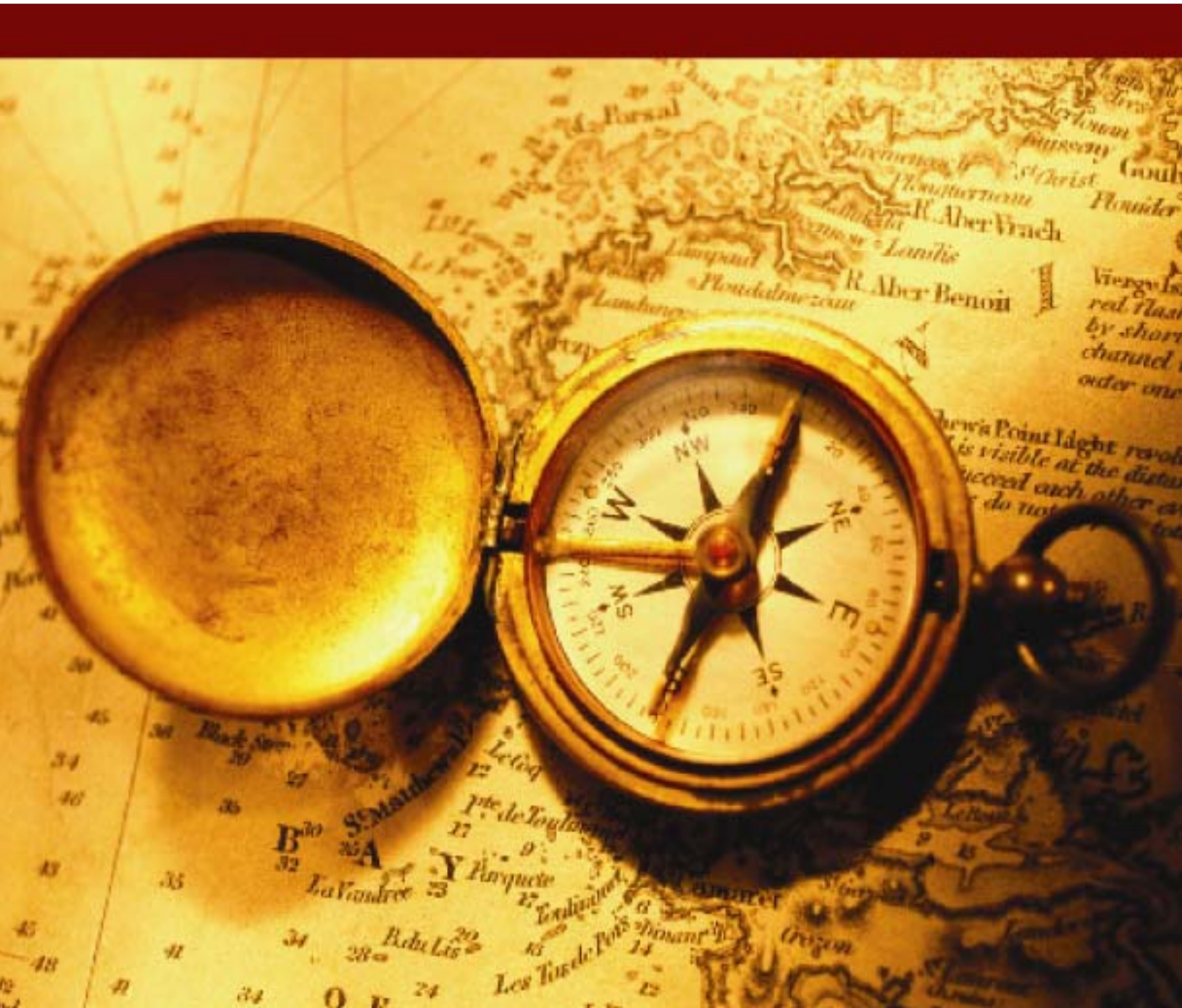


LECG

Actuarial Study of the Self-Insurance Programs of **RIVERSIDE COMMUNITY COLLEGE DISTRICT**

Based on Data Valued as of June 30, 2010



Riverside Community College District

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Riverside Community College District

Section I – Background and Objections

Background

The Riverside Community College District (“RCCD”) is a two-year public college district and is a member of the Alliance of Schools for Cooperative Insurance Programs (“ASCIP”). RCCD retains risk exposures for medical benefits, workers compensation, general liability, automobile liability and property.

RCCD is self-insured for medical claims from its Preferred Provider Organization (PPO) benefit program administered by the Orange County Foundation for Medical Care. Stop-loss insurance is purchased for claims in excess of \$250,000 (effective July 1, 2010). A history of self-insured medical reimbursements is shown in Appendix A, Exhibit HC-1. RCCD purchases stop-loss insurance from Canada Life Assurance Company. Based on our discussions with RCCD and review of the underlying data, we have no concerns regarding collectability of stop loss at this time.

RCCD is self-insured for workers compensation. Currently, RCCD retains the first \$500,000 per occurrence (effective July 1, 2010). A history of self-insured retentions (“SIR”) is shown in Appendix B, Exhibit WC-1. RCCD purchases excess insurance attaching at the SIR. Claims are administered by the firm of York Insurance Services Group (“York”).

For liability, RCCD purchases insurance from ASCIP and maintains a \$100,000 per occurrence deductible; claims are administered by RCCD.

RCCD provides a prescription drug benefit through CareMark; however, the payment history suggests an almost immediate payment of claims. As a result, prescription drug benefits are excluded from the IBNR for self-insured medical benefits. In addition, prescription drug benefits are excluded from the projection of medical claims presented in Table II-5 as well as all other exhibits included in this report.

Although RCCD has property liability exposure, there were no outstanding claims in the information provided, and therefore, property is not part of the IBNR presented in this report.

Riverside Community College District

Section I – Background and Objections

Objectives

The specific objectives of this study are to:

1. **Estimate Outstanding Losses** – Estimate outstanding losses and remaining unreported claims as of June 30, 2010.

The estimated outstanding losses are the accrual cost of unpaid claims valued as of June 30, 2010. The estimated outstanding losses include case reserves, the development on known claims, Incurred But Not Reported (IBNR) claims, and allocated loss adjustment expenses (ALAE). Losses are adjusted for administrative expenses and anticipated stop-loss recoveries. ALAE are the direct expenses for settling specific claims. The amounts reflect the specific and annual aggregate limits retained by RCCD.

2. **Projection of Self-Funded Medical Claims** – Provide an actuarial projection of self-funded medical claim and associated expense payments under the PPO. Projected self-funded medical claims are adjusted for anticipated stop-loss recoveries.
3. **Affirm Government Accounting Standards Board Statement Number 10 (“GASB 10”)**. Issue a statement affirming that the work performed and the conclusions contained in this report are consistent with GASB 10.

Riverside Community College District
Section II – Conclusions

Conclusions

We have reached the following conclusions:

1. **Estimate Outstanding Losses**

We estimate Incurred But Not Reported (IBNR) reserves as of June 30, 2010 as shown in Table II-1.

Table II-1: Estimated IBNR Reserve (As of June 30, 2010)

Program	Estimated IBNR Reserve
(A) Self-Funded Medical	\$653,943
(B) Workers Compensation	\$1,275,094
(C) Liability	\$176,016
(D) Total	\$2,105,053

For informational purposes, we show estimated outstanding losses (including ALAE) as of June 30, 2010 in Table II-2. Case reserves do not exist for medical claims, thus the only reserve for self-funded medical is the IBNR.

**Table II-2: Estimated Outstanding Losses – Expected Confidence Level
(As of June 30, 2010)**

Program (1)	Limited Case Reserves (2)	Estimated Outstanding Losses (3)	Estimated IBNR Reserve (4)
(A) Self-Funded Medical	n/a	n/a	\$653,943
(B) Workers Compensation	\$1,286,622	\$2,561,716	\$1,275,094
(C) Liability	\$526,830	\$702,846	\$176,016
(D) Total	\$1,813,452	\$3,264,562	\$2,105,053

Note: (A) is extracted from Appendix A, Exhibit HC-2, column (2).
(B) is extracted from Appendix B, Exhibit WC-10, columns (3), (6) and (7).
(C) is extracted from Appendix C, Exhibit LI-10, columns (3), (6) and (7).

Riverside Community College District

Section II – Conclusions

The estimated IBNR reserve shown in Table II-3, column (2) for self-funded medical claims, and the estimated outstanding losses shown in Table II-4, column (2) for workers compensation and liability claims are at the expected confidence level, which means that actual loss experience may emerge higher or lower than the amount shown with equal likelihood.

For self-insured medical claims it may be prudent for RCCD to bolster its reserves with a Contingency Reserve. The contingency reserve reflects 2 months of weighted average paid claims in addition to the IBNR. This would entail RCCD reserving an additional \$51,776 to pay claims that have occurred on or before June 30, 2010, for a total reserve of \$705,719.

Table II-3: Estimated IBNR Reserve – Self-Funded Medical (As of June 30, 2010)

Program (1)	IBNR (2)	Contingency Reserve (3)	Total Reserve (4)
(A) Self-Funded Medical	\$653,943	\$51,776	\$705,719

Note: (2) is from Table II-1.

(3) = 2 months of weighted average loss [extracted from Appendix A, Exhibit HC-6, item (11)] trended 10%.

(4) = (2) + (3).

It is recommended that RCCD earmark funds of at least \$3,264,562 to pay Workers Compensation and Liability claims that have occurred on or before June 30, 2010. This figure represents the expected (or 50%) confidence level of estimated outstanding losses.

For informational purposes, we show the estimated outstanding losses at higher levels of confidence in the table below. The higher the level of confidence, the greater the likelihood RCCD will have earmarked sufficient funds to pay the remaining claim balances for claims that occurred on or before June 30, 2010. In particular, if RCCD earmarks funds of at least \$4,080,703, there is a 75% likelihood RCCD will have sufficient funds to pay remaining claim balances for claims that occurred on or before June 30, 2010. Similarly, earmarked funds of at least \$5,158,008 means RCCD will have a 90% likelihood of having sufficient funds.

**Table II-4: Estimated Outstanding Losses (As of June 30, 2010)
at Various Levels of Confidence**

Program (1)	Expected Confidence Level (2)	75% Confidence Level (3)	90% Confidence Level (4)
(A) Workers Compensation	\$2,561,716	\$3,202,145	\$4,047,511
(B) Liability	\$702,846	\$878,558	\$1,110,497
(C) Total	\$3,264,562	\$4,080,703	\$5,158,008

Riverside Community College District

Section II – Conclusions

- Note:** (2) is extracted from Table II-2, column (3).
 (3) = (2) x 1.25 based on a lognormal distribution and a coefficient of variation = 0.30.
 (4) = (2) x 1.58 based on a lognormal distribution and a coefficient of variation = 0.30.

2. Projection of Self-Funded Medical Claims

Table II-5 displays an actuarial projection of the self-funded medical claim and associated expense payments under the self-funded medical plan. Projected claims shown below reflect RCCD payments during the course of the next three fiscal years. These amounts reflect payments on past IBNR.

Table II-5: Projected Self-Funded Medical Claim and Expense Payments

Payments (1)	June 30, 2011 (2)	June 30, 2012 (3)	June 30, 2013 (4)
(A) Projected Losses (Net of Stop Loss)	\$3,513,920	\$3,768,173	\$4,133,851
(B) Administrative Expenses	\$108,260	\$113,673	\$119,356
(C) Stop Loss Expenses	\$265,654	\$278,936	\$292,883
(D) Total Payments	\$3,887,833	\$4,160,782	\$4,546,090

- Note:** (A) is extracted from Appendix A, Exhibit HC-3, columns (4)-(6).
 (B) is extracted from Appendix A, Exhibit HC-3, columns (9)-(11).
 (C) is extracted from Appendix A, Exhibit HC-3, columns (14)-(16).

The corresponding IBNR reserves projected as of June 30, 2011, June 30, 2012 and June 30, 2013 are shown in Table II-6.

Table II-6: Projected IBNR

Projected IBNR (1)	June 30, 2011 (2)	June 30, 2012 (3)	June 30, 2013 (4)
(A) Reserve	\$623,966	\$683,034	\$745,567

- Note:** (A) is extracted from Appendix A, Exhibit HC-5, columns (8)-(10).

3. Affirm GASB 10

We affirm that the conclusions shown above in Table II-1 through Table II-6 were derived using generally accepted actuarial methods and assumptions. Therefore, our conclusions are consistent with GASB 10. The actuarial methods and assumptions used to derive these conclusions are documented in the exhibits shown in Appendix D and E of this report.

Riverside Community College District

Section III – Actuarial Certification

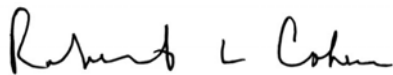
Actuarial Certification

Riverside Community College District (“RCCD”) retained LECG to perform an actuarial valuation of its self-insured medical benefits, workers compensation, and general liability programs for the purpose of estimating plan costs and determining reserve amounts in accordance with generally accepted actuarial principles and practices.

The findings and conclusions shown in this report are derived from actuarial assumptions, accounting policies and methods adopted by RCCD. LECG did not independently study historic information to develop assumptions.

In our opinion, the actuarial assumptions and methods represent reasonable expectations of anticipated plan experience. To fulfill the applicable accounting requirements, each actuarial assumption should be management's "best estimate solely with respect to that individual assumption."

The undersigned is familiar with IBNR evaluations and meet the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. To the best of our knowledge, there are no existing conflicts of interest that would impede or influence our ability to complete this engagement.



Robert L. Cohen, FSA, EA, MAAA, CFA
Senior Manager, Compensation and Benefits
LECG

Appendix A

MEDICAL BENEFITS EXHIBITS

Paid Claims by Month

Month	Paid Amount	Month	Paid Amount
Jul-08	220,148	Jul-09	260,521
Aug-08	206,252	Aug-09	121,009
Sep-08	170,010	Sep-09	126,130
Oct-08	397,009	Oct-09	235,877
Nov-08	318,545	Nov-09	240,069
Dec-08	203,342	Dec-09	199,470
Jan-09	454,123	Jan-10	224,319
Feb-09	355,501	Feb-10	328,798
Mar-09	150,360	Mar-10	456,189
Apr-09	263,365	Apr-10	691,218
May-09	134,785	May-10	239,731
Jun-09	169,883	Jun-10	253,709
Plan Year Total	3,043,325	Plan Year Total	3,377,040

Stop Loss Premium, Recoveries and Claims Administration Expenses

Fiscal Year	Stop Loss Premiums	Stop Loss Recoveries	Administration Expenses
04/05	237,943	15,629	70,436
05/06	47,537	20,427	77,100
06/07	132,655	0	70,842
07/08	153,075	19,722	90,187
08/09	202,416	19,475	90,137
09/10	265,654		108,260

Riverside Community College District

Appendix A – Healthcare Exhibits

Exhibit HC-2

Estimated Outstanding Losses as of June 30, 2010

Incurred Month (1)	Estimated IBNR Reserve (2)
Jul-08	0
Aug-08	2
Sep-08	3
Oct-08	248
Nov-08	384
Dec-08	718
Jan-09	662
Feb-09	314
Mar-09	787
Apr-09	722
May-09	831
Jun-09	1,054
Jul-09	1,181
Aug-09	1,565
Sep-09	5,425
Oct-09	6,649
Nov-09	6,116
Dec-09	11,757
Jan-10	15,508
Feb-10	29,140
Mar-10	155,069
Apr-10	37,997
May-10	119,954
Jun-10	262,106
Total	658,192
Total (Net of Stop Loss)	653,943

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Data Valued As of June 30, 2010

Projected Losses Paid During the Twelve Months Ending

Plan (1)	June 30, 2011			June 30, 2012 (5)	June 30, 2013 (6)
	Actual (2)	Projected (3)	Total (4)		
PPO	571,293	2,942,627	3,513,920	3,768,173	4,133,851

Projected Administrative Expenses Paid During the Twelve Months Ending

Plan (1)	June 30, 2011			June 30, 2012 (10)	June 30, 2013 (11)
	Actual (7)	Projected (8)	Total (9)		
PPO	36,087	72,173	108,260	113,673	119,356

Projected Stop Loss and Capitation Expenses Paid During the Twelve Months Ending

Plan (1)	June 30, 2011			June 30, 2012 (15)	June 30, 2013 (16)
	Actual (12)	Projected (13)	Total (14)		
PPO - Stop Loss	88,551	177,102	265,654	278,936	292,883
Total	695,931	3,191,903	3,887,833	4,160,782	4,546,090

Notes:

- (2), (7) and (12): Per Riverside, thru June 30, 2010.
- (3): (4) - (2)
- (4) - (6): Exhibit HC-5, Columns (5), (6) and (7). Paid PPO claims are reduced 0.6456% for expected stop-loss recoveries.
- (8): Exhibit HC-4 (2) x Exhibit HC-4 (4) x 8
- (9): (7) + (8)
- (10): Exhibit HC-4 (15) x Exhibit HC-4 (17) x 12
- (11): Exhibit HC-4 (27) x Exhibit HC-4 (29) x 12
- (13): Exhibit HC-4 (2) x Exhibit HC-4 (6) x 8
- (14): (12) + (13)
- (15): Exhibit HC-4 (15) x Exhibit HC-4 (19) x 12
- (16): Exhibit HC-4 (27) x Exhibit HC-4 (31) x 12

Data Valued As of June 30, 2010

Projection Assumptions
Enroll

Selected Average												
Plan (1)	Enroll. (2)	Claim PMPM (3)	Admin. Expense (4) % of Paid (5)		Stop Loss PMPM (6)	Capitation PMPM (7)	Stop-Loss Recovery (8)					
PPO	286	987	31.54	N/A	77.40	N/A	0.6456%					
Fiscal 2011 (7/1/10 - 6/30/11)												
Trend							Average					
Plan (1)	Enroll. (9)	Claim PMPM (10)	Admin. Expense (11) % of Paid (12)		Stop Loss PMPM (13)	Capitation PMPM (14)	Enroll. (15)	Claim PMPM (16)	Admin. Expense (17) % of Paid (18)		Stop Loss PMPM (19)	Capitation PMPM (20)
PPO	0.00%	10.00%	5.00%	N/A	5.00%	N/A	286	1,086	33.12	N/A	81.28	N/A
Fiscal 2012 (7/1/11 - 6/30/12)												
Trend							Average					
Plan (1)	Enroll. (21)	Claim PMPM (22)	Admin. Expense (23) % of Paid (24)		Stop Loss PMPM (25)	Capitation PMPM (26)	Enroll. (27)	Claim PMPM (28)	Admin. Expense (29) % of Paid (30)		Stop Loss PMPM (31)	Capitation PMPM (32)
PPO	0.00%	10.00%	5.00%	N/A	5.00%	N/A	286	1,195	34.78	N/A	85.34	N/A
Fiscal 2013 (7/1/12 - 6/30/13)												
Trend							Average					
Plan (1)	Enroll. (33)	Claim PMPM (34)	Admin. Expense (35) % of Paid (36)		Stop Loss PMPM (37)	Capitation PMPM (38)	Enroll. (39)	Claim PMPM (40)	Admin. Expense (41) % of Paid (42)		Stop Loss PMPM (43)	Capitation PMPM (44)
PPO	0.00%	9.00%	5.00%	N/A	5.00%	N/A	286	1,302	36.52	N/A	89.61	N/A

Notes:

- | | | | |
|-----------------|--------------------------------|--------------|------------------------------------|
| (2), (4) - (6): | Per Riverside data, Judgmental | (21) - (26): | Judgmentally selected |
| (3): | Exhibit HC-5, (11) | (27) - (32): | (2) - (7) Trended to June 30, 2010 |
| (7): | N/A | (33) - (38): | Judgmentally selected |
| (8): | Judgmentally selected | (39) - (44): | (2) - (7) Trended to June 30, 2011 |
| (9) - (14): | Judgmentally selected | (15) - (20): | (2) - (7) Trended to June 30, 2012 |

Data Valued As of June 30, 2010

Payment and Reserve Projection

Incurred Month (1)	Enrollment (2)	Average Loss (3)	Ultimate Losses (4)	Expected Paid During 12 mo. Ending			Expected Reserves as of		
				6/30/2011 (5)	6/30/2012 (6)	6/30/2013 (7)	6/30/2011 (8)	6/30/2012 (9)	6/30/2013 (10)
Jul-08			193,705	0	0	0	0	0	0
Aug-08			152,646	2	0	0	0	0	0
Sep-08			180,462	3	0	0	0	0	0
Oct-08			151,705	248	0	0	0	0	0
Nov-08			219,294	384	0	0	0	0	0
Dec-08			409,709	718	0	0	0	0	0
Jan-09			377,480	662	0	0	0	0	0
Feb-09			178,962	314	0	0	0	0	0
Mar-09			183,613	787	0	0	0	0	0
Apr-09			168,349	722	0	0	0	0	0
May-09			186,352	831	0	0	0	0	0
Jun-09			199,745	1,054	0	0	0	0	0
Jul-09			117,275	1,181	0	0	0	0	0
Aug-09			134,243	1,563	2	0	2	0	0
Sep-09			288,596	5,420	5	0	5	0	0
Oct-09			284,369	6,184	465	0	465	0	0
Nov-09			210,307	5,747	369	0	369	0	0
Dec-09			244,788	11,328	429	0	429	0	0
Jan-10			222,378	15,119	390	0	390	0	0
Feb-10			273,454	28,661	479	0	479	0	0
Mar-10			1,100,552	150,349	4,720	0	4,720	0	0
Apr-10			184,659	37,205	792	0	792	0	0
May-10			291,832	122,653	1,302	0	1,302	0	0
Jun-10			283,126	261,273	1,495	0	1,495	0	0
Jul-10	286	987	282,413	279,569	2,844	0	2,844	0	0
Aug-10	286	987	282,413	279,120	3,289	5	3,293	5	0
Sep-10	286	987	282,413	277,104	5,304	5	5,309	5	0
Oct-10	286	987	282,413	275,810	6,142	461	6,603	461	0
Nov-10	286	987	282,413	274,200	7,717	495	8,212	495	0
Dec-10	286	987	282,413	268,848	13,069	495	13,564	495	0
Jan-11	286	987	282,413	262,718	19,200	495	19,695	495	0
Feb-11	286	987	282,413	252,318	29,599	495	30,094	495	0
Mar-11	286	1,086	310,654	266,883	42,439	1,332	43,772	1,332	0
Apr-11	286	1,086	310,654	246,732	62,590	1,332	63,922	1,332	0
May-11	286	1,086	310,654	178,704	130,564	1,385	131,950	1,385	0
Jun-11	286	1,086	310,654	22,338	286,676	1,640	288,316	1,640	0
Jul-11	286	1,086	310,654	0	307,526	3,128	0	3,128	0
Aug-11	286	1,086	310,654	0	307,032	3,618	0	3,623	5
Sep-11	286	1,086	310,654	0	304,814	5,835	0	5,840	5
Oct-11	286	1,086	310,654	0	303,391	6,756	0	7,263	508
Nov-11	286	1,086	310,654	0	301,620	8,489	0	9,034	544
Dec-11	286	1,086	310,654	0	295,733	14,376	0	14,921	544
Jan-12	286	1,086	310,654	0	288,990	21,120	0	21,665	544
Feb-12	286	1,086	310,654	0	277,550	32,559	0	33,104	544
Mar-12	286	1,195	341,720	0	293,571	46,683	0	48,149	1,466
Apr-12	286	1,195	341,720	0	271,405	68,849	0	70,314	1,466
May-12	286	1,195	341,720	0	196,575	143,621	0	145,145	1,524
Jun-12	286	1,195	341,720	0	24,572	315,344	0	317,148	1,804
Jul-12	286	1,195	341,720	0	0	338,279	0	0	3,441
Aug-12	286	1,195	341,720	0	0	337,735	0	0	3,985
Sep-12	286	1,195	341,720	0	0	335,296	0	0	6,424
Oct-12	286	1,195	341,720	0	0	333,730	0	0	7,990
Nov-12	286	1,195	341,720	0	0	331,783	0	0	9,937
Dec-12	286	1,195	341,720	0	0	325,307	0	0	16,413
Jan-13	286	1,195	341,720	0	0	317,889	0	0	23,831
Feb-13	286	1,195	341,720	0	0	305,305	0	0	36,414
Mar-13	286	1,302	372,474	0	0	319,992	0	0	52,482
Apr-13	286	1,302	372,474	0	0	295,832	0	0	76,643
May-13	286	1,302	372,474	0	0	214,267	0	0	158,208
Jun-13	286	1,302	372,474	0	0	26,783	0	0	345,691
Jul-13	286	1,302	372,474	0	0	0	0	0	0
Aug-13	286	1,302	372,474	0	0	0	0	0	0
Sep-13	286	1,302	372,474	0	0	0	0	0	0
Oct-13	286	1,302	372,474	0	0	0	0	0	0
Nov-13	286	1,302	372,474	0	0	0	0	0	0
Dec-13	286	1,302	372,474	0	0	0	0	0	0
Jan-14	286	1,302	372,474	0	0	0	0	0	0
Feb-14	286	1,302	372,474	0	0	0	0	0	0
Total				3,536,754	3,792,659	4,160,714	628,020	687,472	750,412
Total (Net of Stop Loss)				3,513,920	3,768,173	4,133,851	623,966	683,034	745,567

Notes:

- (2), (3): Exhibit HC-3
- (4): Exhibit HC-6
- (5) - (10): Exhibit HC-7, pages 5 and 6, loss development factors applied to (4)

Data Valued As of June 30, 2010

Selection of Average Loss

Incurred Month (1)	Age (month) (2)	Enrollment (3)	Paid Losses (4)	Cumulative Development Factor (5)	Initial Indicated Ultimate (6)	Trend at 10.0% (7)	Trended Ultimate Losses (8)	Average Loss Per Enroll. (9)
Jul-08	24	270	193,705	1.000	193,705	1.200	232,529	861
Aug-08	23	268	152,644	1.000	152,646	1.191	181,791	678
Sep-08	22	268	180,459	1.000	180,462	1.182	213,218	796
Oct-08	21	286	151,457	1.002	151,705	1.172	177,823	622
Nov-08	20	287	218,910	1.002	219,294	1.163	255,015	889
Dec-08	19	285	408,991	1.002	409,709	1.154	472,677	1,659
Jan-09	18	286	376,818	1.002	377,480	1.145	432,049	1,511
Feb-09	17	286	178,649	1.002	178,962	1.136	203,213	711
Mar-09	16	286	182,826	1.004	183,613	1.127	206,845	723
Apr-09	15	288	167,627	1.004	168,349	1.118	188,149	653
May-09	14	287	185,521	1.004	186,352	1.109	206,622	720
Jun-09	13	288	198,690	1.005	199,745	1.100	219,719	763
Jul-09	12	286	116,094	1.010	117,275	1.091	127,982	447
Aug-09	11	289	132,677	1.012	134,243	1.083	145,340	503
Sep-09	10	286	283,171	1.019	288,596	1.074	309,981	1,084
Oct-09	9	296	277,720	1.024	284,369	1.066	303,024	1,024
Nov-09	8	294	204,191	1.030	210,307	1.057	222,331	756
Dec-09	7	293	233,031	1.050	244,788	1.049	256,736	876
Jan-10	6	294	206,870	1.075	222,378	1.041	231,387	787
Feb-10	5	292	244,314	1.119	273,454	1.032	282,281	967
Mar-10	4	290	945,483	1.164	1,100,552	1.024	1,127,090	3,887
Apr-10	3	286	146,662	1.259	184,659	1.016	187,616	656
May-10	2	286	171,877	1.738	298,786	1.008	301,169	1,053
Jun-10	1	286	21,021	13.907	292,335	1.000	292,335	1,022
Total		6,863	5,579,409		6,253,764		6,776,921	
				(10)	Weighted Average Loss Per Enrolled:			987
				(11)	Selected Average Loss Per Enrolled:			987

Notes:

- (3), (4): Per Riverside
- (5): Exhibit HC-7, pages 5 and 6
- (6): (4) x (5)
- (7): Trend to July 01, 2010 at 10.0%

- (8): (6) x (7)
- (9): (8) / (3)
- (10): $\text{Sumproduct}((3), (9)) / \text{Sum}((3))$
- (11): Judgmentally selected

Data Valued As of June 30, 2010

Selection of Ultimate Losses

Incurred Month (1)	Age (month) (2)	Enrollment (3)	Paid Losses (4)	Cumulative Development Factor (5)	Selection of Ultimate Losses						Selected Ultimate Losses (12)
					Paid Development (6)	Dollars Paid BF (7)	Expected (8)	Paid Development (9)	Weights Paid BF (10)	Expected (11)	
Jul-08	24	270	193,705	1.000	193,705	193,705	266,614	1.000	-	-	193,705
Aug-08	23	268	152,644	1.000	152,646	152,648	264,639	1.000	-	-	152,646
Sep-08	22	268	180,459	1.000	180,462	180,464	264,639	1.000	-	-	180,462
Oct-08	21	286	151,457	1.002	151,705	151,919	282,413	1.000	-	-	151,705
Nov-08	20	287	218,910	1.002	219,294	219,407	283,400	1.000	-	-	219,294
Dec-08	19	285	408,991	1.002	409,709	409,484	281,425	1.000	-	-	409,709
Jan-09	18	286	376,818	1.002	377,480	377,313	282,413	1.000	-	-	377,480
Feb-09	17	286	178,649	1.002	178,962	179,144	282,413	1.000	-	-	178,962
Mar-09	16	286	182,826	1.004	183,613	184,037	282,413	1.000	-	-	183,613
Apr-09	15	288	167,627	1.004	168,349	168,846	284,388	1.000	-	-	168,349
May-09	14	287	185,521	1.004	186,352	186,785	283,400	1.000	-	-	186,352
Jun-09	13	288	198,690	1.005	199,745	200,192	284,388	1.000	-	-	199,745
Jul-09	12	286	116,094	1.010	117,275	118,938	282,413	1.000	-	-	117,275
Aug-09	11	289	132,677	1.012	134,243	136,005	285,375	1.000	-	-	134,243
Sep-09	10	286	283,171	1.019	288,596	288,480	282,413	1.000	-	-	288,596
Oct-09	9	296	277,720	1.024	284,369	284,554	292,287	1.000	-	-	284,369
Nov-09	8	294	204,191	1.030	210,307	212,633	290,313	1.000	-	-	210,307
Dec-09	7	293	233,031	1.050	244,788	246,927	289,325	1.000	-	-	244,788
Jan-10	6	294	206,870	1.075	222,378	227,116	290,313	1.000	-	-	222,378
Feb-10	5	292	244,314	1.119	273,454	275,040	288,338	1.000	-	-	273,454
Mar-10	4	290	945,483	1.164	1,100,552	985,831	286,363	1.000	-	-	1,100,552
Apr-10	3	286	146,662	1.259	184,659	204,774	282,413	1.000	-	-	184,659
May-10	2	286	171,877	1.738	298,786	291,832	282,413	-	1.000	-	291,832
Jun-10	1	286	21,021	13.907	292,335	283,126	282,413	-	1.000	-	283,126
Total		6,863	5,579,409		6,253,764	6,159,199	6,776,921				6,237,601

Notes:

- (3), (4): Per Riverside
- (5): Exhibit HC-7, pages 5 and 6
- (6): (4) x (5)
- (7): Bornhuetter-Ferguson Method: (4) + [1 - 1/(5)] x (8)
- (8): [Exhibit HC-5, (11)] x (3)
- (9) - (11): Judgmentally selected
- (12): Sumproduct ((6):(8), (9):(11))

Data Valued As of June 30, 2010

Cumulative Paid Claims By Month Incurred
Does Not Reflect Stop Loss Recoveries

Claim Month	Age														
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Feb-06	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mar-06	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Apr-06	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
May-06	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Jun-06	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Jul-06	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Aug-06	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sep-06	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Oct-06	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Nov-06	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Dec-06	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Jan-07	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3,757
Feb-07	0	0	0	0	0	0	0	0	0	0	0	0	0	0	23
Mar-07	0	0	0	0	0	0	0	0	0	0	0	0	708	912	1,032
Apr-07	0	0	0	0	0	0	0	0	0	0	0	1,051	1,051	1,235	1,566
May-07	0	0	0	0	0	0	0	0	0	0	82	3,082	3,158	3,408	3,584
Jun-07	0	0	0	0	0	0	0	0	0	9,313	17,601	18,616	19,285	19,285	19,295
Jul-07	0	0	0	0	0	0	0	0	17,032	18,891	19,163	19,359	19,655	19,655	19,655
Aug-07	0	0	0	0	0	0	0	19,538	20,796	21,327	21,759	22,321	22,321	22,506	22,506
Sep-07	0	0	0	0	0	0	6,076	13,443	14,566	15,584	15,734	17,316	18,620	18,655	18,943
Oct-07	0	0	0	0	0	14,284	17,225	18,349	19,177	13,397	13,420	13,833	14,182	14,147	14,138
Nov-07	0	0	0	0	32,108	37,210	39,864	40,491	40,914	41,278	42,070	43,685	43,753	43,623	44,265
Dec-07	0	0	53,854	64,791	70,193	71,968	73,236	73,371	72,047	72,047	72,543	72,543	72,513	72,909	72,986
Jan-08	0	0	102,098	126,645	133,006	135,849	137,150	144,310	145,512	146,075	146,429	146,438	146,961	147,377	147,377
Feb-08	0	32,245	136,990	167,278	190,436	193,048	210,988	215,704	217,046	218,519	218,793	220,216	221,985	221,985	221,935
Mar-08	75	29,041	277,226	300,788	311,528	312,970	315,285	316,376	317,843	317,833	318,610	321,094	320,887	320,887	320,939
Apr-08	0	43,960	99,175	142,872	147,527	153,942	155,982	157,532	158,821	160,002	160,702	160,433	160,545	160,545	160,480
May-08	248	47,540	119,173	197,868	213,428	214,575	222,107	222,773	227,742	228,558	228,580	235,075	238,724	239,658	239,701
Jun-08	282	93,238	167,756	182,587	448,274	507,850	509,607	511,819	513,906	516,291	516,724	517,179	517,030	517,030	517,030
Jul-08	0	19,028	93,150	154,066	173,135	175,720	184,284	186,045	186,784	193,267	193,379	193,581	193,672	193,672	193,672
Aug-08	0	37,656	84,804	120,032	138,532	143,080	144,553	146,634	147,304	149,814	151,128	152,612	152,632	152,644	152,644
Sep-08	11,792	26,609	133,256	160,912	163,275	169,254	170,119	171,355	172,071	180,606	183,018	183,018	183,018	183,375	183,651
Oct-08	0	69,272	104,852	140,533	143,112	145,685	147,874	149,160	150,159	150,907	151,422	151,586	151,738	151,738	151,738
Nov-08	15,273	127,520	178,288	189,607	193,602	204,034	210,578	215,718	219,766	220,637	220,783	220,043	220,280	220,347	220,347
Dec-08	4,141	318,474	358,640	365,507	374,747	377,344	384,620	385,557	385,880	386,897	394,414	395,557	408,930	408,961	408,961
Jan-09	24,816	290,472	334,227	358,695	360,990	366,463	371,636	372,692	374,135	374,711	375,179	375,351	376,291	376,305	376,371
Feb-09	17,248	83,155	153,841	162,609	168,307	173,140	175,148	175,541	175,639	176,148	176,200	177,155	177,853	178,673	178,649
Mar-09	18,306	112,652	135,933	149,729	163,864	166,347	175,595	176,545	178,138	180,994	181,584	182,733	182,811	182,811	182,826
Apr-09	36,179	99,881	118,963	134,268	138,540	154,057	158,494	159,072	159,972	160,868	166,662	166,873	167,680	167,627	167,627
May-09	18,153	93,042	147,659	155,809	166,273	174,817	175,923	177,855	178,904	182,934	184,333	184,452	185,262	185,521	185,587
Jun-09	27,162	140,113	169,156	177,121	187,769	189,403	191,244	191,815	195,887	197,240	198,432	198,666	198,690	198,853	198,846
Jul-09	40,890	74,425	91,255	106,400	110,137	113,585	115,867	116,270	116,643	114,779	116,046	116,046	116,762	116,762	116,765
Aug-09	38,299	88,592	109,636	113,930	121,722	125,552	126,491	131,182	131,719	132,488	132,677	132,765	136,415	136,415	137,624
Sep-09	13,229	159,755	191,225	228,764	236,074	275,518	276,826	281,722	282,854	283,171	283,232	283,421	283,714	283,806	283,806
Oct-09	20,783	205,746	235,932	250,730	254,580	256,133	274,318	275,679	277,720	278,615	278,736	278,752	367,290		
Nov-09	7,911	106,090	176,727	190,988	196,092	198,413	202,608	204,191	205,139	205,212	205,356	205,434			
Dec-09	1,133	100,365	199,881	213,847	228,752	230,365	233,031	236,595	266,074	266,345					
Jan-10	16,323	145,017	181,065	193,101	198,621	206,870	213,480	214,723	217,288	217,670					
Feb-10	25,727	187,088	209,799	238,910	244,314	246,996	247,408	248,507	249,526						
Mar-10	227,680	822,887	923,207	945,483	966,378	976,100	978,985	979,949							
Apr-10	31,853	105,318	146,662	151,600	156,889	157,929	159,180								
May-10	23,371	171,877	345,745	356,199	361,112	366,916									
Jun-10	21,021	182,244	253,853	272,324	280,158										
Jul-10	27,126	248,737	262,966	268,396											
Aug-10	30,746	122,195	135,515												
Sep-10	27,616	90,155													
Oct-10	19,125														

Data Valued As of June 30, 2010

Cumulative Paid Claims By Month Incurred
Does Not Reflect Stop Loss Recoveries

Claim Month	16	17	18	19	20	21	Age 22	23	24	25	26	27	28
Feb-06	0	0	0	0	0	0	0	0	0	0	0	69	0
Mar-06	0	0	0	0	0	0	0	0	0	0	0	0	0
Apr-06	0	0	0	0	0	0	0	0	0	0	0	0	0
May-06	0	0	0	0	0	0	0	0	0	0	0	0	0
Jun-06	0	0	0	0	0	0	0	0	0	0	0	0	7
Jul-06	0	0	0	0	0	637	637	637	637	637	637	637	637
Aug-06	0	0	0	0	0	411	411	411	411	411	411	411	411
Sep-06	0	0	0	150	150	150	150	150	452	452	452	452	452
Oct-06	0	0	44	44	44	44	44	44	44	44	44	44	44
Nov-06	0	75	75	75	75	75	75	75	75	75	75	75	75
Dec-06	11	11	11	11	11	11	11	11	11	11	11	11	25
Jan-07	3,771	3,771	3,771	3,771	3,771	3,771	3,871	3,871	3,871	3,871	3,871	3,871	3,871
Feb-07	23	1,367	1,470	1,478	1,478	1,478	1,478	1,478	1,478	1,478	1,478	1,478	1,478
Mar-07	1,032	1,044	1,044	1,044	1,044	1,044	1,044	1,044	1,044	1,044	1,044	1,044	1,044
Apr-07	1,566	1,566	1,589	1,727	1,727	1,601	1,751	1,751	1,751	1,751	1,751	1,751	1,751
May-07	3,973	3,973	3,995	3,995	3,995	3,995	3,995	3,995	3,995	4,541	4,541	4,541	4,541
Jun-07	19,301	19,301	19,329	18,360	18,360	18,360	18,360	18,360	18,360	18,360	18,360	18,360	18,360
Jul-07	19,655	19,655	19,655	19,655	19,655	19,655	19,655	19,655	19,655	19,655	19,655	19,655	19,655
Aug-07	22,766	22,747	22,747	22,747	22,747	22,747	22,747	22,747	22,747	22,747	21,377	21,377	17,233
Sep-07	18,943	19,613	19,659	19,659	19,659	19,669	19,669	19,669	19,669	19,669	19,669	19,669	18,857
Oct-07	14,243	15,104	15,554	15,565	15,565	15,565	15,587	15,587	15,587	15,587	15,587	15,587	15,587
Nov-07	44,329	44,329	44,329	44,329	44,102	44,102	44,949	44,949	44,949	44,949	44,949	44,949	44,949
Dec-07	75,878	76,180	76,180	76,180	76,180	76,180	76,180	75,994	75,994	75,994	75,994	75,994	75,994
Jan-08	147,501	147,603	147,366	150,359	150,395	150,395	150,395	150,395	150,395	150,395	150,395	150,395	150,414
Feb-08	221,946	221,884	221,884	221,884	221,900	221,900	221,900	221,900	221,900	221,987	221,987	221,952	221,952
Mar-08	321,059	321,059	321,069	321,084	321,084	321,084	321,084	321,084	321,156	321,156	321,156	321,064	321,064
Apr-08	160,308	160,318	160,406	160,406	160,406	160,406	160,406	160,406	160,406	160,406	160,172	159,872	159,872
May-08	239,745	240,193	240,193	240,193	240,193	240,193	240,193	240,280	240,280	240,280	240,280	240,280	240,280
Jun-08	516,904	516,904	516,904	516,904	516,904	516,904	516,904	516,886	516,871	516,635	516,504	516,504	516,504
Jul-08	193,672	193,672	193,672	193,695	193,705	193,705	193,705	193,705	193,705	193,705	193,705	193,705	193,705
Aug-08	152,644	152,644	152,644	152,644	152,644	152,644	152,644	152,644	152,644	152,644	152,644	152,644	152,644
Sep-08	183,651	188,505	188,505	188,505	180,235	180,459	180,459	180,459	180,459	180,459	180,459	180,459	180,459
Oct-08	151,738	151,776	151,776	151,233	151,457	151,457	151,493	151,493	151,519	151,540	151,540	151,540	151,540
Nov-08	220,347	220,347	218,980	218,893	218,910	218,950	218,950	218,950	218,950	219,425	219,425	219,425	219,425
Dec-08	409,052	408,991	408,991	408,991	408,991	409,003	409,003	409,003	409,003	409,003	409,003	409,003	409,003
Jan-09	376,030	376,818	376,818	377,044	377,044	377,905	377,905	377,905	378,181	378,181	378,181	378,181	378,181
Feb-09	178,649	178,649	178,649	178,649	178,649	178,649	178,649	178,649	178,649	178,649	178,649	178,649	178,649
Mar-09	182,826	182,826	182,405	182,405	182,405	182,405	182,405	182,405	182,405	182,405	182,405	182,405	182,405
Apr-09	167,627	167,627	167,677	167,677	167,677	167,677	167,677	167,677	167,677	167,677	167,677	167,677	167,677
May-09	185,606	185,606	185,606	185,606	185,606	185,606	185,606	185,606	185,606	185,606	185,606	185,606	185,606
Jun-09	198,858	198,858	198,858	198,858	198,858	198,858	198,858	198,858	198,858	198,858	198,858	198,858	198,858
Jul-09	117,577	117,577	117,577	117,577	117,577	117,577	117,577	117,577	117,577	117,577	117,577	117,577	117,577
Aug-09													
Sep-09													
Oct-09													
Nov-09													
Dec-09													
Jan-10													
Feb-10													
Mar-10													
Apr-10													
May-10													
Jun-10													
Jul-10													
Aug-10													
Sep-10													
Oct-10													

Paid Claims By Month Incurred

Incurred Month	Age													
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Feb-06	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mar-06	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Apr-06	0	0	0	0	0	0	0	0	0	0	0	0	0	0
May-06	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Jun-06	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Jul-06	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Aug-06	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sep-06	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Oct-06	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Nov-06	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Dec-06	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Jan-07	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Feb-07	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mar-07	0	0	0	0	0	0	0	0	0	0	0	0	708	204
Apr-07	0	0	0	0	0	0	0	0	0	0	0	1,051	0	184
May-07	0	0	0	0	0	0	0	0	0	0	82	3,000	76	250
Jun-07	0	0	0	0	0	0	0	0	0	9,313	8,288	1,016	669	0
Jul-07	0	0	0	0	0	0	0	0	17,032	1,860	271	196	296	0
Aug-07	0	0	0	0	0	0	0	19,538	1,258	531	432	562	0	185
Sep-07	0	0	0	0	0	0	6,076	7,367	1,123	1,018	150	1,582	1,305	35
Oct-07	0	0	0	0	0	14,284	2,941	1,124	828	(5,779)	23	413	348	(35)
Nov-07	0	0	0	0	32,108	5,102	2,654	627	422	365	792	1,615	68	(130)
Dec-07	0	0	0	53,854	10,937	5,402	1,775	1,268	136	(1,324)	0	496	(30)	396
Jan-08	0	0	102,098	24,548	6,361	2,843	1,301	7,160	1,203	563	354	9	523	416
Feb-08	0	32,245	104,745	30,288	23,158	2,611	17,940	4,716	1,342	1,474	273	1,424	1,768	0
Mar-08	75	28,966	248,185	23,562	10,740	1,442	2,315	1,091	1,467	(10)	776	2,484	(208)	0
Apr-08	0	43,960	55,215	43,697	4,655	6,415	2,039	1,550	1,289	1,181	701	(269)	112	0
May-08	248	47,293	71,632	78,695	15,560	1,147	7,532	665	4,970	816	22	6,495	3,649	935
Jun-08	282	92,956	74,518	14,831	265,687	59,576	1,757	2,212	2,087	2,385	433	455	(149)	0
Jul-08	0	19,028	74,122	60,916	19,069	2,585	8,564	1,761	739	6,482	112	202	91	0
Aug-08	0	37,656	47,147	35,228	18,500	4,549	1,472	2,081	670	2,509	1,315	1,483	20	0
Sep-08	11,792	14,817	106,647	27,656	2,363	5,979	865	1,236	716	8,536	2,412	0	0	356
Oct-08	0	69,272	35,581	35,681	2,579	2,574	2,188	1,286	999	748	0	515	164	151
Nov-08	15,273	112,247	50,769	11,318	3,995	10,432	6,544	5,141	4,047	871	146	(740)	237	67
Dec-08	4,141	314,333	40,165	6,868	9,240	2,596	7,276	937	323	1,017	7,518	1,143	13,373	31
Jan-09	24,816	265,656	43,754	24,468	2,296	5,473	5,172	1,056	1,443	576	468	172	939	14
Feb-09	17,248	65,907	70,686	8,768	5,698	4,833	2,008	393	99	509	52	954	698	820
Mar-09	18,306	94,346	23,281	13,796	14,134	2,484	9,248	951	1,593	2,856	590	1,149	78	0
Apr-09	36,179	63,702	19,082	15,305	4,272	15,517	4,437	578	900	896	5,793	211	807	(53)
May-09	18,153	74,889	54,617	8,150	10,464	8,543	1,107	1,932	1,048	4,031	1,399	119	810	260
Jun-09	27,162	112,951	29,043	7,966	10,648	1,633	1,842	571	4,072	1,353	1,192	234	24	163
Jul-09	40,890	33,534	16,830	15,146	3,736	3,448	2,282	404	373	(1,864)	1,267	48	668	(9)
Aug-09	38,299	50,293	21,044	4,294	7,792	3,830	938	4,691	537	769	190	87	3,650	0
Sep-09	13,229	146,526	31,470	37,539	7,311	39,444	1,308	4,895	1,132	317	61	189	294	92
Oct-09	20,783	184,963	30,186	14,798	3,850	1,553	18,185	1,361	2,041	895	121	17	88,537	
Nov-09	7,911	98,179	70,637	14,262	5,104	2,320	4,196	1,583	948	73	144	78		
Dec-09	1,133	99,233	99,516	13,966	14,905	1,613	2,665	32,564	479	211	60			
Jan-10	16,323	128,694	36,048	12,036	5,521	8,248	6,610	1,243	2,565	382				
Feb-10	25,727	161,360	22,711	29,112	5,404	2,682	412	1,099						
Mar-10	227,680	595,206	100,320	22,276	20,895	9,723	2,885	964						
Apr-10	31,853	73,465	41,345	4,937	5,289	1,041	1,250							
May-10	23,371	148,507	173,868	10,454	4,913	5,804								
Jun-10	21,021	161,223	71,609	18,470	7,834									
Jul-10	27,126	221,611	14,229	5,430										
Aug-10	30,746	91,449	13,320											
Sep-10	27,616	62,539												
Oct-10	19,125													

Paid Claims By Month Incurred

Incurred Month	Age													
	15	16	17	18	19	20	21	22	23	24	25	26	27	28
Feb-06	0	0	0	0	0	0	0	0	0	0	0	0	69	(69)
Mar-06	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Apr-06	0	0	0	0	0	0	0	0	0	0	0	0	0	0
May-06	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Jun-06	0	0	0	0	0	0	0	0	0	0	0	0	0	7
Jul-06	0	0	0	0	0	0	637	0	0	0	0	0	0	0
Aug-06	0	0	0	0	0	0	411	0	0	0	0	0	0	0
Sep-06	0	0	0	0	150	0	0	0	0	302	0	0	0	0
Oct-06	0	0	0	44	0	0	0	0	0	0	0	0	0	0
Nov-06	0	0	75	0	0	0	0	0	0	0	0	0	0	0
Dec-06	0	11	0	0	0	0	0	0	0	0	0	0	0	14
Jan-07	3,757	15	0	0	0	0	0	100	0	0	0	0	0	0
Feb-07	23	0	1,344	103	8	0	0	0	0	0	0	0	0	0
Mar-07	120	0	12	0	0	0	0	0	0	0	0	0	0	0
Apr-07	330	0	0	23	138	0	(125)	150	0	0	0	0	0	0
May-07	176	390	0	22	0	0	0	0	0	0	546	0	0	0
Jun-07	10	6	0	28	(969)	0	0	0	0	0	0	0	0	0
Jul-07	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Aug-07	0	260	(18)	0	0	0	0	0	0	0	0	(1,371)	0	(4,144)
Sep-07	288	0	670	46	0	10	0	0	0	0	0	0	0	(812)
Oct-07	(9)	105	862	450	10	0	0	22	0	0	0	0	0	0
Nov-07	642	64	0	0	0	(227)	0	847	0	0	0	0	0	0
Dec-07	77	2,892	302	0	0	0	0	0	(185)	0	0	0	0	0
Jan-08	0	124	102	(238)	2,993	37	0	0	0	0	0	0	0	19
Feb-08	(49)	11	(62)	0	0	16	0	0	0	0	86	0	(35)	0
Mar-08	53	120	0	10	15	0	0	0	0	72	0	0	(92)	0
Apr-08	(64)	(173)	10	88	0	0	0	0	0	0	(233)	(300)	0	0
May-08	43	44	448	0	0	0	0	0	87	0	0	0	(0)	0
Jun-08	0	(126)	0	0	0	0	0	0	(18)	(15)	(236)	(131)	0	0
Jul-08	0	0	0	0	23	10	0	0	0	0	0	0	0	0
Aug-08	12	0	0	0	0	0	0	0	0	0	0	0	0	0
Sep-08	276	0	4,854	0	0	(8,270)	225	0	0	0	0	0	0	0
Oct-08	0	0	39	0	(544)	225	0	35	26	21	0	0	0	0
Nov-08	0	0	0	(1,367)	(87)	17	40	0	0	475	0	0	0	0
Dec-08	0	91	(60)	0	0	0	12	0	0	0	0	0	0	0
Jan-09	66	(340)	788	0	226	860	73	203	0	0	0	0	0	0
Feb-09	(24)	0	0	0	0	0	0	0	0	0	0	0	0	0
Mar-09	15	0	0	(421)	0	65	0	0	0	0	0	0	0	0
Apr-09	0	0	0	50	0	0	0	0	0	0	0	0	0	0
May-09	66	19	0	21	0	0	0	0	0	0	0	0	0	0
Jun-09	(7)	11	0	0	0	0	0	0	0	0	0	0	0	0
Jul-09	13	811	0	0	0	0	0	0	0	0	0	0	0	0
Aug-09	1,209	0	0	0	0	0	0	0	0	0	0	0	0	0
Sep-09	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Oct-09	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Nov-09	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Dec-09	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Jan-10	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Feb-10	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mar-10	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Apr-10	0	0	0	0	0	0	0	0	0	0	0	0	0	0
May-10	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Jun-10	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Jul-10	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Aug-10	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sep-10	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Oct-10	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Appendix B

WORKERS COMPENSATION EXHIBITS

Data Valued as of June 30, 2010

Claim Period (1)	Specific Self-Insured Retention (2)	Months of Development 6/30/10 (3)	Reported Claims 6/30/10 (4)	Open Claims 6/30/10 (5)	Limited Paid Losses 6/30/10 (6)	Limited Case Reserves 6/30/10 (7)	Limited Reported Incurred Losses 6/30/10 (8)
1987/88	*	n/a *	276.0 *	0 *	0 *	\$0 *	\$0 *
1988/89	*	n/a *	264.0 *	0 *	0 *	0 *	0 *
1989/90	*	n/a *	252.0 *	0 *	0 *	0 *	0 *
1990/91	*	n/a *	240.0 *	0 *	0 *	0 *	0 *
1991/92	*	n/a *	228.0 *	0 *	0 *	0 *	0 *
1992/93	*	n/a *	216.0 *	0 *	0 *	0 *	0 *
1993/94	*	n/a *	204.0 *	0 *	0 *	0 *	0 *
1994/95	*	n/a *	192.0 *	0 *	0 *	0 *	0 *
1995/96	*	n/a *	180.0 *	0 *	0 *	0 *	0 *
1996/97	*	n/a *	168.0 *	0 *	0 *	0 *	0 *
1997/98		250,000	156.0	61	1	529,248	65,302
1998/99		250,000	144.0	65	2	264,391	78,186
1999/00		250,000	132.0	59	2	703,903	39,202
2000/01		250,000	120.0	38	3	238,145	69,011
2001/02		250,000	108.0	43	2	663,673	79,135
2002/03		250,000	96.0	59	3	380,173	23,121
2003/04		250,000	84.0	62	1	601,679	13,803
2004/05		350,000	72.0	51	3	473,906	140,834
2005/06		350,000	60.0	60	7	710,698	100,930
2006/07		350,000	48.0	60	4	263,096	74,839
2007/08		350,000	36.0	67	10	304,762	140,837
2008/09		350,000	24.0	55	5	92,290	77,923
2009/10		350,000	12.0	49	21	182,954	383,499
Total				729	64	\$5,408,917	\$1,286,622
							\$6,695,540

Amounts are gross of recoveries but net of excess insurance.

* the District was commercially insured for claim periods prior to 1997/98.

(6), (7) and (8) are net of specific excess reinsurance, but gross of aggregate reinsurance.

Data was provided by York.

Summary of Percent Losses Paid, Losses Reported and Claims Reported

Months of Development (1)	Percent Losses Paid (2)	Percent Losses Reported (3)	Percent Claims Reported (4)	Months of Development (5)	Percent Losses Paid (6)	Percent Losses Reported (7)	Percent Claims Reported (8)
360.0	100.0%	100.0%	100.0%	360.0	100.0%	100.0%	100.0%
348.0	100.0%	100.0%	100.0%	348.0	100.0%	100.0%	100.0%
336.0	100.0%	100.0%	100.0%	336.0	100.0%	100.0%	100.0%
324.0	100.0%	100.0%	100.0%	324.0	100.0%	100.0%	100.0%
312.0	100.0%	100.0%	100.0%	312.0	100.0%	100.0%	100.0%
300.0	100.0%	100.0%	100.0%	300.0	100.0%	100.0%	100.0%
288.0	100.0%	100.0%	100.0%	288.0	100.0%	100.0%	100.0%
276.0	100.0%	100.0%	100.0%	276.0	100.0%	100.0%	100.0%
264.0	100.0%	100.0%	100.0%	264.0	100.0%	100.0%	100.0%
252.0	99.9%	100.0%	100.0%	252.0	99.9%	100.0%	100.0%
240.0	99.9%	100.0%	100.0%	240.0	99.9%	100.0%	100.0%
228.0	99.9%	100.0%	100.0%	228.0	99.9%	100.0%	100.0%
216.0	99.8%	100.0%	100.0%	216.0	99.8%	100.0%	100.0%
204.0	99.8%	100.0%	100.0%	204.0	99.8%	100.0%	100.0%
192.0	99.7%	100.0%	100.0%	192.0	99.7%	100.0%	100.0%
180.0	99.5%	99.9%	100.0%	180.0	99.5%	99.9%	100.0%
168.0	99.3%	99.5%	100.0%	168.0	99.3%	99.5%	100.0%
156.0	98.8%	99.4%	100.0%	156.0	98.8%	99.4%	100.0%
144.0	98.2%	99.3%	100.0%	144.0	98.2%	99.3%	100.0%
132.0	97.5%	99.1%	100.0%	132.0	97.5%	99.1%	100.0%
120.0	96.4%	98.8%	100.0%	120.0	96.4%	98.8%	100.0%
108.0	95.1%	98.3%	100.0%	108.0	95.1%	98.3%	100.0%
96.0	93.2%	97.7%	100.0%	96.0	93.2%	97.7%	100.0%
84.0	90.8%	96.7%	100.0%	84.0	90.8%	96.7%	100.0%
72.0	87.7%	95.2%	100.0%	72.0	87.7%	95.2%	100.0%
60.0	83.5%	93.1%	100.0%	60.0	83.5%	93.1%	100.0%
48.0	77.3%	89.9%	100.0%	48.0	77.3%	89.9%	100.0%
36.0	68.7%	83.7%	99.8%	36.0	68.7%	83.7%	99.8%
24.0	47.4%	66.9%	99.2%	24.0	47.4%	66.9%	99.2%
12.0	15.8%	38.2%	92.2%	12.0	15.8%	38.2%	92.2%

Summary of Percent Losses Paid, Losses Reported and Claims Reported

Months of Development (9)	Percent Losses Paid (10)	Percent Losses Reported (11)	Percent Claims Reported (12)
360.0	100.0%	100.0%	100.0%
348.0	100.0%	100.0%	100.0%
336.0	100.0%	100.0%	100.0%
324.0	100.0%	100.0%	100.0%
312.0	100.0%	100.0%	100.0%
300.0	100.0%	100.0%	100.0%
288.0	100.0%	100.0%	100.0%
276.0	100.0%	100.0%	100.0%
264.0	100.0%	100.0%	100.0%
252.0	99.9%	100.0%	100.0%
240.0	99.9%	100.0%	100.0%
228.0	99.9%	100.0%	100.0%
216.0	99.8%	100.0%	100.0%
204.0	99.8%	100.0%	100.0%
192.0	99.7%	100.0%	100.0%
180.0	99.5%	99.9%	100.0%
168.0	99.3%	99.5%	100.0%
156.0	98.8%	99.4%	100.0%
144.0	98.2%	99.3%	100.0%
132.0	97.5%	99.1%	100.0%
120.0	96.4%	98.8%	100.0%
108.0	95.1%	98.3%	100.0%
96.0	93.2%	97.7%	100.0%
84.0	90.8%	96.7%	100.0%
72.0	87.7%	95.2%	100.0%
60.0	83.5%	93.1%	100.0%
48.0	77.3%	89.9%	100.0%
36.0	68.7%	83.7%	99.8%
24.0	47.4%	66.9%	99.2%
12.0	15.8%	38.2%	92.2%

(2), (3) and (4) are based on other similar programs with which we are familiar.

(6), (7), (8), (10), (11), and (12) are interpolated, based on (2), (3) and (4).

Developed Limited Paid Losses and Limited Reported Incurred Losses

I. Developed Limited Paid Losses

Claim Period (1)	Months of Development 6/30/10 (2)	Limited Paid Losses 6/30/10 (3)	Percent Losses Paid (4)	Developed Limited Paid Losses (3)/(4) (5)
1987/88	276	\$0	100.0%	\$0
1988/89	264	0	100.0%	0
1989/90	252	0	99.9%	0
1990/91	240	0	99.9%	0
1991/92	228	0	99.9%	0
1992/93	216	0	99.8%	0
1993/94	204	0	99.8%	0
1994/95	192	0	99.7%	0
1995/96	180	0	99.5%	0
1996/97	168	0	99.3%	0
1997/98	156	529,248	98.8%	535,676
1998/99	144	264,391	98.2%	269,238
1999/00	132	703,903	97.5%	721,951
2000/01	120	238,145	96.4%	247,039
2001/02	108	663,673	95.1%	697,869
2002/03	96	380,173	93.2%	407,911
2003/04	84	601,679	90.8%	637,311
2004/05	72	473,906	87.7%	540,372
2005/06	60	710,698	83.5%	851,135
2006/07	48	263,096	77.3%	340,356
2007/08	36	304,762	68.7%	443,613
2008/09	24	92,290	47.4%	194,704
2009/10	12	182,954	15.8%	1,157,935

Developed Limited Paid Losses and Limited Reported Incurred Losses

II. Developed Limited Reported Incurred Losses

Claim Period (1)	Months of Development 6/30/10 (2)	Limited Reported Incurred Losses 6/30/10 (3)	Percent Losses Reported (4)	Developed Limited Reported Incurred Losses (3)/(4) (5)
1987/88	276	\$0	100.0%	\$0
1988/89	264	0	100.0%	0
1989/90	252	0	100.0%	0
1990/91	240	0	100.0%	0
1991/92	228	0	100.0%	0
1992/93	216	0	100.0%	0
1993/94	204	0	100.0%	0
1994/95	192	0	100.0%	0
1995/96	180	0	99.9%	0
1996/97	168	0	99.5%	0
1997/98	156	594,550	99.4%	598,139
1998/99	144	342,577	99.3%	344,992
1999/00	132	743,104	99.1%	749,853
2000/01	120	307,156	98.8%	310,887
2001/02	108	742,808	98.3%	755,654
2002/03	96	403,295	97.7%	412,789
2003/04	84	615,482	96.7%	627,954
2004/05	72	614,740	95.2%	645,735
2005/06	60	811,628	93.1%	871,781
2006/07	48	337,935	89.9%	375,901
2007/08	36	445,599	83.7%	532,377
2008/09	24	170,213	66.9%	254,429
2009/10	12	566,453	38.2%	1,482,861

Developed Limited Paid Losses and Limited Reported Incurred Losses

Footnotes:

Sections I and II, (3) are from Exhibit WC-1.

Sections I and II, (4) are from Exhibit WC-2.

The claim(s) indicated by a "*" have been limited in development:

(a) through (g) was provided by York.

Claim Number (a)	Date of Loss (b)	Claim Period (c)	Specific Self-Insured Retention (d)	Limited Paid Losses 6/30/10 (e)	Limited Case Reserves 6/30/10 (f)	Limited Reported Incurred Losses 6/30/10 (g)
0633000042	4/14/2006	2005/06	\$350,000	224,310	\$45,440	269,750
0433000034	12/1/2003	2003/04	250,000	250,000 *	0	250,000 *
0533000031	3/2/2005	2004/05	350,000	177,889	49,456	227,344
0433000022	11/5/2003	2003/04	250,000	195,773	0	195,773
0233000026	11/30/2001	2001/02	250,000	184,617	0	184,617
9833000061	2/24/1998	1997/98	250,000	112,732	65,302	178,034
9833000007	8/5/1997	1997/98	250,000	175,665	0	175,665
0033000012	9/10/1999	1999/00	250,000	158,923	0	158,923
0533000007	9/3/2004	2004/05	350,000	108,213	45,801	154,014
9933000055	4/14/1999	1998/99	250,000	95,523	56,743	152,266
0533000043	5/6/2005	2004/05	350,000	100,945	45,577	146,522
0033000048	4/26/2000	1999/00	250,000	89,806	37,633	127,439
0333000046	4/4/2003	2002/03	250,000	116,018	0	116,018
0233000031	1/23/2002	2001/02	250,000	66,342	40,379	106,721
0233000029	11/15/2001	2001/02	250,000	67,373	38,755	106,128
0133000036	4/27/2001	2000/01	250,000	45,874	59,940	105,814
0633000012	9/20/2005	2005/06	350,000	102,081	0	102,081
0733000059	6/4/2007	2006/07	350,000	47,280	53,331	100,611

Developed Limited Case Reserves

Claim Period (1)	Months of Development 6/30/10 (2)	Percent Losses Paid (3)	Percent Losses Reported (4)	Percent Losses Reserved 6/30/10 ((4)-(3))/(100.0%-(3)) (5)	Limited Paid Losses 6/30/10 (6)	Limited Case Reserves 6/30/10 (7)	Developed Limited Case Reserves (6)+(7)/(5) (8)
1987/88	276	100.0%	100.0%	100.0%	\$0	\$0	\$0
1988/89	264	100.0%	100.0%	100.0%	0	0	0
1989/90	252	99.9%	100.0%	100.0%	0	0	0
1990/91	240	99.9%	100.0%	100.0%	0	0	0
1991/92	228	99.9%	100.0%	100.0%	0	0	0
1992/93	216	99.8%	100.0%	99.8%	0	0	0
1993/94	204	99.8%	100.0%	99.3%	0	0	0
1994/95	192	99.7%	100.0%	96.7%	0	0	0
1995/96	180	99.5%	99.9%	84.7%	0	0	0
1996/97	168	99.3%	99.5%	28.6%	0	0	0
1997/98	156	98.8%	99.4%	50.0%	529,248	65,302	659,852
1998/99	144	98.2%	99.3%	61.1%	264,391	78,186	392,332
1999/00	132	97.5%	99.1%	64.0%	703,903	39,202	765,155
2000/01	120	96.4%	98.8%	66.7%	238,145	69,011	341,662
2001/02	108	95.1%	98.3%	65.3%	663,673	79,135	784,848
2002/03	96	93.2%	97.7%	66.2%	380,173	23,121	415,112
2003/04	84	90.8%	96.7%	64.1%	601,679	13,803	623,202
2004/05	72	87.7%	95.2%	61.0%	473,906	140,834	704,874
2005/06	60	83.5%	93.1%	58.2%	710,698	100,930	884,171
2006/07	48	77.3%	89.9%	55.5%	263,096	74,839	397,925
2007/08	36	68.7%	83.7%	47.9%	304,762	140,837	598,642
2008/09	24	47.4%	66.9%	37.1%	92,290	77,923	302,482
2009/10	12	15.8%	38.2%	26.6%	182,954	383,499	1,624,500

(3) and (4) are from Exhibit WC-2.

(6) and (7) are from Exhibit WC-1.

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Preliminary Projected Ultimate Limited Losses to Claim Period 2009/10

Claim Period (1)	Developed Limited Paid Losses (2)	Developed Limited Reported Incurred Losses (3)	Developed Limited Case Reserves (4)	Preliminary Projected Ultimate Limited Losses (5)
1987/88	\$0	\$0	\$0	\$0
1988/89	0	0	0	0
1989/90	0	0	0	0
1990/91	0	0	0	0
1991/92	0	0	0	0
1992/93	0	0	0	0
1993/94	0	0	0	0
1994/95	0	0	0	0
1995/96	0	0	0	0
1996/97	0	0	0	0
1997/98	535,676	598,139	659,852	659,852
1998/99	269,238	344,992	392,332	392,332
1999/00	721,951	749,853	765,155	765,155
2000/01	247,039	310,887	341,662	341,662
2001/02	697,869	755,654	784,848	784,848
2002/03	407,911	412,789	415,112	414,880
2003/04	637,311	627,954	623,202	624,152
2004/05	540,372	645,735	704,874	687,132
2005/06	851,135	871,781	884,171	875,911
2006/07	340,356	375,901	397,925	377,601
2007/08	443,613	532,377	598,642	541,130
2008/09	194,704	254,429	302,482	250,927
2009/10	1,157,935	1,482,861	1,624,500	1,427,875

Preliminary Projected Ultimate Limited Losses to Claim Period 2009/10

Footnotes:

(2) and (3) are from Exhibit WC-3.

(4) is from Exhibit WC-4.

(5) is based on (2) to (4), weighted as follows:

Subject to a minimum of Exhibit WC-1, (8) and minimum 15% of case reserves as IBNR, unless all claims are closed.

Claim Period	Developed Limited Paid Losses	Developed Limited Reported Incurred Losses	Developed Limited Case Reserves
to 1995/96	0.0%	0.0%	100.0%
1996/97	0.0%	0.0%	100.0%
1997/98	0.0%	0.0%	100.0%
1998/99	0.0%	0.0%	100.0%
1999/00	0.0%	0.0%	100.0%
2000/01	0.0%	0.0%	100.0%
2001/02	0.0%	0.0%	100.0%
2002/03	0.0%	10.0%	90.0%
2003/04	0.0%	20.0%	80.0%
2004/05	0.0%	30.0%	70.0%
2005/06	10.0%	40.0%	50.0%
2006/07	20.0%	40.0%	40.0%
2007/08	20.0%	40.0%	40.0%
2008/09	30.0%	40.0%	30.0%
2009/10	30.0%	40.0%	30.0%

Bornhuetter - Ferguson Analysis

I. A-priori Loss Rate

Claim Period (1)	Preliminary Projected Ultimate Limited Losses (2)	Payroll (000) (3)	Limited Loss Rate per \$100 of Payroll (2)/(3)/10 (4)	Loss Rate Trend (2010/11 = 1.000) (5)	Trended Limited Loss Rate per \$100 of Payroll (4)X(5) (6)	Projected A-priori Loss Rate per \$100 of Payroll (7)/(5) (8)
2005/06	\$875,911	\$102,932	\$0.85	1.131	\$0.96	\$0.59
2006/07	377,601	104,120	0.36	1.104	0.40	0.61
2007/08	541,130	112,006	0.48	1.077	0.52	0.62
2008/09	250,927	116,872	0.21	1.051	0.23	0.64
2009/10	1,427,875	117,202	1.22	1.025	1.25	0.66
(7) Projected 2010/11 a-priori loss rate per \$100 of Payroll					\$0.67	

II. Bornhuetter - Ferguson Analysis Based on Limited Paid Losses

Claim Period (1)	Limited Paid Losses 6/30/10 (2)	Percent Losses Paid (3)	Projected A-priori Loss Rate per \$100 of Payroll (4)	Payroll (000) (5)	B-F Unpaid Losses (100.0%-(3)) X(4)X(5)X10 (6)	B-F Ultimate Limited Paid Losses (2)+(6) (7)
2005/06	\$710,698	83.5%	\$0.59	\$102,932	\$100,806	\$811,504
2006/07	263,096	77.3%	0.61	104,120	143,793	406,888
2007/08	304,762	68.7%	0.62	112,006	218,618	523,380
2008/09	92,290	47.4%	0.64	116,872	392,935	485,225
2009/10	182,954	15.8%	0.66	117,202	646,540	829,494

III. Bornhuetter - Ferguson Analysis Based on Limited Reported Incurred Losses

Claim Period (1)	Limited Reported Incurred Losses 6/30/10 (2)	Percent Losses Reported (3)	Projected A-priori Loss Rate per \$100 of Payroll (4)	Payroll (000) (5)	B-F Unreported Losses (100.0%-(3)) X(4)X(5)X10 (6)	B-F Ultimate Limited Reported Losses (2)+(6) (7)
2005/06	\$811,628	93.1%	\$0.59	\$102,932	\$42,155	\$853,783
2006/07	337,935	89.9%	0.61	104,120	63,978	401,913
2007/08	445,599	83.7%	0.62	112,006	113,849	559,448
2008/09	170,213	66.9%	0.64	116,872	247,265	417,478
2009/10	566,453	38.2%	0.66	117,202	474,539	1,040,992

Section I, (2) is from Exhibit WC-5.

Section I, (3), Section II, (5) and Section III, (5) were provided by the District.

Section I, (5) is based on a 2.5% trend.

Section I, (7) is based on Section I, (6) and the following weights:

Claim Period	Weight
2005/06	20.0%
2006/07	20.0%
2007/08	20.0%
2008/09	20.0%
2009/10	20.0%
Similar	0.0%

where the similar loss rate = \$0.72

based on other California self-insured educational entities of similar characteristics.

Sections II and III, (2) are from Exhibit WC-1.

Sections II and III, (3) are from Exhibit WC-2.

Sections II and III, (4) are from Section I, (8).

Frequency Times Severity Analysis

I. Projected Ultimate Claims

Claim Period (1)	Months of Development 6/30/10 (2)	Reported Claims 6/30/10 (3)	Percent Claims Reported (4)	Projected Ultimate Claims (3)/(4) (5)
2005/06	60	60	100.0%	60
2006/07	48	60	100.0%	60
2007/08	36	67	99.8%	67
2008/09	24	55	99.2%	55
2009/10	12	49	92.2%	53

II. Frequency Times Severity

Claim Period (1)	Preliminary Projected Ultimate Limited Losses (2)	Projected Ultimate Claims (3)	Average Severity (2)/(3) (4)	Severity Trend (2010/11 = 1.000) (5)	Trended Average Claim Severity (4)X(5) (6)	De-Trended Projected 2010/11 Average Claim Severity (7)/(5) (8)	Frequency Times Severity (3)X(8) (9)
2005/06	\$875,911	60	\$14,599	1.312	\$19,148	\$10,674	\$640,419
2006/07	377,601	60	6,293	1.242	7,819	11,269	676,122
2007/08	541,130	67	8,077	1.177	9,504	11,897	797,095
2008/09	250,927	55	4,562	1.115	5,085	12,560	690,810
2009/10	1,427,875	53	26,941	1.056	28,443	13,260	702,802
(7) Projected 2010/11 average claim severity					\$14,000		

Section I, (3) is from Exhibit WC-1.

Section I, (4) is from Exhibit WC-2.

Section II, (2) is from Exhibit WC-5.

Section II, (3) is from Section I, (5).

Section II, (5) is based on a 5.6% trend.

Section II, (7) is based on (6) and the following weights:

Claim Period	Weight
2005/06	20.0%
2006/07	20.0%
2007/08	20.0%
2008/09	20.0%
2009/10	20.0%

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Projected Ultimate Limited Losses to 2009/10

Claim Period (1)	Developed Limited Paid Losses (2)	Developed Limited Reported Incurred Losses (3)	Developed Limited Case Reserves (4)	B-F Paid Method Ultimate Losses (5)	B-F Reported Method Ultimate Losses (6)	Frequency Times Severity (7)	Projected Ultimate Limited Losses (8)
1987/88	\$0	\$0	\$0				\$0
1988/89	0	0	0				0
1989/90	0	0	0				0
1990/91	0	0	0				0
1991/92	0	0	0				0
1992/93	0	0	0				0
1993/94	0	0	0				0
1994/95	0	0	0				0
1995/96	0	0	0				0
1996/97	0	0	0				0
1997/98	535,676	598,139	659,852				659,852
1998/99	269,238	344,992	392,332				392,332
1999/00	721,951	749,853	765,155				765,155
2000/01	247,039	310,887	341,662				341,662
2001/02	697,869	755,654	784,848				781,929
2002/03	407,911	412,789	415,112				414,647
2003/04	637,311	627,954	623,202				624,627
2004/05	540,372	645,735	704,874				681,218
2005/06	851,135	871,781	884,171	811,504	853,783	640,419	875,911
2006/07	340,356	375,901	397,925	406,888	401,913	676,122	377,601
2007/08	443,613	532,377	598,642	523,380	559,448	797,095	532,254
2008/09	194,704	254,429	302,482	485,225	417,478	690,810	296,284
2009/10	1,157,935	1,482,861	1,624,500	829,494	1,040,992	702,802	1,227,156

Projected Ultimate Limited Losses to 2009/10

Footnotes:

(2) and (3) are from Exhibit WC-3.

(4) is from Exhibit WC-4.

(5) and (6) are from Exhibit WC-6.

(7) is from Exhibit WC-7.

(8) is based on (2) to (7), weighted as follows:

Subject to a minimum of Exhibit WC-1, (8) and minimum 15% of case reserves as IBNR, unless all claims are closed.

Claim Period	Developed Limited Paid Losses	Developed Limited Reported Incurred Losses	Developed Limited Case Reserves	B-F Paid Method Ultimate Losses	B-F Reported Method Ultimate Losses	Frequency Times Severity
to 1995/96	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%
1996/97	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%
1997/98	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%
1998/99	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%
1999/00	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%
2000/01	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%
2001/02	0.0%	10.0%	90.0%	0.0%	0.0%	0.0%
2002/03	0.0%	20.0%	80.0%	0.0%	0.0%	0.0%
2003/04	0.0%	30.0%	70.0%	0.0%	0.0%	0.0%
2004/05	0.0%	40.0%	60.0%	0.0%	0.0%	0.0%
2005/06	10.0%	40.0%	50.0%	0.0%	0.0%	0.0%
2006/07	20.0%	40.0%	40.0%	0.0%	0.0%	0.0%
2007/08	30.0%	30.0%	40.0%	0.0%	0.0%	0.0%
2008/09	20.0%	30.0%	30.0%	10.0%	10.0%	0.0%
2009/10	20.0%	20.0%	20.0%	20.0%	20.0%	0.0%

Projected Ultimate Limited Losses for 2010/11 and Subsequent

Claim Period (1)	Projected Ultimate Limited Losses (2)	Payroll (000) (3)	Limited Loss Rate per \$100 of Payroll (2)/(3)/10 (4)	Loss Rate Trend (2010/11 = 1.000) (5)	Trended Limited Loss Rate per \$100 of Payroll (4)X(5) (6)
2005/06	\$875,911	\$102,932	\$0.85	1.131	\$0.96
2006/07	377,601	104,120	0.36	1.104	0.40
2007/08	532,254	112,006	0.48	1.077	0.51
2008/09	296,284	116,872	0.25	1.051	0.27
2009/10	1,227,156	117,202	1.05	1.025	1.07
Total	\$3,309,207	\$553,133	\$0.60		\$0.64

Claim Period (1)	Projected Limited Loss Rate per \$100 of Payroll (7)	Projected Payroll (000) (8)	Projected Ultimate Limited Losses (7)X(8)X10 (9)	Present Value Factor (10)	Present Value of Projected Limited Loss Rate per \$100 of Payroll (7)X(10) (11)	Present Value of Projected Ultimate Limited Losses (8)X(11)X10 (12)
2010/11	\$0.64	\$119,546	\$765,094	0.93	\$0.60	\$717,276
2011/12	0.66	121,937	804,784	0.93	0.61	743,815
2012/13	0.67	124,376	833,317	0.93	0.62	771,129
2013/14	0.69	126,863	875,356	0.93	0.64	811,924
2014/15	0.71	129,400	918,743	0.93	0.66	854,043

(2) is from Exhibit WC-8.

(3) was provided by the District.

(5) is based on a 2.5% trend.

(7) for 2010/11 is based on (6) and the following weights:

Claim Period	Weights
2005/06	20.0%
2006/07	20.0%
2007/08	20.0%
2008/09	20.0%
2009/10	20.0%
Similar	0.0%

where the similar loss rate = \$0.72

(7) for 2011/12 and subsequent are based on 2010/11 plus a 2.5% trend.

(8) is based on (3) for 2009/10 and a 2% trend.

(10) is based on a 2.5% interest rate and the payout pattern in Exhibit WC-2.

Estimated Outstanding Losses as of June 30, 2010

Claim Period (1)	Net-Limited Paid Losses 6/30/07 (2)	Net-Limited Case Reserves 6/30/07 (3)	Net-Limited Reported Incurred Losses 6/30/07 (4)	Projected Ultimate Net-Limited Losses (5)	Estimated Outstanding Losses 6/30/10 (5)-(2) (6)	Estimated IBNR 6/30/10 (6)-(3) (7)
1987/88	\$0	\$0	\$0	\$0	\$0	\$0
1988/89	0	0	0	0	0	0
1989/90	0	0	0	0	0	0
1990/91	0	0	0	0	0	0
1991/92	0	0	0	0	0	0
1992/93	0	0	0	0	0	0
1993/94	0	0	0	0	0	0
1994/95	0	0	0	0	0	0
1995/96	0	0	0	0	0	0
1996/97	0	0	0	0	0	0
1997/98	529,248	65,302	594,550	659,852	130,604	65,302
1998/99	264,391	78,186	342,577	392,332	127,941	49,755
1999/00	703,903	39,202	743,104	765,155	61,253	22,051
2000/01	238,145	69,011	307,156	341,662	103,517	34,506
2001/02	663,673	79,135	742,808	781,929	118,256	39,121
2002/03	380,173	23,121	403,295	414,647	34,474	11,353
2003/04	601,679	13,803	615,482	624,627	22,949	9,146
2004/05	473,906	140,834	614,740	681,218	207,312	66,478
2005/06	710,698	100,930	811,628	875,911	165,214	64,284
2006/07	263,096	74,839	337,935	377,601	114,506	39,667
2007/08	304,762	140,837	445,599	532,254	227,492	86,655
2008/09	92,290	77,923	170,213	296,284	203,995	126,072
2009/10	182,954	383,499	566,453	1,227,156	1,044,203	660,704
Total	\$5,408,917	\$1,286,622	\$6,695,540	\$7,970,631	\$2,561,716	\$1,275,094

(2), (3) and (4) are based on data received from Hazelrigg and compiled by RCS.

(5) is from Exhibit WC-8.

Present Value of Estimated Outstanding Losses as of June 30, 2010

Claim Period (1)	Estimated Outstanding Losses 6/30/10 (2)	Present Value Factor (3)	Present Value of Estimated Outstanding Losses 6/30/10 (2)X(3) (4)	Anticipated Future Investment Income (2)-(4) (5)
1987/88	\$0	1.00	\$0	\$0
1988/89	0	0.95	0	0
1989/90	0	0.94	0	0
1990/91	0	0.94	0	0
1991/92	0	0.94	0	0
1992/93	0	0.94	0	0
1993/94	0	0.94	0	0
1994/95	0	0.94	0	0
1995/96	0	0.94	0	0
1996/97	0	0.94	0	0
1997/98	130,604	0.94	123,290	7,314
1998/99	127,941	0.94	120,648	7,293
1999/00	61,253	0.94	57,517	3,736
2000/01	103,517	0.94	97,099	6,418
2001/02	118,256	0.93	110,451	7,805
2002/03	34,474	0.93	32,164	2,310
2003/04	22,949	0.93	21,343	1,606
2004/05	207,312	0.93	192,386	14,926
2005/06	165,214	0.93	152,988	12,226
2006/07	114,506	0.93	106,147	8,359
2007/08	227,492	0.93	210,885	16,607
2008/09	203,995	0.94	191,347	12,648
2009/10	1,044,203	0.94	983,639	60,564
Total	\$2,561,716		\$2,399,904	\$161,812

(2) is from Exhibit WC-10.

(3) is based on a 2.5% interest rate and the payout pattern in Exhibit WC-2.

Projected Losses Paid July 1, 2010 to June 30, 2015

I. Projected Losses Paid July 1, 2010 to June 30, 2011

Claim Period (1)	Months of Development 6/30/10 (2)	Percent Losses Paid (3)	Months of Development 6/30/11 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/10 to 6/30/11 ((5)-(3))/(100.0%-(3)) (6)	Estimated Outstanding Losses 6/30/10 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/11 (7)-(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/11 (9)X(10) (11)
1987/88	276.0	100.0%	288.0	100.0%	25.0% *	\$0	\$0	\$0	1.00	\$0
1988/89	264.0	100.0%	276.0	100.0%	25.0% *	0	0	0	1.00	0
1989/90	252.0	99.9%	264.0	100.0%	25.0% *	0	0	0	0.95	0
1990/91	240.0	99.9%	252.0	99.9%	25.0% *	0	0	0	0.94	0
1991/92	228.0	99.9%	240.0	99.9%	25.0% *	0	0	0	0.94	0
1992/93	216.0	99.8%	228.0	99.9%	25.0% *	0	0	0	0.94	0
1993/94	204.0	99.8%	216.0	99.8%	25.0% *	0	0	0	0.94	0
1994/95	192.0	99.7%	204.0	99.8%	25.0% *	0	0	0	0.94	0
1995/96	180.0	99.5%	192.0	99.7%	25.0% *	0	0	0	0.94	0
1996/97	168.0	99.3%	180.0	99.5%	25.0% *	0	0	0	0.94	0
1997/98	156.0	98.8%	168.0	99.3%	25.0% *	130,604	32,651	97,953	0.94	91,684
1998/99	144.0	98.2%	156.0	98.8%	25.0% *	127,941	31,985	95,956	0.94	90,582
1999/00	132.0	97.5%	144.0	98.2%	25.0% *	61,253	15,313	45,940	0.94	43,321
2000/01	120.0	96.4%	132.0	97.5%	25.0% *	103,517	25,879	77,638	0.94	72,902
2001/02	108.0	95.1%	120.0	96.4%	25.0% *	118,256	29,564	88,692	0.94	83,193
2002/03	96.0	93.2%	108.0	95.1%	25.0% *	34,474	8,619	25,855	0.93	24,149
2003/04	84.0	90.8%	96.0	93.2%	25.0% *	22,949	5,737	17,212	0.93	16,059
2004/05	72.0	87.7%	84.0	90.8%	25.0% *	207,312	51,828	155,484	0.93	144,600
2005/06	60.0	83.5%	72.0	87.7%	25.0% *	165,214	41,304	123,910	0.93	114,988
2006/07	48.0	77.3%	60.0	83.5%	25.0% *	114,506	28,627	85,879	0.93	79,524
2007/08	36.0	68.7%	48.0	77.3%	25.0% *	227,492	56,873	170,619	0.93	158,164
2008/09	24.0	47.4%	36.0	68.7%	25.0% *	203,995	50,999	152,996	0.93	141,827
2009/10	12.0	15.8%	24.0	47.4%	25.0% *	1,044,203	261,051	783,152	0.94	734,597
2010/11	0.0	0.0%	12.0	15.8%	15.8% *	765,094	120,885	644,209	0.94	606,845
Total						\$3,326,810	\$761,315	\$2,565,495		\$2,402,435

Projected Losses Paid July 1, 2010 to June 30, 2015

II. Projected Losses Paid July 1, 2011 to June 30, 2012

Claim Period (1)	Months of Development 6/30/11 (2)	Percent Losses Paid (3)	Months of Development 6/30/12 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/11 to 6/30/12 ((5)-(3))/ (100.0%-(3)) (6)	Estimated Outstanding Losses 6/30/11 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/12 (7)-(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/12 (9)X(10) (11)
1987/88	288.0	100.0%	300.0	100.0%	25.0% *	\$0	\$0	\$0	1.00	\$0
1988/89	276.0	100.0%	288.0	100.0%	25.0% *	0	0	0	1.00	0
1989/90	264.0	100.0%	276.0	100.0%	25.0% *	0	0	0	1.00	0
1990/91	252.0	99.9%	264.0	100.0%	25.0% *	0	0	0	0.95	0
1991/92	240.0	99.9%	252.0	99.9%	25.0% *	0	0	0	0.94	0
1992/93	228.0	99.9%	240.0	99.9%	25.0% *	0	0	0	0.94	0
1993/94	216.0	99.8%	228.0	99.9%	25.0% *	0	0	0	0.94	0
1994/95	204.0	99.8%	216.0	99.8%	25.0% *	0	0	0	0.94	0
1995/96	192.0	99.7%	204.0	99.8%	25.0% *	0	0	0	0.94	0
1996/97	180.0	99.5%	192.0	99.7%	25.0% *	0	0	0	0.94	0
1997/98	168.0	99.3%	180.0	99.5%	25.0% *	97,953	24,488	73,465	0.94	68,763
1998/99	156.0	98.8%	168.0	99.3%	25.0% *	95,956	23,989	71,967	0.94	67,361
1999/00	144.0	98.2%	156.0	98.8%	25.0% *	45,940	11,485	34,455	0.94	32,526
2000/01	132.0	97.5%	144.0	98.2%	25.0% *	77,638	19,410	58,228	0.94	54,909
2001/02	120.0	96.4%	132.0	97.5%	25.0% *	88,692	22,173	66,519	0.94	62,461
2002/03	108.0	95.1%	120.0	96.4%	25.0% *	25,855	6,464	19,391	0.94	18,189
2003/04	96.0	93.2%	108.0	95.1%	25.0% *	17,212	4,303	12,909	0.93	12,057
2004/05	84.0	90.8%	96.0	93.2%	25.0% *	155,484	38,871	116,613	0.93	108,800
2005/06	72.0	87.7%	84.0	90.8%	25.0% *	123,910	30,978	92,932	0.93	86,427
2006/07	60.0	83.5%	72.0	87.7%	25.0% *	85,879	21,470	64,409	0.93	59,772
2007/08	48.0	77.3%	60.0	83.5%	25.0% *	170,619	42,655	127,964	0.93	118,495
2008/09	36.0	68.7%	48.0	77.3%	25.0% *	152,996	38,249	114,747	0.93	106,370
2009/10	24.0	47.4%	36.0	68.7%	25.0% *	783,152	195,788	587,364	0.93	544,486
2010/11	12.0	15.8%	24.0	47.4%	25.0% *	644,209	161,052	483,157	0.94	453,201
2011/12	0.0	0.0%	12.0	15.8%	15.8% *	804,784	127,156	677,628	0.94	638,326
Total						\$3,370,279	\$768,531	\$2,601,748		\$2,432,143

Projected Losses Paid July 1, 2010 to June 30, 2015

III. Projected Losses Paid July 1, 2012 to June 30, 2013

Claim Period (1)	Months of Development 6/30/12 (2)	Percent Losses Paid (3)	Months of Development 6/30/13 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/12 to 6/30/13 ((5)-(3))/ (100.0%-(3)) (6)	Estimated Outstanding Losses 6/30/12 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/13 (7)-(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/13 (9)X(10) (11)
1987/88	300.0	100.0%	312.0	100.0%	25.0% *	\$0	\$0	\$0	1.00	\$0
1988/89	288.0	100.0%	300.0	100.0%	25.0% *	0	0	0	1.00	0
1989/90	276.0	100.0%	288.0	100.0%	25.0% *	0	0	0	1.00	0
1990/91	264.0	100.0%	276.0	100.0%	25.0% *	0	0	0	1.00	0
1991/92	252.0	99.9%	264.0	100.0%	25.0% *	0	0	0	0.95	0
1992/93	240.0	99.9%	252.0	99.9%	25.0% *	0	0	0	0.94	0
1993/94	228.0	99.9%	240.0	99.9%	25.0% *	0	0	0	0.94	0
1994/95	216.0	99.8%	228.0	99.9%	25.0% *	0	0	0	0.94	0
1995/96	204.0	99.8%	216.0	99.8%	25.0% *	0	0	0	0.94	0
1996/97	192.0	99.7%	204.0	99.8%	25.0% *	0	0	0	0.94	0
1997/98	180.0	99.5%	192.0	99.7%	25.0% *	73,465	18,366	55,099	0.94	51,573
1998/99	168.0	99.3%	180.0	99.5%	25.0% *	71,967	17,992	53,975	0.94	50,521
1999/00	156.0	98.8%	168.0	99.3%	25.0% *	34,455	8,614	25,841	0.94	24,187
2000/01	144.0	98.2%	156.0	98.8%	25.0% *	58,228	14,557	43,671	0.94	41,225
2001/02	132.0	97.5%	144.0	98.2%	25.0% *	66,519	16,630	49,889	0.94	47,045
2002/03	120.0	96.4%	132.0	97.5%	25.0% *	19,391	4,848	14,543	0.94	13,656
2003/04	108.0	95.1%	120.0	96.4%	25.0% *	12,909	3,227	9,682	0.94	9,082
2004/05	96.0	93.2%	108.0	95.1%	25.0% *	116,613	29,153	87,460	0.93	81,688
2005/06	84.0	90.8%	96.0	93.2%	25.0% *	92,932	23,233	69,699	0.93	65,029
2006/07	72.0	87.7%	84.0	90.8%	25.0% *	64,409	16,102	48,307	0.93	44,926
2007/08	60.0	83.5%	72.0	87.7%	25.0% *	127,964	31,991	95,973	0.93	89,063
2008/09	48.0	77.3%	60.0	83.5%	25.0% *	114,747	28,687	86,060	0.93	79,692
2009/10	36.0	68.7%	48.0	77.3%	25.0% *	587,364	146,841	440,523	0.93	408,365
2010/11	24.0	47.4%	36.0	68.7%	25.0% *	483,157	120,789	362,368	0.93	335,915
2011/12	12.0	15.8%	24.0	47.4%	25.0% *	677,628	169,407	508,221	0.94	476,711
2012/13	0.0	0.0%	12.0	15.8%	15.8% *	833,317	131,664	701,653	0.94	660,957
Total						\$3,435,065	\$782,101	\$2,652,964		\$2,479,635

Projected Losses Paid July 1, 2010 to June 30, 2015

IV. Projected Losses Paid July 1, 2013 to June 30, 2014

Claim Period (1)	Months of Development 6/30/13 (2)	Percent Losses Paid (3)	Months of Development 6/30/14 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/13 to 6/30/14 ((5)-(3))/(100.0%-(3)) (6)	Estimated Outstanding Losses 6/30/13 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/14 (7)-(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/14 (9)X(10) (11)
1987/88	312.0	100.0%	324.0	100.0%	25.0% *	\$0	\$0	\$0	1.00	\$0
1988/89	300.0	100.0%	312.0	100.0%	25.0% *	0	0	0	1.00	0
1989/90	288.0	100.0%	300.0	100.0%	25.0% *	0	0	0	1.00	0
1990/91	276.0	100.0%	288.0	100.0%	25.0% *	0	0	0	1.00	0
1991/92	264.0	100.0%	276.0	100.0%	25.0% *	0	0	0	1.00	0
1992/93	252.0	99.9%	264.0	100.0%	25.0% *	0	0	0	0.95	0
1993/94	240.0	99.9%	252.0	99.9%	25.0% *	0	0	0	0.94	0
1994/95	228.0	99.9%	240.0	99.9%	25.0% *	0	0	0	0.94	0
1995/96	216.0	99.8%	228.0	99.9%	25.0% *	0	0	0	0.94	0
1996/97	204.0	99.8%	216.0	99.8%	25.0% *	0	0	0	0.94	0
1997/98	192.0	99.7%	204.0	99.8%	25.0% *	55,099	13,775	41,324	0.94	38,721
1998/99	180.0	99.5%	192.0	99.7%	25.0% *	53,975	13,494	40,481	0.94	37,890
1999/00	168.0	99.3%	180.0	99.5%	25.0% *	25,841	6,460	19,381	0.94	18,141
2000/01	156.0	98.8%	168.0	99.3%	25.0% *	43,671	10,918	32,753	0.94	30,657
2001/02	144.0	98.2%	156.0	98.8%	25.0% *	49,889	12,472	37,417	0.94	35,322
2002/03	132.0	97.5%	144.0	98.2%	25.0% *	14,543	3,636	10,907	0.94	10,285
2003/04	120.0	96.4%	132.0	97.5%	25.0% *	9,682	2,421	7,261	0.94	6,818
2004/05	108.0	95.1%	120.0	96.4%	25.0% *	87,460	21,865	65,595	0.94	61,528
2005/06	96.0	93.2%	108.0	95.1%	25.0% *	69,699	17,425	52,274	0.93	48,824
2006/07	84.0	90.8%	96.0	93.2%	25.0% *	48,307	12,077	36,230	0.93	33,803
2007/08	72.0	87.7%	84.0	90.8%	25.0% *	95,973	23,993	71,980	0.93	66,941
2008/09	60.0	83.5%	72.0	87.7%	25.0% *	86,060	21,515	64,545	0.93	59,898
2009/10	48.0	77.3%	60.0	83.5%	25.0% *	440,523	110,131	330,392	0.93	305,943
2010/11	36.0	68.7%	48.0	77.3%	25.0% *	362,368	90,592	271,776	0.93	251,936
2011/12	24.0	47.4%	36.0	68.7%	25.0% *	508,221	127,055	381,166	0.93	353,341
2012/13	12.0	15.8%	24.0	47.4%	25.0% *	701,653	175,413	526,240	0.94	493,613
2013/14	0.0	0.0%	12.0	15.8%	15.8% *	875,356	138,306	737,050	0.94	694,301
Total						\$3,528,320	\$801,548	\$2,726,772		\$2,547,962

Projected Losses Paid July 1, 2010 to June 30, 2015

V. Projected Losses Paid July 1, 2014 to June 30, 2015

Claim Period (1)	Months of Development 6/30/14 (2)	Percent Losses Paid (3)	Months of Development 6/30/15 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/14 to 6/30/15 ((5)-(3))/(100.0%-(3)) (6)	Estimated Outstanding Losses 6/30/14 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/15 (7)-(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/15 (9)X(10) (11)
1987/88	324.0	100.0%	336.0	100.0%	25.0% *	\$0	\$0	\$0	1.00	\$0
1988/89	312.0	100.0%	324.0	100.0%	25.0% *	0	0	0	1.00	0
1989/90	300.0	100.0%	312.0	100.0%	25.0% *	0	0	0	1.00	0
1990/91	288.0	100.0%	300.0	100.0%	25.0% *	0	0	0	1.00	0
1991/92	276.0	100.0%	288.0	100.0%	25.0% *	0	0	0	1.00	0
1992/93	264.0	100.0%	276.0	100.0%	25.0% *	0	0	0	1.00	0
1993/94	252.0	99.9%	264.0	100.0%	25.0% *	0	0	0	0.95	0
1994/95	240.0	99.9%	252.0	99.9%	25.0% *	0	0	0	0.94	0
1995/96	228.0	99.9%	240.0	99.9%	25.0% *	0	0	0	0.94	0
1996/97	216.0	99.8%	228.0	99.9%	25.0% *	0	0	0	0.94	0
1997/98	204.0	99.8%	216.0	99.8%	25.0% *	41,324	10,331	30,993	0.94	29,071
1998/99	192.0	99.7%	204.0	99.8%	25.0% *	40,481	10,120	30,361	0.94	28,448
1999/00	180.0	99.5%	192.0	99.7%	25.0% *	19,381	4,845	14,536	0.94	13,606
2000/01	168.0	99.3%	180.0	99.5%	25.0% *	32,753	8,188	24,565	0.94	22,993
2001/02	156.0	98.8%	168.0	99.3%	25.0% *	37,417	9,354	28,063	0.94	26,267
2002/03	144.0	98.2%	156.0	98.8%	25.0% *	10,907	2,727	8,180	0.94	7,722
2003/04	132.0	97.5%	144.0	98.2%	25.0% *	7,261	1,815	5,446	0.94	5,136
2004/05	120.0	96.4%	132.0	97.5%	25.0% *	65,595	16,399	49,196	0.94	46,195
2005/06	108.0	95.1%	120.0	96.4%	25.0% *	52,274	13,069	39,205	0.94	36,774
2006/07	96.0	93.2%	108.0	95.1%	25.0% *	36,230	9,058	27,172	0.93	25,379
2007/08	84.0	90.8%	96.0	93.2%	25.0% *	71,980	17,995	53,985	0.93	50,368
2008/09	72.0	87.7%	84.0	90.8%	25.0% *	64,545	16,136	48,409	0.93	45,020
2009/10	60.0	83.5%	72.0	87.7%	25.0% *	330,392	82,598	247,794	0.93	229,953
2010/11	48.0	77.3%	60.0	83.5%	25.0% *	271,776	67,944	203,832	0.93	188,748
2011/12	36.0	68.7%	48.0	77.3%	25.0% *	381,166	95,292	285,874	0.93	265,005
2012/13	24.0	47.4%	36.0	68.7%	25.0% *	526,240	131,560	394,680	0.93	365,868
2013/14	12.0	15.8%	24.0	47.4%	25.0% *	737,050	184,263	552,787	0.94	518,514
2014/15	0.0	0.0%	12.0	15.8%	15.8% *	918,743	145,161	773,582	0.94	728,714
Total						\$3,645,515	\$826,855	\$2,818,660		\$2,633,781

Projected Losses Paid July 1, 2010 to June 30, 2015

Footnotes:

Sections I, II, III, IV and V, (3) and (5) are from Exhibit WC-2.

Section I, (7) to 2009/10 is from Exhibit WC-10. The amount for 2010/11 is from Exhibit WC-9.

Section II, (7) to 2010/11 is from Section I, (9). The amount for 2011/12 is from Exhibit WC-9.

Section III, (7) to 2011/12 is from Section II, (9). The amount for 2012/13 is from Exhibit WC-9.

Section IV, (7) to 2012/13 is from Section III, (9). The amount for 2013/14 is from Exhibit WC-9.

Section V, (7) to 2013/14 is from Section IV, (9). The amount for 2014/15 is from Exhibit WC-9.

Sections I, II, III, IV and V, (10) are based on a 2.5% interest rate and the payout pattern in Exhibit WC-2.

* - Limited to a maximum of 25% per actuarial judgment.

Appendix C

LIABILITY EXHIBITS

(GENERAL AND AUTOMOBILE COMBINED)

Riverside Community College District
Appendix C – Liability (General and Automobile Combined) Exhibits

Exhibit LI-1

Data Valued as of June 30, 2010

Claim Period (1)	Specific Self-Insured Retention (2)	Months of Development 6/30/10 (3)	Reported Claims 6/30/10 (4)	Open Claims 6/30/10 (5)	Limited Paid Losses 6/30/10 (6)	Limited Case Reserves 6/30/10 (7)	Limited Reported Incurred Losses 6/30/10 (8)	
1987/88	#	n/a #	276.0 #	0 #	0 #	\$0 #	\$0 #	
1988/89		n/a	264.0	0	0	0	0	
1989/90		n/a	252.0	0	0	0	0	
1990/91		n/a	240.0	0	0	0	0	
1991/92		n/a	228.0	0	0	0	0	
1992/93		n/a	216.0	0	0	0	0	
1993/94		n/a	204.0	0	0	0	0	
1994/95		n/a	192.0	0	0	0	0	
1995/96		n/a	180.0	0	0	0	0	
1996/97		n/a	168.0	0	0	0	0	
1997/98		n/a	156.0	0	0	0	0	
1998/99		n/a	144.0	0	0	0	0	
1999/00		n/a	132.0	0	0	0	0	
2000/01		n/a	120.0	0	0	0	0	
2001/02		n/a	108.0	0	0	0	0	
2002/03		n/a	96.0	0	0	0	0	
2003/04		n/a	84.0	0	0	0	0	
2004/05	100,000		72.0	65	0	223,183	0	
2005/06	100,000		60.0	25	2	0	173,154	
2006/07	100,000		48.0	14	0	8,712	0	
2007/08	100,000		36.0	25	2	209,379	133,310	
2008/09	100,000		24.0	26	1	59,888	43,413	
2009/10	100,000		12.0	13	8	9,765	176,953	
Total				168	13	\$510,927	\$526,830	\$1,037,757

Amounts are gross of recoveries.

(6), (7) and (8) are net of specific excess reinsurance, but gross of aggregate reinsurance.

Data was provided by the District.

LECG

Summary of Percent Losses Paid, Losses Reported and Claims Reported

Months of Development (1)	Percent Losses Paid (2)	Percent Losses Reported (3)	Percent Claims Reported (4)	Months of Development (5)	Percent Losses Paid (6)	Percent Losses Reported (7)	Percent Claims Reported (8)
360.0	100.0%	100.0%	100.0%	360.0	100.0%	100.0%	100.0%
348.0	100.0%	100.0%	100.0%	348.0	100.0%	100.0%	100.0%
336.0	100.0%	100.0%	100.0%	336.0	100.0%	100.0%	100.0%
324.0	100.0%	100.0%	100.0%	324.0	100.0%	100.0%	100.0%
312.0	100.0%	100.0%	100.0%	312.0	100.0%	100.0%	100.0%
300.0	100.0%	100.0%	100.0%	300.0	100.0%	100.0%	100.0%
288.0	100.0%	100.0%	100.0%	288.0	100.0%	100.0%	100.0%
276.0	100.0%	100.0%	100.0%	276.0	100.0%	100.0%	100.0%
264.0	100.0%	100.0%	100.0%	264.0	100.0%	100.0%	100.0%
252.0	100.0%	100.0%	100.0%	252.0	100.0%	100.0%	100.0%
240.0	100.0%	100.0%	100.0%	240.0	100.0%	100.0%	100.0%
228.0	100.0%	100.0%	100.0%	228.0	100.0%	100.0%	100.0%
216.0	100.0%	100.0%	100.0%	216.0	100.0%	100.0%	100.0%
204.0	100.0%	100.0%	100.0%	204.0	100.0%	100.0%	100.0%
192.0	100.0%	100.0%	100.0%	192.0	100.0%	100.0%	100.0%
180.0	99.9%	100.0%	100.0%	180.0	99.9%	100.0%	100.0%
168.0	99.9%	100.0%	100.0%	168.0	99.9%	100.0%	100.0%
156.0	99.8%	100.0%	100.0%	156.0	99.8%	100.0%	100.0%
144.0	99.6%	100.0%	100.0%	144.0	99.6%	100.0%	100.0%
132.0	99.3%	100.0%	100.0%	132.0	99.3%	100.0%	100.0%
120.0	98.9%	100.0%	100.0%	120.0	98.9%	100.0%	100.0%
108.0	98.2%	99.9%	100.0%	108.0	98.2%	99.9%	100.0%
96.0	97.4%	99.7%	100.0%	96.0	97.4%	99.7%	100.0%
84.0	96.1%	99.3%	100.0%	84.0	96.1%	99.3%	100.0%
72.0	94.7%	98.4%	99.9%	72.0	94.7%	98.4%	99.9%
60.0	92.4%	96.7%	99.7%	60.0	92.4%	96.7%	99.7%
48.0	84.7%	94.2%	99.3%	48.0	84.7%	94.2%	99.3%
36.0	64.2%	86.6%	98.4%	36.0	64.2%	86.6%	98.4%
24.0	23.1%	66.8%	96.2%	24.0	23.1%	66.8%	96.2%
12.0	4.2%	32.6%	78.6%	12.0	4.2%	32.6%	78.6%

Riverside Community College District

Appendix C – Liability (General and Automobile Combined) Exhibits

Exhibit LI-2 (page 2)

Summary of Percent Losses Paid, Losses Reported and Claims Reported

Months of Development (9)	Percent Losses Paid (10)	Percent Losses Reported (11)	Percent Claims Reported (12)
360.0	100.0%	100.0%	100.0%
348.0	100.0%	100.0%	100.0%
336.0	100.0%	100.0%	100.0%
324.0	100.0%	100.0%	100.0%
312.0	100.0%	100.0%	100.0%
300.0	100.0%	100.0%	100.0%
288.0	100.0%	100.0%	100.0%
276.0	100.0%	100.0%	100.0%
264.0	100.0%	100.0%	100.0%
252.0	100.0%	100.0%	100.0%
240.0	100.0%	100.0%	100.0%
228.0	100.0%	100.0%	100.0%
216.0	100.0%	100.0%	100.0%
204.0	100.0%	100.0%	100.0%
192.0	100.0%	100.0%	100.0%
180.0	99.9%	100.0%	100.0%
168.0	99.9%	100.0%	100.0%
156.0	99.8%	100.0%	100.0%
144.0	99.6%	100.0%	100.0%
132.0	99.3%	100.0%	100.0%
120.0	98.9%	100.0%	100.0%
108.0	98.2%	99.9%	100.0%
96.0	97.4%	99.7%	100.0%
84.0	96.1%	99.3%	100.0%
72.0	94.7%	98.4%	99.9%
60.0	92.4%	96.7%	99.7%
48.0	84.7%	94.2%	99.3%
36.0	64.2%	86.6%	98.4%
24.0	23.1%	66.8%	96.2%
12.0	4.2%	32.6%	78.6%

(2), (3) and (4) are based on other similar programs with which we are familiar.

(6), (7), (8), (10), (11), and (12) are interpolated, based on (2), (3) and (4).

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Developed Limited Paid Losses and Limited Reported Incurred Losses

I. Developed Limited Paid Losses

Claim Period (1)	Months of Development 6/30/10 (2)	Limited Paid Losses 6/30/10 (3)	Percent Losses Paid (4)	Developed Limited Paid Losses (3)/(4) (5)
1987/88	276	\$0	100.0%	\$0
1988/89	264	0	100.0%	0
1989/90	252	0	100.0%	0
1990/91	240	0	100.0%	0
1991/92	228	0	100.0%	0
1992/93	216	0	100.0%	0
1993/94	204	0	100.0%	0
1994/95	192	0	100.0%	0
1995/96	180	0	99.9%	0
1996/97	168	0	99.9%	0
1997/98	156	0	99.8%	0
1998/99	144	0	99.6%	0
1999/00	132	0	99.3%	0
2000/01	120	0	98.9%	0
2001/02	108	0	98.2%	0
2002/03	96	0	97.4%	0
2003/04	84	0	96.1%	0
2004/05	72	223,183	94.7%	235,674
2005/06	60	0	92.4%	0
2006/07	48	8,712	84.7%	10,286
2007/08	36	209,379	64.2%	270,372
2008/09	24	59,888	23.1%	114,290
2009/10	12	9,765	4.2%	212,333

Developed Limited Paid Losses and Limited Reported Incurred Losses

II. Developed Limited Reported Incurred Losses

Claim Period (1)	Months of Development 6/30/10 (2)	Limited Reported Incurred Losses 6/30/10 (3)	Percent Losses Reported (4)	Developed Limited Reported Incurred Losses (3)/(4) (5)
1987/88	276	\$0	100.0%	\$0
1988/89	264	0	100.0%	0
1989/90	252	0	100.0%	0
1990/91	240	0	100.0%	0
1991/92	228	0	100.0%	0
1992/93	216	0	100.0%	0
1993/94	204	0	100.0%	0
1994/95	192	0	100.0%	0
1995/96	180	0	100.0%	0
1996/97	168	0	100.0%	0
1997/98	156	0	100.0%	0
1998/99	144	0	100.0%	0
1999/00	132	0	100.0%	0
2000/01	120	0	100.0%	0
2001/02	108	0	99.9%	0
2002/03	96	0	99.7%	0
2003/04	84	0	99.3%	0
2004/05	72	223,183	98.4%	226,812
2005/06	60	173,154	96.7%	175,651
2006/07	48	8,712	94.2%	9,248
2007/08	36	342,689	86.6%	380,241
2008/09	24	103,301	66.8%	104,942
2009/10	12	186,718	32.6%	297,294

Developed Limited Paid Losses and Limited Reported Incurred Losses

Footnotes:

Sections I and II, (3) are from Exhibit LI-1.

Sections I and II, (4) are from Exhibit LI-2.

The claim(s) indicated by a "*" have been limited in development:

(a) through (g) was provided by the District.

Claim Number (a)	Date of Loss (b)	Claim Period (c)	Specific Self-Insured Retention (d)	Limited Paid Losses 6/30/10 (e)	Limited Case Reserves 6/30/10 (f)	Limited Reported Incurred Losses 6/30/10 (g)
	02/23/06	2005/06	\$100,000	\$0	\$100,000 *	\$100,000 *
	7/5/05	2005/06	100,000	0	58,766 *	58,766
	5/29/08	2007/08	100,000	100,000 *	0	100,000 *
	3/19/09	2008/09	100,000	56,587 *	43,413 *	100,000 *
	9/1/09	2009/10	100,000	5,047 *	94,953 *	100,000 *
	8/26/09	2009/10	100,000	0	55,000 *	55,000 *

Developed Limited Case Reserves

Claim Period (1)	Months of Development 6/30/10 (2)	Percent Losses Paid (3)	Percent Losses Reported (4)	Percent Losses Reserved 6/30/10 ((4)-(3))/ (100.0%-(3)) (5)	Limited Paid Losses 6/30/10 (6)	Limited Case Reserves 6/30/10 (7)	Developed Limited Case Reserves (6)+(7)/(5) (8)
1987/88	276	100.0%	100.0%	100.0%	\$0	\$0	\$0
1988/89	264	100.0%	100.0%	100.0%	0	0	0
1989/90	252	100.0%	100.0%	100.0%	0	0	0
1990/91	240	100.0%	100.0%	100.0%	0	0	0
1991/92	228	100.0%	100.0%	100.0%	0	0	0
1992/93	216	100.0%	100.0%	100.0%	0	0	0
1993/94	204	100.0%	100.0%	100.0%	0	0	0
1994/95	192	100.0%	100.0%	100.0%	0	0	0
1995/96	180	99.9%	100.0%	100.0%	0	0	0
1996/97	168	99.9%	100.0%	100.0%	0	0	0
1997/98	156	99.8%	100.0%	100.0%	0	0	0
1998/99	144	99.6%	100.0%	100.0%	0	0	0
1999/00	132	99.3%	100.0%	100.0%	0	0	0
2000/01	120	98.9%	100.0%	100.0%	0	0	0
2001/02	108	98.2%	99.9%	94.4%	0	0	0
2002/03	96	97.4%	99.7%	88.5%	0	0	0
2003/04	84	96.1%	99.3%	82.1%	0	0	0
2004/05	72	94.7%	98.4%	69.8%	223,183	0	223,183
2005/06	60	92.4%	96.7%	56.6%	0	173,154	225,431
2006/07	48	84.7%	94.2%	62.1%	8,712	0	8,712
2007/08	36	64.2%	86.6%	62.6%	209,379	133,310	422,437
2008/09	24	23.1%	66.8%	56.8%	59,888	43,413	103,301
2009/10	12	4.2%	32.6%	29.6%	9,765	176,953	295,795

Some claims have been limited in development. For detail, see footnotes in Exhibit LI-3.

(3) and (4) are from Exhibit LI-2.

(6) and (7) are from Exhibit LI-1.

Preliminary Projected Ultimate Limited Losses to 2009/10

Claim Period (1)	Developed Limited Paid Losses (2)	Developed Limited Reported Incurred Losses (3)	Developed Limited Case Reserves (4)	Preliminary Projected Ultimate Limited Losses (5)
1987/88	\$0	\$0	\$0	\$0
1988/89	0	0	0	0
1989/90	0	0	0	0
1990/91	0	0	0	0
1991/92	0	0	0	0
1992/93	0	0	0	0
1993/94	0	0	0	0
1994/95	0	0	0	0
1995/96	0	0	0	0
1996/97	0	0	0	0
1997/98	0	0	0	0
1998/99	0	0	0	0
1999/00	0	0	0	0
2000/01	0	0	0	0
2001/02	0	0	0	0
2002/03	0	0	0	0
2003/04	0	0	0	0
2004/05	235,674	226,812	223,183	223,183
2005/06	0	175,651	225,431	205,519
2006/07	10,286	9,248	8,712	8,712
2007/08	270,372	380,241	422,437	375,146
2008/09	114,290	104,942	103,301	109,813
2009/10	212,333	297,294	295,795	271,356

Preliminary Projected Ultimate Limited Losses to 2009/10

Footnotes:

(2) and (3) are from Exhibit LI-3.

(4) is from Exhibit LI-4.

(5) is based on (2) to (4), weighted as follows:

Subject to a minimum of Exhibit LI-1, (8) and minimum 15% of case reserves as IBNR, unless all claims are closed.

Claim Period	Developed Limited Paid Losses	Developed Limited Reported Incurred Losses	Developed Limited Case Reserves
to 1995/96	0.0%	0.0%	100.0%
1996/97	0.0%	0.0%	100.0%
1997/98	0.0%	0.0%	100.0%
1998/99	0.0%	0.0%	100.0%
1999/00	0.0%	0.0%	100.0%
2000/01	0.0%	0.0%	100.0%
2001/02	0.0%	0.0%	100.0%
2002/03	0.0%	10.0%	90.0%
2003/04	0.0%	20.0%	80.0%
2004/05	0.0%	30.0%	70.0%
2005/06	0.0%	40.0%	60.0%
2006/07	10.0%	40.0%	50.0%
2007/08	20.0%	40.0%	40.0%
2008/09	30.0%	40.0%	30.0%
2009/10	30.0%	40.0%	30.0%

Bornhuetter - Ferguson Analysis

I. A-priori Loss Rate

Claim Period (1)	Preliminary Projected Ultimate Limited Losses (2)	ADA (3)	Limited Loss Rate per ADA (2)/(3) (4)	Loss Rate Trend (2010/11 = 1.000) (5)	Trended Limited Loss Rate per ADA (4)X(5) (6)	Projected A-priori Loss Rate per ADA (7)/(5) (8)
2005/06	\$205,519	28,617	\$7.18	1.338	\$9.61	\$6.83
2006/07	8,712	25,889	0.34	1.262	0.42	7.23
2007/08	375,146	23,967	15.65	1.191	18.64	7.67
2008/09	109,813	23,967	4.58	1.124	5.15	8.13
2009/10	271,356	24,286	11.17	1.060	11.84	8.62
(7) Projected 2010/11 a-priori loss rate per ADA					\$9.13	

II. Bornhuetter - Ferguson Analysis Based on Limited Paid Losses

Claim Period (1)	Limited Paid Losses 6/30/10 (2)	Percent Losses Paid (3)	Projected A-priori Loss Rate per ADA (4)	ADA (5)	B-F Unpaid Losses (100.0%-(3)) X(4)X(5) (6)	B-F Ultimate Limited Paid Losses (2)+(6) (7)
2005/06	\$0	92.4%	\$6.83	28,617	\$14,845	\$14,845
2006/07	8,712	84.7%	7.23	25,889	28,658	37,370
2007/08	209,379	64.2%	7.67	23,967	65,802	275,181
2008/09	59,888	23.1%	8.13	23,967	149,827	209,715
2009/10	9,765	4.2%	8.62	24,286	200,483	210,248

III. Bornhuetter - Ferguson Analysis Based on Limited Reported Incurred Losses

Claim Period (1)	Limited Reported Incurred Losses 6/30/10 (2)	Percent Losses Reported (3)	Projected A-priori Loss Rate per ADA (4)	ADA (5)	B-F Unreported Losses (100.0%-(3)) X(4)X(5) (6)	B-F Ultimate Limited Reported Losses (2)+(6) (7)
2005/06	\$173,154	96.7%	\$6.83	28,617	\$6,446	\$179,600
2006/07	8,712	94.2%	7.23	25,889	10,864	19,576
2007/08	342,689	86.6%	7.67	23,967	24,630	367,319
2008/09	103,301	66.8%	8.13	23,967	64,685	167,986
2009/10	186,718	32.6%	8.62	24,286	141,049	327,767

Section I, (2) is from Exhibit LI-5.

Section I, (3), Section II, (5) and Section III, (5) were provided by ASCIP.

Section I, (5) is based on a 6% trend.

Section I, (7) is based on Section I, (6) and the following weights:

Claim Period	Weight
2005/06	20.0%
2006/07	20.0%
2007/08	20.0%
2008/09	20.0%
2009/10	20.0%
Prior	0.0%

where the prior loss rate = \$0.00

(extracted from the previous actuarial report)

Sections II and III, (2) are from Exhibit LI-1.

Sections II and III, (3) are from Exhibit LI-2.

Sections II and III, (4) are from Section I, (8).

Frequency Times Severity Analysis

I. Projected Ultimate Claims

Claim Period (1)	Months of Development 6/30/10 (2)	Reported Claims 6/30/10 (3)	Percent Claims Reported (4)	Projected Ultimate Claims (3)/(4) (5)
2005/06	60	25	99.7%	25
2006/07	48	14	99.3%	14
2007/08	36	25	98.4%	25
2008/09	24	26	96.2%	27
2009/10	12	13	78.6%	17

II. Frequency Times Severity

Claim Period (1)	Preliminary Projected Ultimate Limited Losses (2)	Projected Ultimate Claims (3)	Average Severity (2)/(3) (4)	Severity Trend (2010/11 = 1.000) (5)	Trended Average Claim Severity (4)X(5) (6)	De-Trended Projected 2010/11 Average Claim Severity (7)/(5) (8)	Frequency Times Severity (3)X(8) (9)
2005/06	\$205,519	25	\$8,221	1.338	\$11,001	\$7,644	\$191,107
2006/07	8,712	14	622	1.262	786	8,103	113,441
2007/08	375,146	25	15,006	1.191	17,872	8,589	214,727
2008/09	109,813	27	4,067	1.124	4,570	9,104	245,820
2009/10	271,356	17	15,962	1.060	16,920	9,651	164,062
(7) Projected 2010/11 average claim severity						\$10,230	

Section I, (3) is from Exhibit LI-1.

Section I, (4) is from Exhibit LI-2.

Section II, (2) is from Exhibit LI-5.

Section II, (3) is from Section I, (5).

Section II, (5) is based on a 6% trend.

Section II, (7) is based on (6) and the following weights:

Claim Period	Weight
2005/06	20.0%
2006/07	20.0%
2007/08	20.0%
2008/09	20.0%
2009/10	20.0%

Projected Ultimate Limited Losses to 2009/10

Claim Period (1)	Developed Limited Paid Losses (2)	Developed Limited Reported Incurred Losses (3)	Developed Limited Case Reserves (4)	B-F Paid Method Ultimate Losses (5)	B-F Reported Method Ultimate Losses (6)	Frequency Times Severity (7)	Projected Ultimate Limited Losses (8)
1987/88	\$0	\$0	\$0				\$0
1988/89	0	0	0				0
1989/90	0	0	0				0
1990/91	0	0	0				0
1991/92	0	0	0				0
1992/93	0	0	0				0
1993/94	0	0	0				0
1994/95	0	0	0				0
1995/96	0	0	0				0
1996/97	0	0	0				0
1997/98	0	0	0				0
1998/99	0	0	0				0
1999/00	0	0	0				0
2000/01	0	0	0				0
2001/02	0	0	0				0
2002/03	0	0	0				0
2003/04	0	0	0				0
2004/05	235,674	226,812	223,183				223,183
2005/06	0	175,651	225,431	14,845	179,600	191,107	205,519
2006/07	10,286	9,248	8,712	37,370	19,576	113,441	8,712
2007/08	270,372	380,241	422,437	275,181	367,319	214,727	375,146
2008/09	114,290	104,942	103,301	209,715	167,986	245,820	137,353
2009/10	212,333	297,294	295,795	210,248	327,767	164,062	263,860

Projected Ultimate Limited Losses to 2009/10

Footnotes:

(2) and (3) are from Exhibit LI-3.

(4) is from Exhibit LI-4.

(5) and (6) are from Exhibit LI-6.

(7) is from Exhibit LI-7.

(8) is based on (2) to (7), weighted as follows:

Subject to a minimum of Exhibit LI-1, (8) and minimum 15% of case reserves as IBNR, unless all claims are closed.

Claim Period	Developed Limited Paid Losses	Developed Limited Reported Incurred Losses	Developed Limited Case Reserves	B-F Paid Method Ultimate Losses	B-F Reported Method Ultimate Losses	Frequency Times Severity
to 1995/96	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%
1996/97	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%
1997/98	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%
1998/99	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%
1999/00	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%
2000/01	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%
2001/02	0.0%	10.0%	90.0%	0.0%	0.0%	0.0%
2002/03	0.0%	20.0%	80.0%	0.0%	0.0%	0.0%
2003/04	0.0%	30.0%	70.0%	0.0%	0.0%	0.0%
2004/05	0.0%	40.0%	60.0%	0.0%	0.0%	0.0%
2005/06	0.0%	40.0%	60.0%	0.0%	0.0%	0.0%
2006/07	20.0%	40.0%	40.0%	0.0%	0.0%	0.0%
2007/08	20.0%	40.0%	40.0%	0.0%	0.0%	0.0%
2008/09	20.0%	30.0%	20.0%	10.0%	10.0%	10.0%
2009/10	10.0%	20.0%	20.0%	20.0%	20.0%	10.0%

Riverside Community College District

Appendix C – Liability (General and Automobile Combined) Exhibits

Exhibit LI-9

Projected Ultimate Limited Losses for 2010/11 and Subsequent

Claim Period (1)	Projected Ultimate Limited Losses (2)	ADA (3)	Limited Loss Rate per ADA (2)/(3) (4)	Loss Rate Trend (2010/11 = 1.000) (5)	Trended Limited Loss Rate per ADA (4)X(5) (6)
2005/06	\$205,519	28,617	\$7.18	1.338	\$9.61
2006/07	8,712	25,889	0.34	1.262	0.42
2007/08	375,146	23,967	15.65	1.191	18.64
2008/09	137,353	23,967	5.73	1.124	6.44
2009/10	263,860	24,286	10.86	1.060	11.52
Total	\$990,590	126,726	\$7.82		\$9.33

Claim Period (1)	Projected Limited Loss Rate per ADA (7)	Projected ADA (8)	Projected Ultimate Limited Losses (7)X(8) (9)	Present Value Factor (10)	Present Value of Projected Limited Loss Rate per ADA (7)X(10) (11)	Present Value of Projected Ultimate Limited Losses (8)X(11) (12)
2010/11	\$9.33	25,015	\$233,386	0.93	\$8.68	\$217,127
2011/12	9.89	25,765	254,816	0.93	9.20	237,038
2012/13	10.48	26,538	278,118	0.93	9.75	258,745
2013/14	11.11	27,334	303,682	0.93	10.33	282,361
2014/15	11.78	28,154	331,656	0.93	10.96	308,569

(2) is from Exhibit LI-8.

(3) was provided by ASCIP.

(5) is based on a 6% trend.

(7) for 2010/11 is based on (6) and the following weights:

Claim Period	Weights
2005/06	20.0%
2006/07	20.0%
2007/08	20.0%
2008/09	20.0%
2009/10	20.0%
Prior	0.0%

where the prior loss rate = \$0.00

(7) for 2011/12 and subsequent are based on 2010/11 plus a 6% trend.

(8) is based on (3) for 2009/10 and a 3% trend.

(10) is based on a 2.5% interest rate and the payout pattern in Exhibit LI-2.



Riverside Community College District

Appendix C – Liability (General and Automobile Combined) Exhibits

Exhibit LI-10

Estimated Outstanding Losses as of June 30, 2010

Claim Period (1)	Limited Paid Losses 6/30/10 (2)	Limited Case Reserves 6/30/10 (3)	Limited Reported Incurred Losses 6/30/10 (4)	Projected Ultimate Limited Losses (5)	Estimated Outstanding Losses 6/30/10 (5)-(2) (6)	Estimated IBNR 6/30/10 (6)-(3) (7)
1987/88	\$0	\$0	\$0	\$0	\$0	\$0
1988/89	0	0	0	0	0	0
1989/90	0	0	0	0	0	0
1990/91	0	0	0	0	0	0
1991/92	0	0	0	0	0	0
1992/93	0	0	0	0	0	0
1993/94	0	0	0	0	0	0
1994/95	0	0	0	0	0	0
1995/96	0	0	0	0	0	0
1996/97	0	0	0	0	0	0
1997/98	0	0	0	0	0	0
1998/99	0	0	0	0	0	0
1999/00	0	0	0	0	0	0
2000/01	0	0	0	0	0	0
2001/02	0	0	0	0	0	0
2002/03	0	0	0	0	0	0
2003/04	0	0	0	0	0	0
2004/05	223,183	0	223,183	223,183	0	0
2005/06	0	173,154	173,154	205,519	205,519	32,365
2006/07	8,712	0	8,712	8,712	0	0
2007/08	209,379	133,310	342,689	375,146	165,767	32,457
2008/09	59,888	43,413	103,301	137,353	77,465	34,052
2009/10	9,765	176,953	186,718	263,860	254,095	77,142
Total	\$510,927	\$526,830	\$1,037,757	\$1,213,773	\$702,846	\$176,016

The amounts above reflect aggregate reinsurance.

(2), (3) and (4) are from Exhibit LI-1.

(5) is from Exhibit LI-8.

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Present Value of Estimated Outstanding Losses as of June 30, 2010

Claim Period (1)	Estimated Outstanding Losses 6/30/10 (2)	Present Value Factor (3)	Present Value of Estimated Outstanding Losses 6/30/10 (2)X(3) (4)	Anticipated Future Investment Income (2)-(4) (5)
1987/88	\$0	1.00	\$0	\$0
1988/89	0	1.00	0	0
1989/90	0	1.00	0	0
1990/91	0	1.00	0	0
1991/92	0	1.00	0	0
1992/93	0	1.00	0	0
1993/94	0	0.94	0	0
1994/95	0	0.94	0	0
1995/96	0	0.94	0	0
1996/97	0	0.94	0	0
1997/98	0	0.95	0	0
1998/99	0	0.96	0	0
1999/00	0	0.96	0	0
2000/01	0	0.95	0	0
2001/02	0	0.95	0	0
2002/03	0	0.95	0	0
2003/04	0	0.95	0	0
2004/05	0	0.94	0	0
2005/06	205,519	0.94	192,777	12,742
2006/07	0	0.95	0	0
2007/08	165,767	0.96	159,468	6,299
2008/09	77,465	0.97	74,754	2,711
2009/10	254,095	0.95	241,644	12,451
Total	\$702,846		\$668,643	\$34,203

(2) is from Exhibit LI-10.

(3) is based on a 2.5% interest rate and the payout pattern in Exhibit LI-2.

Projected Losses Paid July 1, 2010 to June 30, 2015

I. Projected Losses Paid July 1, 2010 to June 30, 2011

Claim Period (1)	Months of Development 6/30/10 (2)	Percent Losses Paid (3)	Months of Development 6/30/11 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/10 to 6/30/11 ((5)-(3))/ (100.0%-(3)) (6)	Estimated Outstanding Losses 6/30/10 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/11 (7)-(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/11 (9)X(10) (11)
1987/88	276.0	100.0%	288.0	100.0%	30.0%	\$0	\$0	\$0	1.00	\$0
1988/89	264.0	100.0%	276.0	100.0%	30.0%	0	0	0	1.00	0
1989/90	252.0	100.0%	264.0	100.0%	30.0%	0	0	0	1.00	0
1990/91	240.0	100.0%	252.0	100.0%	30.0%	0	0	0	1.00	0
1991/92	228.0	100.0%	240.0	100.0%	30.0%	0	0	0	1.00	0
1992/93	216.0	100.0%	228.0	100.0%	30.0%	0	0	0	1.00	0
1993/94	204.0	100.0%	216.0	100.0%	30.0%	0	0	0	1.00	0
1994/95	192.0	100.0%	204.0	100.0%	30.0%	0	0	0	0.94	0
1995/96	180.0	99.9%	192.0	100.0%	30.0%	0	0	0	0.94	0
1996/97	168.0	99.9%	180.0	99.9%	30.0%	0	0	0	0.94	0
1997/98	156.0	99.8%	168.0	99.9%	50.0%	0	0	0	0.94	0
1998/99	144.0	99.6%	156.0	99.8%	50.0%	0	0	0	0.95	0
1999/00	132.0	99.3%	144.0	99.6%	42.9%	0	0	0	0.96	0
2000/01	120.0	98.9%	132.0	99.3%	36.4%	0	0	0	0.96	0
2001/02	108.0	98.2%	120.0	98.9%	38.9%	0	0	0	0.95	0
2002/03	96.0	97.4%	108.0	98.2%	30.8%	0	0	0	0.95	0
2003/04	84.0	96.1%	96.0	97.4%	33.3%	0	0	0	0.95	0
2004/05	72.0	94.7%	84.0	96.1%	26.4%	0	0	0	0.95	0
2005/06	60.0	92.4%	72.0	94.7%	30.3%	205,519	62,197	143,322	0.94	134,723
2006/07	48.0	84.7%	60.0	92.4%	50.3%	0	0	0	0.94	0
2007/08	36.0	64.2%	48.0	84.7%	57.3%	165,767	94,922	70,845	0.95	67,444
2008/09	24.0	23.1%	36.0	64.2%	53.4%	77,465	41,402	36,063	0.96	34,693
2009/10	12.0	4.2%	24.0	23.1%	19.7%	254,095	50,129	203,966	0.97	196,827
2010/11	0.0	0.0%	12.0	4.2%	4.2%	233,386	9,802	223,584	0.95	212,628
Total						\$936,232	\$258,452	\$677,780		\$646,315

Riverside Community College District

Appendix C – Liability (General and Automobile Combined) Exhibits

Exhibit LI-12 (page 2)

Projected Losses Paid July 1, 2010 to June 30, 2015

II. Projected Losses Paid July 1, 2011 to June 30, 2012

Claim Period (1)	Months of Development 6/30/11 (2)	Percent Losses Paid (3)	Months of Development 6/30/12 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/11 to 6/30/12 ((5)-(3))/ (100.0%-(3)) (6)	Estimated Outstanding Losses 6/30/11 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/12 (7)-(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/12 (9)X(10) (11)
1987/88	288.0	100.0%	300.0	100.0%	30.0%	\$0	\$0	\$0	1.00	\$0
1988/89	276.0	100.0%	288.0	100.0%	30.0%	0	0	0	1.00	0
1989/90	264.0	100.0%	276.0	100.0%	30.0%	0	0	0	1.00	0
1990/91	252.0	100.0%	264.0	100.0%	30.0%	0	0	0	1.00	0
1991/92	240.0	100.0%	252.0	100.0%	30.0%	0	0	0	1.00	0
1992/93	228.0	100.0%	240.0	100.0%	30.0%	0	0	0	1.00	0
1993/94	216.0	100.0%	228.0	100.0%	30.0%	0	0	0	1.00	0
1994/95	204.0	100.0%	216.0	100.0%	30.0%	0	0	0	1.00	0
1995/96	192.0	100.0%	204.0	100.0%	30.0%	0	0	0	0.94	0
1996/97	180.0	99.9%	192.0	100.0%	30.0%	0	0	0	0.94	0
1997/98	168.0	99.9%	180.0	99.9%	30.0%	0	0	0	0.94	0
1998/99	156.0	99.8%	168.0	99.9%	50.0%	0	0	0	0.94	0
1999/00	144.0	99.6%	156.0	99.8%	50.0%	0	0	0	0.95	0
2000/01	132.0	99.3%	144.0	99.6%	42.9%	0	0	0	0.96	0
2001/02	120.0	98.9%	132.0	99.3%	36.4%	0	0	0	0.96	0
2002/03	108.0	98.2%	120.0	98.9%	38.9%	0	0	0	0.95	0
2003/04	96.0	97.4%	108.0	98.2%	30.8%	0	0	0	0.95	0
2004/05	84.0	96.1%	96.0	97.4%	33.3%	0	0	0	0.95	0
2005/06	72.0	94.7%	84.0	96.1%	26.4%	143,322	37,859	105,463	0.95	99,663
2006/07	60.0	92.4%	72.0	94.7%	30.3%	0	0	0	0.94	0
2007/08	48.0	84.7%	60.0	92.4%	50.3%	70,845	35,654	35,191	0.94	33,009
2008/09	36.0	64.2%	48.0	84.7%	57.3%	36,063	20,651	15,412	0.95	14,672
2009/10	24.0	23.1%	36.0	64.2%	53.4%	203,966	109,012	94,954	0.96	91,346
2010/11	12.0	4.2%	24.0	23.1%	19.7%	223,584	44,110	179,474	0.97	173,192
2011/12	0.0	0.0%	12.0	4.2%	4.2%	254,816	10,702	244,114	0.95	232,152
Total						\$932,596	\$257,988	\$674,608		\$644,034

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Projected Losses Paid July 1, 2010 to June 30, 2015

III. Projected Losses Paid July 1, 2012 to June 30, 2013

Claim Period (1)	Months of Development 6/30/12 (2)	Percent Losses Paid (3)	Months of Development 6/30/13 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/12 to 6/30/13 ((5)-(3))/ (100.0%-(3)) (6)	Estimated Outstanding Losses 6/30/12 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/13 (7)-(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/13 (9)X(10) (11)
1987/88	300.0	100.0%	312.0	100.0%	30.0%	\$0	\$0	\$0	1.00	\$0
1988/89	288.0	100.0%	300.0	100.0%	30.0%	0	0	0	1.00	0
1989/90	276.0	100.0%	288.0	100.0%	30.0%	0	0	0	1.00	0
1990/91	264.0	100.0%	276.0	100.0%	30.0%	0	0	0	1.00	0
1991/92	252.0	100.0%	264.0	100.0%	30.0%	0	0	0	1.00	0
1992/93	240.0	100.0%	252.0	100.0%	30.0%	0	0	0	1.00	0
1993/94	228.0	100.0%	240.0	100.0%	30.0%	0	0	0	1.00	0
1994/95	216.0	100.0%	228.0	100.0%	30.0%	0	0	0	1.00	0
1995/96	204.0	100.0%	216.0	100.0%	30.0%	0	0	0	1.00	0
1996/97	192.0	100.0%	204.0	100.0%	30.0%	0	0	0	0.94	0
1997/98	180.0	99.9%	192.0	100.0%	30.0%	0	0	0	0.94	0
1998/99	168.0	99.9%	180.0	99.9%	30.0%	0	0	0	0.94	0
1999/00	156.0	99.8%	168.0	99.9%	50.0%	0	0	0	0.94	0
2000/01	144.0	99.6%	156.0	99.8%	50.0%	0	0	0	0.95	0
2001/02	132.0	99.3%	144.0	99.6%	42.9%	0	0	0	0.96	0
2002/03	120.0	98.9%	132.0	99.3%	36.4%	0	0	0	0.96	0
2003/04	108.0	98.2%	120.0	98.9%	38.9%	0	0	0	0.95	0
2004/05	96.0	97.4%	108.0	98.2%	30.8%	0	0	0	0.95	0
2005/06	84.0	96.1%	96.0	97.4%	33.3%	105,463	35,154	70,309	0.95	66,583
2006/07	72.0	94.7%	84.0	96.1%	26.4%	0	0	0	0.95	0
2007/08	60.0	92.4%	72.0	94.7%	30.3%	35,191	10,650	24,541	0.94	23,069
2008/09	48.0	84.7%	60.0	92.4%	50.3%	15,412	7,756	7,656	0.94	7,181
2009/10	36.0	64.2%	48.0	84.7%	57.3%	94,954	54,373	40,581	0.95	38,633
2010/11	24.0	23.1%	36.0	64.2%	53.4%	179,474	95,922	83,552	0.96	80,377
2011/12	12.0	4.2%	24.0	23.1%	19.7%	244,114	48,160	195,954	0.97	189,096
2012/13	0.0	0.0%	12.0	4.2%	4.2%	278,118	11,681	266,437	0.95	253,382
Total						\$952,726	\$263,696	\$689,030		\$658,321

Projected Losses Paid July 1, 2010 to June 30, 2015

IV. Projected Losses Paid July 1, 2013 to June 30, 2014

Claim Period (1)	Months of Development 6/30/13 (2)	Percent Losses Paid (3)	Months of Development 6/30/14 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/13 to 6/30/14 ((5)-(3))/ (100.0%-(3)) (6)	Estimated Outstanding Losses 6/30/13 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/14 (7)-(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/14 (9)X(10) (11)
1987/88	312.0	100.0%	324.0	100.0%	30.0%	\$0	\$0	\$0	1.00	\$0
1988/89	300.0	100.0%	312.0	100.0%	30.0%	0	0	0	1.00	0
1989/90	288.0	100.0%	300.0	100.0%	30.0%	0	0	0	1.00	0
1990/91	276.0	100.0%	288.0	100.0%	30.0%	0	0	0	1.00	0
1991/92	264.0	100.0%	276.0	100.0%	30.0%	0	0	0	1.00	0
1992/93	252.0	100.0%	264.0	100.0%	30.0%	0	0	0	1.00	0
1993/94	240.0	100.0%	252.0	100.0%	30.0%	0	0	0	1.00	0
1994/95	228.0	100.0%	240.0	100.0%	30.0%	0	0	0	1.00	0
1995/96	216.0	100.0%	228.0	100.0%	30.0%	0	0	0	1.00	0
1996/97	204.0	100.0%	216.0	100.0%	30.0%	0	0	0	1.00	0
1997/98	192.0	100.0%	204.0	100.0%	30.0%	0	0	0	0.94	0
1998/99	180.0	99.9%	192.0	100.0%	30.0%	0	0	0	0.94	0
1999/00	168.0	99.9%	180.0	99.9%	30.0%	0	0	0	0.94	0
2000/01	156.0	99.8%	168.0	99.9%	50.0%	0	0	0	0.94	0
2001/02	144.0	99.6%	156.0	99.8%	50.0%	0	0	0	0.95	0
2002/03	132.0	99.3%	144.0	99.6%	42.9%	0	0	0	0.96	0
2003/04	120.0	98.9%	132.0	99.3%	36.4%	0	0	0	0.96	0
2004/05	108.0	98.2%	120.0	98.9%	38.9%	0	0	0	0.95	0
2005/06	96.0	97.4%	108.0	98.2%	30.8%	70,309	21,634	48,675	0.95	46,387
2006/07	84.0	96.1%	96.0	97.4%	33.3%	0	0	0	0.95	0
2007/08	72.0	94.7%	84.0	96.1%	26.4%	24,541	6,483	18,058	0.95	17,065
2008/09	60.0	92.4%	72.0	94.7%	30.3%	7,656	2,317	5,339	0.94	5,019
2009/10	48.0	84.7%	60.0	92.4%	50.3%	40,581	20,423	20,158	0.94	18,908
2010/11	36.0	64.2%	48.0	84.7%	57.3%	83,552	47,844	35,708	0.95	33,994
2011/12	24.0	23.1%	36.0	64.2%	53.4%	195,954	104,730	91,224	0.96	87,757
2012/13	12.0	4.2%	24.0	23.1%	19.7%	266,437	52,564	213,873	0.97	206,387
2013/14	0.0	0.0%	12.0	4.2%	4.2%	303,682	12,755	290,927	0.95	276,672
Total						\$992,712	\$268,750	\$723,962		\$692,189

Riverside Community College District

Appendix C – Liability (General and Automobile Combined) Exhibits

Exhibit LI-12 (page 5)

Projected Losses Paid July 1, 2010 to June 30, 2015

V. Projected Losses Paid July 1, 2014 to June 30, 2015

Claim Period (1)	Months of Development 6/30/14 (2)	Percent Losses Paid (3)	Months of Development 6/30/15 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/14 to 6/30/15 ((5)-(3))/ (100.0%-(3)) (6)	Estimated Outstanding Losses 6/30/14 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/15 (7)-(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/15 (9)X(10) (11)
1987/88	324.0	100.0%	336.0	100.0%	30.0%	\$0	\$0	\$0	1.00	\$0
1988/89	312.0	100.0%	324.0	100.0%	30.0%	0	0	0	1.00	0
1989/90	300.0	100.0%	312.0	100.0%	30.0%	0	0	0	1.00	0
1990/91	288.0	100.0%	300.0	100.0%	30.0%	0	0	0	1.00	0
1991/92	276.0	100.0%	288.0	100.0%	30.0%	0	0	0	1.00	0
1992/93	264.0	100.0%	276.0	100.0%	30.0%	0	0	0	1.00	0
1993/94	252.0	100.0%	264.0	100.0%	30.0%	0	0	0	1.00	0
1994/95	240.0	100.0%	252.0	100.0%	30.0%	0	0	0	1.00	0
1995/96	228.0	100.0%	240.0	100.0%	30.0%	0	0	0	1.00	0
1996/97	216.0	100.0%	228.0	100.0%	30.0%	0	0	0	1.00	0
1997/98	204.0	100.0%	216.0	100.0%	30.0%	0	0	0	1.00	0
1998/99	192.0	100.0%	204.0	100.0%	30.0%	0	0	0	0.94	0
1999/00	180.0	99.9%	192.0	100.0%	30.0%	0	0	0	0.94	0
2000/01	168.0	99.9%	180.0	99.9%	30.0%	0	0	0	0.94	0
2001/02	156.0	99.8%	168.0	99.9%	50.0%	0	0	0	0.94	0
2002/03	144.0	99.6%	156.0	99.8%	50.0%	0	0	0	0.95	0
2003/04	132.0	99.3%	144.0	99.6%	42.9%	0	0	0	0.96	0
2004/05	120.0	98.9%	132.0	99.3%	36.4%	0	0	0	0.96	0
2005/06	108.0	98.2%	120.0	98.9%	38.9%	48,675	18,929	29,746	0.95	28,348
2006/07	96.0	97.4%	108.0	98.2%	30.8%	0	0	0	0.95	0
2007/08	84.0	96.1%	96.0	97.4%	33.3%	18,058	6,019	12,039	0.95	11,401
2008/09	72.0	94.7%	84.0	96.1%	26.4%	5,339	1,410	3,929	0.95	3,713
2009/10	60.0	92.4%	72.0	94.7%	30.3%	20,158	6,100	14,058	0.94	13,215
2010/11	48.0	84.7%	60.0	92.4%	50.3%	35,708	17,971	17,737	0.94	16,637
2011/12	36.0	64.2%	48.0	84.7%	57.3%	91,224	52,237	38,987	0.95	37,116
2012/13	24.0	23.1%	36.0	64.2%	53.4%	213,873	114,307	99,566	0.96	95,782
2013/14	12.0	4.2%	24.0	23.1%	19.7%	290,927	57,396	233,531	0.97	225,357
2014/15	0.0	0.0%	12.0	4.2%	4.2%	331,656	13,930	317,726	0.95	302,157
Total						\$1,055,618	\$288,299	\$767,319		\$733,726

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Projected Losses Paid July 1, 2010 to June 30, 2015

Footnotes:

Sections I, II, III, IV and V, (3) and (5) are from Exhibit LI-2.

Section I, (7) to 2009/10 is from Exhibit LI-10. The amount for 2010/11 is from Exhibit LI-9.

Section II, (7) to 2010/11 is from Section I, (9). The amount for 2011/12 is from Exhibit LI-9.

Section III, (7) to 2011/12 is from Section II, (9). The amount for 2012/13 is from Exhibit LI-9.

Section IV, (7) to 2012/13 is from Section III, (9). The amount for 2013/14 is from Exhibit LI-9.

Section V, (7) to 2013/14 is from Section IV, (9). The amount for 2014/15 is from Exhibit LI-9.

Sections I, II, III, IV and V, (10) are based on a 2.5% interest rate and the payout pattern in Exhibit LI-2.

Appendix D

CONDITIONS AND LIMITATIONS

Riverside Community College District

Appendix D – Conditions and Limitations

It is important to understand the conditions and limitations listed below. Each chapter and section is an integral part of the whole study. If there are questions, please contact LECG for clarification.

- **Data Quality.** We relied upon data provided by the organization shown on the transmittal page or its designated agents. The data was used without verification or audit, other than checks for reasonableness. Unless otherwise stated, we assumed the data to be correct and complete.
- **Economic Environment.** Unless otherwise stated, we assumed the current economic conditions will continue in the foreseeable future.
- **Insurance Coverage.** Unless otherwise stated, we assumed no insurance coverage changes (including coverage provided by the organization to others) subsequent to the date this study was prepared. This includes coverage language, self-insured retention, limitations and similar issues.
- **Insurance Solvency.** Unless otherwise stated, we assumed all insurance purchased by the organization is from solvent sources payable in accordance with terms of the coverage document.
- **Interest Rate.** The exhibits specify the annual interest rate(s) used. The interest rate(s) used were specified by the organization shown on the transmittal page or its designated agents. We express no opinion regarding the appropriateness of the interest rate(s) used in this report.
- **Methodology.** In this study, different actuarial methods were applied. In some instances, the methods yield significantly disparate results. The estimates, projections and recommendations in this study reflect our judgments as to the best method or combination of methods that are most reliable and reflective of the exposure to loss.
- **Reproduction.** This study may only be reproduced in its entirety. We caution third parties to not distribute this report to any party without the express written consent of LECG and the parties, who engaged LECG to prepare this report, because the report contains privileged information and unauthorized distribution of the report might be a violation of local laws.
- **Risk and Variability.** Insurance is an inherently risky enterprise. Actual losses may vary significantly from our estimates, projections and recommendations. They may emerge higher or lower.
- **Statutory and Judicial Changes.** Legislatures and judiciaries may change statutes that govern indemnification. This includes benefit levels for workers compensation, immunities and limitations for liability, and other similar issues. Unless otherwise stated, we assumed no statutory changes subsequent to the date this study was prepared.

Riverside Community College District

Appendix D – Conditions and Limitations

- **Supplemental Data.** In addition to the data provided by the organization, we supplemented our analysis with data from similar organizations and insurance industry statistics, as we deemed appropriate.
- **Usage.** This study has been prepared for the usage of the organization shown on the transmittal page. It was not prepared for and may not be appropriate for use by other organizations. Other organizations should obtain counsel from LECG prior to use of this study.
- **Assets.** We have not examined the assets underlying the corresponding losses and ALAE under review. We form no opinion as to the validity or value of these assets. Throughout our analysis, we have assumed the reserves are backed by valid assets, which have suitably scheduled maturities or adequate liquidity to meet cash flow requirements.
- **Mass Tort and Terrorism.** Unless specifically stated, our analysis does not reflect any provision for risk exposure from mass torts or terrorism, because these risk exposures were outside the scope of our work.
- **Intended Use Disclosure (per ASOP 43).** We understand the intended use of the estimated outstanding losses is for internal management reporting and external financial reporting purposes. Because the internal management reporting is consistent with external financial reporting, we are unaware of conflicts (actual or otherwise) that might arise from this dual usage.
- **Constraints Disclosure (per ASOP 43).** We worked with the most readily available data provided by RCCD and its claims administrator(s). The data appeared to be of excellent quality; therefore, we have no constraints on the data with respect to performing this analysis. We were provided ample time to perform the work; therefore, we have no constraints regarding deadlines. In addition, RCCD and its claims administrator(s) cooperated fully with our requests for information.
- **Scope of Unpaid Claim Estimate Disclosure #1 – Type of Estimate (per ASOP 43).** Throughout the report, we calculated an “actuarial central estimate”. In some instances, we may have calculated provisions for risk margins to add to the actuarial central estimate. These risk margins would be shown in the results of a confidence level analysis. Therefore, all amounts at the expected confidence level should be understood to be the actuarial central estimate unless specifically identified to the contrary.
- **Scope of Unpaid Claim Estimate Disclosure #2 – Purpose of Estimate (per ASOP 43).** We believe the actuarial central estimate is appropriate for internal and external financial reporting purposes.
- **Scope of Unpaid Claim Estimate Disclosure #3 – Discounting (per ASOP 43).** We calculated our actuarial central estimates at full-value (i.e., undiscounted) and at present value (i.e., discounted to reflect the time value of money). We labeled the discounted amounts with the words “Present Value of the Estimated Outstanding Losses”.

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Appendix D – Conditions and Limitations

- **Gross or Net of Specified Recoverables Disclosure (per ASOP 43).** Because RCCD purchases excess insurance and/or participates in insurance pools, all amounts in this report should be understood to be net of insurance recoverables unless specifically identified to the contrary.
- **Collectability Risk Disclosure (per ASOP 43).** Our discussions with RCCD did not reveal any collectability risk as of the date of this report.
- **Unpaid Claim Adjustment Expense Disclosure (per ASOP 43).** No provision for ULAE is included in the amounts shown in this report. Amounts for ALAE have been included.
- **Type of Claims Covered in the Analysis Disclosure (per ASOP 43).** The background section of this report describes the type of claims covered in the analysis. In addition, the text in the conclusion section specifies any modifications to the description contained in the background section.
- **Cut-off Date Disclosure (per ASOP 43).** Unless specified to the contrary, the cut-off date for including information in this report is the date shown on the transmittal letter.

Appendix E

EXPANDED DISCUSSION OF ACTUARIAL METHODOLOGY AND ASSUMPTIONS FOR SELF- FUNDED MEDICAL BENEFITS

Riverside Community College District

Appendix E – Expanded Discussion of Actuarial Methodology and Assumptions for Self-Funded Medical Benefits

Methodology

This analysis was conducted at the plan level for the self-insured PPO plan administered by the Orange County Foundation. Losses, administrative expenses, stop loss premiums, and capitation expenses were each analyzed separately. The projected reserves as of June 30, 2010, 2011 and 2012 were estimated by applying IBNR factors, as of the respective dates, to the projected ultimate losses over the next 12 months.

IBNR factors were calculated as the complement of the inverse of the cumulative development factors ($1 - [1 / (\text{cumulative development factor})]$). Cumulative loss development factors were derived by accumulating incremental loss development factors selected based on triangles of paid losses, arranged by incurred month and paid month. Projected ultimate losses were determined by applying the trended average loss per member per month (average loss) to the forecasted monthly enrollment. The chart below displays the estimated aggregate proportion of payments for each plan as time elapses from the date the claim was incurred.

Loss Development Factors	
Duration (Months)	PPO
1	7.2%
2	57.5%
3	79.4%
4	85.9%
5	89.3%
6	93.0%
7	95.2%
8	97.1%
9	97.7%
10	98.1%
11	98.8%
12	99.0%
13	99.5%

Projected losses paid during each fiscal year were determined by applying the payment patterns to the projected ultimate losses by month through June of 2013. The payment patterns were derived from the cumulative loss development factors. Projected PPO claims were reduced 0.65% for expected stop-loss recoveries. Projected paid administrative expenses were determined by applying the trended monthly cost to the forecasted monthly enrollment.

Projected stop loss premiums were determined by applying the trended monthly charge to the forecasted monthly enrollment. Projected capitation expenses were calculated by applying the trended monthly per member per month charge to the forecasted monthly enrollment. The most

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Appendix E – Expanded Discussion of Actuarial Methodology and Assumptions for Self-Funded Medical Benefits

recent renewal rates were used for the initial administrative and stop loss charges. The initial capitation expense was determined based on historic charges.

The average claims, administrative expenses, stop loss premiums, and capitation expense were trended to the midpoint of each fiscal year (December 31) and assumed to be constant throughout the fiscal year (July 1 to June 30). The payment history for the prescription plan suggests an almost immediate payment of claims. As a result, prescription drug benefits are excluded from this analysis.

Limitations on Analysis

The medical benefit projections are subject to uncertainty due to the inherent nature of employee's (and their families) health and welfare claims exposure, varying claims handling practices, and other external factors. The actual emergence of projected claim losses and IBNR reserves may be significantly greater or smaller than indicated, and may be revised at future evaluations in light of the emergence of subsequent experience.

The information contained in this report was prepared for the internal use of RCCD and its auditors in connection with the actuarial evaluation of the self-funded healthcare plans. It is neither intended nor necessarily suitable for other purposes. RCCD may also distribute this actuarial valuation letter to parties which have a legal right to require RCCD to provide them with this report, in which case they will provide this report in its entirety including all assumptions, caveats and limitations.

Actuarial Assumptions

This actuarial analysis has been conducted in accordance with generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice, as issued by the Actuarial Standards Board. The following sections highlight some of the key assumptions on which our analysis was based.

Trend Rates

The healthcare trend assumption reflects healthcare cost inflation expected to impact the plan based on forecast information in published papers from industry experts (actuaries, health economists, etc.). The expected increase in stop-loss coverage costs and administrative costs consider market trends and industry knowledge. For the purpose of projecting costs, the trend rates for the two succeeding years are also provided. As shown below, medical trend rates are assumed to decrease in the following two years due to improvements in medicine, equipment, research and technology.

Trend Rate Type	2010-2011	2011-2012	2012-2013
Medical	10.00%	9.00%	8.00%
Administrative Costs	5.00%	5.00%	5.00%
Stop Loss	5.00%	5.00%	5.00%

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Enrollment Growth

Enrollment is assumed to remain constant in future years for projection purposes.

Data Assumptions

Information about the plan and claims was received from RCCD and its health care insurance broker.

LECG was provided with monthly medical claims on an incurred and paid basis for the self-insured PPO plan administered by the Orange County Foundation, annual capitation, and monthly enrollment data for all plans for the periods from March 2008 through October 2010.

An exhibit prepared by RCCD disclosed total PPO stop-loss recoveries for plan years 2005 – 2010. This information was used in developing the 0.65% stop-loss recovery assumption used in our calculations.

Claim Administrative Expense

An exhibit prepared by RCCD disclosed total administrative expense and stop-loss expenditures for the 2004-2009 fiscal years. This information was trended and used in developing the following assumptions:

- Administrative expense: Self-funded PPO fees of \$31.54 per member per month (PMPM); and
- Stop-loss fees of \$77.40 PMPM.

Appendix F

GLOSSARY OF ACTUARIAL TERMS

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Appendix F – Glossary of Actuarial Terms

Actuarial Methods (Most Common)

A major objective of an actuarial study is to statistically project ultimate losses. The following actuarial methods are the most common:

- Developed Paid Losses
- Developed Reported Incurred Losses
- Developed Case Reserves
- Frequency Times Severity Analysis
- Loss Rate Analysis

The following describes each method:

1. **Developed Paid Losses.** Paid losses represent the amounts actually paid to claimants (less excess insurance recoveries). As time goes on, loss payments continue until all claims are closed and there are no remaining payments expected. At this time, the ultimate losses for the claim period are known. This common process is called “paid loss development.”

Paid loss development is an extrapolation of actual dollars paid. It does not depend on case reserve estimates. A potential shortcoming of utilizing this method is that only a small fraction of total payments have been made for the most recent claim periods. Extrapolating ultimate losses based on small amounts of actual payments may be speculative. A second potential shortcoming is that payment patterns can change over time.

2. **Developed Reported Incurred Losses.** Reported incurred losses are paid losses plus case reserves. In most programs, total reported incurred losses underestimate the ultimate losses. Over time, as more information about a body of claims becomes known, they are adjusted either up or down until they are closed. Though many individual claims settle for less than what was estimated, these decreases are generally more than offset by increases in the cost of other claims for which new information has emerged.

The net effect is that total estimated costs are often revised upward over time. This normal process is called “reported incurred loss development.” Actuaries typically review the development patterns of the recent past to make projections of the expected future loss development and, therefore, estimations of ultimate losses.

3. **Developed Case Reserves.** The developed case reserves method is a hybrid of the paid loss development and reported incurred loss development methods. It relies on the historical adequacy of case reserves to predict ultimate losses.
4. **Frequency Times Severity Analysis.** The frequency times severity analysis is an actuarial method that uses a preliminary projection of ultimate losses to project claims severity. The claims severity times the number of claims is a predictor of ultimate losses. The focus of the

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- frequency times severity analysis is that ultimate losses each period are dependent on the number of claims.
5. **Loss Rate Analysis.** The loss rate analysis is based on the historical loss rates per exposure unit (such as payroll, vehicles or property value). The loss rates (projected ultimate losses divided by exposure units) are trended to reflect the effect of claim cost inflation and retention changes. The trended loss rates represent the rates that one would see if all of the claims had been handled in the claim cost environment that will be present in the upcoming period. The trended loss rate times the projected exposure units is a predictor of losses.
 6. **Bornhuetter-Ferguson Method (B-F).** The B-F method is an actuarial method that weights a preliminary projection of ultimate losses with projections of ultimate losses determined by other actuarial methods (usually the developed paid losses and developed reported incurred losses methods). For less mature claim periods, the B-F method leans more heavily to the preliminary projection. It gradually converges to the projections of ultimate losses determined by the other actuarial methods as the claim periods mature.

Actuary

A specialist trained in mathematics, statistics, and finance who is responsible for rate, reserve, and dividend calculations and other statistical studies.

Allocated Loss Adjustment Expenses

Allocated loss adjustment expenses (ALAE) are the direct expenses to settle specific claims. These expenses are primarily legal expenses.

Accounting standards require that ALAE be included in financial statements and that they be calculated by actuarial methods.

American Academy of Actuaries

A society concerned with the development of education in the field of actuarial science and with the enhancement of standards in the actuarial field. Members may use the designation MAAA (Member, American Academy of Actuaries).

Benefits

The financial reimbursement and other services provided insureds by insurers under the terms of an insurance contract. An example would be the benefits listed under a life or health insurance policy or benefits as prescribed by a workers compensation law.

Casualty Actuarial Society

A professional society for actuaries in areas of property and casualty insurance work. This society grants the designation of Associate of the Casualty Actuarial Society (ACAS) and Fellow of the Casualty Actuarial Society (FCAS).

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Claim

Demand by an individual or entity to recover for a loss.

Claims Made

A policy written on this basis covers only those claims that are made during the policy period. Coverage for prior acts is provided back to what is known as the retroactive date, which is the effective date of the original claims made policy with the same insurer.

Composite Rate

A single rate with a single basis of premium (e.g., payroll or sales). For this single rate the insured is covered for a variety of hazards, such as premises and operations, completed operations, products liability, and automobile. Its primary value is to compute premium simply.

Confidence Level

A confidence level is the statistical certainty that an actuary believes funding will be sufficient. For example, an 80% confidence level means that the actuary believes funding will be sufficient in eight years out of ten.

Confidence levels are determined based on mathematical models. Coverages that are low frequency and high severity (such as excess liability) are subject to greater risk than coverages that are high frequency and low severity (such as automobile physical damage). Therefore, they need a greater margin to attain a given confidence level.

Expected corresponds to approximately a 55% confidence level. Amounts above expected are prudent, but should be considered equity (not a liability).

Coverage

The scope of the protection provided under a contract of insurance.

Credibility

Credibility is the belief that the sample data is an accurate reflection of the larger population. Credibility is highest when the sample data is large and the standard deviation (discussed later) of the larger population is low.

Dates

There are at least three milestone dates in a claim. They are the date of injury or accident, the date of report and the date of closure. It is best if each of these dates is recorded. Some organizations may also keep the date a claim becomes a lawsuit, as opposed to a demand. LECG recommends this additional level of detail, especially if the data is to be used for litigation management.

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Deductible

The portion of an insured loss to be borne by the insured before he is entitled to recovery from the insurer. Deductibles may be expressed as a dollar amount, percentage or waiting period.

Disability

A condition that curtails a person's ability to carry on his normal pursuits. A disability may be partial or total, and temporary or permanent.

Dividend (Policyholder)

The return of part of the premium paid for a policy issued on a participating basis by either a mutual or a stock insurer.

Estimated Outstanding Losses

Estimated outstanding losses are the cost of claims that have occurred but have not yet been paid. They typically include indemnification and allocated loss adjustment expenses (ALAE), but not unallocated loss adjustment expenses (ULAE).

Estimated outstanding losses are calculated as projected ultimate losses less paid losses. Alternatively, they are the sum of case reserves and incurred but not reported (IBNR) claims.

Estimated outstanding losses are usually the largest single item listed as a liability on the balance sheet of an insurer's financial statement. Accounting standards require they be calculated by actuarial methods. Other common names for estimated outstanding losses are outstanding claims liabilities and unpaid claims.

The uncertainty inherent in the estimation of required provision for unpaid losses or loss adjustment expenses implies that a range of reserves can be actuarially sound. The true value of the liability for losses or loss adjustment expenses at any accounting date can be known only when all attendant claims have been settled.

The most appropriate reserve within a range of actuarially sound estimates depends on both the relative likelihood of estimates within the range and the financial reporting context in which the reserve will be presented.

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Experience Rating

A method of adjusting the premium for a risk based on past loss experience for that risk compared to loss experience for an average risk.

Exposure Data

Exposure data refers to the activities of the organization. For example, payroll is the most common exposure measure for workers compensation. LECG suggests collecting exposure data with the following characteristics:

- **Readily Available.** The exposure data should be easily obtained. It is best if it is a byproduct of other activities, although this is not always possible. If getting data is arduous, it may discourage collection.
- **Vary With Losses.** The exposure data should correlate directly with losses. The ideal situation is where exposure and expected losses move in tandem. The exposure base needs to be fitting to the coverage. For example, the number of employees may vary with property losses (more employees = more office space = more losses), but property value is a clearly superior exposure base for property losses.

Generally Accepted Accounting Principles (GAAP)

These principles are intended to produce financial results (in the insurance industry) consistent with those of other industries and to assure consistency in financial reporting.

Incurred But Not Reported

IBNR is really comprised of two distinct items. These are the development of known case reserves (incurred but not enough reported [IBNER] and incurred but not yet reported [IBNYR]).

IBNER are the actuary's estimate of the inadequacy of case reserves. Most claims settle at amounts close to what is set by the claims administrator. Some claims close favorably and some emerge as more expensive. On balance, case reserves tend to be too low (especially for recent years). IBNER is the actuary's estimate of the amount total case reserves will rise upon closure.

IBNYR refers to those claims that have occurred, but have not yet been reported. A classic example is medical malpractice claim reported several years after the medical procedure was performed.

Insurance Services Office (ISO)

An organization of the property and casualty insurance business designed to gather statistics, promulgate rates, and develop policy forms.

Investment Income

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The return received by entities from their investment portfolios, including interest, dividends and realized capital gains on stocks. Realized capital gains means the profit realized on assets that have actually been sold for more their purchase price.

Limited

Most programs purchase excess insurance for catastrophic claims. For example, they may purchase coverage for claims above a \$500,000 per occurrence self-insured retention. Limited refers to an estimate or projection being limited to the self-insured retention. In contrast, unlimited refers to a loss projection that is not limited to the self-insured retention.

Other common names for limited are net of excess insurance or capped losses.

Loss Development

The difference between the amount of losses initially estimated by the insurer and the amount reported in an evaluation on a later date. Loss development is typically measured for paid losses, reported incurred losses and claim counts.

Manual Rates

Usually, the published rate for some unit of insurance. An example is in the workers compensation manual, where the rates shown apply to each \$100 of the payroll of the insured, \$100 being the “unit.”

National Council on Compensation Insurance (NCCI)

An association of workers compensation insurance companies whose main functions are collecting statistics and calculating rates, establishing policy wording, developing experience and retrospective rating plans, and serving as the filing organization for member companies.

Net

Many pooling programs assign deductibles to members. For example, each member may have a \$5,000 per claim deductible. “Net” refers to a loss estimate or projection that excludes amounts below member deductibles.

Occurrence

An event that results in an insured loss. In some lines of insurance, such as general liability, it is distinguished from accident in that the loss does not have to be sudden and fortuitous and can result from continuous or repeated exposure that results in bodily injury or property damage neither expected nor intended by the insured.

Pool

An organization of entities through which particular types of risks are written with the premiums, losses, and expenses shared in agreed amounts among the members belonging to the organization.

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Appendix F – Glossary of Actuarial Terms

Premium

The price of insurance protection for a specified risk for a specified period of time.

Present Value

The amount of money that future amounts receivable are currently worth. For example, a Life Insurance policy may provide for payments to be made monthly for ten years. The present value of that money would be less than the total amount of the regular periodic payments for 10 years because of the amount of interest that a present lump sum could earn during the term than the payments otherwise would have been made.

Probability

The probability is the likelihood of an event. It is a measure of how likely a value or event is to occur. It can be measured from data by calculating the number of occurrences of the value or event divided by the total number of occurrences. This calculation can be converted to a percentage. For example, tossing a coin has a 50% probability of heads or tails.

Projected Losses Paid

Projected losses paid are the projected claims disbursements in a period, regardless of when the claim occurred. They typically include indemnification and ALAE, but not unallocated loss adjustment expenses (ULAE).

“Projected losses paid” is a cash-flow analysis that can be used in making investment decisions.

Projected Ultimate Losses

Projected ultimate losses are the accrual value of claims. They are the total amount that is expected to be paid in a particular claim period after all claims are closed. Projected ultimate losses are the total loss costs for a particular period. They typically include indemnification and ALAE, but not ULAE.

Other common names for projected ultimate losses are expected losses, ultimate losses and total losses.

Range of Reasonable Estimates

According to actuarial statements of principles and standards of practice, a range of reasonable estimates of the provision for unpaid claims can be actuarially sound.

Due to the uncertainty inherent in estimating the provision for unpaid claims, the range of reasonable estimates is a narrower range than the range of all possible outcomes or the range of all likely outcomes.

Rate

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The cost of a given unit of insurance. For example, in life insurance, it is the price of \$1,000 of the face amount. In property insurance, it is the rate per \$100 of value to be insured. The premium is the rate multiplied by the number of units of insurance purchased.

Retrospective Rating

A method for which the final premium is not determined until the end of the coverage period, and is based on the insured's own loss experience for that same period. It is usually subject to a maximum and minimum premium. A plan of this type can be used in various types of insurance, especially workers compensation and liability, and is usually elected by only very large insureds.

Salvage

Property taken over by an entity to reduce its loss. Automobile physical damage losses can be reduced by the sale of recovered vehicles.

Schedule Rating

The application of debits or credits within established ranges for various characteristics of a risk according to an established schedule of items. Under liability and automobile insurance, the schedule rating plan allows credits and debits for various good or bad features of a particular commercial risk. An example in automobile schedule rating would be allowing credits for driver training classes or fleet maintenance programs.

Self-Insurance Retention (SIR)

That portion of a risk or potential loss assumed by an insured. It is often in the form of a per occurrence deductible.

Society of Actuaries (SOA)

A professional society for actuaries in areas of pensions, and life and health insurance work. The SOA grants the designation Associate of the Society of Actuaries (ASA) and Fellow of the Society of Actuaries (FSA).

Standard Premium

Most often used in connection with retrospective rating for Workers Compensation and General Liability Insurance. It is the premium of which the basic premium is a percentage and is developed by applying the regular rates to an insured's payroll.

State Fund

A fund set up by a state government to finance a mandatory insurance system, such as Workers Compensation or non-occupational disability benefits. Such a fund may be monopolistic, i.e., purchasers of the type of insurance required must place it in the state fund; or it may be competitive, i.e., an alternative to private insurance if the purchaser desires to use it.

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Statutory Accounting Principles (SAP)

Those principles required by statute that must be followed by an insurance company or other similar entity when submitting its financial statement to the state insurance department. Such principles differ from (GAAP) in some important respects. For one thing SAP requires that expenses must be recorded immediately and cannot be deferred to track with premiums as they are earned and taken into revenue.

Unallocated Loss Adjustment Expenses

Unallocated loss adjustment expenses (ULAE) are the indirect expenses to settle claims. These expenses are primarily administration and claims handling expenses.

Accounting standards require that ULAE be included in financial statements and that they be calculated by actuarial methods.