



Actuarial Review of the Self-Insured Workers' Compensation Program

Experience Modification Factors for Program Year 2021-22

Presented to
Santa Clara County Schools' Insurance Group

February 26, 2021

Friday, February 26, 2021

Mr. Tien Phan
Executive Director
Santa Clara County Schools' Insurance Group
645 Wool Creek Drive
San Jose, CA 95112

RE: Experience Modification Factors for the Workers' Compensation Program

Dear Mr. Phan:

As you requested, we have developed experience modification factors for the Santa Clara County Schools' Insurance Group's workers' compensation program. Attached are detailed calculations for each member for the 2021-22 program year. We understand that the Group has adopted a credibility weighted methodology based on losses from the previous five years which are individually capped at \$150,000.

The table on the following page summarizes the prior 2020-21 and current 2021-22 experience modification factors for the Group's members.

**Santa Clara County Schools' Insurance Group
Workers' Compensation Experience Modification Factors**

SCCSIG PROPOSED 2021-22 EXPERIENCE MODIFICATION FACTORS

FIVE-YEAR CREDIBILITY METHOD

BASED ON LOSSES LIMITED TO \$150,000 PER OCCURRENCE

	2020-21 Prior	2021-22 Current	% Change From 20-21
BERRYESSA	1.104	1.189	8%
CAMBRIAN	0.970	0.961	-1%
CUPERTINO	0.871	0.921	6%
EAST SIDE	1.146	1.047	-9%
FRANKLIN-MCKINLEY	1.212	1.326	9%
FREMONT UNION	0.807	0.883	9%
GILROY	1.511	1.447	-4%
LAKESIDE JOINT	0.978	0.986	1%
LOMA PRIETA	0.976	0.946	-3%
LOS ALTOS	0.740	0.733	-1%
LOS GATOS – SARATOGA DCER	0.981	0.983	0%
LOS GATOS-SARATOGA	0.754	0.756	0%
LOS GATOS UNION	0.856	0.783	-9%
LUTHER BURBANK	0.975	0.985	1%
METRO EDUCATION DISTRICT	0.973	0.968	-1%
MORELAND	0.922	0.862	-6%
MORGAN HILL	1.224	1.321	8%
MT PLEASANT	1.020	1.116	9%
MOUNTAIN VIEW WHISMAN	1.220	1.258	3%
MT VIEW - LOS ALTOS	0.616	0.581	-6%
OAK GROVE	1.146	1.254	9%
ORCHARD	0.920	0.921	0%
SARATOGA UNION	0.892	0.872	-2%
SUNNYVALE	0.894	0.978	9%
UNION	0.734	0.699	-5%
MILPITAS USD	1.158	1.110	-4%
SANTA CLARA USD	0.870	0.824	-5%
AVERAGE	1.000	1.000	0%

**Santa Clara County Schools' Insurance Group
Workers' Compensation Experience Modification Factors**

The following table illustrates the correlation between the change in the calculated experience mod and the percentage change in experience period losses. The prior mods were based on losses from accident years 2014-15 to 2018-19. The current mods are based on losses from accident years 2015-16 to 2019-20.

SCCSIG PROPOSED 2021-22 EXPERIENCE MODIFICATION FACTORS

Change in X-mods vs. Change in Experience Losses

	Prior X-mod	Current X-mod	Change X-mod	Prior X-mod Losses	Current X-mod Losses	Change X-mod Losses
BERRYESSA	1.104	1.189	8%	\$1,798,526	\$2,046,930	14%
CAMBRIAN	0.970	0.961	-1%	612,129	584,462	-5%
CUPERTINO	0.871	0.921	6%	3,359,855	3,434,865	2%
EAST SIDE	1.146	1.047	-9%	6,270,762	5,366,907	-14%
FRANKLIN-MCKINLEY	1.212	1.326	9%	2,650,733	3,046,403	15%
FREMONT UNION	0.807	0.883	9%	2,042,529	2,723,945	33%
GILROY	1.511	1.447	-4%	4,347,926	4,124,723	-5%
LAKESIDE JOINT	0.978	0.986	1%	0	0	0%
LOMA PRIETA	0.976	0.946	-3%	90,161	19,253	-79%
LOS ALTOS	0.740	0.733	-1%	373,800	342,882	-8%
LOS GATOS – SARATOGA DCER	0.981	0.983	0%	89,161	73,428	-18%
LOS GATOS-SARATOGA	0.754	0.756	0%	308,213	302,478	-2%
LOS GATOS UNION	0.856	0.783	-9%	393,852	200,118	-49%
LUTHER BURBANK	0.975	0.985	1%	94,371	93,812	-1%
METRO EDUCATION DISTRICT	0.973	0.968	-1%	187,092	178,828	-4%
MORELAND	0.922	0.862	-6%	855,733	682,451	-20%
MORGAN HILL	1.224	1.321	8%	2,333,590	2,700,760	16%
MT PLEASANT	1.020	1.116	9%	628,376	1,111,654	77%
MOUNTAIN VIEW WHISMAN	1.220	1.258	3%	1,898,174	2,105,430	11%
MT VIEW - LOS ALTOS	0.616	0.581	-6%	352,637	252,277	-28%
OAK GROVE	1.146	1.254	9%	2,817,526	3,571,459	27%
ORCHARD	0.920	0.921	0%	32,261	25,615	-21%
SARATOGA UNION	0.892	0.872	-2%	346,160	279,987	-19%
SUNNYVALE	0.894	0.978	9%	1,278,470	1,652,290	29%
UNION	0.734	0.699	-5%	377,043	305,823	-19%
MILPITAS USD	1.158	1.110	-4%	2,849,485	2,716,592	-5%
SANTA CLARA USD	0.870	0.824	-5%	3,975,516	3,979,463	0%
TOTAL	1.000	1.000	0%	\$40,364,080	\$41,922,835	4%

**Santa Clara County Schools' Insurance Group
Workers' Compensation Experience Modification Factors**

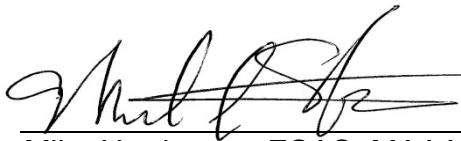
We appreciate the opportunity to be of service to the Santa Clara County Schools' Insurance Group in preparing this report. Please feel free to call Derek Burkhalter at (916) 244-1167 or Mike Harrington at (916) 244-1162 with any questions you may have concerning this report.

Sincerely,

Bickmore Actuarial



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



Mike Harrington, FCAS, MAAA
President, Actuarial Consulting, Bickmore Actuarial
Fellow, Casualty Actuarial Society
Member, American Academy of Actuaries

**SCCSIG Credibility Plan Experience Modifiers
Fiscal Year 2021-22 Funding Allocation**

Indicated Experience Modifiers With Credibility by Member

Member	5 Year Total Payroll (A)	5 Year Total Loss Rate (B)	Indicated Modifier (C)	Member Credibility (D)	Credibility Weighted Modifier (E)	Balanced Modifier (F)
BERRYESSA	\$225,862,908	\$0.91	1.411	45%	1.185	1.189
CAMBRIAN	106,953,980	0.55	0.851	28%	0.958	0.961
CUPERTINO	607,575,105	0.57	0.880	69%	0.918	0.921
EAST SIDE	831,013,415	0.65	1.006	75%	1.043	1.047
FRANKLIN-MCKINLEY	290,592,438	1.05	1.633	51%	1.321	1.326
FREMONT UNION	477,527,629	0.57	0.888	63%	0.880	0.883
GILROY	360,617,079	1.14	1.781	57%	1.442	1.447
LAKESIDE JOINT	4,674,846	0.00	0.000	2%	0.983	0.986
LOMA PRIETA	19,835,297	0.10	0.151	7%	0.943	0.946
LOS ALTOS	174,623,839	0.20	0.306	39%	0.731	0.733
LOS GATOS – SARATOGA DCER	17,333,554	0.42	0.660	6%	0.980	0.983
LOS GATOS-SARATOGA	153,018,905	0.20	0.308	36%	0.754	0.756
LOS GATOS UNION	118,190,247	0.17	0.264	30%	0.780	0.783
LUTHER BURBANK	19,790,797	0.47	0.738	7%	0.982	0.985
METRO EDUCATION DISTRICT	38,807,665	0.46	0.718	12%	0.965	0.968
MORELAND	169,265,961	0.40	0.628	38%	0.859	0.862
MORGAN HILL	252,762,703	1.07	1.664	48%	1.317	1.321
MT PLEASANT	90,267,346	1.23	1.918	25%	1.112	1.116
MOUNTAIN VIEW WHISMAN	205,497,316	1.02	1.596	43%	1.254	1.258
MT VIEW - LOS ALTOS	269,797,967	0.09	0.146	49%	0.579	0.581
OAK GROVE	343,744,965	1.04	1.618	55%	1.250	1.254
ORCHARD	29,155,799	0.09	0.137	10%	0.918	0.921
SARATOGA UNION	92,040,155	0.30	0.474	25%	0.869	0.872
SUNNYVALE	270,048,998	0.61	0.953	49%	0.974	0.978
UNION	188,418,170	0.16	0.253	41%	0.697	0.699
MILPITAS USD	355,999,623	0.76	1.188	56%	1.106	1.110
SANTA CLARA USD	815,448,589	0.49	0.760	75%	0.821	0.824
Member	\$6,528,865,296	\$0.64			0.997	1.000

Notes:

- (A) Exhibit II, Page 1, Col (F)
- (B) Exhibit II, Page 3, Col (F)
- (C) (C) / Total (C)
- (D) (A) / ((A) + \$277,004,472)
- (E) (D) * (C) + (1 - (D)); Tempered to limit changes from prior to maximum of +/-10%.
- (F) (E) balanced to 1.000

**SCCSIG Credibility Plan Experience Modifiers
Fiscal Year 2021-22 Funding Allocation**

Payroll

Member	2015-16 (A)	2016-17 (B)	2017-18 (C)	2018-19 (D)	2019-20 (E)	5 Year Total (F)	Projected 2021-22 (G)
BERRYESSA	\$41,465,590	\$43,250,853	\$45,797,401	\$46,522,933	\$48,826,131	\$225,862,908	\$50,290,914
CAMBRIAN	19,887,825	21,179,320	22,014,547	21,636,184	22,236,104	106,953,980	22,903,187
CUPERTINO	120,182,972	120,866,888	122,688,359	122,576,903	121,259,984	607,575,105	124,897,783
EAST SIDE	159,109,745	164,277,865	161,620,260	173,491,372	172,514,173	831,013,415	177,689,598
FRANKLIN-MCKINLEY	57,151,072	58,492,750	59,914,705	58,176,914	56,856,996	290,592,438	58,562,706
FREMONT UNION	86,352,245	92,960,288	96,438,141	99,058,153	102,718,802	477,527,629	105,800,366
GILROY	67,888,639	71,805,843	72,193,872	75,360,246	73,368,479	360,617,079	75,569,533
LAKESIDE JOINT	955,018	867,384	881,897	889,332	1,081,215	4,674,846	1,113,651
LOMA PRIETA	3,801,678	3,858,129	4,005,322	4,045,942	4,124,226	19,835,297	4,247,953
LOS ALTOS	32,023,741	34,349,795	35,994,009	36,488,409	35,767,886	174,623,839	36,840,922
LOS GATOS – SARATOGA DCER	3,478,891	3,449,630	3,491,810	3,690,943	3,222,280	17,333,554	3,318,948
LOS GATOS-SARATOGA	28,490,435	29,710,542	30,703,620	32,269,733	31,844,574	153,018,905	32,799,912
LOS GATOS UNION	21,637,369	23,438,381	23,934,551	24,502,478	24,677,468	118,190,247	25,417,792
LUTHER BURBANK	4,051,517	4,161,749	3,953,545	4,092,033	3,531,954	19,790,797	3,637,912
METRO EDUCATION DISTRICT	7,727,877	8,326,608	8,133,031	7,370,983	7,249,166	38,807,665	7,466,641
MORELAND	31,274,606	33,339,618	34,127,738	35,101,985	35,422,014	169,265,961	36,484,675
MORGAN HILL	46,223,648	50,384,006	50,956,470	52,104,634	53,093,945	252,762,703	54,686,763
MT PLEASANT	17,213,499	18,086,998	18,321,243	18,310,753	18,334,853	90,267,346	18,884,899
MOUNTAIN VIEW WHISMAN	33,628,681	37,955,379	41,884,274	45,156,034	46,872,949	205,497,316	48,279,137
MT VIEW - LOS ALTOS	46,213,071	50,517,809	54,260,643	59,163,173	59,643,272	269,797,967	61,432,570
OAK GROVE	66,804,660	68,942,991	69,727,058	69,288,319	68,981,937	343,744,965	71,051,395
ORCHARD	5,140,242	5,548,673	5,544,320	6,108,554	6,814,010	29,155,799	7,018,430
SARATOGA UNION	17,772,007	18,051,177	18,392,324	18,815,001	19,009,647	92,040,155	19,579,936
SUNNYVALE	46,322,304	50,460,787	54,430,780	57,578,749	61,256,378	270,048,998	63,094,069
UNION	32,125,547	35,771,725	37,472,884	39,584,923	43,463,091	188,418,170	44,766,984
MILPITAS USD	65,836,338	69,041,506	70,728,964	73,640,150	76,752,665	355,999,623	79,055,245
SANTA CLARA USD	127,507,496	153,272,569	167,698,460	181,084,623	185,885,441	815,448,589	191,462,004
All Members	\$1,190,266,713	\$1,272,369,263	\$1,315,310,228	\$1,366,109,454	\$1,384,809,638	\$6,528,865,296	\$1,426,353,927

Notes:

- (A) Provided by SCCSIG.
- (B) Provided by SCCSIG.
- (C) Provided by SCCSIG.
- (D) Provided by SCCSIG.
- (E) Provided by SCCSIG.
- (F) (A) + (B) + (C) + (D) + (E)
- (G) Assumed 3% increase from (E).

**SCCSIG Credibility Plan Experience Modifiers
Fiscal Year 2021-22 Funding Allocation**

Incurred Losses as of December 31, 2020, Capped at \$150,000

Member	2015-16 (A)	2016-17 (B)	2017-18 (C)	2018-19 (D)	2019-20 (E)	5 Year Total (F)
BERRYESSA	\$378,458	\$207,994	\$642,709	\$585,737	\$232,033	\$2,046,930
CAMBRIAN	77,934	61,640	216,281	151,667	76,939	584,462
CUPERTINO	408,655	571,801	802,257	1,159,257	492,895	3,434,865
EAST SIDE	1,110,340	1,088,321	1,447,463	953,578	767,204	5,366,907
FRANKLIN-MCKINLEY	297,875	672,686	626,173	1,009,794	439,874	3,046,403
FREMONT UNION	459,861	325,535	734,191	483,785	720,574	2,723,945
GILROY	818,788	893,711	893,461	889,766	628,997	4,124,723
LAKESIDE JOINT	0	0	0	0	0	0
LOMA PRIETA	2,286	2,382	2,667	9,769	2,149	19,253
LOS ALTOS	10,457	17,308	165,526	138,380	11,210	342,882
LOS GATOS – SARATOGA DCER	32,802	1,324	21,879	4,196	13,225	73,428
LOS GATOS-SARATOGA	17,061	97,480	123,980	6,475	57,482	302,478
LOS GATOS UNION	36,101	47,424	5,135	98,010	13,449	200,118
LUTHER BURBANK	9,788	107	2,577	79,370	1,969	93,812
METRO EDUCATION DISTRICT	29,950	40,558	94,350	6,066	7,905	178,828
MORELAND	124,956	253,189	166,156	33,814	104,336	682,451
MORGAN HILL	551,971	805,558	532,657	500,975	309,600	2,700,760
MT PLEASANT	259,316	139,331	107,830	229,309	375,867	1,111,654
MOUNTAIN VIEW WHISMAN	452,762	539,199	263,005	497,345	353,120	2,105,430
MT VIEW - LOS ALTOS	16,699	20,849	117,795	14,157	82,777	252,277
OAK GROVE	591,496	618,190	556,619	791,220	1,013,934	3,571,459
ORCHARD	5,830	8,433	6,400	4,463	488	25,615
SARATOGA UNION	139,493	27,353	34,715	18,784	59,642	279,987
SUNNYVALE	322,938	341,315	405,140	138,558	444,339	1,652,290
UNION	63,743	46,322	86,224	82,251	27,284	305,823
MILPITAS USD	366,202	716,512	700,173	514,240	419,466	2,716,592
SANTA CLARA USD	788,262	527,725	760,287	1,230,365	672,824	3,979,463
All Members	\$7,374,024	\$8,072,247	\$9,515,650	\$9,631,331	\$7,329,583	\$41,922,835

Notes:

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

SCCSIG Credibility Plan Experience Modifiers
Fiscal Year 2021-22 Funding Allocation

Reported Loss Rate Per \$100 of Payroll

Member	2015-16 (A)	2016-17 (B)	2017-18 (C)	2018-19 (D)	2019-20 (E)	5 Year Total (F)
BERRYESSA	\$0.91	\$0.48	\$1.40	\$1.26	\$0.48	\$0.91
CAMBRIAN	0.39	0.29	0.98	0.70	0.35	0.55
CUPERTINO	0.34	0.47	0.65	0.95	0.41	0.57
EAST SIDE	0.70	0.66	0.90	0.55	0.44	0.65
FRANKLIN-MCKINLEY	0.52	1.15	1.05	1.74	0.77	1.05
FREMONT UNION	0.53	0.35	0.76	0.49	0.70	0.57
GILROY	1.21	1.24	1.24	1.18	0.86	1.14
LAKESIDE JOINT	0.00	0.00	0.00	0.00	0.00	0.00
LOMA PRIETA	0.06	0.06	0.07	0.24	0.05	0.10
LOS ALTOS	0.03	0.05	0.46	0.38	0.03	0.20
LOS GATOS – SARATOGA DCER	0.94	0.04	0.63	0.11	0.41	0.42
LOS GATOS-SARATOGA	0.06	0.33	0.40	0.02	0.18	0.20
LOS GATOS UNION	0.17	0.20	0.02	0.40	0.05	0.17
LUTHER BURBANK	0.24	0.00	0.07	1.94	0.06	0.47
METRO EDUCATION DISTRICT	0.39	0.49	1.16	0.08	0.11	0.46
MORELAND	0.40	0.76	0.49	0.10	0.29	0.40
MORGAN HILL	1.19	1.60	1.05	0.96	0.58	1.07
MT PLEASANT	1.51	0.77	0.59	1.25	2.05	1.23
MOUNTAIN VIEW WHISMAN	1.35	1.42	0.63	1.10	0.75	1.02
MT VIEW - LOS ALTOS	0.04	0.04	0.22	0.02	0.14	0.09
OAK GROVE	0.89	0.90	0.80	1.14	1.47	1.04
ORCHARD	0.11	0.15	0.12	0.07	0.01	0.09
SARATOGA UNION	0.78	0.15	0.19	0.10	0.31	0.30
SUNNYVALE	0.70	0.68	0.74	0.24	0.73	0.61
UNION	0.20	0.13	0.23	0.21	0.06	0.16
MILPITAS USD	0.56	1.04	0.99	0.70	0.55	0.76
SANTA CLARA USD	0.62	0.34	0.45	0.68	0.36	0.49
All Members	\$0.62	\$0.63	\$0.72	\$0.71	\$0.53	\$0.64

Notes:

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