987	0.955	-3%	149,426	85,812	-43%
SARATOGA UNION	0.958	0.901	-6%	504,160	346,353	-31%
SUNNYVALE	0.887	0.910	3%	1,084,018	1,089,381	0%
UNION	0.811	0.847	4%	471,081	543,208	15%
MILPITAS USD	1.236	1.170	-5%	2,903,048	2,343,867	-19%
SANTA CLARA USD	0.996	1.021	3%	3,611,983	3,739,016	4%
TOTAL			0%	\$35,368,341	\$33,690,271	-5%

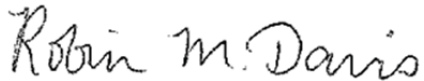
We appreciate the opportunity to be of service to the Santa Clara County Schools' Insurance Group in preparing this report. Please feel free to call Derek Burkhalter at (916) 244-1167 or Robin Davis at (916) 244-1133 with any questions you may have concerning this report.

Sincerely,

Bickmore



Derek Burkhalter, ACAS, MAAA
Manager, Property and Casualty Insurance Services, Bickmore
Associate, Casualty Actuarial Society
Member, American Academy of Actuaries



Robin Davis, ACAS, MAAA
Director, Property and Casualty Insurance Services, Bickmore
Associate, Casualty Actuarial Society
Member, American Academy of Actuaries

**SCCSIG Credibility Plan Experience Modifiers
Fiscal Year 2017-18 Funding Allocation**

Indicated Experience Modifiers With Credibility by Member

Member	5 Year Total Payroll (A)	5 Year Total Loss Rate (B)	Indicated Modifier (C)	Member Credibility (D)	Credibility Weighted Modifier (E)	Balanced Modifier (F)
BERRYESSA	\$189,741,879	\$0.71	1.096	45%	1.043	1.028
CAMBRIAN	89,634,956	0.53	0.826	28%	0.952	0.939
CUPERTINO	524,826,950	0.58	0.899	69%	0.930	0.917
EAST SIDE	707,372,290	0.73	1.128	75%	1.096	1.081
FRANKLIN-MCKINLEY	257,593,403	1.10	1.703	52%	1.367	1.348
FREMONT UNION	369,360,600	0.44	0.677	61%	0.803	0.792
GILROY	297,621,520	1.03	1.596	56%	1.332	1.313
LAKESIDE JOINT	3,977,354	0.00	0.000	2%	0.983	0.969
LOMA PRIETA	15,726,521	0.04	0.060	6%	0.941	0.928
LOS ALTOS	145,016,282	0.22	0.338	38%	0.748	0.738
LOS GATOS – SARATOGA DCER	16,595,389	1.23	1.911	7%	1.060	1.045
LOS GATOS-SARATOGA	130,071,426	0.16	0.254	36%	0.734	0.724
LOS GATOS UNION	96,094,456	0.27	0.419	29%	0.832	0.820
LUTHER BURBANK	16,949,938	1.42	2.212	7%	1.081	1.066
METRO EDUCATION DISTRICT	42,605,697	0.85	1.325	15%	1.050	1.035
MORELAND	141,471,978	0.50	0.783	38%	0.919	0.906
MORGAN HILL	205,675,695	0.87	1.352	47%	1.164	1.148
MT PLEASANT	77,687,120	0.58	0.902	25%	0.976	0.962
MOUNTAIN VIEW WHISMAN	144,783,237	0.64	0.989	38%	0.996	0.982
MT VIEW - LOS ALTOS	196,141,968	0.17	0.260	45%	0.664	0.655
OAK GROVE	298,040,193	0.75	1.169	56%	1.094	1.079
ORCHARD	21,465,011	0.40	0.621	8%	0.969	0.955
SARATOGA UNION	81,008,157	0.43	0.664	26%	0.914	0.901
SUNNYVALE	202,767,842	0.54	0.834	46%	0.923	0.910
UNION	136,938,839	0.40	0.616	37%	0.859	0.847
MILPITAS USD	292,637,394	0.80	1.244	55%	1.187	1.170
SANTA CLARA USD	529,609,193	0.71	1.096	69%	1.036	1.021
Member	\$5,231,415,290	\$0.64			1.014	1.000

Notes:

- (A) Exhibit II, Page 1, Col (F)
 (B) Exhibit II, Page 3, Col (F)
 (C) (C) / Total (C)
 (D) (A) / ((A) + \$235,790,763)
 (E) (D) * (C) + (1 - (D)); Milpitas and Santa Clara USD limited to % change from prior indication.
 (F) (E) balanced to 1.000

**SCCSIG Credibility Plan Experience Modifiers
Fiscal Year 2017-18 Funding Allocation**

Payroll

Member	2011-12 (A)	2012-13 (B)	2013-14 (C)	2014-15 (D)	2015-16 (E)	5 Year Total (F)	Projected 2017-18 (G)
BERRYESSA	\$35,619,677	\$35,498,798	\$37,338,912	\$39,818,903	\$41,465,590	\$189,741,879	\$45,700,000
CAMBRIAN	16,254,439	16,585,476	17,894,002	19,013,214	19,887,825	89,634,956	20,862,960
CUPERTINO	92,372,107	98,179,737	103,300,573	110,791,561	120,182,972	524,826,950	124,387,837
EAST SIDE	130,204,549	133,846,820	136,491,098	147,720,077	159,109,745	707,372,290	168,417,000
FRANKLIN-MCKINLEY	47,754,500	47,509,177	50,800,694	54,377,960	57,151,072	257,593,403	58,798,483
FREMONT UNION	65,693,428	68,809,826	71,193,121	77,311,981	86,352,245	369,360,600	95,000,000
GILROY	53,190,935	54,424,740	58,640,682	63,476,524	67,888,639	297,621,520	72,266,000
LAKESIDE JOINT	733,367	691,789	790,267	806,913	955,018	3,977,354	856,670
LOMA PRIETA	2,790,955	2,791,937	2,960,432	3,381,519	3,801,678	15,726,521	3,865,492
LOS ALTOS	25,345,948	26,672,887	29,189,472	31,784,233	32,023,741	145,016,282	33,500,000
LOS GATOS – SARATOGA DCER	3,386,858	3,125,416	3,348,531	3,255,693	3,478,891	16,595,389	3,944,000
LOS GATOS-SARATOGA	23,369,617	24,495,103	26,058,866	27,657,406	28,490,435	130,071,426	29,500,000
LOS GATOS UNION	17,370,037	18,192,164	18,080,884	20,814,001	21,637,369	96,094,456	23,600,000
LUTHER BURBANK	3,188,326	2,832,479	3,095,642	3,781,975	4,051,517	16,949,938	3,966,029
METRO EDUCATION DISTRICT	9,068,897	8,982,548	8,901,280	7,925,095	7,727,877	42,605,697	7,900,000
MORELAND	25,453,262	26,735,708	27,950,928	30,057,475	31,274,606	141,471,978	33,285,863
MORGAN HILL	38,083,096	38,613,208	39,234,698	43,521,045	46,223,648	205,675,695	49,530,264
MT PLEASANT	14,497,820	14,512,871	15,504,722	15,958,208	17,213,499	77,687,120	18,705,413
MOUNTAIN VIEW WHISMAN	25,601,568	26,215,292	28,179,060	31,158,637	33,628,681	144,783,237	40,150,624
MT VIEW - LOS ALTOS	33,476,839	35,462,530	38,311,025	42,678,503	46,213,071	196,141,968	48,248,051
OAK GROVE	55,515,672	55,796,347	56,676,639	63,246,875	66,804,660	298,040,193	68,470,072
ORCHARD	3,722,009	3,676,315	4,158,978	4,767,467	5,140,242	21,465,011	5,741,501
SARATOGA UNION	14,944,360	15,115,180	15,658,036	17,518,574	17,772,007	81,008,157	18,762,711
SUNNYVALE	36,988,946	37,653,959	40,038,057	41,764,576	46,322,304	202,767,842	50,481,708
UNION	23,997,560	24,491,535	26,886,441	29,437,756	32,125,547	136,938,839	36,418,766
MILPITAS USD	52,389,778	54,931,635	57,872,886	61,606,757	65,836,338	292,637,394	70,000,000
SANTA CLARA USD	93,829,580	94,675,320	101,829,883	111,766,914	127,507,496	529,609,193	137,366,167
All Members	\$944,844,130	\$970,518,797	\$1,020,385,809	\$1,105,399,841	\$1,190,266,713	\$5,231,415,290	\$1,269,725,611

- Notes:
- (A) Provided by SCCSIG.
 - (B) Provided by SCCSIG.
 - (C) Provided by SCCSIG.
 - (D) Provided by SCCSIG.
 - (E) Provided by SCCSIG.
 - (F) (A) + (B) + (C) + (D) + (E)
 - (G) Provided by SCCSIG.

SCCSIG Credibility Plan Experience Modifiers Fiscal Year 2017-18 Funding Allocation

Incurred Losses as of December 31, 2016, Capped at \$125,000

Member	2011-12 (A)	2012-13 (B)	2013-14 (C)	2014-15 (D)	2015-16 (E)	5 Year Total (F)
BERRYESSA	\$457,300	\$329,353	\$262,368	\$60,256	\$229,943	\$1,339,220
CAMBRIAN	130,368	10,191	91,899	167,472	76,977	476,908
CUPERTINO	571,490	1,016,831	436,258	687,655	325,690	3,037,924
EAST SIDE	962,863	918,223	1,235,856	1,149,171	873,734	5,139,846
FRANKLIN-MCKINLEY	571,856	745,367	728,600	438,347	340,164	2,824,333
FREMONT UNION	650,893	284,090	140,179	344,397	191,924	1,611,483
GILROY	550,478	608,615	820,640	607,468	471,111	3,058,311
LAKESIDE JOINT	0	0	0	0	0	0
LOMA PRIETA	172	173	2,253	1,205	2,286	6,090
LOS ALTOS	67,907	75,397	121,016	37,075	14,394	315,790
LOS GATOS – SARATOGA DCER	144,250	27,987	1,089	8,892	22,051	204,269
LOS GATOS-SARATOGA	29,030	9,835	53,517	103,303	16,839	212,524
LOS GATOS UNION	7,561	20,267	23,075	140,112	68,448	259,464
LUTHER BURBANK	167,593	36,673	0	27,355	9,788	241,409
METRO EDUCATION DISTRICT	68,148	25,896	219,059	11,507	38,940	363,549
MORELAND	205,306	25,150	113,812	248,555	120,718	713,541
MORGAN HILL	545,451	335,327	502,746	47,904	359,365	1,790,793
MT PLEASANT	31,915	62,587	204,201	17,849	134,909	451,460
MOUNTAIN VIEW WHISMAN	153,965	42,925	214,554	122,985	388,125	922,554
MT VIEW - LOS ALTOS	49,136	58,172	32,145	172,683	16,699	328,836
OAK GROVE	479,053	742,834	267,978	322,131	432,333	2,244,329
ORCHARD	55,174	10,744	0	7,106	12,788	85,812
SARATOGA UNION	16,744	33,464	36,756	145,643	113,746	346,353
SUNNYVALE	252,392	124,313	342,210	134,447	236,020	1,089,381
UNION	100,089	30,757	153,530	137,125	121,707	543,208
MILPITAS USD	667,759	265,742	690,137	369,398	350,831	2,343,867
SANTA CLARA USD	483,422	538,327	631,466	1,032,733	1,053,069	3,739,016
All Members	\$7,420,312	\$6,379,238	\$7,325,345	\$6,542,776	\$6,022,600	\$33,690,271

Notes:

- (A) Provided by SCCSIG
- (B) Provided by SCCSIG
- (C) Provided by SCCSIG
- (D) Provided by SCCSIG
- (E) Provided by SCCSIG
- (F) (A) + (B) + (C) + (D) + (E)

SCCSIG Credibility Plan Experience Modifiers
Fiscal Year 2017-18 Funding Allocation

Reported Loss Rate Per \$100 of Payroll

Member	2011-12 (A)	2012-13 (B)	2013-14 (C)	2014-15 (D)	2015-16 (E)	5 Year Total (F)
BERRYESSA	\$1.28	\$0.93	\$0.70	\$0.15	\$0.55	\$0.71
CAMBRIAN	0.80	0.06	0.51	0.88	0.39	0.53
CUPERTINO	0.62	1.04	0.42	0.62	0.27	0.58
EAST SIDE	0.74	0.69	0.91	0.78	0.55	0.73
FRANKLIN-MCKINLEY	1.20	1.57	1.43	0.81	0.60	1.10
FREMONT UNION	0.99	0.41	0.20	0.45	0.22	0.44
GILROY	1.03	1.12	1.40	0.96	0.69	1.03
LAKESIDE JOINT	0.00	0.00	0.00	0.00	0.00	0.00
LOMA PRIETA	0.01	0.01	0.08	0.04	0.06	0.04
LOS ALTOS	0.27	0.28	0.41	0.12	0.04	0.22
LOS GATOS – SARATOGA DCER	4.26	0.90	0.03	0.27	0.63	1.23
LOS GATOS-SARATOGA	0.12	0.04	0.21	0.37	0.06	0.16
LOS GATOS UNION	0.04	0.11	0.13	0.67	0.32	0.27
LUTHER BURBANK	5.26	1.29	0.00	0.72	0.24	1.42
METRO EDUCATION DISTRICT	0.75	0.29	2.46	0.15	0.50	0.85
MORELAND	0.81	0.09	0.41	0.83	0.39	0.50
MORGAN HILL	1.43	0.87	1.28	0.11	0.78	0.87
MT PLEASANT	0.22	0.43	1.32	0.11	0.78	0.58
MOUNTAIN VIEW WHISMAN	0.60	0.16	0.76	0.39	1.15	0.64
MT VIEW - LOS ALTOS	0.15	0.16	0.08	0.40	0.04	0.17
OAK GROVE	0.86	1.33	0.47	0.51	0.65	0.75
ORCHARD	1.48	0.29	0.00	0.15	0.25	0.40
SARATOGA UNION	0.11	0.22	0.23	0.83	0.64	0.43
SUNNYVALE	0.68	0.33	0.85	0.32	0.51	0.54
UNION	0.42	0.13	0.57	0.47	0.38	0.40
MILPITAS USD	1.27	0.48	1.19	0.60	0.53	0.80
SANTA CLARA USD	0.52	0.57	0.62	0.92	0.83	0.71
All Members	\$0.79	\$0.66	\$0.72	\$0.59	\$0.51	\$0.64

Notes:

- (A) Exhibit II, Page 2, Col (A) / Exhibit II, Page 1, Col (A)
- (B) Exhibit II, Page 2, Col (B) / Exhibit II, Page 1, Col (B)
- (C) Exhibit II, Page 2, Col (C) / Exhibit II, Page 1, Col (C)
- (D) Exhibit II, Page 2, Col (D) / Exhibit II, Page 1, Col (D)
- (E) Exhibit II, Page 2, Col (E) / Exhibit II, Page 1, Col (E)
- (F) Exhibit II, Page 2, Col (F) / Exhibit II, Page 1, Col (F)