



Bickmore

Actuarial

Actuarial Review of the Self-Insured Liability & Property Program

*Outstanding Liabilities as of June 30, 2020
Forecast for Program Years 2020-21*

Presented to

Santa Clara County Schools Insurance Group

March 10, 2020 - DRAFT



DRAFT



Tuesday, March 10, 2020

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

Re: Actuarial Review of the Self-Insured Liability & Property Program

Dear Mr. Phan:

As you requested, we have completed our review of Santa Clara County Schools Insurance Group's (the Group's) self-insured liability & property program. Assuming an SIR of \$100,000 per occurrence for liability and \$100,000 per occurrence for property, we estimate the ultimate cost of claims and expenses for claims incurred during the 2020-21 program year to be \$971,000. This amount includes allocated loss adjustment expenses (ALAE) and a discount for anticipated investment income, but excludes unallocated loss adjustment expenses (ULAE). ALAE is the direct cost associated with the defense of individual claims (e.g. legal fees, investigation fees, court charges). ULAE is the cost to administer all claims to final settlement, which may be years into the future (e.g. claims adjusters' salaries, taxes). The discount for investment income is calculated based on the likely payout pattern of the Group's claims, assuming a 2.0% return on investments per year.

In addition, we estimate the program's liability for outstanding claims to be \$1,539,000 as of June 30, 2020, again including ALAE and discounted for anticipated investment income, but excluding ULAE. Given estimated program assets of \$8,269,000 as of June 30, 2020, the program is expected to be funded above the 90% confidence level.

The \$1,539,000 estimate is the minimum liability to be booked by the Group at June 30, 2020 for its liability program, in accordance with Governmental Accounting Standards Board (GASB) Statement #10. GASB #10 requires the Group to accrue a liability on its financial statements for the ultimate cost of claims and expenses associated with all reported and unreported claims, including ALAE and ULAE. GASB #10 does not prohibit the discounting of losses to recognize investment income.

Our conclusions regarding the Group’s liability for unpaid loss and loss adjustment expenses (LAE) at June 30, 2020 are summarized in the table below.

Santa Clara County Schools Insurance Group
 Self-Insured Liability & Property Program
 Estimated Liability for Unpaid Loss and ALAE
 at June 30, 2020

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$1,588,000					
Investment Income Offset	<u>(49,000)</u>					
Discounted Loss and ALAE	\$1,539,000	\$1,747,000	\$1,840,000	\$1,950,000	\$2,084,000	\$2,262,000
Assets	<u>8,269,000</u>					
Surplus or (Deficit)	\$6,730,000	\$6,522,000	\$6,429,000	\$6,319,000	\$6,185,000	\$6,007,000

GASB #10 does not address an actual asset requirement for the program, but only speaks to the liability to be recorded on the Group’s financial statements.

Because actuarial estimates of claims costs are subject to some uncertainty, we recommend that an amount in addition to the discounted expected loss costs be set aside as a risk margin for contingencies. Generally, the amount should be sufficient to fund assets to the 75% to 85% confidence level for primary programs. We consider funding assets to the 70% confidence level to be marginally acceptable and funding assets to the 90% confidence level to be conservative.

The table below shows our funding recommendations for Santa Clara County Schools Insurance Group for the 2020-21 fiscal year assuming the program's SIR for liability and property remains at \$100,000.

Santa Clara County Schools Insurance Group
Self-Insured Liability & Property Program
Loss and ALAE Funding Guidelines for 2020-21
Self-Insured Retention (SIR) of \$100,000

	Property	Liability	Total
Loss and ALAE	\$402,000	\$600,000	\$1,002,000
Investment Income Offset	<u>(6,000)</u>	<u>(25,000)</u>	<u>(31,000)</u>
Discounted Loss and ALAE	\$396,000	\$575,000	\$971,000
Margin at 80% Confidence	161,000	214,000	375,000
Discounted Loss and ALAE at 80% Confidence Level	\$557,000	\$789,000	\$1,346,000

The funding recommendations shown in the table above do not include any recognition of the existing funding margin (surplus or deficit) at June 30, 2020. They are for losses and allocated loss adjustment expenses only, and do not include a provision for claims administration, loss control, overhead, excess insurance premiums, and other expenses associated with the program.

The table below shows our funding recommendations for Santa Clara County Schools Insurance Group for the 2020-21 fiscal year assuming the program's SIR for liability and property increases to \$250,000.

Santa Clara County Schools Insurance Group
Self-Insured Liability & Property Program
Loss and ALAE Funding Guidelines for 2020-21
Self-Insured Retention (SIR) of \$250,000

	Property	Liability	Total
Loss and ALAE	\$555,000	\$817,000	\$1,372,000
Investment Income Offset	<u>(9,000)</u>	<u>(34,000)</u>	<u>(43,000)</u>
Discounted Loss and ALAE	\$546,000	\$783,000	\$1,329,000
Margin at 80% Confidence	222,000	292,000	514,000
Discounted Loss and ALAE at 80% Confidence Level	\$768,000	\$1,075,000	\$1,843,000

The funding recommendations shown in the table above do not include any recognition of the existing funding margin (surplus or deficit) at June 30, 2020. They are for losses and allocated loss adjustment expenses only, and do not include a provision for claims administration, loss control, overhead, excess insurance premiums, and other expenses associated with the program.

The table below shows our funding recommendations for Santa Clara County Schools Insurance Group for the 2020-21 fiscal year assuming the program's SIR for liability and property increases to \$500,000.

Santa Clara County Schools Insurance Group
Self-Insured Liability & Property Program
Loss and ALAE Funding Guidelines for 2020-21
Self-Insured Retention (SIR) of \$500,000

	Property	Liability	Total
Loss and ALAE	\$659,000	\$948,000	\$1,607,000
Investment Income Offset	(10,000)	(39,000)	(49,000)
Discounted Loss and ALAE	\$649,000	\$909,000	\$1,558,000
Margin at 80% Confidence	263,000	339,000	602,000
Discounted Loss and ALAE at 80% Confidence Level	\$912,000	\$1,248,000	\$2,160,000

The funding recommendations shown in the table above do not include any recognition of the existing funding margin (surplus or deficit) at June 30, 2020. They are for losses and allocated loss adjustment expenses only, and do not include a provision for claims administration, loss control, overhead, excess insurance premiums, and other expenses associated with the program.

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The report that follows outlines the scope of our study, its background, and our conclusions, recommendations, and assumptions. Judgments regarding the appropriateness of our conclusions and recommendations should be made only after studying the report in its entirety, including the graphs, attachments, exhibits and appendices. Our report has been developed for the Group's internal use. It is not intended for general circulation.

We appreciate the opportunity to be of service to Santa Clara County Schools Insurance Group in preparing this report. Please feel free to call Greg Beaulieu at (916) 290-4632 or Derek Burkhalter at (916) 244-1167 with any questions you may have concerning this report.

Sincerely,

Bickmore Actuarial

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I. BACKGROUND

Santa Clara County Schools Insurance Group's liability and property program began July 1, 1980. Its current self-insured retention is \$100,000, with the exception of the following coverages: For auto comprehensive and collision, comprehensive crime, and electronic DP, the self-insured retentions are \$1,500, \$500, and \$5,000, respectively. Claims administration services are provided by ASCIP. Additional background on the program is given in Appendix J.

As of June 30, 2020, the Group is expected to have assets of \$8,269,000 for the program.

The purpose of this review is to provide a guide to the Group to determine reasonable funding levels for its self-insurance program according to the funding policy the Group has adopted and to comply with Governmental Accounting Standards Board Statements #10 and #30. The specific objectives of the study are to estimate the Group's liability for outstanding claims as of June 30, 2020, project ultimate loss costs for 2020-21, and provide funding guidelines to meet these liabilities and future costs.

II. CONCLUSIONS AND RECOMMENDATIONS

A. LIABILITY FOR OUTSTANDING CLAIMS

Graph 1 on the following page summarizes our assessment of the Group's funding position as of June 30, 2020. The dark-colored bars indicate our estimates of the program's liability for outstanding claims before recognition of the investment income that can be earned on the assets held before the claim payments come due. The horizontal line across the graph indicates the Group's available assets at June 30, 2020.

Our best estimate of the full value of the Group's liability for outstanding claims within its self-insured retention (SIR) is \$1,588,000 as of June 30, 2020. This amount includes losses, allocated loss adjustment expenses (ALAE), and unallocated loss adjustment expenses (ULAE). ALAE is the direct cost associated with the defense of individual claims (e.g. legal fees, investigation fees, court charges). ULAE is the cost to administer claims to final settlement, which may be years in the future (e.g. claims adjusters' salaries, taxes).

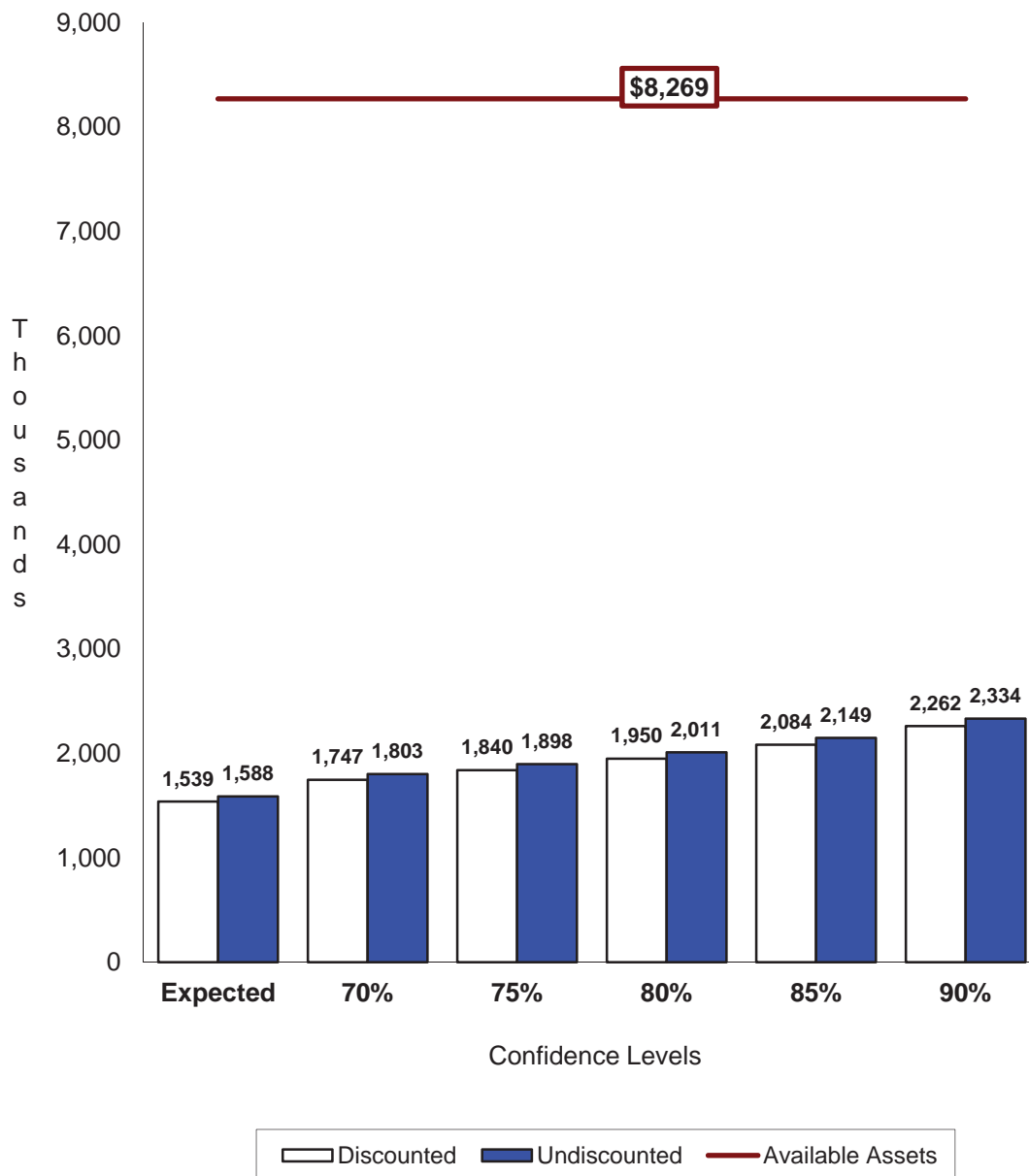
There is some measure of uncertainty associated with our best estimate because of the random nature of much of the process that determines ultimate claims costs. For this reason, we generally recommend that a program such as this include some funding margin for the possibility that actual loss costs will be greater than the best estimate. We generally measure the amount of this margin by thinking in terms of the probability distribution of actual possible results around our best estimate. As the margin grows, the probability that the corresponding funding amount will be sufficient to meet actual claim liabilities increases. We typically refer to this probability as the "confidence level" of funding. Graph 1 shows the liabilities for outstanding claims at several confidence levels that are typically of interest to risk managers in formulating funding policies for self-insurance programs.

The Group can earn investment income on the assets it holds until claims payments come due. Assuming a long-term average annual return on investments of 2.0%, we estimate the impact of investment income earnings to be about 3.1% if the program is funded within the range indicated in the graph, resulting in a discounted liability for outstanding claims of \$1,539,000 as of June 30, 2020.

Investment income earnings will be less than this when the program does not maintain sufficient funding, and more when there is excess funding. Thus, thinking in terms of liabilities discounted for investment income can actually mask funding deficiencies and redundancies that might otherwise be obvious. However, the discounted liabilities do represent legitimate funding targets. The light-colored bars on Graph 1 show our estimates of the Group's discounted liability for outstanding claims.

Graph 1

Santa Clara County Schools Insurance Group
Liability & Property
Available Assets vs Outstanding Liability (\$000's)
at June 30, 2020



The table below displays a breakdown of the program's outstanding loss and LAE liabilities into case reserves and incurred but not reported (IBNR) reserves at June 30, 2020, before recognition of investment income.

Santa Clara County Schools Insurance Group
Self-Insured Liability & Property Program
Estimated Liability for Unpaid Loss and ALAE at June 30, 2020

Year	Case Reserves	IBNR Reserves	Total Outstanding
Prior	\$630	\$0	\$630
2014-15	0	0	0
2015-16	69,558	3,095	72,653
2016-17	70,382	4,822	75,204
2017-18	200,282	34,001	234,283
2018-19	257,046	128,439	385,485
2019-20	440,658	378,542	819,200
Loss and ALAE	\$1,038,556	\$548,899	\$1,587,455

B. PROGRAM FUNDING: GOALS AND OBJECTIVES

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

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

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

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

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

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

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

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

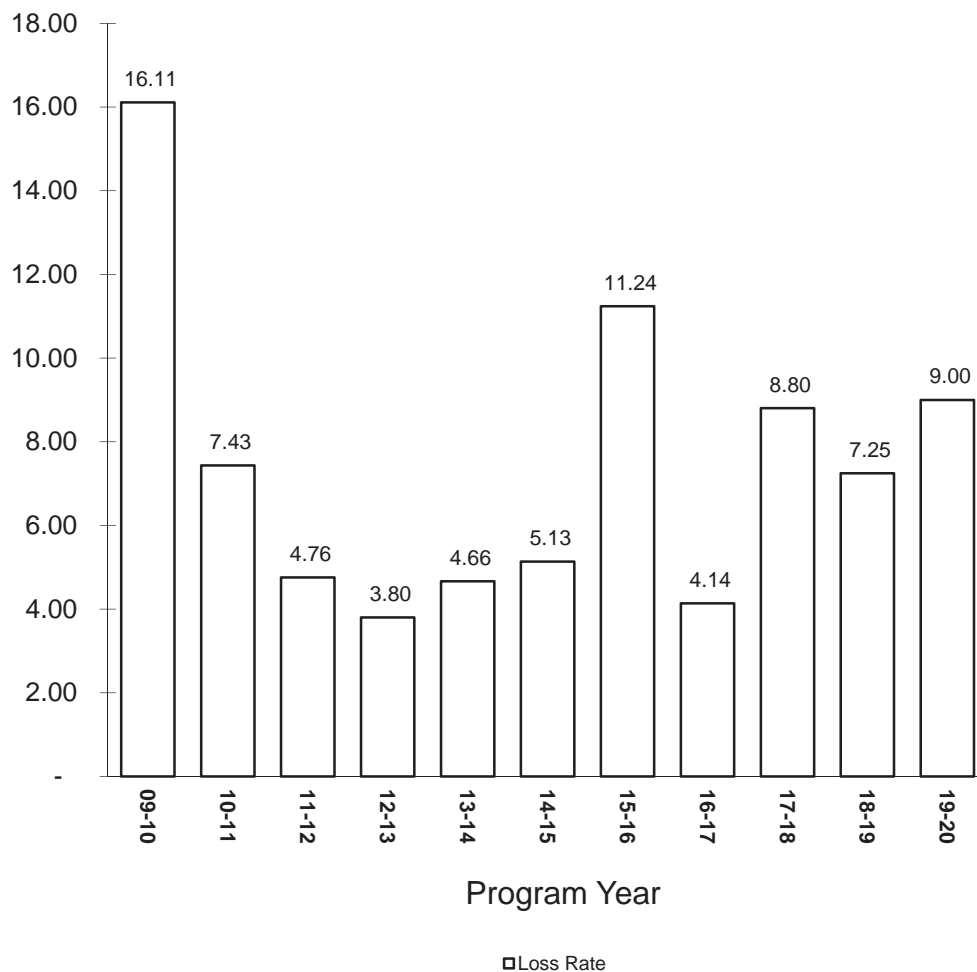
C. HISTORICAL TRENDS IN THE SELF-INSURANCE PROGRAM

Loss Rate - Liability

The liability program's dollars of loss per average daily attendance (ADA) (based on losses limited to \$100,000 per occurrence), or loss rate, has ranged from a high of \$16.11 in 2009-10 to a low of \$3.80 in 2012-13. The projected 2019-20 loss rate is \$9.00. See Graph 2 below.

Graph 2

Santa Clara County Schools Insurance Group
Liability
Dollars of Loss per ADA

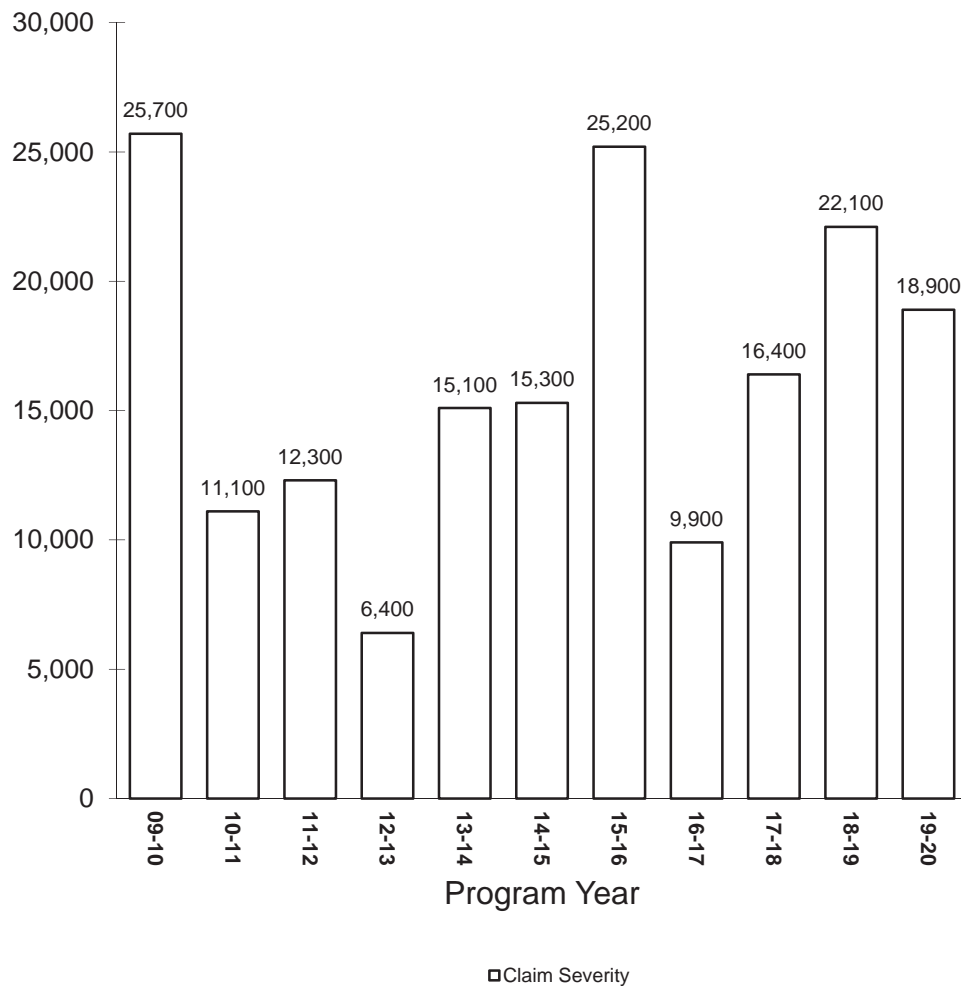


Severity - Liability

The liability program's average dollars of loss per claim (based on losses limited to \$100,000 per occurrence), or severity, has generally been increasing over the period shown below. The projected 2019-20 severity of \$18,900 per claim is similar to the average of the most recent four years. See Graph 3 below.

Graph 3

Santa Clara County Schools Insurance Group
Liability
Dollars of Loss per Claim

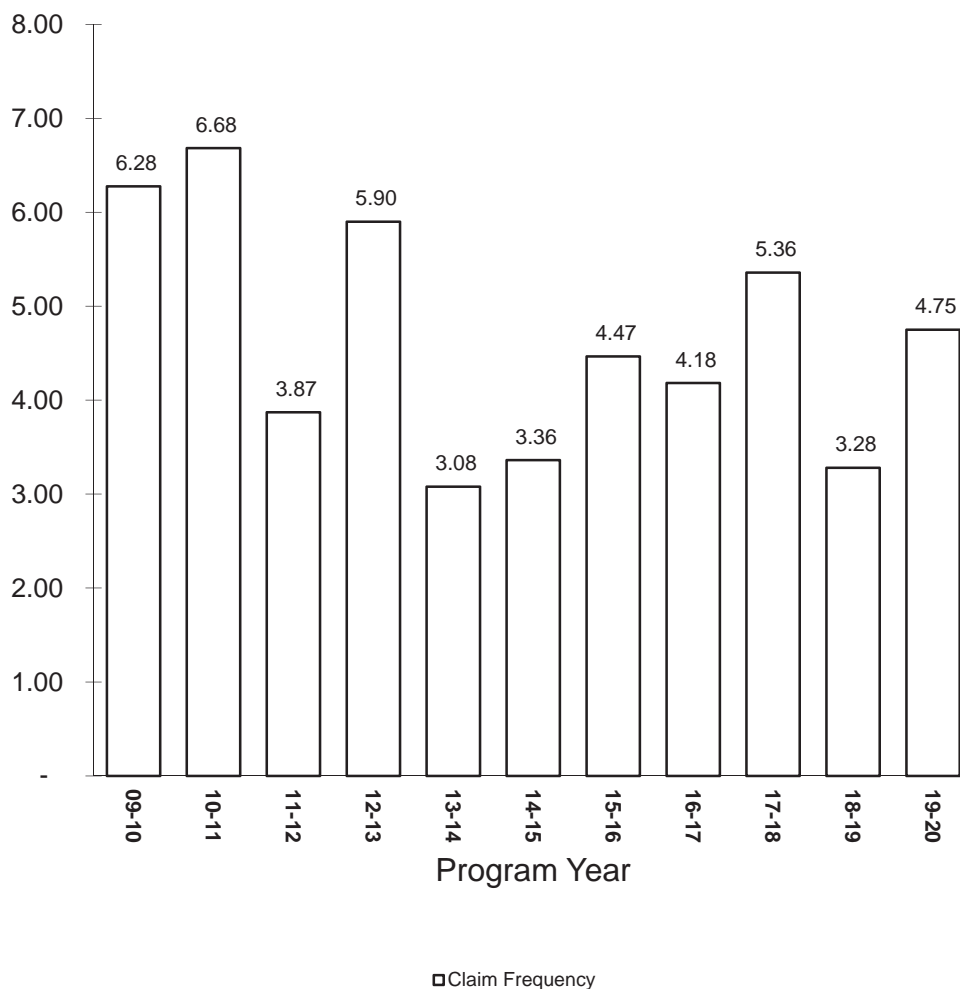


Frequency - Liability

The liability program's number of claims per 10,000 ADA, or frequency, has varied over the period shown below, from a high of 6.68 claims per 10,000 ADA to a low of 3.08 claims per 10,000 ADA. The projected 2019-20 frequency is 4.75 claims per 10,000 ADA. See Graph 4 below.

Graph 4

Santa Clara County Schools Insurance Group
Liability
Number of Claims per
10,000 ADA

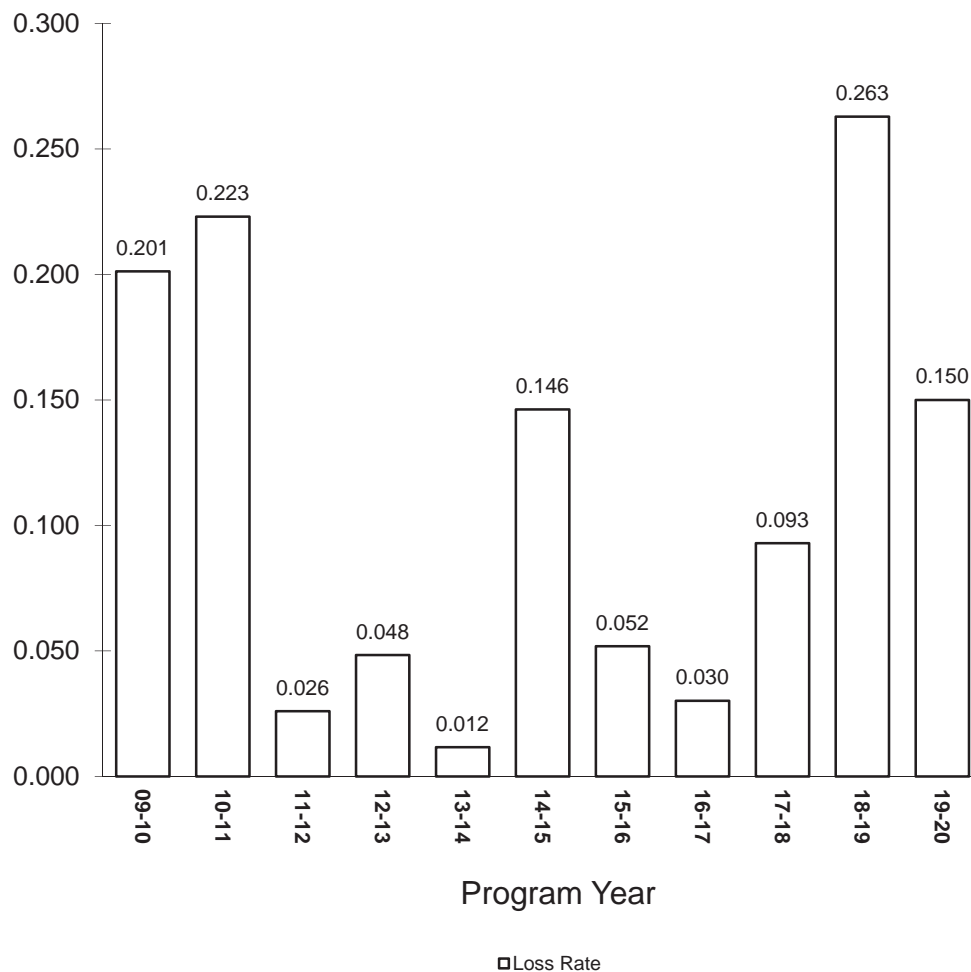


Loss Rate - Property

The property program's dollars of loss per \$1,000 of total insured value (TIV) (based on losses limited to \$100,000 per occurrence), or loss rate, has ranged from a low of \$0.012 in 2013-14 to a high of \$0.263 in 2018-19. Our projected loss rate for 2019-20 is \$0.150 per \$1,000 TIV. See Graph 5 below.

Graph 5

Santa Clara County Schools Insurance Group
Property
Dollars of Loss per
\$1,000 of TIV

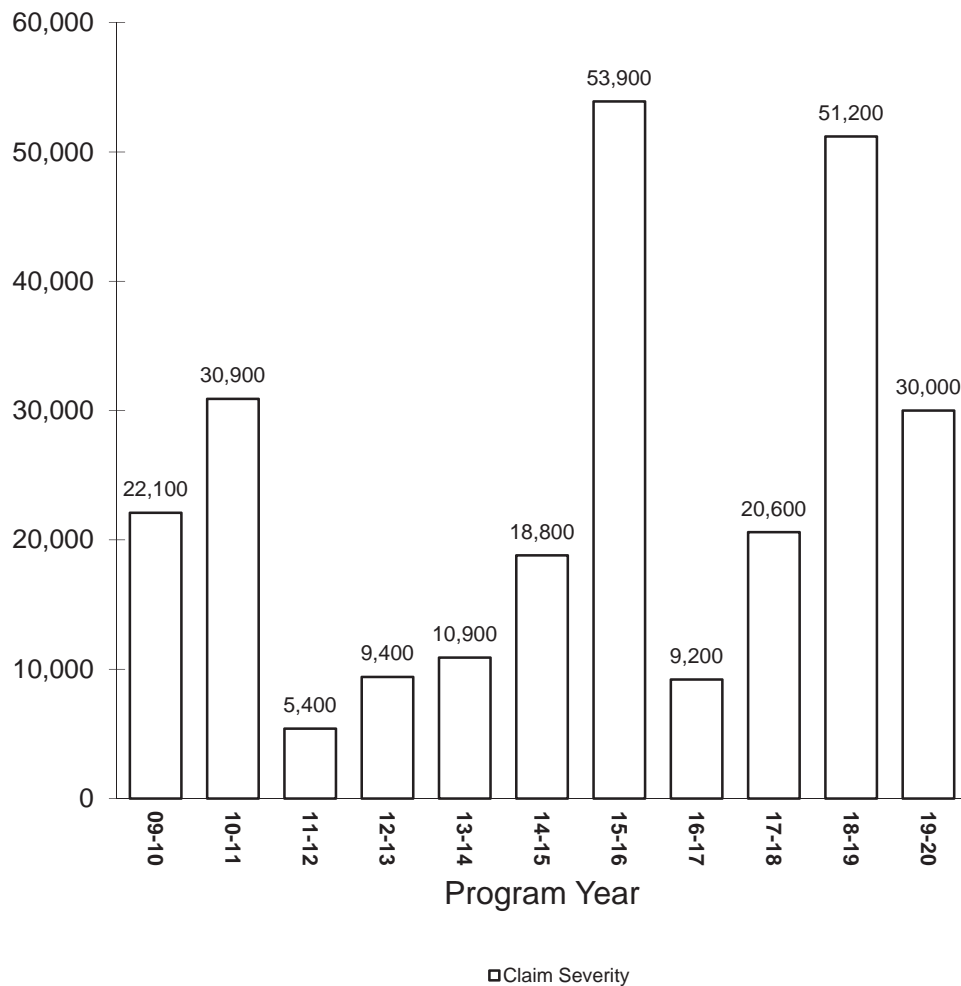


Severity - Property

The property program's average dollars of loss per claim (based on losses limited to \$100,000 per occurrence), or severity, has ranged from a low of \$5,400 in 2011-12 to a high of \$53,900 in 2015-16. Our projected average severity for 2019-20 is \$30,000 per claim. See Graph 6 below.

Graph 6

Santa Clara County Schools Insurance Group
Property
Dollars of Loss per Claim

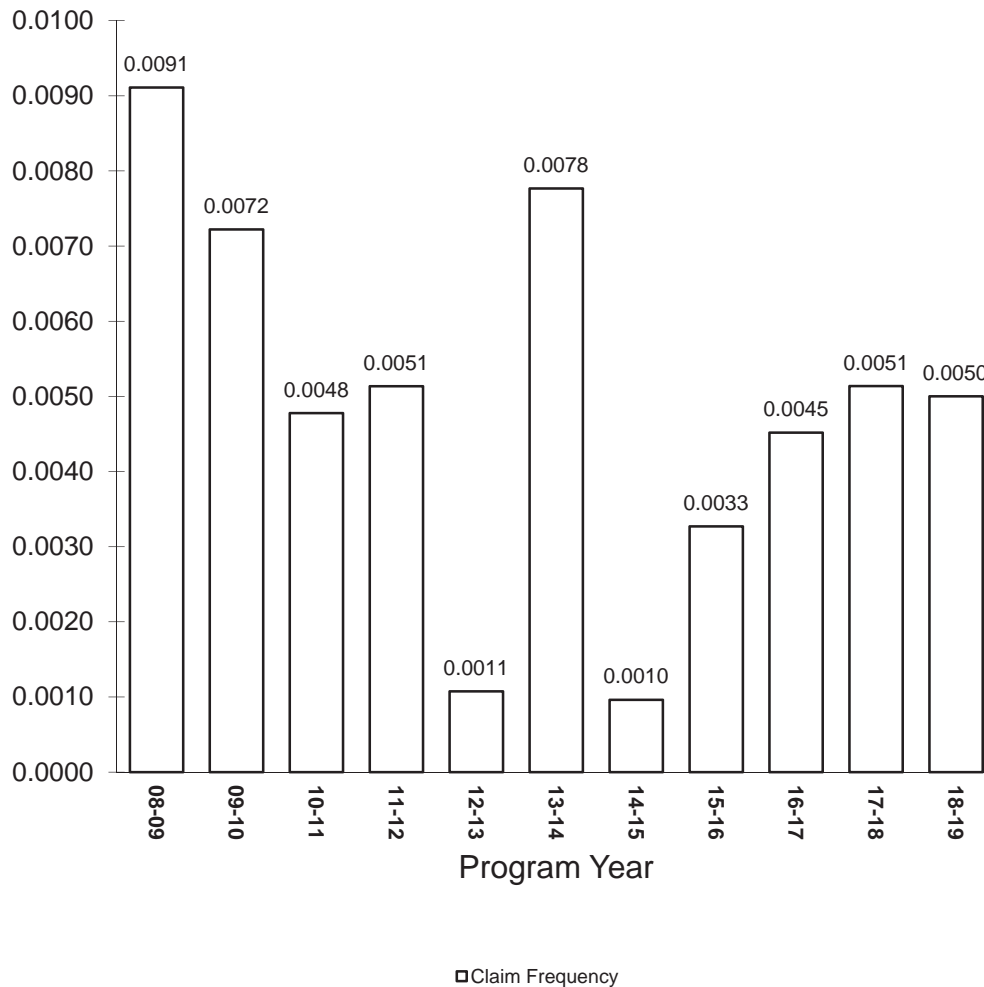


Frequency - Property

The property program's number of claims per \$1 million of TIV, or frequency, has decreased from a high of 0.0091 in 2008-09. Our projection for the 2019-20 claim frequency is 0.0050 claims per \$1 million of TIV. See Graph 7 below.

Graph 7

Santa Clara County Schools Insurance Group
Property
Number of Claims per
\$1 Million of TIV



D. COMPARISON WITH PREVIOUS RESULTS

The prior report for Santa Clara County Schools Insurance Group was dated March 8, 2019. In the table below we display actual versus expected development of incurred losses and ALAE by accident year between the December 31, 2018 evaluation date of the prior report and the December 31, 2019 evaluation date of the current report.

Actual Versus Expected Incurred Loss and ALAE Development**Liability**

Accident Year	Expected Incurred Development	Actual Incurred Development	Actual Minus Expected
Prior	\$0	\$100,000	\$100,000
2010-11	0	0	0
2011-12	0	0	0
2012-13	0	0	0
2013-14	0	(11,000)	(11,000)
2014-15	0	1,000	1,000
2015-16	6,000	13,000	7,000
2016-17	24,000	1,000	(23,000)
2017-18	45,000	(67,000)	(112,000)
2018-19	358,000	287,000	(71,000)
Total	\$433,000	\$324,000	(\$109,000)

Property

Accident Year	Expected Incurred Development	Actual Incurred Development	Actual Minus Expected
Prior	\$0	(\$2,000)	(\$2,000)
2010-11	0	0	0
2011-12	0	0	0
2012-13	0	0	0
2013-14	0	0	0
2014-15	0	0	0
2015-16	0	0	0
2016-17	0	0	0
2017-18	6,000	(138,000)	(144,000)
2018-19	127,000	431,000	304,000
Total	\$133,000	\$291,000	\$158,000

As shown, actual incurred development for the liability program was less than anticipated since the prior report, while actual incurred development for the property program was greater than anticipated since the prior report.

In the table below we display actual versus expected development of paid losses and ALAE by accident year between the December 31, 2018 evaluation date of the prior report and the December 31, 2019 evaluation date of the current report.

Actual Versus Expected Paid Loss and ALAE Development

Liability

Accident Year	Expected Paid Development	Actual Paid Development	Actual Minus Expected
Prior	\$0	\$100,000	\$100,000
2010-11	0	0	0
2011-12	0	0	0
2012-13	0	0	0
2013-14	6,000	0	(6,000)
2014-15	0	1,000	1,000
2015-16	176,000	186,000	10,000
2016-17	115,000	24,000	(91,000)
2017-18	263,000	169,000	(94,000)
2018-19	79,000	23,000	(56,000)
Total	\$639,000	\$503,000	(\$136,000)

Property

Accident Year	Expected Paid Development	Actual Paid Development	Actual Minus Expected
Prior	\$0	(\$2,000)	(\$2,000)
2010-11	0	0	0
2011-12	0	0	0
2012-13	0	0	0
2013-14	0	0	0
2014-15	0	0	0
2015-16	0	0	0
2016-17	0	0	0
2017-18	5,000	(138,000)	(143,000)
2018-19	211,000	538,000	327,000
Total	\$216,000	\$398,000	\$182,000

As shown, actual paid development for the liability program was less than anticipated since the prior report, while actual paid development for the property program was greater than anticipated since the prior report.

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

Change in Ultimate Loss and ALAE

Liability

Accident Year	Prior Report	Current Report	Change In Ultimate
Prior	\$1,169,000	\$1,269,000	\$100,000
2010-11	500,000	500,000	0
2011-12	320,000	320,000	0
2012-13	258,000	258,000	0
2013-14	329,000	318,000	(11,000)
2014-15	351,000	351,000	0
2015-16	747,000	755,000	8,000
2016-17	311,000	277,000	(34,000)
2017-18	654,000	575,000	(79,000)
2018-19	447,000	464,000	17,000
Total	\$5,086,000	\$5,087,000	\$1,000

Property

Accident Year	Prior Report	Current Report	Change In Ultimate
Prior	\$677,000	\$675,000	(\$2,000)
2010-11	371,000	371,000	0
2011-12	44,000	44,000	0
2012-13	85,000	85,000	0
2013-14	22,000	22,000	0
2014-15	282,000	282,000	0
2015-16	108,000	108,000	0
2016-17	65,000	65,000	0
2017-18	351,000	206,000	(145,000)
2018-19	292,000	614,000	322,000
Total	\$2,297,000	\$2,472,000	\$175,000

As shown, overall we have increased our estimated ultimate losses for the liability program by \$1,000, and increased our estimated ultimate losses for the property program by \$175,000 since our prior report. The changes in our estimates of ultimate losses reflect a certain amount of weight applied to both the incurred and paid development listed on the previous two pages.

At the time of the prior report, we estimated the liability for outstanding claims as of June 30, 2019 to be \$1,144,000 for the liability program at the discounted, expected level. Our current estimate as of June 30, 2020 is \$1,204,000, an increase in our assessment of the Group's outstanding liabilities, as shown below:

Outstanding Claim Liabilities for Loss and ALAE

	Liability		
	Prior Report at June 30, 2019	Current Report at June 30, 2020	Change
(A) Case Reserves:	\$838,000	\$820,000	(\$18,000)
(B) IBNR Reserves:	337,000	428,000	91,000
(C) Total Reserves:	\$1,175,000	\$1,248,000	\$73,000
(D) Offset for Investment Income:	(31,000)	(44,000)	(13,000)
(E) Total Outstanding Claim Liabilities:	\$1,144,000	\$1,204,000	\$60,000

At the time of the prior report, we estimated the liability for outstanding claims as of June 30, 2019 to be \$183,000 for the property program at the discounted, expected level. Our current estimate as of June 30, 2020 is \$335,000, an increase in our assessment of the Group's outstanding liabilities, as shown below:

Outstanding Claim Liabilities for Loss and ALAE

	Property		
	Prior Report at June 30, 2019	Current Report at June 30, 2020	Change
(A) Case Reserves:	\$114,000	\$219,000	\$105,000
(B) IBNR Reserves:	72,000	121,000	49,000
(C) Total Reserves:	\$186,000	\$340,000	\$154,000
(D) Offset for Investment Income:	(3,000)	(5,000)	(2,000)
(E) Total Outstanding Claim Liabilities:	\$183,000	\$335,000	\$152,000

At the time of the prior report, our funding estimate for the 2019-20 year was \$495,000 for the liability program at the discounted, expected level. That amount included allocated loss adjustment expenses (ALAE) and a discount for anticipated investment income. Our current estimate for the 2020-21 year is \$575,000 at the discounted, expected level, an increase in the program's expected loss costs, as shown in the table below:

Comparison of Funding for Loss and ALAE

Liability

	Prior Report 2019-20 SIR = \$100,000	Current Report 2020-21 SIR = \$100,000	Change
(A) Ultimate Loss and ALAE:	\$514,000	\$600,000	\$86,000
(B) Offset for Investment Income:	(19,000)	(25,000)	(6,000)
(C) Total Recommended Funding:	\$495,000	\$575,000	\$80,000
(D) Funding per ADA:	\$7.73	\$8.80	\$1.07

At the time of the prior report, our funding estimate for the 2019-20 year was \$267,000 for the property program at the discounted, expected level. That amount included allocated loss adjustment expenses (ALAE) and a discount for anticipated investment income. Our current estimate for the 2020-21 year is \$396,000 at the discounted, expected level, an increase in the program's expected loss costs, as shown in the table below:

Comparison of Funding for Loss and ALAE

Property

	Prior Report 2019-20 SIR = \$100,000	Current Report 2020-21 SIR = \$100,000	Change
(A) Ultimate Loss and ALAE:	\$271,000	\$402,000	\$131,000
(B) Offset for Investment Income:	(4,000)	(6,000)	(2,000)
(C) Total Recommended Funding:	\$267,000	\$396,000	\$129,000
(D) Funding per \$1,000 of TIV:	\$0.108	\$0.153	\$0.045

E. DATA PROVIDED FOR THE ANALYSIS

Overall, the data utilized in preparing this report appears to be accurate.

Comments and issues regarding the data are as follows:

- We have assumed that the program's self-insured retention will remain at \$100,000 per occurrence for 2019-20 and 2020-21 for liability and property claims (See Appendix J).
- We were provided with the estimate of June 30, 2020 assets to be \$8,269,000.
- We received loss data evaluated as of December 31, 2019 (See Appendix K). We also utilized the data from the Group's most recent actuarial study for our assessment of loss development.
- We have assumed that the Group's 2020-21 ADA will be 65,345 and that the TIV will be \$2,595,725,000 based upon information provided by the Group (See Appendix L).

The data provided for the analysis appears to be reasonable for use in this actuarial valuation of liabilities and projection of loss costs.

III. ASSUMPTIONS AND LIMITATIONS

Any quantitative analysis is developed within a very specific framework of assumptions about conditions in the outside world, and actuarial analysis is no exception. We believe that it is important to review the assumptions we have made in developing the estimates presented in this report. By doing so, we hope you will gain additional perspective on the nature of the uncertainties involved in maintaining a self-insurance program. Our assumptions, and some observations about them, are as follows:

- Our analysis is based on loss experience, exposure data, and other general and specific information provided to us by the Group. We have accepted all of this information without audit.
- We have also made use of loss statistics that have been developed from the information gathered and compiled from a large group of California public entities with self-insured liability & property programs.
- We have assumed that the future development of incurred and paid losses can be reasonably predicted on the basis of development of such losses in the recent past. We have also assumed that the historical development patterns for a large group of California public entities with self-insured liability & property programs in the aggregate form a reasonable basis of comparison to the patterns from Santa Clara County Schools Insurance Group's data.
- We have made use of cost relationships for claims of various sizes derived from the most recent actuarial review of a large group of California public entities with self-insured liability & property programs.
- We have assumed that there is a continuing relationship between past and future loss costs.
- It is not possible to predict future claim costs precisely. Most of the costs of liability claims arise from a small number of incidents involving serious injury. A relatively small number of such claims could generate enough loss dollars to significantly reduce, or even deplete, the self-insurance fund.
- We cannot predict and have not attempted to predict the impact of future law changes and court rulings on claims costs. This is one major reason why we believe our funding recommendations are reasonable now, but should not be extrapolated into the future.
- For liability, we have assumed that the loss rate trend associated with claim costs increases at 2.0% per year. We have assumed that claim severity increases at 3.0% per year, and that claim frequency decreases at 1.0% per year.
- For property, we have assumed that the loss rate trend associated with claim costs increases at 3.0% per year. We have assumed that claim severity increases at 3.0% per year, and that claim frequency remains the same.

- We have assumed that payroll and other inflation-sensitive exposure measures increase 2.5% annually due to inflation.
- We have assumed that assets held for investment will generate an average annual return of 2.0% over the duration of payment of the loss liabilities. It should be noted that actual future investment returns may vary significantly from this assumption, depending upon the prevailing investment market conditions.
- The claims costs we have estimated include indemnity and medical payments, and all loss adjustment expenses. We have not included estimates for excess insurance contributions and other expenses associated with the program based upon information provided by the Group.
- Our funding recommendations do not include provisions for catastrophic events not in the Group's history, such as earthquakes, flooding, mass civil disorder, or mass occupational disease.
- Our estimates assume that all excess insurance is valid and collectible. Further, our funding recommendations do not include a provision for losses greater than the Group's excess coverage.
- The Group's assets available for the program are estimated to be \$8,269,000 as of June 30, 2020 for use in this report.

IV. GLOSSARY OF ACTUARIAL TERMS

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

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

Benefit Level Factor - Factor used to adjust historical losses to the current level of liability benefits.

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

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

Claim Frequency - Number of claims per 10,000 ADA for liability and per \$1 million of TIV for property.

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

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

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

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

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

Loss Rate - Ultimate losses per ADA for liability and per \$1,000 of TIV for property.

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

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

Paid Losses - Losses actually paid on all reported claims.

Program Losses - Losses, including ALAE, limited to the SIR for each occurrence.

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

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

Severity - Average claim cost.

Total Insured Value (TIV) - Replacement cost or actual cash value of a building for which standard insurance policies provide indemnity coverage, and the basis on which insurance premium is computed.

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

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

Santa Clara County Schools Insurance Group - Property & Liability Combined

Funding Guidelines for Outstanding Liabilities at
December 31, 2019

(A) Estimated Ultimate Losses Incurred through 12/31/19: (Sum of Liability and Property)	\$8,104,000
(B) Estimated Paid Losses through 12/31/19: (Sum of Liability and Property)	6,543,000
(C) Estimated Liability for Claims Outstanding at 12/31/19: (Sum of Liability and Property)	<u>\$1,561,000</u>
(D) Estimated Liability for Outstanding Claims Administration Fees at 12/31/19: (Sum of Liability and Property)	0
(E) Total Outstanding Liability for Claims at 12/31/19: ((C) + (D))	<u>\$1,561,000</u>
(F) Reserve Discount Factor (Based on a Discount Rate of 2.0%.): ((G) / (E))	0.967
(G) Discounted Outstanding Liability for Claims at 12/31/19: (Sum of Liability and Property)	<u>\$1,509,000</u>

	<u>Marginally Acceptable</u>	<u>Recommended</u>			<u>Conservative</u>
Confidence Level of Adequacy:	70%	75%	80%	85%	90%
(H) Confidence Level Factor: ((J) / (G))	1.134	1.194	1.264	1.349	1.464
(I) Margin for Adverse Experience: (Sum of Liability and Property)	202,000	292,000	398,000	527,000	700,000
(J) Total Required Assets at 12/31/19: ((G) + (I))	<u>\$1,711,000</u>	<u>\$1,801,000</u>	<u>\$1,907,000</u>	<u>\$2,036,000</u>	<u>\$2,209,000</u>

Santa Clara County Schools Insurance Group - Property & Liability Combined

Funding Guidelines for Outstanding Liabilities at
June 30, 2020

(A) Estimated Ultimate Losses Incurred through 6/30/20: (Sum of Liability and Property)	\$8,650,000
(B) Estimated Paid Losses through 6/30/20: (Sum of Liability and Property)	7,062,000
(C) Estimated Liability for Claims Outstanding at 6/30/20: (Sum of Liability and Property)	<u>\$1,588,000</u>
(D) Estimated Liability for Outstanding Claims Administration Fees at 6/30/20: (Sum of Liability and Property)	0
(E) Total Outstanding Liability for Claims at 6/30/20: ((C) + (D))	<u>\$1,588,000</u>
(F) Reserve Discount Factor (Based on a Discount Rate of 2.0%): ((G) / (E))	0.969
(G) Discounted Outstanding Liability for Claims at 6/30/20: (Sum of Liability and Property)	<u>\$1,539,000</u>

	Marginally Acceptable		Recommended		Conservative
Confidence Level of Adequacy:	70%	75%	80%	85%	90%
(H) Confidence Level Factor: ((J) / (G))	1.135	1.196	1.267	1.354	1.470
(I) Margin for Adverse Experience: (Sum of Liability and Property)	208,000	301,000	411,000	545,000	723,000
(J) Total Required Assets at 6/30/20: ((G) + (I))	<u>\$1,747,000</u>	<u>\$1,840,000</u>	<u>\$1,950,000</u>	<u>\$2,084,000</u>	<u>\$2,262,000</u>
(K) Estimated Total Assets at 6/30/20: (Provided by the Group)	\$8,269,000	\$8,269,000	\$8,269,000	\$8,269,000	\$8,269,000
(L) Indicated Funding Redundancy/ (Deficiency): ((K) - (J))	<u>\$6,522,000</u>	<u>\$6,429,000</u>	<u>\$6,319,000</u>	<u>\$6,185,000</u>	<u>\$6,007,000</u>

Santa Clara County Schools Insurance Group - Property & Liability Combined

Funding Options for Program Year 2020-2021 (Liability SIR = \$100,000, Property SIR = \$100,000)

	<u>Dollar Amount</u>
(A) Estimated Ultimate Losses Incurred in Accident Year 2020-2021: (Sum of Liability and Property)	\$1,002,000
(B) Estimated Claims Administration Fees Incurred in Accident Year 2020-2021: (Sum of Liability and Property)	0
(C) Total Claims Costs Incurred in Accident Year 2020-2021: ((A) + (B))	<u>\$1,002,000</u>
(D) Loss Discount Factor (Based on a Discount Rate of 2.0%.): ((E) / (C))	0.969
(E) Discounted Total Claims Costs Incurred in Accident Year 2020-2021: (Sum of Liability and Property)	<u>\$971,000</u>
	<u>Recommended</u>
	80%
(F) Confidence Level Factor: ((H) / (E))	1.386
(G) Margin for Adverse Experience: (Sum of Liability and Property)	375,000
(H) Recommended Funding in 2020-2021 for Claims Costs and Other Expenses: ((E) + (G))	<u>\$1,346,000</u>

Santa Clara County Schools Insurance Group - Property & Liability Combined
Funding Options for Program Year 2020-2021 (Liability SIR = \$250,000, Property SIR = \$250,000)

	Dollar Amount
(A) Estimated Ultimate Losses Incurred in Accident Year 2020-2021: (Sum of Liability and Property)	\$1,372,000
(B) Estimated Claims Administration Fees Incurred in Accident Year 2020-2021: (Sum of Liability and Property)	0
(C) Total Claims Costs Incurred in Accident Year 2020-2021: ((A) + (B))	\$1,372,000
(D) Loss Discount Factor (Based on a Discount Rate of 2.0%.): ((E) / (C))	0.969
(E) Discounted Total Claims Costs Incurred in Accident Year 2020-2021: (Sum of Liability and Property)	\$1,329,000
	Recommended 80%
(F) Confidence Level Factor: ((H) / (E))	1.387
(G) Margin for Adverse Experience: (Sum of Liability and Property)	514,000
(H) Recommended Funding in 2020-2021 for Claims Costs and Other Expenses: ((E) + (G))	\$1,843,000

Santa Clara County Schools Insurance Group - Property & Liability Combined
Funding Options for Program Year 2020-2021 (Liability SIR = \$500,000, Property SIR = \$500,000)

	<u>Dollar Amount</u>
(A) Estimated Ultimate Losses Incurred in Accident Year 2020-2021: (Sum of Liability and Property)	\$1,607,000
(B) Estimated Claims Administration Fees Incurred in Accident Year 2020-2021: (Sum of Liability and Property)	0
(C) Total Claims Costs Incurred in Accident Year 2020-2021: ((A) + (B))	<u>\$1,607,000</u>
(D) Loss Discount Factor (Based on a Discount Rate of 2.0%.): ((E) / (C))	0.970
(E) Discounted Total Claims Costs Incurred in Accident Year 2020-2021: (Sum of Liability and Property)	<u>\$1,558,000</u>
	<u>Recommended</u> 80%
(F) Confidence Level Factor: ((H) / (E))	1.386
(G) Margin for Adverse Experience: (Sum of Liability and Property)	602,000
(H) Recommended Funding in 2020-2021 for Claims Costs and Other Expenses: ((E) + (G))	<u>\$2,160,000</u>

Santa Clara County Schools Insurance Group - Liability

Funding Guidelines for Outstanding Liabilities at
December 31, 2019

(A) Estimated Ultimate Losses Incurred through 12/31/19: (From Appendix F - GL)	\$5,381,000
(B) Estimated Paid Losses through 12/31/19: (From Appendix F - GL)	4,111,000
(C) Estimated Liability for Claims Outstanding at 12/31/19: (From Appendix F - GL)	\$1,270,000
(D) Estimated Liability for Outstanding Claims Administration Fees at 12/31/19: (Not Applicable)	0
(E) Total Outstanding Liability for Claims at 12/31/19: ((C) + (D))	\$1,270,000
(F) Reserve Discount Factor (Based on a Discount Rate of 2.0%.): (Appendix H - GL, Page 1, (G))	0.964
(G) Discounted Outstanding Liability for Claims at 12/31/19: ((E) x (F))	\$1,224,000

	Marginally Acceptable	75%	Recommended	85%	Conservative
Confidence Level of Adequacy:	70%	75%	80%	85%	90%
(H) Confidence Level Factor: (From Appendix I - GL)	1.123	1.177	1.241	1.319	1.423
(I) Margin for Adverse Experience: ((G) x [(H) - 1])	151,000	217,000	295,000	390,000	518,000
(J) Total Required Assets at 12/31/19: ((G) + (I))	\$1,375,000	\$1,441,000	\$1,519,000	\$1,614,000	\$1,742,000

Santa Clara County Schools Insurance Group - Liability

Funding Guidelines for Outstanding Liabilities at
June 30, 2020

(A) Estimated Ultimate Losses Incurred through 6/30/20: (From Appendix F - GL)	\$5,675,000
(B) Estimated Paid Losses through 6/30/20: (From Appendix F - GL)	4,427,000
(C) Estimated Liability for Claims Outstanding at 6/30/20: (From Appendix F - GL)	\$1,248,000
(D) Estimated Liability for Outstanding Claims Administration Fees at 6/30/20: (Not Applicable)	0
(E) Total Outstanding Liability for Claims at 6/30/20: ((C) + (D))	\$1,248,000
(F) Reserve Discount Factor (Based on a Discount Rate of 2.0%.): (Appendix H - GL, Page 1, (H))	0.965
(G) Discounted Outstanding Liability for Claims at 6/30/20: ((E) x (F))	\$1,204,000

	Marginally Acceptable	75%	Recommended 80%	85%	Conservative 90%
Confidence Level of Adequacy:	70%	75%	80%	85%	90%
(H) Confidence Level Factor: (From Appendix I - GL)	1.123	1.177	1.241	1.319	1.423
(I) Margin for Adverse Experience: ((G) x [(H) - 1])	148,000	213,000	290,000	384,000	509,000
(J) Total Required Assets at 6/30/20: ((G) + (I))	\$1,352,000	\$1,417,000	\$1,494,000	\$1,588,000	\$1,713,000

Santa Clara County Schools Insurance Group - Liability
Funding Options for Program Year 2020-2021 (SIR = \$100,000)

	Dollar Amount	ADA Rate			
(A) Estimated Ultimate Losses Incurred in Accident Year 2020-2021: (From Appendix F - GL)	\$600,000	\$9.182			
(B) Estimated Claims Administration Fees Incurred in Accident Year 2020-2021: (Not Applicable)	0	0.000			
(C) Total Claims Costs Incurred in Accident Year 2020-2021: ((A) + (B))	<u>\$600,000</u>	<u>\$9.182</u>			
(D) Loss Discount Factor (Based on a Discount Rate of 2.0%.): (Appendix H - GL, Page 2, (G))	0.959				
(E) Discounted Total Claims Costs Incurred in Accident Year 2020-2021: ((C) x (D))	<u>\$575,000</u>	<u>\$8.799</u>			
	Marginally Acceptable	75%	Recommended 80%	85%	Conservative 90%
(F) Confidence Level Factor: (From Appendix I - GL)	1.183	1.270	1.373	1.502	1.674
(G) Margin for Adverse Experience: ((E) x [(F) - 1])	105,000	155,000	214,000	289,000	388,000
(H) Recommended Funding in 2020-2021 for Claims Costs and Other Expenses: ((E) + (G))	<u>\$680,000</u>	<u>\$730,000</u>	<u>\$789,000</u>	<u>\$864,000</u>	<u>\$963,000</u>
(I) Rate per ADA: ((H) / \$65,345)	\$10.406	\$11.171	\$12.074	\$13.222	\$14.737

ADA rates are per 2020-2021 ADA of 65,345.

Santa Clara County Schools Insurance Group - Liability
Funding Options for Program Year 2020-2021 (SIR = \$250,000)

	Dollar Amount	ADA Rate			
(A) Estimated Ultimate Losses Incurred in Accident Year 2020-2021: (From Exhibit 5 - GL, Page 1)	\$817,000	\$12.503			
(B) Estimated Claims Administration Fees Incurred in Accident Year 2020-2021: (Not Applicable)	0	0.000			
(C) Total Claims Costs Incurred in Accident Year 2020-2021: ((A) + (B))	<u>\$817,000</u>	<u>\$12.503</u>			
(D) Loss Discount Factor (Based on a Discount Rate of 2.0%.): (Appendix H - GL, Page 2, (G))	0.959				
(E) Discounted Total Claims Costs Incurred in Accident Year 2020-2021: ((C) x (D))	<u>\$783,000</u>	<u>\$11.983</u>			
	<u>Marginally Acceptable</u>		<u>Recommended</u>		<u>Conservative</u>
	70%	75%	80%	85%	90%
(F) Confidence Level Factor: (From Appendix I - GL)	1.183	1.270	1.373	1.502	1.674
(G) Margin for Adverse Experience: ((E) x [(F) - 1])	143,000	211,000	292,000	393,000	528,000
(H) Recommended Funding in 2020-2021 for Claims Costs and Other Expenses: ((E) + (G))	<u>\$926,000</u>	<u>\$994,000</u>	<u>\$1,075,000</u>	<u>\$1,176,000</u>	<u>\$1,311,000</u>
(I) Rate per ADA: ((H) / 65,345)	\$14.171	\$15.212	\$16.451	\$17.997	\$20.063

ADA rates are per 2020-2021 ADA of 65,345.

Santa Clara County Schools Insurance Group - Liability
Funding Options for Program Year 2020-2021 (SIR = \$500,000)

	Dollar Amount	ADA Rate			
(A) Estimated Ultimate Losses Incurred in Accident Year 2020-2021: (From Exhibit 5 - GL, Page 1)	\$948,000	\$14.508			
(B) Estimated Claims Administration Fees Incurred in Accident Year 2020-2021: (Not Applicable)	0	0.000			
(C) Total Claims Costs Incurred in Accident Year 2020-2021: ((A) + (B))	<u>\$948,000</u>	<u>\$14.508</u>			
(D) Loss Discount Factor (Based on a Discount Rate of 2.0%.): (Appendix H - GL, Page 2, (G))	0.959				
(E) Discounted Total Claims Costs Incurred in Accident Year 2020-2021: ((C) x (D))	<u>\$909,000</u>	<u>\$13.911</u>			
	<u>Marginally Acceptable</u>		<u>Recommended</u>		<u>Conservative</u>
	70%	75%	80%	85%	90%
(F) Confidence Level Factor: (From Appendix I - GL)	1.183	1.270	1.373	1.502	1.674
(G) Margin for Adverse Experience: ((E) x [(F) - 1])	166,000	245,000	339,000	456,000	613,000
(H) Recommended Funding in 2020-2021 for Claims Costs and Other Expenses: ((E) + (G))	<u>\$1,075,000</u>	<u>\$1,154,000</u>	<u>\$1,248,000</u>	<u>\$1,365,000</u>	<u>\$1,522,000</u>
(I) Rate per ADA: ((H) / 65,345)	\$16.451	\$17.660	\$19.099	\$20.889	\$23.292

ADA rates are per 2020-2021 ADA of 65,345.

Payroll rates are per hundred dollars of 2020-2021 payroll of \$6,534,500.

Santa Clara County Schools Insurance Group - Liability

IBNR as of 6/30/20 at Expected Claims Level

Accident Year	Estimated Ultimate (A)	Reported as of 12/31/19 (B)	Estimated IBNR as of 12/31/19 (C)	Estimated Percent of IBNR Reported Between 1/1/20 and 6/30/20 (D)	Estimated IBNR Reported (E)	Estimated IBNR as of 6/30/20 (F)
2008-2009	\$190,591	\$190,591	\$0	100.0%	\$0	\$0
2009-2010	1,078,000	1,077,633	367	100.0%	367	0
2010-2011	500,472	500,472	0	100.0%	0	0
2011-2012	319,504	319,504	0	100.0%	0	0
2012-2013	257,795	257,795	0	100.0%	0	0
2013-2014	318,000	317,674	326	100.0%	326	0
2014-2015	351,316	351,316	0	100.0%	0	0
2015-2016	755,000	749,905	5,095	42.7%	2,000	3,095
2016-2017	277,000	270,178	6,822	29.1%	2,000	4,822
2017-2018	575,000	524,999	50,001	32.3%	16,000	34,001
2018-2019	464,000	293,144	170,856	32.7%	56,000	114,856
2019-2020	588,000	122,005	171,995	41.8%	195,000	270,995
Totals	\$5,674,678	\$4,975,216	\$405,462		\$271,693	\$427,769

Notes:

- (A) From Exhibit 4 - GL, Page 1.
 (B) Provided by the Group. These losses exclude amounts incurred above the Group's SIR for each year.
 (C) (A) - (B).
 (D) Percentage of incurred but not reported (IBNR) expected to be reported between 1/1/20 and 6/30/20. The percentage is based on the development pattern selected in Appendix A - GL.
 (E) ((A) - (B)) x (D).
 (F) (A) - (B) - (E).

This exhibit shows the calculation of the amount of incurred but not reported losses we expect as of 6/30/20. This amount is dependent on both the strength of the case reserves and the average frequency and severity of the losses incurred.

Santa Clara County Schools Insurance Group - Liability

Estimated Ultimate Program Losses

Accident Year	Reported Loss Development Method (A)	Paid Loss Development Method (B)	Exposure Method Based on Reported Losses (C)	Exposure Method Based on Paid Losses (D)	Frequency-Severity Method (E)	Selected Estimate of Ultimate Losses (F)
2008-2009	\$190,591	193,450	190,591	193,450	190,576	190,591
2009-2010	1,077,633	1,094,875	1,077,633	1,094,876	1,077,636	1,078,000
2010-2011	500,472	508,980	500,472	508,981	500,490	500,472
2011-2012	319,504	325,255	319,504	325,255	319,514	319,504
2012-2013	257,795	262,693	257,795	262,694	257,800	257,795
2013-2014	317,674	325,298	317,674	324,981	317,667	318,000
2014-2015	352,019	363,261	352,356	368,482	376,717	351,316
2015-2016	755,154	702,931	753,552	691,812	506,220	755,000
2016-2017	274,771	200,154	279,188	248,687	486,724	277,000
2017-2018	550,199	406,166	549,245	461,433	626,780	575,000
2018-2019	337,995	145,217	363,255	457,955	387,387	464,000
Totals						\$5,086,678
			Projected Losses for the Year 2019-2020 (G)			\$588,000
			Projected Losses for the Year 2020-2021 (H)			\$600,000

Notes:

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

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

Santa Clara County Schools Insurance Group - Liability

Estimated Ultimate Limited Losses Capped at \$100,000 per Claim

Accident Year	Reported Loss Development Method (A)	Paid Loss Development Method (B)	Exposure Method Based on Reported Losses (C)	Exposure Method Based on Paid Losses (D)	Frequency-Severity Method (E)	Selected Ultimate Limited Losses (F)	
2008-2009	\$190,591	\$193,450	\$190,591	\$193,450	\$190,576	\$190,591	
2009-2010	1,077,633	1,094,875	1,077,633	1,094,876	1,077,636	1,078,000	
2010-2011	500,472	508,980	500,472	508,981	500,490	500,472	
2011-2012	319,504	325,255	319,504	325,255	319,514	319,504	
2012-2013	257,795	262,693	257,795	262,694	257,800	257,795	
2013-2014	317,674	325,298	317,674	324,981	317,667	318,000	
2014-2015	352,019	363,261	352,356	368,482	376,717	351,316	
2015-2016	755,154	702,931	753,552	691,812	506,220	755,000	
2016-2017	274,771	200,154	279,188	248,687	486,724	277,000	
2017-2018	550,199	406,166	549,245	461,433	626,780	575,000	
2018-2019	337,995	145,217	363,255	457,955	387,387	464,000	
2019-2020	633,084	793,900	564,966	554,838	589,000	588,000	
Totals						\$5,674,678	
						Projected Losses for the Year 2019-2020 (G)	\$588,000
						Projected Losses for the Year 2020-2021 (H)	\$600,000

Notes:

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

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

Santa Clara County Schools Insurance Group - Liability

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

Accident Year	Ultimate Limited Losses (A)	Trend Factor (B)	Trended Limited Losses (C)	ADA (D)	Trended Limited Loss Rate (E)
2008-2009	\$190,591	1.243	\$236,905	\$65,974	\$3.591
2009-2010	1,078,000	1.219	1,314,082	66,915	19.638
2010-2011	500,472	1.195	598,064	67,335	8.882
2011-2012	319,504	1.172	374,459	67,177	5.574
2012-2013	257,795	1.149	296,206	67,793	4.369
2013-2014	318,000	1.126	358,068	68,189	5.251
2014-2015	351,316	1.105	388,204	68,425	5.673
2015-2016	755,000	1.083	817,665	67,179	12.171
2016-2017	277,000	1.061	293,897	66,942	4.390
2017-2018	575,000	1.041	598,575	65,323	9.163
2018-2019	464,000	1.020	473,280	64,013	7.393
2019-2020	588,000	1.000	588,000	65,345	8.998
Totals	\$5,674,678		\$6,337,405	800,610	\$7.916
15/16-19/20	2,659,000		2,771,417	328,802	8.429
			(F) Selected Limited Rate:		\$9.000
			Prior:		\$8.000
SIR			\$100,000	\$250,000	\$500,000
Program Year:		2019-2020	2020-2021	2020-2021	2020-2021
(G) Factor to SIR:		1.000	1.000	1.362	1.580
(H) Trend Factor:		1.000	1.020	1.020	1.020
(I) Program Rate:		\$9.000	\$9.180	\$12.508	\$14.501
(J) ADA:		65,345	65,345	65,345	65,345
(K) Projected Program Losses:		588,000	600,000	817,000	948,000

Notes appear on the next page.

Santa Clara County Schools Insurance Group - Liability

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

Notes:

- (A) From Exhibit 4 - GL, Page 2, Column (F).
For purposes of projecting future losses, losses are capped at \$100,000 per occurrence.
- (B) From Appendix E - GL, Page 1, Column (B).
- (C) $(A) \times (B)$.
- (D) From Appendix L - GL, Column (C).
- (E) $(C) / (D)$.
- (F) Selected based on (E).
- (G) Based on a Burr distribution, a mathematical model of claim sizes.
- (H) From Appendix E - GL.
- (I) $(F) \times (G) \times (H)$.
- (J) From Appendix L - GL, Column (C).
- (K) $(I) \times (J)$.
- (L) Based on an estimated claim closing pattern and the Group's historical claims administration expenses.
- (M) $(K) + (L)$.

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

Santa Clara County Schools Insurance Group - Liability

Reported Loss Development

Accident Year (A)	Limited Reported Losses as of 12/31/19 (B)	Reported Loss Development Factor (C)	Ultimate Limited Losses (D)	Program Reported Losses of 12/31/19 (E)	Reported Loss Development Factor (F)	Ultimate Program Losses (G)
2008-2009	\$190,591	1.000	\$190,591	\$190,591	1.000	\$190,591
2009-2010	1,077,633	1.000	1,077,633	1,077,633	1.000	1,077,633
2010-2011	500,472	1.000	500,472	500,472	1.000	500,472
2011-2012	319,504	1.000	319,504	319,504	1.000	319,504
2012-2013	257,795	1.000	257,795	257,795	1.000	257,795
2013-2014	317,674	1.000	317,674	317,674	1.000	317,674
2014-2015	351,316	1.002	352,019	351,316	1.002	352,019
2015-2016	749,905	1.007	755,154	749,905	1.007	755,154
2016-2017	270,178	1.017	274,771	270,178	1.017	274,771
2017-2018	524,999	1.048	550,199	524,999	1.048	550,199
2018-2019	293,144	1.153	337,995	293,144	1.153	337,995
2019-2020	122,005	5.189	633,084	122,005	5.189	633,084
Totals	\$4,975,216		\$5,566,891	\$4,975,216		\$5,566,891

Notes:

- (A) Years are 7/1 to 6/30.
- (B) Provided by the Group. These losses exclude amounts over \$100,000 per occurrence.
- (C) From Appendix A - GL, Page 2.
- (D) (B) x (C). These estimated losses exclude amounts over \$100,000 per occurrence.
- (E) Losses capped at the Group's SIR. Amounts are provided by the Group.
- (F) Derived from factors on Appendix A - GL, Page 3.
- (G) (E) x (F).

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

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

Santa Clara County Schools Insurance Group - Liability
Reported Loss Development

Accident Year	<u>Limited Losses Reported as of:</u>										
	6 Months	18 Months	30 Months	42 Months	54 Months	66 Months	78 Months	90 Months	102 Months	114 Months	126 Months
2008-2009						190,591	190,591	190,591	190,591	190,591	190,591
2009-2010					1,035,064	977,633	977,633	977,633	977,633	977,633	1,077,633
2010-2011				594,729	500,472	500,472	500,472	500,472	500,472	500,472	
2011-2012			377,300	333,173	333,376	319,340	319,340	319,504	319,504		
2012-2013		309,397	349,089	254,010	258,531	257,795	257,795	257,795			
2013-2014	66,533	328,535	334,198	324,198	315,931	328,594	317,674				
2014-2015	118,947	411,487	554,987	484,133	350,506	351,316					
2015-2016	110,185	577,813	595,355	736,843	749,905						
2016-2017	99,763	266,121	269,363	270,178							
2017-2018	159,160	591,780	524,999								
2018-2019	6,283	293,144									
2019-2020	122,005										

	<u>Reported Loss Development Factors:</u>										
	6-18 Months	18-30 Months	30-42 Months	42-54 Months	54-66 Months	66-78 Months	78-90 Months	90-102 Months	102-114 Months	114-126 Months	126-138 Months
2008-2009						1.000	1.000	1.000	1.000	1.000	1.000
2009-2010					0.945	1.000	1.000	1.000	1.000	1.102	
2010-2011				0.842	1.000	1.000	1.000	1.000	1.000		
2011-2012			0.883	1.001	0.958	1.000	1.001	1.000			
2012-2013		1.128	0.728	1.018	0.997	1.000	1.000				
2013-2014	4.938	1.017	0.970	0.975	1.040	0.967					
2014-2015	3.459	1.349	0.872	0.724	1.002						
2015-2016	5.244	1.030	1.238	1.018							
2016-2017	2.668	1.012	1.003								
2017-2018	3.718	0.887									
2018-2019	46.657										

	6-18 Months	18-30 Months	30-42 Months	42-54 Months	54-66 Months	66-78 Months	78-90 Months	90-102 Months	102-114 Months	114-126 Months	126-138 Months
Average Dollar-Weighted Averages	11.114	1.071	0.949	0.930	0.990	0.995	1.000	1.000	1.000	1.051	1.000
3-yr	4.340	0.968	1.050	0.917	1.014	0.988	1.000	1.000	1.000		
4-yr	4.605	1.053	1.035	0.931	0.999	0.992	1.000	1.000			
Comparative Factors	3.615	1.508	1.089	1.029	1.015	1.008	1.006	1.003	1.002	1.001	1.000
Prior	4.000	1.125	1.025	1.010	1.005	1.002	1.000	1.000	1.000	1.000	1.000
Selected	4.500	1.100	1.030	1.010	1.005	1.002	1.000	1.000	1.000	1.000	1.000
Cumulated	5.189	1.153	1.048	1.017	1.007	1.002	1.000	1.000	1.000	1.000	1.000

Santa Clara County Schools Insurance Group - Liability
Reported between \$100,000 and \$500,000 Loss Development

Accident Year	<u>Losses Reported as of:</u>										
	6 Months	18 Months	30 Months	42 Months	54 Months	66 Months	78 Months	90 Months	102 Months	114 Months	126 Months
2009-2010					470,248	531,271	392,740	392,740	392,740	392,740	792,740
2010-2011				448,030	288,880	213,157	213,157	213,157	213,157	213,157	
2011-2012			210,000	180,000	160,349	150,349	150,349	150,349	150,349		
2012-2013				25,000	125,039	186,305	186,305	186,305			
2013-2014		25,000	80,000	135,000	85,000	85,000	85,000				
2014-2015		400,000	455,000	435,932	430,932	430,932					
2015-2016		475,000	283,966	248,966	436,367						
2016-2017											
2017-2018	170,000	620,500	458,203								
2018-2019											
2019-2020											
	<u>Reported Loss Development Factors:</u>										
	6-18 Months	18-30 Months	30-42 Months	42-54 Months	54-66 Months	66-78 Months	78-90 Months	90-102 Months	102-114 Months	114-126 Months	126-Ult. Months
2009-2010					1.130	0.739	1.000	1.000	1.000	2.018	
2010-2011				0.645	0.738	1.000	1.000	1.000	1.000		
2011-2012			0.857	0.891	0.938	1.000	1.000	1.000			
2012-2013				5.002	1.490	1.000	1.000				
2013-2014		3.200	1.688	0.630	1.000	1.000					
2014-2015		1.138	0.958	0.989	1.000						
2015-2016		0.598	0.877	1.753							
2016-2017											
2017-2018	3.650	0.738									
2018-2019											
Average Dollar-Weighted Averages	3.650	1.419	1.095	1.652	1.049	0.948	1.000	1.000	1.000	2.018	
3-yr				1.161	1.096	1.000	1.000	1.000			
4-yr				1.275	1.064	1.000	1.000				
Comparative Factors	5.089	2.562	1.582	1.187	1.068	1.036	1.023	1.010	1.003	1.000	1.000
Prior	4.611	1.861	1.298	1.135	1.045	1.025	1.013	1.004	1.002	1.000	
Selected	4.850	2.212	1.440	1.161	1.057	1.031	1.018	1.007	1.003	1.000	1.000
Cumulated	20.069	4.138	1.871	1.299	1.119	1.059	1.028	1.010	1.003	1.000	1.000

Santa Clara County Schools Insurance Group - Liability

Paid Loss Development

Accident Year (A)	Limited Paid Losses as of 12/31/19 (B)	Paid Loss Development Factor (C)	Ultimate Limited Losses (D)	Program Paid Losses of 12/31/19 (E)	Paid Loss Development Factor (F)	Ultimate Program Losses (G)
2008-2009	\$190,591	1.015	\$193,450	\$190,591	1.015	\$193,450
2009-2010	1,077,633	1.016	1,094,875	1,077,633	1.016	1,094,875
2010-2011	500,472	1.017	508,980	500,472	1.017	508,980
2011-2012	319,504	1.018	325,255	319,504	1.018	325,255
2012-2013	257,795	1.019	262,693	257,795	1.019	262,693
2013-2014	317,674	1.024	325,298	317,674	1.024	325,298
2014-2015	351,316	1.034	363,261	351,316	1.034	363,261
2015-2016	660,029	1.065	702,931	660,029	1.065	702,931
2016-2017	170,780	1.172	200,154	170,780	1.172	200,154
2017-2018	220,025	1.846	406,166	220,025	1.846	406,166
2018-2019	26,222	5.538	145,217	26,222	5.538	145,217
2019-2020	19,114	41.535	793,900	19,114	41.535	793,900
Totals	\$4,111,155		\$5,322,180	\$4,111,155		\$5,322,180

Notes:

- (A) Years are 7/1 to 6/30.
- (B) Provided by the Group. These losses exclude amounts over \$100,000 per occurrence.
- (C) From Appendix B - GL, Page 2.
- (D) (B) x (C). These estimated losses exclude amounts over \$100,000 per occurrence.
- (E) Losses capped at the Group's SIR. Amounts are provided by the Group.
- (F) Derived from factors on Appendix B - GL, Page 3.
- (G) (E) x (F).

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

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

Santa Clara County Schools Insurance Group - Liability
Paid Loss Development

Accident Year	<u>Limited Losses Paid as of:</u>										
	6 Months	18 Months	30 Months	42 Months	54 Months	66 Months	78 Months	90 Months	102 Months	114 Months	126 Months
2008-2009						190,591	190,591	190,591	190,591	190,591	190,591
2009-2010					906,468	977,633	977,633	977,633	977,633	977,633	1,077,633
2010-2011				454,896	500,472	500,472	500,472	500,472	500,472	500,472	
2011-2012			201,420	234,380	314,318	319,340	319,340	319,504	319,504		
2012-2013		84,771	142,560	234,096	258,531	257,795	257,795	257,795			
2013-2014	1,485	54,155	234,680	281,544	287,511	317,674	317,674				
2014-2015	10,030	58,530	213,390	330,097	350,506	351,316					
2015-2016	4,375	118,489	245,864	473,960	660,029						
2016-2017	18,894	59,621	146,592	170,780							
2017-2018	7,682	51,246	220,025								
2018-2019	3,283	26,222									
2019-2020	19,114										

	<u>Paid Loss Development Factors:</u>										
	6-18 Months	18-30 Months	30-42 Months	42-54 Months	54-66 Months	66-78 Months	78-90 Months	90-102 Months	102-114 Months	114-126 Months	126-138 Months
2008-2009						1.000	1.000	1.000	1.000	1.000	1.000
2009-2010					1.079	1.000	1.000	1.000	1.000	1.102	
2010-2011				1.100	1.000	1.000	1.000	1.000	1.000		
2011-2012			1.164	1.341	1.016	1.000	1.001	1.000			
2012-2013		1.682	1.642	1.104	0.997	1.000	1.000				
2013-2014	36.468	4.333	1.200	1.021	1.105	1.000					
2014-2015	5.835	3.646	1.547	1.062	1.002						
2015-2016	27.083	2.075	1.928	1.393							
2016-2017	3.156	2.459	1.165								
2017-2018	6.671	4.294									
2018-2019	7.987										

	6-18 Months	18-30 Months	30-42 Months	42-54 Months	54-66 Months	66-78 Months	78-90 Months	90-102 Months	102-114 Months	114-126 Months	126-138 Months
Average Dollar-Weighted Averages	14.533	3.082	1.441	1.170	1.033	1.000	1.000	1.000	1.000	1.051	1.000
3-yr	4.591	2.670	1.609	1.196	1.034	1.000	1.000	1.000	1.000		
4-yr	7.466	2.869	1.495	1.179	1.029	1.000	1.000	1.000			
Comparative Factors	5.444	2.590	1.578	1.176	1.051	1.022	1.018	1.012	1.010	1.008	1.008
Prior	7.500	2.750	1.575	1.100	1.030	1.010	1.005	1.001	1.001	1.001	1.001
Selected	7.500	3.000	1.575	1.100	1.030	1.010	1.005	1.001	1.001	1.001	1.001
Cumulated	41.535	5.538	1.846	1.172	1.065	1.034	1.024	1.019	1.018	1.017	1.016

Santa Clara County Schools Insurance Group - Liability
Paid between \$100,000 and \$500,000 Loss Development

Accident Year	<u>Losses Paid as of:</u>										
	6 Months	18 Months	30 Months	42 Months	54 Months	66 Months	78 Months	90 Months	102 Months	114 Months	126 Months
2009-2010					325,751	371,380	392,740	392,740	392,740	392,740	404,990
2010-2011				197,860	212,259	213,157	213,157	213,157	213,157	213,157	
2011-2012					150,349	150,349	150,349	150,349	150,349	150,349	
2012-2013					125,039	186,305	186,305	186,305			
2013-2014				36,090	59,082	59,594	68,349				
2014-2015				430,932	430,932	430,932					
2015-2016			61,693	113,921	435,792						
2016-2017											
2017-2018			400,000								
2018-2019											
2019-2020											

	<u>Paid Loss Development Factors:</u>										
	6-18 Months	18-30 Months	30-42 Months	42-54 Months	54-66 Months	66-78 Months	78-90 Months	90-102 Months	102-114 Months	114-126 Months	126-Ult. Months
2009-2010					1.140	1.058	1.000	1.000	1.000	1.031	
2010-2011				1.073	1.004	1.000	1.000	1.000	1.000		
2011-2012					1.000	1.000	1.000	1.000			
2012-2013					1.490	1.000	1.000				
2013-2014				1.637	1.009	1.147					
2014-2015				1.000	1.000						
2015-2016			1.847	3.825							
2016-2017											
2017-2018											
2018-2019											

	6-18 Months	18-30 Months	30-42 Months	42-54 Months	54-66 Months	66-78 Months	78-90 Months	90-102 Months	102-114 Months	114-126 Months	126-Ult. Months
Average Dollar-Weighted Averages			1.847	1.884	1.107	1.041	1.000	1.000	1.000	1.031	
3-yr Comparative Factors				1.594	1.100	1.022	1.000	1.000			
4-yr Comparative Factors					1.081	1.014	1.000				
Prior	41.014	5.610	2.561	1.589	1.205	1.087	1.052	1.025	1.018	1.012	1.054
Selected	9.143	3.115	1.786	1.350	1.168	1.090	1.065	1.042	1.030	1.064	
Cumulated	25.079	4.363	2.174	1.470	1.187	1.089	1.059	1.034	1.024	1.012	1.054
	539.815	21.525	4.934	2.270	1.545	1.302	1.196	1.130	1.093	1.067	1.054

Santa Clara County Schools Insurance Group - Liability

Exposure and Development Method
Based on Reported Losses

Accident Year	ADA (A)	Reported Losses as of 12/31/19 (B)	Loss Development Factor (C)	Percentage of Losses Yet to Be Reported (D)	Program Rate (E)	Incurred but not Reported (IBNR) (F)	Ultimate Program Losses (G)
2008-2009	\$65,974	\$190,591	1.000	0.000	\$2.889	\$0	\$190,591
2009-2010	66,915	1,077,633	1.000	0.000	16.105	0	1,077,633
2010-2011	67,335	500,472	1.000	0.000	7.433	0	500,472
2011-2012	67,177	319,504	1.000	0.000	4.756	0	319,504
2012-2013	67,793	257,795	1.000	0.000	3.803	0	257,795
2013-2014	68,189	317,674	1.000	0.000	4.659	0	317,674
2014-2015	68,425	351,316	1.002	0.002	7.602	1,040	352,356
2015-2016	67,179	749,905	1.007	0.007	7.756	3,647	753,552
2016-2017	66,942	270,178	1.017	0.017	7.917	9,010	279,188
2017-2018	65,323	524,999	1.048	0.046	8.069	24,246	549,245
2018-2019	64,013	293,144	1.153	0.133	8.235	70,111	363,255
2019-2020	65,345	122,005	5.189	0.807	8.400	442,961	564,966
Totals	800,610	\$4,975,216				\$551,015	\$5,526,231

Notes:

- (A) From Appendix L - GL, Column (C).
- (B) Provided by the Group. These losses exclude amounts incurred above the Group's SIR for each year.
- (C) From Appendix A - GL, Page 1, Column (F).
- (D) $1 - 1 / (C)$.
- (E) From Appendix C - GL, Page 3, Column (H).
- (F) $(A) \times (D) \times (E)$.
- (G) $(B) + (F)$.

This exhibit shows the calculation of ultimate losses based on the assumption that there is an underlying relationship between losses and exposure that changes in regular ways over time. The method relies on the premise that the losses that are currently unreported will cost what this relationship would suggest.

Santa Clara County Schools Insurance Group - Liability

Exposure and Development Method
Based on Paid Losses

Accident Year	ADA (A)	Paid Losses as of 12/31/19 (B)	Loss Development Factor (C)	Percentage of Losses Yet to Be Paid (D)	Program Rate (E)	Incurred but not Paid (F)	Ultimate Program Losses (G)
2008-2009	\$65,974	\$190,591	1.015	0.015	\$2.889	\$2,859	\$193,450
2009-2010	66,915	1,077,633	1.016	0.016	16.105	17,243	1,094,876
2010-2011	67,335	500,472	1.017	0.017	7.433	8,509	508,981
2011-2012	67,177	319,504	1.018	0.018	4.756	5,751	325,255
2012-2013	67,793	257,795	1.019	0.019	3.803	4,899	262,694
2013-2014	68,189	317,674	1.024	0.023	4.659	7,307	324,981
2014-2015	68,425	351,316	1.034	0.033	7.602	17,166	368,482
2015-2016	67,179	660,029	1.065	0.061	7.756	31,783	691,812
2016-2017	66,942	170,780	1.172	0.147	7.917	77,907	248,687
2017-2018	65,323	220,025	1.846	0.458	8.069	241,408	461,433
2018-2019	64,013	26,222	5.538	0.819	8.235	431,733	457,955
2019-2020	65,345	19,114	41.535	0.976	8.400	535,724	554,838
Totals	800,610	\$4,111,155				\$1,382,289	\$5,493,444

Notes:

- (A) From Appendix L - GL, Column (C).
- (B) Provided by the Group. These losses exclude amounts paid above the Group's SIR for each year.
- (C) From Appendix B - GL, Page 1, Column (F).
- (D) $1 - 1 / (C)$.
- (E) From Appendix C - GL, Page 3, Column (H).
- (F) $(A) \times (D) \times (E)$.
- (G) $(B) + (F)$.

This exhibit shows the calculation of ultimate losses based on the assumption that there is an underlying relationship between losses and exposure that changes in regular ways over time. The method relies on the premise that the losses that are currently unpaid will cost what this relationship would suggest.

Santa Clara County Schools Insurance Group - Liability

Exposure and Development Method

Accident Year	ADA (A)	Ultimate Limited Losses (B)	Trend Factor (C)	Trended Limited Losses (D)	Trended Limited Loss Rate (E)	Limited Loss Rate (F)	Factor to SIR (G)	Program Loss Rate (H)
2008-2009	\$65,974	\$190,591	1.243	\$236,905	\$3.591	\$2.889	1.000	\$2.889
2009-2010	66,915	1,077,633	1.219	1,313,635	19.631	16.105	1.000	16.105
2010-2011	67,335	500,472	1.195	598,064	8.882	7.433	1.000	7.433
2011-2012	67,177	319,504	1.172	374,459	5.574	4.756	1.000	4.756
2012-2013	67,793	257,795	1.149	296,206	4.369	3.803	1.000	3.803
2013-2014	68,189	317,674	1.126	357,701	5.246	4.659	1.000	4.659
2014-2015	68,425	351,316	1.105	388,204	5.673	7.602	1.000	7.602
2015-2016	67,179	755,000	1.083	817,665	12.171	7.756	1.000	7.756
2016-2017	66,942	275,000	1.061	291,775	4.359	7.917	1.000	7.917
2017-2018	65,323	550,000	1.041	572,550	8.765	8.069	1.000	8.069
2018-2019	64,013	338,000	1.020	344,760	5.386	8.235	1.000	8.235
2019-2020	65,345	633,000	1.000	633,000	9.687	8.400	1.000	8.400
Total/Avg	800,610	\$5,565,985		\$6,224,924	\$7.775			
14/15-18/19	331,882	2,269,316		2,414,954	7.277			
15/16-18/19	263,457	1,918,000		2,026,750	7.693			
				Selected Limited Rate:	\$8.400			
				Prior:	\$7.650			

Notes:

- (A) From Appendix L - GL, Column (C).
- (B) Selected average of results from Appendices A and B.
- (C) From Appendix E - GL, Page 1, Column (B).
- (D) (B) x (C).
- (E) (D) / (A).
- (F) Selected Limited Rate / (C). For 2013-2014 and prior (B) / (A).
- (G) Based on a Burr distribution, a mathematical model of claim sizes.
- (H) (F) x (G).

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

Santa Clara County Schools Insurance Group - Liability

Frequency and Severity Method

Accident Year	Ultimate Program Severity (A)	Adjusted Ultimate Claims (B)	Ultimate Program Losses (C)
2008-2009	\$4,432	43	\$190,576
2009-2010	25,658	42	1,077,636
2010-2011	11,122	45	500,490
2011-2012	12,289	26	319,514
2012-2013	6,445	40	257,800
2013-2014	15,127	21	317,667
2014-2015	16,379	23	376,717
2015-2016	16,874	30	506,220
2016-2017	17,383	28	486,724
2017-2018	17,908	35	626,780
2018-2019	18,447	21	387,387
2019-2020	19,000	31	589,000
Total		385	\$5,636,511

Notes:

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

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

Santa Clara County Schools Insurance Group - Liability

Frequency and Severity Method

Accident Year	Ultimate Limited Losses (A)	Adjusted Ultimate Claims (B)	Ultimate Limited Severity (C)	Trend Factor (D)	Trended Limited Severity (E)	Limited Severity (F)	Factor to SIR (G)	Program Severity (H)
2008-2009	\$190,591	43	\$4,432	1.385	\$6,138	\$4,432	1.000	\$4,432
2009-2010	1,077,633	42	25,658	1.345	34,510	25,658	1.000	25,658
2010-2011	500,472	45	11,122	1.306	14,525	11,122	1.000	11,122
2011-2012	319,504	26	12,289	1.267	15,570	12,289	1.000	12,289
2012-2013	257,795	40	6,445	1.231	7,934	6,445	1.000	6,445
2013-2014	317,674	21	15,127	1.195	18,077	15,127	1.000	15,127
2014-2015	351,316	23	15,275	1.160	17,719	16,379	1.000	16,379
2015-2016	755,000	30	25,167	1.126	28,338	16,874	1.000	16,874
2016-2017	277,000	28	9,893	1.093	10,813	17,383	1.000	17,383
2017-2018	550,000	35	15,714	1.061	16,673	17,908	1.000	17,908
2018-2019	411,000	21	19,571	1.030	20,158	18,447	1.000	18,447
2019-2020	560,000	31	18,065	1.000	18,065	19,000	1.000	19,000

Average Limited Severity: \$17,377
 Average 13/14-17/18 Limited Severity: 18,324
 Average 14/15-18/19 Limited Severity: 18,740

 Selected Limited Severity: \$19,000
 Prior: \$17,500

Notes:

- (A) Selected average of results from Appendices A, B, and C.
- (B) Appendix D - GL, Page 3, Column (C).
- (C) (A) / (B).
- (D) From Appendix E - GL, Page 1, Column (J).
- (E) (C) x (D).
- (F) Selected Limited Severity / (D).
- (G) Based on a Burr distribution, a mathematical model of claim sizes.
- (H) (F) x (G).

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

Santa Clara County Schools Insurance Group - Liability

Frequency and Severity Method
Reported Claim Count Development

Accident Year	Claims Reported as of 12/31/2019 (A)	Reported Claim Development Factor (B)	Ultimate Claims (C)	Trended Claim Frequency (D)
2008-2009	43	1.000	43	5.840
2009-2010	42	1.000	42	5.680
2010-2011	45	1.000	45	6.108
2011-2012	26	1.000	26	3.576
2012-2013	40	1.000	40	5.505
2013-2014	21	1.000	21	2.901
2014-2015	23	1.000	23	3.200
2015-2016	30	1.000	30	4.292
2016-2017	28	1.005	28	4.057
2017-2018	35	1.013	35	5.245
2018-2019	21	1.023	21	3.248
2019-2020	9	2.558	23	3.520
Total	363		377	4.431

Notes:

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

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

Santa Clara County Schools Insurance Group - Liability

Frequency and Severity Method
Closed Claim Count Development

Accident Year	Claims Closed as of 12/31/2019 (A)	Closed Claim Development Factor (B)	Ultimate Claims (C)	Trended Claim Frequency (D)
2008-2009	43	1.008	43	5.840
2009-2010	41	1.009	41	5.545
2010-2011	45	1.010	45	6.108
2011-2012	26	1.012	26	3.576
2012-2013	40	1.015	41	5.643
2013-2014	20	1.020	20	2.763
2014-2015	23	1.046	24	3.339
2015-2016	29	1.083	31	4.435
2016-2017	24	1.164	28	4.057
2017-2018	26	1.280	33	4.946
2018-2019	14	1.664	23	3.557
2019-2020	1	16.640	17	2.602
Total	332		372	4.369

Notes:

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

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

Santa Clara County Schools Insurance Group - Liability
Reported Claim Count Development

Claims Reported as of:

Accident Year	6 Months	18 Months	30 Months	42 Months	54 Months	66 Months	78 Months	90 Months	102 Months	114 Months	126 Months	138 Months
2008-2009						43	43	43	43	43	43	43
2009-2010					41	41	41	41	41	41	41	43
2010-2011				45	45	45	45	45	45	45	45	
2011-2012			26	26	26	26	26	26	26	26		
2012-2013		36	41	40	40	40	40	40				
2013-2014	7	23	20	20	21	21	21					
2014-2015	10	24	23	23	23	23						
2015-2016	12	27	30	30	30							
2016-2017	16	28	27	28								
2017-2018	17	38	35									
2018-2019	5	21										
2019-2020	9											

Reported Claim Count Development Factors:

	6-18 Months	18-30 Months	30-42 Months	42-54 Months	54-66 Months	66-78 Months	78-90 Months	90-102 Months	102-114 Months	114-126 Months	126-138 Months	138-Ult. Months
2008-2009						1.000	1.000	1.000	1.000	1.000	1.000	
2009-2010					1.000	1.000	1.000	1.000	1.000	1.024		
2010-2011				1.000	1.000	1.000	1.000	1.000	1.000			
2011-2012			1.000	1.000	1.000	1.000	1.000	1.000				
2012-2013		1.139	0.976	1.000	1.000	1.000	1.000					
2013-2014	3.286	0.870	1.000	1.050	1.000	1.000						
2014-2015	2.400	0.958	1.000	1.000	1.000							
2015-2016	2.250	1.111	1.000	1.000								
2016-2017	1.750	0.964	1.037									
2017-2018	2.235	0.921										
2018-2019	4.200											
Average	2.687	0.994	1.002	1.008	1.000	1.000	1.000	1.000	1.000	1.012	1.000	
Claim-Weighted Averages												
3-yr	2.289	0.989	1.013	1.014	1.000	1.000	1.000	1.000	1.000			
4-yr	2.280	0.983	1.010	1.009	1.000	1.000	1.000	1.000				
Comparative Factors	2.633	1.136	1.018	1.005	1.005	1.004	1.004	1.002	1.002	1.001	1.000	1.000
Prior	2.500	1.010	1.005	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Selected	2.500	1.010	1.008	1.005	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Cumulated	2.558	1.023	1.013	1.005	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Santa Clara County Schools Insurance Group - Liability
Closed Claim Development

Accident Year	<u>Claims Closed as of:</u>											
	6 Months	18 Months	30 Months	42 Months	54 Months	66 Months	78 Months	90 Months	102 Months	114 Months	126 Months	138 Months
2008-2009						43	43	43	43	43	43	43
2009-2010					37	39	41	41	41	41	41	43
2010-2011				43	44	45	45	45	45	45	45	
2011-2012			23	24	25	26	26	26	26	26		
2012-2013		29	34	37	40	40	40	40				
2013-2014		12	17	17	18	19	20					
2014-2015	2	15	17	19	23	23						
2015-2016	1	15	18	22	29							
2016-2017	2	17	22	24								
2017-2018	1	22	26									
2018-2019	1	14										
2019-2020	1											

Closed Claim Count Development Factors:

	6-18 Months	18-30 Months	30-42 Months	42-54 Months	54-66 Months	66-78 Months	78-90 Months	90-102 Months	102-114 Months	114-126 Months	126-138 Months	138-Ult. Months
2008-2009						1.000	1.000	1.000	1.000	1.000	1.000	
2009-2010					1.054	1.051	1.000	1.000	1.000	1.000		
2010-2011				1.023	1.023	1.000	1.000	1.000	1.000			
2011-2012			1.043	1.042	1.040	1.000	1.000	1.000				
2012-2013		1.172	1.088	1.081	1.000	1.000	1.000					
2013-2014		1.417	1.000	1.059	1.056	1.053						
2014-2015	7.500	1.133	1.118	1.211	1.000							
2015-2016	15.000	1.200	1.222	1.318								
2016-2017	8.500	1.294	1.091									
2017-2018	22.000	1.182										
2018-2019	14.000											
Average Claim-Weighted Averages	13.400	1.233	1.094	1.122	1.029	1.017	1.000	1.000	1.000	1.000	1.000	
3-yr	13.250	1.222	1.140	1.207	1.012	1.012	1.000	1.000	1.000			
4-yr	13.600	1.203	1.108	1.158	1.019	1.008	1.000	1.000				
Comparative Factors	3.387	1.495	1.122	1.051	1.033	1.020	1.012	1.010	1.007	1.005	1.005	1.015
Prior	8.000	1.400	1.100	1.050	1.035	1.025	1.005	1.003	1.002	1.001	1.009	
Selected	10.000	1.300	1.100	1.075	1.035	1.025	1.005	1.003	1.002	1.001	1.001	1.008
Cumulated	16.640	1.664	1.280	1.164	1.083	1.046	1.020	1.015	1.012	1.010	1.009	1.008

Santa Clara County Schools Insurance Group - Liability

Loss Trend Factors

Accident Year	Benefit Level Factor (A)	Factor to 2019-2020 Loss Rate Level (B)	Factor to 2020-2021 Loss Rate Level (C)	Factor to 2021-2022 Loss Rate Level (D)	Factor to 2022-2023 Loss Rate Level (E)	Factor to 2019-2020 Frequency Level (F)	Factor to 2020-2021 Frequency Level (G)	Factor to 2021-2022 Frequency Level (H)	Factor to 2022-2023 Frequency Level (I)	Factor to 2019-2020 Severity Level (J)
1998-1999	1.000	1.516	1.546	1.576	1.608	0.810	0.802	0.794	0.786	1.862
1999-2000	1.000	1.485	1.515	1.545	1.576	0.819	0.810	0.802	0.794	1.808
2000-2001	1.000	1.456	1.486	1.515	1.545	0.827	0.818	0.810	0.802	1.755
2001-2002	1.000	1.428	1.457	1.485	1.515	0.835	0.827	0.818	0.810	1.704
2002-2003	1.000	1.400	1.428	1.456	1.485	0.843	0.835	0.826	0.818	1.654
2003-2004	1.000	1.372	1.400	1.427	1.456	0.852	0.843	0.834	0.826	1.606
2004-2005	1.000	1.345	1.372	1.399	1.427	0.860	0.851	0.842	0.834	1.559
2005-2006	1.000	1.319	1.345	1.372	1.399	0.868	0.859	0.851	0.842	1.513
2006-2007	1.000	1.293	1.319	1.345	1.372	0.877	0.868	0.860	0.851	1.469
2007-2008	1.000	1.268	1.293	1.319	1.345	0.887	0.878	0.869	0.860	1.426
2008-2009	1.000	1.243	1.268	1.293	1.319	0.896	0.887	0.878	0.869	1.385
2009-2010	1.000	1.219	1.243	1.268	1.293	0.905	0.896	0.887	0.878	1.345
2010-2011	1.000	1.195	1.219	1.243	1.268	0.914	0.905	0.896	0.887	1.306
2011-2012	1.000	1.172	1.195	1.219	1.243	0.924	0.914	0.905	0.896	1.267
2012-2013	1.000	1.149	1.172	1.195	1.219	0.933	0.923	0.914	0.905	1.231
2013-2014	1.000	1.126	1.149	1.172	1.195	0.942	0.933	0.923	0.914	1.195
2014-2015	1.000	1.105	1.127	1.149	1.172	0.952	0.942	0.932	0.923	1.160
2015-2016	1.000	1.083	1.105	1.126	1.149	0.961	0.951	0.941	0.932	1.126
2016-2017	1.000	1.061	1.083	1.104	1.126	0.970	0.960	0.951	0.941	1.093
2017-2018	1.000	1.041	1.062	1.082	1.104	0.979	0.969	0.960	0.950	1.061
2018-2019	1.000	1.020	1.040	1.061	1.082	0.990	0.980	0.970	0.960	1.030
2019-2020	1.000	1.000	1.020	1.040	1.061	1.000	0.990	0.980	0.970	1.000
2020-2021	1.000	--	1.000	1.020	1.040	--	1.000	0.990	0.980	--
2021-2022	1.000	--	--	1.000	1.020	--	--	1.000	0.990	--
2022-2023	1.000	--	--	--	1.000	--	--	--	1.000	--

Notes:

- (A) No benefit level adjustment applied.
- (B) - (E) (A) adjusted for a 2.0% annual loss rate trend.
- (F) - (I) (A) adjusted for a -1.0% annual frequency trend.
- (J) (A) adjusted for a 3.0% annual severity trend.

This exhibit shows the calculation of the ways in which we expect claims costs to have changed over the past twenty years due to changes in inflation.

Santa Clara County Schools Insurance Group - Liability

Residual Trend Factors

Accident Year	Initial Estimate of Ultimate Limited Losses (A)	Ultimate Reported Claims (B)	BLF (C)	Adjusted Limited Severity (D)	ADA (E)	Ultimate Frequency (F)
2008-2009	190,591	43	1.000	4,432	65,974	6.518
2009-2010	1,077,633	42	1.000	25,658	66,915	6.277
2010-2011	500,472	45	1.000	11,122	67,335	6.683
2011-2012	319,504	26	1.000	12,289	67,177	3.870
2012-2013	257,795	40	1.000	6,445	67,793	5.900
2013-2014	317,674	21	1.000	15,127	68,189	3.080
2014-2015	351,316	23	1.000	15,275	68,425	3.361
2015-2016	755,000	30	1.000	25,167	67,179	4.466
2016-2017	275,000	28	1.000	9,821	66,942	4.183
2017-2018	550,000	35	1.000	15,714	65,323	5.358
2018-2019	338,000	21	1.000	16,095	64,013	3.281

	<u>Severity Trend Factors</u>	<u>Frequency Trend Factors</u>
Latest 9 x 2018-2019	0.999	0.962
Latest 5 x 2018-2019	0.964	1.142
Prior	1.030	0.975
Default	1.030	0.975
Selected Residual Trend	1.030	0.990

Notes:

- (A) Selected average of results from Appendix A - GL and Appendix B - GL.
- (B) Appendix D - GL, Page 3, Column (C).
- (C) Appendix E - GL, Page 1, (A).
- (D) $(A) \times (C) / (B)$.
- (E) From Appendix L - GL, Column (C).
- (F) $(B) / (E) \times 10,000$.

Santa Clara County Schools Insurance Group - Liability

Payment and Reserve Forecast

<u>Accident Year</u>	<u>As of</u> <u>12/31/2019</u>	<u>Calendar Period</u>	
		<u>1/1/2020</u> <u>to</u> <u>6/30/2020</u>	<u>7/1/2020</u> <u>to</u> <u>6/30/2021</u>
2008-2009			
Ultimate Loss	\$190,591	\$190,591	\$190,591
Paid in Calendar Period	-		
Paid to Date	190,591	190,591	190,591
Outstanding Liability			
2009-2010			
Ultimate Loss	\$1,078,000	\$1,078,000	\$1,078,000
Paid in Calendar Period	-	23	45
Paid to Date	1,077,633	1,077,656	1,077,701
Outstanding Liability	367	344	299
2010-2011			
Ultimate Loss	\$500,472	\$500,472	\$500,472
Paid in Calendar Period	-		
Paid to Date	500,472	500,472	500,472
Outstanding Liability			
2011-2012			
Ultimate Loss	\$319,504	\$319,504	\$319,504
Paid in Calendar Period	-		
Paid to Date	319,504	319,504	319,504
Outstanding Liability			
2012-2013			
Ultimate Loss	\$257,795	\$257,795	\$257,795
Paid in Calendar Period	-		
Paid to Date	257,795	257,795	257,795
Outstanding Liability			
2013-2014			
Ultimate Loss	\$318,000	\$318,000	\$318,000
Paid in Calendar Period	-	40	40
Paid to Date	317,674	317,714	317,754
Outstanding Liability	326	286	246
2014-2015			
Ultimate Loss	\$351,316	\$351,316	\$351,316
Paid in Calendar Period	-		
Paid to Date	351,316	351,316	351,316
Outstanding Liability			
2015-2016			
Ultimate Loss	\$755,000	\$755,000	\$755,000
Paid in Calendar Period	-	22,318	28,843
Paid to Date	660,029	682,347	711,190
Outstanding Liability	94,971	72,653	43,810

Santa Clara County Schools Insurance Group - Liability

Payment and Reserve Forecast

<u>Accident Year</u>	<u>As of</u> <u>12/31/2019</u>	<u>Calendar Period</u>	
		<u>1/1/2020</u> <u>to</u> <u>6/30/2020</u>	<u>7/1/2020</u> <u>to</u> <u>6/30/2021</u>
2016-2017			
Ultimate Loss	\$277,000	\$277,000	\$277,000
Paid in Calendar Period	-	31,016	41,437
Paid to Date	170,780	201,796	243,233
Outstanding Liability	106,220	75,204	33,767
2017-2018			
Ultimate Loss	\$575,000	\$575,000	\$575,000
Paid in Calendar Period	-	120,692	153,924
Paid to Date	220,025	340,717	494,641
Outstanding Liability	354,975	234,283	80,359
2018-2019			
Ultimate Loss	\$464,000	\$464,000	\$464,000
Paid in Calendar Period	-	96,311	179,612
Paid to Date	26,222	122,533	302,145
Outstanding Liability	437,778	341,467	161,855
2019-2020			
Ultimate Loss	\$294,000	\$588,000	\$588,000
Paid in Calendar Period	-	45,511	150,732
Paid to Date	19,114	64,625	215,357
Outstanding Liability	274,886	523,375	372,643
2020-2021			
Ultimate Loss	-	-	\$600,000
Paid in Calendar Period	-	-	61,200
Paid to Date	-	-	61,200
Outstanding Liability	-	-	538,800
Totals			
Ultimate Loss	\$5,380,678	\$5,674,678	\$6,274,678
Paid in Calendar Period	-	315,911	615,833
Paid to Date	4,111,155	4,427,066	5,042,899
Outstanding Liability	1,269,523	1,247,612	1,231,779
Total Outstanding ULAE	0	0	0
Outstanding Liability plus ULAE	1,269,523	1,247,612	1,231,779

Notes appear on the next page.

Santa Clara County Schools Insurance Group - Liability

Payment and Reserve Forecast

Notes to previous page:

- Accident Year is associated with date of loss. Calendar Period is associated with date of transaction. For example, for the losses which occurred during 2017-2018, \$120,692 is expected to be paid between 1/1/20 and 6/30/20, \$340,717 will have been paid by 6/30/20, and the reserve for remaining payments on these claims should be \$234,283.
- Ultimate Losses for each accident year are from Exhibit 4 - GL, Page 1.
- Paid in Calendar Period is a proportion of the Outstanding Liability from the previous calendar period. These proportions are derived from the paid loss development pattern selected in Appendix B. For example, $\$153,924 = \$234,283 \times 65.7\%$.
- Paid to Date is Paid in Calendar Period plus Paid to Date from previous calendar period. For example, $\$494,641 = \$153,924 + \$340,717$.
- Outstanding Liability is Ultimate Loss minus Paid to Date. For example, $\$234,283 = \$575,000 - \$340,717$.

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

Santa Clara County Schools Insurance Group - Liability

Short- and Long-Term Liabilities

<u>Liabilities as of 12/31/19:</u>		<u>Expected</u>	<u>Discounted</u>
<u>Current (Short Term)</u>	Loss and ALAE:	\$532,789	\$527,540
	ULAE:	0	0
	Short-Term Loss and LAE:	<u>\$532,789</u>	<u>\$527,540</u>
<u>Non-Current (Long Term)</u>	Loss and ALAE:	\$736,734	\$696,361
	ULAE:	0	0
	Long-Term Loss and LAE:	<u>\$736,734</u>	<u>\$696,361</u>
<u>Total Liability</u>	Loss and ALAE:	\$1,269,523	\$1,223,901
	ULAE:	0	0
	Total Loss and LAE:	<u>\$1,269,523</u>	<u>\$1,223,901</u>

<u>Liabilities as of 6/30/20:</u>			
<u>Current (Short Term)</u>	Loss and ALAE:	\$554,633	\$549,169
	ULAE:	0	0
	Short-Term Loss and LAE:	<u>\$554,633</u>	<u>\$549,169</u>
<u>Non-Current (Long Term)</u>	Loss and ALAE:	\$692,979	\$654,490
	ULAE:	0	0
	Long-Term Loss and LAE:	<u>\$692,979</u>	<u>\$654,490</u>
<u>Total Liability</u>	Loss and ALAE:	\$1,247,612	\$1,203,659
	ULAE:	0	0
	Total Loss and LAE:	<u>\$1,247,612</u>	<u>\$1,203,659</u>

		<u>Discounted with a Margin for Contingencies</u>				
		<u>70%</u>	<u>75%</u>	<u>80%</u>	<u>85%</u>	<u>90%</u>
		<u>Confidence</u>	<u>Confidence</u>	<u>Confidence</u>	<u>Confidence</u>	<u>Confidence</u>
<u>Liabilities as of 12/31/19:</u>						
<u>Current (Short Term)</u>	Loss and ALAE:	\$592,427	\$620,915	\$654,677	\$695,825	\$750,689
	ULAE:	0	0	0	0	0
	Short-Term Loss and LAE:	<u>\$592,427</u>	<u>\$620,915</u>	<u>\$654,677</u>	<u>\$695,825</u>	<u>\$750,689</u>
<u>Non-Current (Long Term)</u>	Loss and ALAE:	\$782,014	\$819,616	\$864,184	\$918,500	\$990,922
	ULAE:	0	0	0	0	0
	Long-Term Loss and LAE:	<u>\$782,014</u>	<u>\$819,616</u>	<u>\$864,184</u>	<u>\$918,500</u>	<u>\$990,922</u>
<u>Total Liability</u>	Loss and ALAE:	\$1,374,441	\$1,440,531	\$1,518,861	\$1,614,325	\$1,741,611
	ULAE:	0	0	0	0	0
	Total Loss and LAE:	<u>\$1,374,441</u>	<u>\$1,440,531</u>	<u>\$1,518,861</u>	<u>\$1,614,325</u>	<u>\$1,741,611</u>
<u>Liabilities as of 6/30/20:</u>						
<u>Current (Short Term)</u>	Loss and ALAE:	\$616,717	\$646,372	\$681,519	\$724,354	\$781,467
	ULAE:	0	0	0	0	0
	Short-Term Loss and LAE:	<u>\$616,717</u>	<u>\$646,372</u>	<u>\$681,519</u>	<u>\$724,354</u>	<u>\$781,467</u>
<u>Non-Current (Long Term)</u>	Loss and ALAE:	\$734,992	\$770,335	\$812,222	\$863,272	\$931,340
	ULAE:	0	0	0	0	0
	Long-Term Loss and LAE:	<u>\$734,992</u>	<u>\$770,335</u>	<u>\$812,222</u>	<u>\$863,272</u>	<u>\$931,340</u>
<u>Total Liability</u>	Loss and ALAE:	\$1,351,709	\$1,416,707	\$1,493,741	\$1,587,626	\$1,712,807
	ULAE:	0	0	0	0	0
	Total Loss and LAE:	<u>\$1,351,709</u>	<u>\$1,416,707</u>	<u>\$1,493,741</u>	<u>\$1,587,626</u>	<u>\$1,712,807</u>

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

Santa Clara County Schools Insurance Group - Liability

Discount Factors to be Applied to Overall Reserves

Accident Year	Full Value of Reserve at 12/31/19 (A)	Discount Factor (B)	Discounted Reserve at 12/31/19 (C)	Full Value of Reserve at 6/30/20 (D)	Discount Factor (E)	Discounted Reserve at 6/30/20 (F)
1998-1999	\$0	0.990	\$0	\$0	1.000	\$0
1999-2000	0	0.980	0	0	0.990	0
2000-2001	0	0.961	0	0	0.971	0
2001-2002	0	0.957	0	0	0.952	0
2002-2003	0	0.960	0	0	0.962	0
2003-2004	0	0.955	0	0	0.958	0
2004-2005	0	0.952	0	0	0.952	0
2005-2006	0	0.950	0	0	0.952	0
2006-2007	0	0.944	0	0	0.948	0
2007-2008	0	0.940	0	0	0.941	0
2008-2009	0	0.934	0	0	0.938	0
2009-2010	367	0.922	339	344	0.929	320
2010-2011	0	0.909	0	0	0.916	0
2011-2012	0	0.897	0	0	0.903	0
2012-2013	0	0.891	0	0	0.891	0
2013-2014	\$326	0.897	\$292	\$286	0.890	\$255
2014-2015	0	0.916	0	0	0.904	0
2015-2016	94,971	0.941	89,347	72,653	0.928	67,398
2016-2017	106,220	0.963	102,246	75,204	0.954	71,737
2017-2018	354,975	0.972	344,939	234,283	0.971	227,553
2018-2019	437,778	0.968	423,765	341,467	0.972	331,969
2019-2020	274,886	0.957	262,973	523,375	0.964	504,427
Totals	\$1,269,523		\$1,223,901	\$1,247,612		\$1,203,659

(G) Discount Factor at 12/31/19 for Overall Reserve: 0.964
(H) Discount Factor at 6/30/20 for Overall Reserve: 0.965

Notes:

- (A) From Appendix F - GL, Outstanding Liability at 12/31/19.
- (B) Based on Appendix H - GL, Page 2, Column (E).
- (C) (A) x (B).
- (D) From Appendix F - GL, Outstanding Liability at 6/30/20.
- (E) Based on Appendix H - GL, Page 2, Column (E).
- (F) (D) x (E).
- (G) Total of (C) / Total of (A).
- (H) Total of (F) / Total of (D).

This exhibit shows the expected impact of anticipated investment income on the liability for outstanding claims at the date of evaluation and the end of the current fiscal year. For example, if the discount factor in item (G) is 0.964, the discounted liability for outstanding claims is 96.4% of the full value.

Santa Clara County Schools Insurance Group - Liability

Calculation of Discount Factors

Payment Year (A)	Payment Pattern (B)	Return on Investment (C)	Discounted Reserves (D)	Undiscounted Reserves (E)	Discount Factor (F)
22	0.1%	2.0%	0.001	0.001	0.990
21	0.0%	2.0%	0.001	0.001	0.971
20	0.0%	2.0%	0.001	0.001	0.952
19	0.1%	2.0%	0.002	0.002	0.962
18	0.1%	2.0%	0.003	0.003	0.958
17	0.1%	2.0%	0.004	0.004	0.952
16	0.2%	2.0%	0.006	0.006	0.952
15	0.2%	2.0%	0.008	0.008	0.948
14	0.2%	2.0%	0.009	0.010	0.941
13	0.3%	2.0%	0.012	0.013	0.938
12	0.2%	2.0%	0.014	0.015	0.929
11	0.1%	2.0%	0.014	0.016	0.916
10	0.1%	2.0%	0.015	0.017	0.903
9	0.1%	2.0%	0.016	0.018	0.891
8	0.3%	2.0%	0.018	0.021	0.890
7	0.8%	2.0%	0.025	0.028	0.904
6	1.9%	2.0%	0.043	0.047	0.928
5	5.7%	2.0%	0.099	0.104	0.954
4	19.9%	2.0%	0.294	0.303	0.971
3	33.6%	2.0%	0.621	0.639	0.972
2	25.9%	2.0%	0.865	0.898	0.964
1	10.2%	2.0%	0.950	1.000	0.950
(G) Discount Factor for Future Funding:				2019-2020	0.959
				2020-2021	0.959

Notes:

- (A) This is the year of payment relative to the accident year. For example, year 7 refers to payments made in the seventh year after the inception of the accident year. We assume that payments are made at midyear.
- (B) Percent of ultimate loss paid this year. This payment pattern is based on the paid loss development pattern selected in Appendix B - GL, Page 2.
- (C) Assumed Investment Income Rates.
- (D) Discounted Reserves at the beginning of this year is next year's Discounted Reserves discounted one year plus this year's payments discounted six months. For example, in year 2, $86.5\% = [62.1\% / 1.020] + [25.9\% / (1.010)]$.
- (E) Summation of future (B) values. This is the percent of ultimate loss unpaid at the beginning of the year.
- (F) (D) / (E).
- (G) (F) at year 1, with interest accumulated for six months. We assume that the required funding is deposited at the middle of the first year.

This exhibit shows the calculation of the effect of anticipated investment income on future claims costs. Thus, if the discount factor in item (F) is 0.96, on a discounted basis, \$0.96 must be budgeted for every \$1 that will actually be paid on claims that will be incurred in the next fiscal year.

Santa Clara County Schools Insurance Group - Liability

Confidence Level Table

Probability	Projected Losses	Outstanding Losses
95%	1.961	1.595
90%	1.674	1.423
85%	1.502	1.319
80%	1.373	1.241
75%	1.270	1.177
70%	1.183	1.123
65%	1.106	1.076
60%	1.036	1.032
55%	0.973	0.992
50%	0.913	0.953
45%	0.856	0.917
40%	0.800	0.881
35%	0.745	0.845
30%	0.690	0.809
25%	0.633	0.771

To read table: For the above retention, there is a 90% chance that final loss settlements will be less than 1.674 times the average expected amount of losses.

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

Santa Clara County Schools Insurance Group - Liability

Program History

Policy Year Start Date	Policy Year End Date	Policy Year	Self-Insured Retention	
			Per Occurrence	Aggregate
7/1/1998	6/30/1999	1998-1999	\$100,000	(none)
7/1/1999	6/30/2000	1999-2000	100,000	(none)
7/1/2000	6/30/2001	2000-2001	100,000	(none)
7/1/2001	6/30/2002	2001-2002	100,000	(none)
7/1/2002	6/30/2003	2002-2003	100,000	(none)
7/1/2003	6/30/2004	2003-2004	100,000	(none)
7/1/2004	6/30/2005	2004-2005	100,000	(none)
7/1/2005	6/30/2006	2005-2006	100,000	(none)
7/1/2006	6/30/2007	2006-2007	100,000	(none)
7/1/2007	6/30/2008	2007-2008	100,000	(none)
7/1/2008	6/30/2009	2008-2009	\$100,000	(none)
7/1/2009	6/30/2010	2009-2010	100,000	(none)
7/1/2010	6/30/2011	2010-2011	100,000	(none)
7/1/2011	6/30/2012	2011-2012	100,000	(none)
7/1/2012	6/30/2013	2012-2013	100,000	(none)
7/1/2013	6/30/2014	2013-2014	100,000	(none)
7/1/2014	6/30/2015	2014-2015	100,000	(none)
7/1/2015	6/30/2016	2015-2016	100,000	(none)
7/1/2016	6/30/2017	2016-2017	100,000	(none)
7/1/2017	6/30/2018	2017-2018	100,000	(none)
7/1/2018	6/30/2019	2018-2019	100,000	(none)
7/1/2019	6/30/2020	2019-2020	100,000	(none)
7/1/2020	6/30/2021	2020-2021	100,000	(none)
	Third Party Claims Administrator		Begin Date	End Date
	ASCIP		7/1/2008	Current

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

Santa Clara County Schools Insurance Group - Liability

Incurred Losses as of 12/31/19

Accident Year (A)	Unlimited Incurred (B)	Subtractions from Losses (C)	Subtractions from Losses (D)	Adjusted Incurred (E)	Incurred Over SIR (F)	Incurred Over \$100,000 (G)	Incurred Capped at \$100,000 (H)	Incurred \$100,000 to SIR Layer (I)	Incurred Capped at SIR (J)	Incurred Capped at SIR & Aggregate (K)
2008-2009	\$243,145	\$28,564	\$23,990	\$190,591	\$0	\$0	\$190,591	\$0	\$190,591	\$190,591
2009-2010	8,649,918	13,038	120,107	8,516,773	7,439,140	7,439,140	1,077,633	0	1,077,633	1,077,633
2010-2011	845,945	29,567	102,748	713,630	213,157	213,157	500,472	0	500,472	500,472
2011-2012	474,930	5,077	0	469,853	150,349	150,349	319,504	0	319,504	319,504
2012-2013	536,652	57,760	34,792	444,100	186,305	186,305	257,795	0	257,795	257,795
2013-2014	412,373	3,947	5,753	402,674	85,000	85,000	317,674	0	317,674	317,674
2014-2015	8,965,651	9,686	4,513	8,951,453	8,600,136	8,600,136	351,316	0	351,316	351,316
2015-2016	1,267,982	46,412	35,299	1,186,271	436,367	436,367	749,905	0	749,905	749,905
2016-2017	329,836	43,836	15,821	270,178	0	0	270,178	0	270,178	270,178
2017-2018	5,098,964	46,394	19,369	5,033,201	4,508,203	4,508,203	524,999	0	524,999	524,999
2018-2019	327,810	9,951	24,715	293,144	0	0	293,144	0	293,144	293,144
2019-2020	151,623	29,618	0	122,005	0	0	122,005	0	122,005	122,005
Total	\$27,304,831	\$323,850	\$387,109	\$26,593,872	\$21,618,657	\$21,618,657	\$4,975,215	\$0	\$4,975,215	\$4,975,215

Notes:

- (A) Years are 7/1 to 6/30.
- (B) Provided by the Group.
- (C) Amount over SIR for claims with SIR < \$100,000.
- (D) Subrogation recoveries.
- (E) (B) - (C) - (D).
- (F) Sum of incurred losses in excess of SIR.
- (G) Sum of incurred losses in excess of \$100,000.
- (H) (E) - (G).
- (I) (G) - (F).
- (J) (E) - (F).
- (K) Minimum of (J) and the aggregate stop loss. See Appendix J - GL.

Santa Clara County Schools Insurance Group - Liability

Paid Losses as of 12/31/19

Accident Year (A)	Unlimited Paid (B)	Subtractions from Losses (C)	Subtractions from Losses (D)	Adjusted Paid (E)	Paid Over SIR (F)	Paid Over \$100,000 (G)	Paid Capped at \$100,000 (H)	Paid \$100,000 to SIR Layer (I)	Paid Capped at SIR (J)	Paid Capped at SIR & Aggregate (K)
2008-2009	\$243,145	\$28,564	\$23,990	\$190,591	\$0	\$0	\$190,591	\$0	\$190,591	\$190,591
2009-2010	1,615,768	13,038	120,107	1,482,623	404,990	404,990	1,077,633	0	1,077,633	1,077,633
2010-2011	845,945	29,567	102,748	713,630	213,157	213,157	500,472	0	500,472	500,472
2011-2012	474,930	5,077	0	469,853	150,349	150,349	319,504	0	319,504	319,504
2012-2013	536,652	57,760	34,792	444,100	186,305	186,305	257,795	0	257,795	257,795
2013-2014	395,723	3,947	5,753	386,023	68,349	68,349	317,674	0	317,674	317,674
2014-2015	8,965,651	9,686	4,513	8,951,453	8,600,136	8,600,136	351,316	0	351,316	351,316
2015-2016	1,177,532	46,412	35,299	1,095,820	435,792	435,792	660,029	0	660,029	660,029
2016-2017	230,437	43,836	15,821	170,780	0	0	170,780	0	170,780	170,780
2017-2018	969,552	46,086	19,369	904,097	684,073	684,073	220,025	0	220,025	220,025
2018-2019	60,888	9,951	24,715	26,222	0	0	26,222	0	26,222	26,222
2019-2020	38,636	19,522	0	19,114	0	0	19,114	0	19,114	19,114
Total	\$15,554,859	\$313,446	\$387,109	\$14,854,304	\$10,743,151	\$10,743,151	\$4,111,153	\$0	\$4,111,153	\$4,111,153

Notes:

- (A) Years are 7/1 to 6/30.
- (B) Provided by the Group.
- (C) Amount over SIR for claims with SIR < \$100,000.
- (D) Subrogation recoveries.
- (E) (B) - (C) - (D).
- (F) Sum of paid losses in excess of SIR.
- (G) Sum of paid losses in excess of \$100,000.
- (H) (E) - (G).
- (I) (G) - (F).
- (J) (E) - (F).
- (K) Minimum of (J) and the aggregate stop loss. See Appendix J - GL.

Santa Clara County Schools Insurance Group - Liability

Case Reserves as of 12/31/19

Accident Year (A)	Unlimited Reserves (B)	Subtractions from Losses (C)	Subtractions from Losses (D)	Adjusted Reserves (E)	Reserves Over SIR (F)	Reserves Over \$100,000 (G)	Reserves Capped at \$100,000 (H)	Reserves \$100,000 to SIR Layer (I)	Reserves Capped at SIR (J)	Reserves Capped at SIR & Aggregate (K)
2008-2009	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2009-2010	7,034,150	0	0	7,034,150	7,034,150	7,034,150	0	0	0	0
2010-2011	0	0	0	0	0	0	0	0	0	0
2011-2012	0	0	0	0	0	0	0	0	0	0
2012-2013	0	0	0	0	0	0	0	0	0	0
2013-2014	16,651	0	0	16,651	16,651	16,651	0	0	0	0
2014-2015	0	0	0	0	0	0	0	0	0	0
2015-2016	90,451	0	0	90,451	575	575	89,876	0	89,876	89,876
2016-2017	99,398	0	0	99,398	0	0	99,398	0	99,398	99,398
2017-2018	4,129,412	308	0	4,129,104	3,824,130	3,824,130	304,974	0	304,974	304,974
2018-2019	266,922	0	0	266,922	0	0	266,922	0	266,922	266,922
2019-2020	112,987	10,095	0	102,891	0	0	102,891	0	102,891	102,891
Total	\$11,749,972	\$10,404	\$0	\$11,739,568	\$10,875,506	\$10,875,506	\$864,062	\$0	\$864,062	\$864,062

Notes:

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

Santa Clara County Schools Insurance Group - Liability

Claim Counts as of 12/31/19

Accident Year (A)	Reported Claims (B)	Additions to Reported Claims (C)	Subtractions from Reported Claims (D)	Adjusted Reported Claims (E)	Closed Claims (F)	Additions to Closed Claims (G)	Subtractions from Closed Claims (H)	Adjusted Closed Claims (I)	Open Claims (J)	Adjusted Open Claims (K)
2008-2009	43	0	0	43	43	0	0	43	0	0
2009-2010	42	0	0	42	41	0	0	41	1	1
2010-2011	45	0	0	45	45	0	0	45	0	0
2011-2012	26	0	0	26	26	0	0	26	0	0
2012-2013	42	0	2	40	42	0	2	40	0	0
2013-2014	28	0	7	21	27	0	7	20	1	1
2014-2015	46	0	23	23	46	0	23	23	0	0
2015-2016	47	0	17	30	46	0	17	29	1	1
2016-2017	42	0	14	28	38	0	14	24	4	4
2017-2018	50	0	15	35	41	0	15	26	9	9
2018-2019	28	0	7	21	21	0	7	14	7	7
2019-2020	12	0	3	9	4	0	3	1	8	8
Total	451	0	88	363	420	0	88	332	31	31

Notes:

- (A) Years are 7/1 to 6/30.
- (B) Provided by the Group.
- (C)
- (D) Closed no payment claims.
- (E) (B) + (C) - (D).
- (F) Provided by the Group.
- (G)
- (H) Closed no payment claims.
- (I) (F) + (G) - (H).
- (J) (B) - (F).
- (K) (E) - (I).

Santa Clara County Schools Insurance Group - Liability

Exposure Measures

Accident Year	ADA (A)	Inflation Trend Factor (B)	ADA (C)
2008-2009	65,974	1.000	65,974
2009-2010	66,915	1.000	66,915
2010-2011	67,335	1.000	67,335
2011-2012	67,177	1.000	67,177
2012-2013	67,793	1.000	67,793
2013-2014	68,189	1.000	68,189
2014-2015	68,425	1.000	68,425
2015-2016	67,179	1.000	67,179
2016-2017	66,942	1.000	66,942
2017-2018	65,323	1.000	65,323
2018-2019	64,013	1.000	64,013
2019-2020	65,345	1.000	65,345
2020-2021	65,345	1.000	65,345

Notes:

- (A) Provided by the Group.
- (B) N/A.
- (C) (A) x (B).

Santa Clara County Schools Insurance Group - Property

Funding Guidelines for Outstanding Liabilities at
December 31, 2019

(A) Estimated Ultimate Losses Incurred through 12/31/19: (From Appendix F - PR)	\$2,723,000
(B) Estimated Paid Losses through 12/31/19: (From Appendix F - PR)	2,432,000
(C) Estimated Liability for Claims Outstanding at 12/31/19: (From Appendix F - PR)	<u>\$291,000</u>
(D) Estimated Liability for Outstanding Claims Administration Fees at 12/31/19: (Not Applicable)	0
(E) Total Outstanding Liability for Claims at 12/31/19: ((C) + (D))	<u>\$291,000</u>
(F) Reserve Discount Factor (Based on a Discount Rate of 2.0%.): (Appendix H - PR, Page 1, (G))	0.981
(G) Discounted Outstanding Liability for Claims at 12/31/19: ((E) x (F))	<u>\$285,000</u>

	Marginally Acceptable	75%	Recommended	85%	Conservative
Confidence Level of Adequacy:	70%		80%		90%
(H) Confidence Level Factor: (From Appendix I - PR)	1.180	1.263	1.360	1.480	1.640
(I) Margin for Adverse Experience: ((G) x [(H) - 1])	51,000	75,000	103,000	137,000	182,000
(J) Total Required Assets at 12/31/19: ((G) + (I))	<u>\$336,000</u>	<u>\$360,000</u>	<u>\$388,000</u>	<u>\$422,000</u>	<u>\$467,000</u>

Santa Clara County Schools Insurance Group - Property

Funding Guidelines for Outstanding Liabilities at
June 30, 2020

(A) Estimated Ultimate Losses Incurred through 6/30/20: (From Appendix F - PR)	\$2,975,000
(B) Estimated Paid Losses through 6/30/20: (From Appendix F - PR)	2,635,000
(C) Estimated Liability for Claims Outstanding at 6/30/20: (From Appendix F - PR)	<u>\$340,000</u>
(D) Estimated Liability for Outstanding Claims Administration Fees at 6/30/20: (Not Applicable)	0
(E) Total Outstanding Liability for Claims at 6/30/20: ((C) + (D))	<u>\$340,000</u>
(F) Reserve Discount Factor (Based on a Discount Rate of 2.0%.): (Appendix H - PR, Page 1, (H))	0.984
(G) Discounted Outstanding Liability for Claims at 6/30/20: ((E) x (F))	<u>\$335,000</u>

	Marginally Acceptable	75%	Recommended	85%	Conservative
Confidence Level of Adequacy:	70%		80%		90%
(H) Confidence Level Factor: (From Appendix I - PR)	1.180	1.263	1.360	1.480	1.640
(I) Margin for Adverse Experience: ((G) x [(H) - 1])	60,000	88,000	121,000	161,000	214,000
(J) Total Required Assets at 6/30/20: ((G) + (I))	<u>\$395,000</u>	<u>\$423,000</u>	<u>\$456,000</u>	<u>\$496,000</u>	<u>\$549,000</u>

Santa Clara County Schools Insurance Group - Property
Funding Options for Program Year 2020-2021 (SIR = \$100,000)

	Dollar Amount					TIV Rate
(A) Estimated Ultimate Losses Incurred in Accident Year 2020-2021: (From Appendix F - PR)	\$402,000					\$0.155
(B) Estimated Claims Administration Fees Incurred in Accident Year 2020-2021: (Not Applicable)	0					0.000
(C) Total Claims Costs Incurred in Accident Year 2020-2021: ((A) + (B))	<u>\$402,000</u>					<u>\$0.155</u>
(D) Loss Discount Factor (Based on a Discount Rate of 2.0%.): (Appendix H - PR, Page 2, (G))	0.985					
(E) Discounted Total Claims Costs Incurred in Accident Year 2020-2021: ((C) x (D))	<u>\$396,000</u>					<u>\$0.153</u>
	<u>Marginally Acceptable</u>	<u>Recommended</u>		<u>Conservative</u>		
	70%	75%	80%	85%	90%	
(F) Confidence Level Factor: (From Appendix I - PR)	1.197	1.293	1.406	1.548	1.737	
(G) Margin for Adverse Experience: ((E) x [(F) - 1])	78,000	116,000	161,000	217,000	292,000	
(H) Recommended Funding in 2020-2021 for Claims Costs and Other Expenses: ((E) + (G))	<u>\$474,000</u>	<u>\$512,000</u>	<u>\$557,000</u>	<u>\$613,000</u>	<u>\$688,000</u>	
(I) Rate per \$1,000 of TIV: ((H) / \$2,595,725)	\$0.183	\$0.197	\$0.215	\$0.236	\$0.265	

TIV rates are per thousand dollars of 2020-2021 TIV of \$2,595,725,000.

Santa Clara County Schools Insurance Group - Property
Funding Options for Program Year 2020-2021 (SIR = \$250,000)

	Dollar Amount					TIV Rate
(A) Estimated Ultimate Losses Incurred in Accident Year 2020-2021: (From Exhibit 5 - PR, Page 1)	\$555,000					\$0.214
(B) Estimated Claims Administration Fees Incurred in Accident Year 2020-2021: (Not Applicable)	0					0.000
(C) Total Claims Costs Incurred in Accident Year 2020-2021: ((A) + (B))	<u>\$555,000</u>					<u>\$0.214</u>
(D) Loss Discount Factor (Based on a Discount Rate of 2.0%.): (Appendix H - PR, Page 2, (G))	0.985					
(E) Discounted Total Claims Costs Incurred in Accident Year 2020-2021: ((C) x (D))	<u>\$546,000</u>					<u>\$0.210</u>
	<u>Marginally Acceptable</u>	<u>Recommended</u>		<u>Conservative</u>		
	70%	75%	80%	85%	90%	
(F) Confidence Level Factor: (From Appendix I - PR)	1.197	1.293	1.406	1.548	1.737	
(G) Margin for Adverse Experience: ((E) x [(F) - 1])	108,000	160,000	222,000	299,000	402,000	
(H) Recommended Funding in 2020-2021 for Claims Costs and Other Expenses: ((E) + (G))	<u>\$654,000</u>	<u>\$706,000</u>	<u>\$768,000</u>	<u>\$845,000</u>	<u>\$948,000</u>	
(I) Rate per \$1,000 of TIV: ((H) / \$2,595,725)	\$0.252	\$0.272	\$0.296	\$0.326	\$0.365	

TIV rates are per thousand dollars of 2020-2021 TIV of \$2,595,725,000.

Santa Clara County Schools Insurance Group - Property
Funding Options for Program Year 2020-2021 (SIR = \$500,000)

	Dollar Amount	TIV Rate			
(A) Estimated Ultimate Losses Incurred in Accident Year 2020-2021: (From Exhibit 5 - PR, Page 1)	\$659,000	\$0.254			
(B) Estimated Claims Administration Fees Incurred in Accident Year 2020-2021: (Not Applicable)	0	0.000			
(C) Total Claims Costs Incurred in Accident Year 2020-2021: ((A) + (B))	<u>\$659,000</u>	<u>\$0.254</u>			
(D) Loss Discount Factor (Based on a Discount Rate of 2.0%): (Appendix H - PR, Page 2, (G))	0.985				
(E) Discounted Total Claims Costs Incurred in Accident Year 2020-2021: ((C) x (D))	<u>\$649,000</u>	<u>\$0.250</u>			
	<u>Marginally Acceptable</u>		<u>Recommended</u>		<u>Conservative</u>
	70%	75%	80%	85%	90%
(F) Confidence Level Factor: (From Appendix I - PR)	1.197	1.293	1.406	1.548	1.737
(G) Margin for Adverse Experience: ((E) x [(F) - 1])	128,000	190,000	263,000	356,000	478,000
(H) Recommended Funding in 2020-2021 for Claims Costs and Other Expenses: ((E) + (G))	<u>\$777,000</u>	<u>\$839,000</u>	<u>\$912,000</u>	<u>\$1,005,000</u>	<u>\$1,127,000</u>
(I) Rate per \$1,000 of TIV: ((H) / \$2,595,725)	\$0.299	\$0.323	\$0.351	\$0.387	\$0.434

TIV rates are per thousand dollars of 2020-2021 TIV of \$2,595,725,000.

Santa Clara County Schools Insurance Group - Property

IBNR as of 6/30/20 at Expected Claims Level

Accident Year	Estimated Ultimate (A)	Reported as of 12/31/19 (B)	Estimated IBNR as of 12/31/19 (C)	Estimated Percent of IBNR Reported Between 1/1/20 and 6/30/20 (D)	Estimated IBNR Reported (E)	Estimated IBNR as of 6/30/20 (F)
2008-2009	\$344,219	\$344,219	\$0	100.0%	\$0	\$0
2009-2010	331,278	331,278	0	100.0%	0	0
2010-2011	370,502	370,502	0	100.0%	0	0
2011-2012	43,519	43,519	0	100.0%	0	0
2012-2013	84,769	84,769	0	100.0%	0	0
2013-2014	21,756	21,756	0	100.0%	0	0
2014-2015	282,415	282,415	0	100.0%	0	0
2015-2016	107,854	107,854	0	100.0%	0	0
2016-2017	64,596	64,596	0	100.0%	0	0
2017-2018	205,767	205,767	0	100.0%	0	0
2018-2019	614,000	591,417	22,583	39.4%	9,000	13,583
2019-2020	504,000	295,453	(43,453)	48.2%	101,000	107,547
Totals	\$2,974,675	\$2,743,545	(\$20,870)		\$110,000	\$121,130

Notes:

- (A) From Exhibit 4 - PR, Page 1.
- (B) Provided by the Group. These losses exclude amounts incurred above the Group's SIR for each year.
- (C) (A) - (B).
- (D) Percentage of incurred but not reported (IBNR) expected to be reported between 1/1/20 and 6/30/20. The percentage is based on the development pattern selected in Appendix A - PR.
- (E) ((A) - (B)) x (D).
- (F) (A) - (B) - (E).

This exhibit shows the calculation of the amount of incurred but not reported losses we expect as of 6/30/20. This amount is dependent on both the strength of the case reserves and the average frequency and severity of the losses incurred.

Santa Clara County Schools Insurance Group - Property

Estimated Ultimate Program Losses

Accident Year	Reported Loss Development Method (A)	Paid Loss Development Method (B)	Exposure Method Based on Reported Losses (C)	Exposure Method Based on Paid Losses (D)	Frequency-Severity Method (E)	Selected Estimate of Ultimate Losses (F)
2008-2009	\$344,219	344,219	344,219	344,219	344,220	344,219
2009-2010	331,278	331,278	331,278	331,278	331,275	331,278
2010-2011	370,502	370,502	370,502	370,502	370,500	370,502
2011-2012	43,519	43,519	43,519	43,519	43,520	43,519
2012-2013	84,769	84,769	84,769	84,769	84,771	84,769
2013-2014	21,756	21,756	21,756	21,756	21,756	21,756
2014-2015	282,415	282,415	282,415	282,415	387,930	282,415
2015-2016	107,854	107,854	107,854	107,854	53,286	107,854
2016-2017	64,596	65,242	64,596	67,755	192,129	64,596
2017-2018	206,796	218,319	207,407	224,466	282,750	205,767
2018-2019	606,202	719,718	599,807	628,775	349,512	614,000
2019-2020	893,450	873,595	542,564	388,279	360,000	504,000
Totals						\$2,974,675
						Projected Losses for the Year 2019-2020 (G) \$504,000
						Projected Losses for the Year 2020-2021 (H) \$402,000

Notes:

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

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

Santa Clara County Schools Insurance Group - Property

Estimated Ultimate Limited Losses Capped at \$100,000 per Claim

Accident Year	Reported Loss Development Method (A)	Paid Loss Development Method (B)	Exposure Method Based on Reported Losses (C)	Exposure Method Based on Paid Losses (D)	Frequency-Severity Method (E)	Selected Ultimate Limited Losses (F)	
2008-2009	\$344,219	\$344,219	\$344,219	\$344,219	\$344,220	\$344,219	
2009-2010	331,278	331,278	331,278	331,278	331,275	331,278	
2010-2011	370,502	370,502	370,502	370,502	370,500	370,502	
2011-2012	43,519	43,519	43,519	43,519	43,520	43,519	
2012-2013	84,769	84,769	84,769	84,769	84,771	84,769	
2013-2014	21,756	21,756	21,756	21,756	21,756	21,756	
2014-2015	282,415	282,415	282,415	282,415	387,930	282,415	
2015-2016	107,854	107,854	107,854	107,854	53,286	107,854	
2016-2017	64,596	65,242	64,596	67,755	192,129	64,596	
2017-2018	206,796	218,319	207,407	224,466	282,750	205,767	
2018-2019	606,202	719,718	599,807	628,775	349,512	614,000	
2019-2020	893,450	873,595	542,564	388,279	360,000	504,000	
Totals						\$2,974,675	
						Projected Losses for the Year 2019-2020 (G)	\$504,000
						Projected Losses for the Year 2020-2021 (H)	\$402,000

Notes:

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

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

Santa Clara County Schools Insurance Group - Property

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

Accident Year	Ultimate Limited Losses (A)	Trend Factor (B)	Trended Limited Losses (C)	Trended TIV (\$000) (D)	Trended Limited Loss Rate (E)
2008-2009	\$344,219	1.385	\$476,743	\$2,138,547	\$0.223
2009-2010	331,278	1.345	445,569	2,107,251	0.211
2010-2011	370,502	1.306	483,876	2,075,101	0.233
2011-2012	43,519	1.267	55,139	2,041,718	0.027
2012-2013	84,769	1.231	104,351	2,083,762	0.050
2013-2014	21,756	1.195	25,998	2,160,153	0.012
2014-2015	282,415	1.160	327,601	2,186,220	0.150
2015-2016	107,854	1.126	121,444	2,295,131	0.053
2016-2017	64,596	1.093	70,603	2,305,857	0.031
2017-2018	205,767	1.061	218,319	2,326,653	0.094
2018-2019	614,000	1.030	632,420	2,394,504	0.264
2019-2020	504,000	1.000	504,000	2,462,494	0.205
Totals	\$2,974,675		\$3,466,063	26,577,391	\$0.130
15/16-19/20	1,496,217		1,546,786	11,784,639	0.131
16/17-19/20	1,388,363		1,425,342	9,489,508	0.150
			(F) Selected Limited Rate:		\$0.150
			Prior:		\$0.110
Program Year:		2019-2020	\$100,000	\$250,000	\$500,000
(G) Factor to SIR:		2020-2021	1.000	1.387	1.645
(H) Trend Factor:		2020-2021	1.000	1.030	1.030
(I) Program Rate:		2020-2021	\$0.205	\$0.214	\$0.254
(J) Trended TIV (\$000):		2020-2021	2,462,494	2,595,725	2,595,725
(K) Projected Program Losses:		2020-2021	504,000	402,000	659,000

Notes appear on the next page.

Santa Clara County Schools Insurance Group - Property

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

Notes:

- (A) From Exhibit 4 - PR, Page 2, Column (F).
For purposes of projecting future losses, losses are capped at \$100,000 per occurrence.
- (B) From Appendix E - PR, Page 1, Column (B).
- (C) $(A) \times (B)$.
- (D) From Appendix L - PR, Column (C).
- (E) $(C) / (D)$.
- (F) Selected based on (E).
- (G) Based on a Burr distribution, a mathematical model of claim sizes.
- (H) From Appendix E - PR.
- (I) $(F) \times (G) \times (H)$.
- (J) From Appendix L - PR, Column (C).
- (K) $(I) \times (J)$.

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

Santa Clara County Schools Insurance Group - Property

Reported Loss Development

Accident Year (A)	Limited Reported Losses as of 12/31/19 (B)	Reported Loss Development Factor (C)	Ultimate Limited Losses (D)	Program Reported Losses of 12/31/19 (E)	Reported Loss Development Factor (F)	Ultimate Program Losses (G)
2008-2009	\$344,219	1.000	\$344,219	\$344,219	1.000	\$344,219
2009-2010	331,278	1.000	331,278	331,278	1.000	331,278
2010-2011	370,502	1.000	370,502	370,502	1.000	370,502
2011-2012	43,519	1.000	43,519	43,519	1.000	43,519
2012-2013	84,769	1.000	84,769	84,769	1.000	84,769
2013-2014	21,756	1.000	21,756	21,756	1.000	21,756
2014-2015	282,415	1.000	282,415	282,415	1.000	282,415
2015-2016	107,854	1.000	107,854	107,854	1.000	107,854
2016-2017	64,596	1.000	64,596	64,596	1.000	64,596
2017-2018	205,767	1.005	206,796	205,767	1.005	206,796
2018-2019	591,417	1.025	606,202	591,417	1.025	606,202
2019-2020	295,453	3.024	893,450	295,453	3.024	893,450
Totals	\$2,743,545		\$3,357,356	\$2,743,545		\$3,357,356

Notes:

- (A) Years are 7/1 to 6/30.
- (B) Provided by the Group. These losses exclude amounts over \$100,000 per occurrence.
- (C) From Appendix A - PR, Page 2.
- (D) (B) x (C). These estimated losses exclude amounts over \$100,000 per occurrence.
- (E) Losses capped at the Group's SIR. Amounts are provided by the Group.
- (F) Derived from factors on Appendix A - PR, Page 3.
- (G) (E) x (F).

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

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

Santa Clara County Schools Insurance Group - Property
Reported Loss Development

Accident Year	<u>Limited Losses Reported as of:</u>										
	6 Months	18 Months	30 Months	42 Months	54 Months	66 Months	78 Months	90 Months	102 Months	114 Months	126 Months
2008-2009						353,880	352,302	350,508	349,266	347,669	346,289
2009-2010					331,279	331,278	331,278	331,278	331,278	331,278	331,278
2010-2011				371,497	370,353	370,502	370,502	370,502	370,502	370,502	
2011-2012			43,519	43,519	43,519	43,519	43,519	43,519	43,519		
2012-2013		136,355	141,355	84,769	84,769	84,769	84,769	84,769			
2013-2014		21,756	21,756	21,756	21,756	21,756	21,756				
2014-2015	329,091	285,059	282,415	282,415	282,415	282,415					
2015-2016	102,000	115,000	115,000	107,854	107,854						
2016-2017	28,516	175,119	64,596	64,596							
2017-2018	122,090	343,941	205,767								
2018-2019	160,000	591,417									
2019-2020	295,453										

	<u>Reported Loss Development Factors:</u>										
	6-18 Months	18-30 Months	30-42 Months	42-54 Months	54-66 Months	66-78 Months	78-90 Months	90-102 Months	102-114 Months	114-126 Months	126-138 Months
2008-2009						0.996	0.995	0.996	0.995	0.996	0.994
2009-2010					1.000	1.000	1.000	1.000	1.000	1.000	
2010-2011				0.997	1.000	1.000	1.000	1.000	1.000		
2011-2012			1.000	1.000	1.000	1.000	1.000	1.000			
2012-2013		1.037	0.600	1.000	1.000	1.000	1.000				
2013-2014		1.000	1.000	1.000	1.000	1.000					
2014-2015	0.866	0.991	1.000	1.000	1.000						
2015-2016	1.127	1.000	0.938	1.000							
2016-2017	6.141	0.369	1.000								
2017-2018	2.817	0.598									
2018-2019	3.696										

	6-18 Months	18-30 Months	30-42 Months	42-54 Months	54-66 Months	66-78 Months	78-90 Months	90-102 Months	102-114 Months	114-126 Months	126-138 Months
Average Dollar-Weighted Averages	2.929	0.833	0.923	1.000	1.000	0.999	0.999	0.999	0.998	0.998	0.994
3-yr	3.575	0.608	0.985	1.000	1.000	1.000	1.000	1.000	0.998		
4-yr	2.970	0.727	0.985	1.000	1.000	1.000	1.000	0.999			
Comparative Factors	2.945	1.254	1.006	0.965	0.972	1.000	1.000	1.000	1.000	1.000	1.000
Prior	2.950	1.020	1.005	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Selected	2.950	1.020	1.005	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Cumulated	3.024	1.025	1.005	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Santa Clara County Schools Insurance Group - Property
Reported between \$100,000 and \$500,000 Loss Development

Accident Year	<u>Losses Reported as of:</u>										
	6 Months	18 Months	30 Months	42 Months	54 Months	66 Months	78 Months	90 Months	102 Months	114 Months	126 Months
2008-2009						422,334	422,334	422,334	422,334	422,334	422,334
2009-2010					150,631	150,631	150,631	150,631	150,631	150,631	150,631
2010-2011				85,753	85,753	85,753	85,753	85,753	85,753	85,753	
2011-2012											
2012-2013											
2013-2014											
2014-2015	10,000	110,000	113,108	113,108	113,108	113,108					
2015-2016	400,000	400,000	400,000	400,000	400,000						
2016-2017											
2017-2018	400,000	358,924	12,577								
2018-2019	85,000	825,269									
2019-2020	82,500										

	<u>Reported Loss Development Factors:</u>										
	6-18 Months	18-30 Months	30-42 Months	42-54 Months	54-66 Months	66-78 Months	78-90 Months	90-102 Months	102-114 Months	114-126 Months	126-138 Months
2008-2009						1.000	1.000	1.000	1.000	1.000	1.000
2009-2010					1.000	1.000	1.000	1.000	1.000	1.000	
2010-2011				1.000	1.000	1.000	1.000	1.000	1.000		
2011-2012											
2012-2013											
2013-2014											
2014-2015	11.000	1.028	1.000	1.000	1.000						
2015-2016	1.000	1.000	1.000	1.000							
2016-2017											
2017-2018	0.897	0.035									
2018-2019	9.709										

	6-18 Months	18-30 Months	30-42 Months	42-54 Months	54-66 Months	66-78 Months	78-90 Months	90-102 Months	102-114 Months	114-126 Months	126-138 Months
Average Dollar-Weighted Averages	5.652	0.688	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
3-yr									1.000		
4-yr											
Comparative Factors	4.611	1.861	1.298	1.135	1.045	1.025	1.013	1.004	1.002	1.000	1.000
Prior	4.611	1.861	1.298	1.135	1.045	1.025	1.013	1.004	1.002	1.000	1.000
Selected	4.611	1.861	1.298	1.135	1.045	1.025	1.013	1.004	1.002	1.000	1.000
Cumulated	13.792	2.991	1.607	1.238	1.091	1.044	1.019	1.006	1.002	1.000	1.000

Santa Clara County Schools Insurance Group - Property

Paid Loss Development

Accident Year (A)	Limited Paid Losses as of 12/31/19 (B)	Paid Loss Development Factor (C)	Ultimate Limited Losses (D)	Program Paid Losses of 12/31/19 (E)	Paid Loss Development Factor (F)	Ultimate Program Losses (G)
2008-2009	\$344,219	1.000	\$344,219	\$344,219	1.000	\$344,219
2009-2010	331,278	1.000	331,278	331,278	1.000	331,278
2010-2011	370,502	1.000	370,502	370,502	1.000	370,502
2011-2012	43,519	1.000	43,519	43,519	1.000	43,519
2012-2013	84,769	1.000	84,769	84,769	1.000	84,769
2013-2014	21,756	1.000	21,756	21,756	1.000	21,756
2014-2015	282,415	1.000	282,415	282,415	1.000	282,415
2015-2016	107,854	1.000	107,854	107,854	1.000	107,854
2016-2017	64,596	1.010	65,242	64,596	1.010	65,242
2017-2018	205,767	1.061	218,319	205,767	1.061	218,319
2018-2019	542,774	1.326	719,718	542,774	1.326	719,718
2019-2020	32,941	26.520	873,595	32,941	26.520	873,595
Totals	\$2,432,390		\$3,463,186	\$2,432,390		\$3,463,186

Notes:

- (A) Years are 7/1 to 6/30.
- (B) Provided by the Group. These losses exclude amounts over \$100,000 per occurrence.
- (C) From Appendix B - PR, Page 2.
- (D) (B) x (C). These estimated losses exclude amounts over \$100,000 per occurrence.
- (E) Losses capped at the Group's SIR. Amounts are provided by the Group.
- (F) Derived from factors on Appendix B - PR, Page 3.
- (G) (E) x (F).

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

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

Santa Clara County Schools Insurance Group - Property
Paid Loss Development

Accident Year	<u>Limited Losses Paid as of:</u>										
	6 Months	18 Months	30 Months	42 Months	54 Months	66 Months	78 Months	90 Months	102 Months	114 Months	126 Months
2008-2009						353,880	352,302	350,508	349,266	347,669	346,289
2009-2010					331,278	331,278	331,278	331,278	331,278	331,278	331,278
2010-2011				369,710	370,353	370,502	370,502	370,502	370,502	370,502	
2011-2012			43,519	43,519	43,519	43,519	43,519	43,519	43,519		
2012-2013		61,355	72,155	84,769	84,769	84,769	84,769	84,769			
2013-2014		21,756	21,756	21,756	21,756	21,756	21,756				
2014-2015	99,453	278,059	282,415	282,415	282,415	282,415					
2015-2016	100,000	100,000	100,000	107,854	107,854						
2016-2017	18	30,004	64,596	64,596							
2017-2018	3,090	343,848	205,767								
2018-2019	5,000	542,774									
2019-2020	32,941										

	<u>Paid Loss Development Factors:</u>										
	6-18 Months	18-30 Months	30-42 Months	42-54 Months	54-66 Months	66-78 Months	78-90 Months	90-102 Months	102-114 Months	114-126 Months	126-138 Months
2008-2009						0.996	0.995	0.996	0.995	0.996	0.994
2009-2010					1.000	1.000	1.000	1.000	1.000	1.000	
2010-2011				1.002	1.000	1.000	1.000	1.000	1.000		
2011-2012			1.000	1.000	1.000	1.000	1.000	1.000			
2012-2013		1.176	1.175	1.000	1.000	1.000	1.000				
2013-2014		1.000	1.000	1.000	1.000	1.000					
2014-2015	2.796	1.016	1.000	1.000	1.000						
2015-2016	1.000	1.000	1.079	1.000							
2016-2017	1,666.889	2.153	1.000								
2017-2018	111.278	0.598									
2018-2019	108.555										
Average Dollar-Weighted Averages	378.104	1.157	1.042	1.000	1.000	0.999	0.999	0.999	0.998	0.998	0.994
3-yr	113.052	0.782	1.018	1.000	1.000	1.000	1.000	1.000	0.998		
4-yr	9.404	0.868	1.017	1.000	1.000	1.000	1.000	0.999			
Comparative Factors	4.218	2.117	1.446	1.151	1.057	1.033	1.015	1.010	1.008	1.008	1.006
Prior	10.000	1.250	1.050	1.010	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Selected	20.000	1.250	1.050	1.010	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Cumulated	26.520	1.326	1.061	1.010	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Santa Clara County Schools Insurance Group - Property
Paid between \$100,000 and \$500,000 Loss Development

Accident Year	<u>Losses Paid as of:</u>										
	6 Months	18 Months	30 Months	42 Months	54 Months	66 Months	78 Months	90 Months	102 Months	114 Months	126 Months
2008-2009						422,334	422,334	422,334	422,334	422,334	422,334
2009-2010					150,631	150,631	150,631	150,631	150,631	150,631	150,631
2010-2011				85,753	85,753	85,753	85,753	85,753	85,753	85,753	
2011-2012											
2012-2013											
2013-2014											
2014-2015		97,160	113,108	113,108	113,108	113,108					
2015-2016	400,000	400,000	400,000	400,000	400,000						
2016-2017											
2017-2018		356,012	12,577								
2018-2019		747,583									
2019-2020											
	<u>Paid Loss Development Factors:</u>										
	6-18 Months	18-30 Months	30-42 Months	42-54 Months	54-66 Months	66-78 Months	78-90 Months	90-102 Months	102-114 Months	114-126 Months	126-138 Months
2008-2009						1.000	1.000	1.000	1.000	1.000	1.000
2009-2010					1.000	1.000	1.000	1.000	1.000	1.000	
2010-2011				1.000	1.000	1.000	1.000	1.000	1.000		
2011-2012											
2012-2013											
2013-2014											
2014-2015		1.164	1.000	1.000	1.000						
2015-2016	1.000	1.000	1.000	1.000							
2016-2017											
2017-2018		0.035									
2018-2019											
Average Dollar-Weighted Averages	1.000	0.733	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
3-yr									1.000		
4-yr											
Comparative Factors	9.143	3.115	1.786	1.350	1.168	1.090	1.065	1.042	1.030	1.017	1.009
Prior	9.143	3.115	1.786	1.350	1.168	1.090	1.065	1.042	1.030	1.017	1.046
Selected	9.143	3.115	1.786	1.350	1.168	1.090	1.065	1.042	1.030	1.017	1.009
Cumulated	106.315	11.628	3.733	2.090	1.548	1.325	1.216	1.142	1.096	1.064	1.046

Santa Clara County Schools Insurance Group - Property

Exposure and Development Method
Based on Reported Losses

Accident Year	Trended TIV (\$000) (A)	Reported Losses as of 12/31/19 (B)	Loss Development Factor (C)	Percentage of Losses Yet to Be Reported (D)	Program Rate (E)	Incurred but not Reported (IBNR) (F)	Ultimate Program Losses (G)
2008-2009	\$2,138,547	\$344,219	1.000	0.000	\$0.161	\$0	\$344,219
2009-2010	2,107,251	331,278	1.000	0.000	0.157	0	331,278
2010-2011	2,075,101	370,502	1.000	0.000	0.179	0	370,502
2011-2012	2,041,718	43,519	1.000	0.000	0.021	0	43,519
2012-2013	2,083,762	84,769	1.000	0.000	0.041	0	84,769
2013-2014	2,160,153	21,756	1.000	0.000	0.010	0	21,756
2014-2015	2,186,220	282,415	1.000	0.000	0.129	0	282,415
2015-2016	2,295,131	107,854	1.000	0.000	0.133	0	107,854
2016-2017	2,305,857	64,596	1.000	0.000	0.137	0	64,596
2017-2018	2,326,653	205,767	1.005	0.005	0.141	1,640	207,407
2018-2019	2,394,504	591,417	1.025	0.024	0.146	8,390	599,807
2019-2020	2,462,494	295,453	3.024	0.669	0.150	247,111	542,564
Totals	26,577,391	\$2,743,545				\$257,141	\$3,000,686

Notes:

- (A) From Appendix L - PR, Column (C).
- (B) Provided by the Group. These losses exclude amounts incurred above the Group's SIR for each year.
- (C) From Appendix A - PR, Page 1, Column (F).
- (D) $1 - 1/(C)$.
- (E) From Appendix C - PR, Page 3, Column (H).
- (F) $(A) \times (D) \times (E)$.
- (G) $(B) + (F)$.

This exhibit shows the calculation of ultimate losses based on the assumption that there is an underlying relationship between losses and exposure that changes in regular ways over time. The method relies on the premise that the losses that are currently unreported will cost what this relationship would suggest.

Santa Clara County Schools Insurance Group - Property

Exposure and Development Method
Based on Paid Losses

Accident Year	Trended TIV (\$000) (A)	Paid Losses as of 12/31/19 (B)	Loss Development Factor (C)	Percentage of Losses Yet to Be Paid (D)	Program Rate (E)	Incurred but not Paid (F)	Ultimate Program Losses (G)
2008-2009	\$2,138,547	\$344,219	1.000	0.000	\$0.161	\$0	\$344,219
2009-2010	2,107,251	331,278	1.000	0.000	0.157	0	331,278
2010-2011	2,075,101	370,502	1.000	0.000	0.179	0	370,502
2011-2012	2,041,718	43,519	1.000	0.000	0.021	0	43,519
2012-2013	2,083,762	84,769	1.000	0.000	0.041	0	84,769
2013-2014	2,160,153	21,756	1.000	0.000	0.010	0	21,756
2014-2015	2,186,220	282,415	1.000	0.000	0.129	0	282,415
2015-2016	2,295,131	107,854	1.000	0.000	0.133	0	107,854
2016-2017	2,305,857	64,596	1.010	0.010	0.137	3,159	67,755
2017-2018	2,326,653	205,767	1.061	0.057	0.141	18,699	224,466
2018-2019	2,394,504	542,774	1.326	0.246	0.146	86,001	628,775
2019-2020	2,462,494	32,941	26.520	0.962	0.150	355,338	388,279
Totals	26,577,391	\$2,432,390				\$463,197	\$2,895,587

Notes:

- (A) From Appendix L - PR, Column (C).
- (B) Provided by the Group. These losses exclude amounts paid above the Group's SIR for each year.
- (C) From Appendix B - PR, Page 1, Column (F).
- (D) $1 - 1/(C)$.
- (E) From Appendix C - PR, Page 3, Column (H).
- (F) $(A) \times (D) \times (E)$.
- (G) $(B) + (F)$.

This exhibit shows the calculation of ultimate losses based on the assumption that there is an underlying relationship between losses and exposure that changes in regular ways over time. The method relies on the premise that the losses that are currently unpaid will cost what this relationship would suggest.

Santa Clara County Schools Insurance Group - Property

Exposure and Development Method

Accident Year	Trended TIV (\$000) (A)	Ultimate Limited Losses (B)	Trend Factor (C)	Trended Limited Losses (D)	Trended Limited Loss Rate (E)	Limited Loss Rate (F)	Factor to SIR (G)	Program Loss Rate (H)
2008-2009	\$2,138,547	\$344,219	1.385	\$476,743	\$0.223	\$0.161	1.000	\$0.161
2009-2010	2,107,251	331,278	1.345	445,569	0.211	0.157	1.000	0.157
2010-2011	2,075,101	370,502	1.306	483,876	0.233	0.179	1.000	0.179
2011-2012	2,041,718	43,519	1.267	55,139	0.027	0.021	1.000	0.021
2012-2013	2,083,762	84,769	1.231	104,351	0.050	0.041	1.000	0.041
2013-2014	2,160,153	21,756	1.195	25,998	0.012	0.010	1.000	0.010
2014-2015	2,186,220	282,415	1.160	327,601	0.150	0.129	1.000	0.129
2015-2016	2,295,131	107,854	1.126	121,444	0.053	0.133	1.000	0.133
2016-2017	2,305,857	64,596	1.093	70,603	0.031	0.137	1.000	0.137
2017-2018	2,326,653	205,767	1.061	218,319	0.094	0.141	1.000	0.141
2018-2019	2,394,504	623,000	1.030	641,690	0.268	0.146	1.000	0.146
2019-2020	2,462,494	884,000	1.000	884,000	0.359	0.150	1.000	0.150
Total/Avg	26,577,391	\$3,363,675		\$3,855,333	\$0.145			
14/15-18/19	11,508,365	1,283,632		1,379,657	0.120			
17/18-18/19	4,721,157	828,767		860,009	0.182			
				Selected Limited Rate:	\$0.150			
				Prior:	\$0.100			

Notes:

- (A) From Appendix L - PR, Column (C).
- (B) Selected average of results from Appendices A and B.
- (C) From Appendix E - PR, Page 1, Column (B).
- (D) (B) x (C).
- (E) (D) / (A).
- (F) Selected Limited Rate / (C). For 2013-2014 and prior (B) / (A).
- (G) Based on a Burr distribution, a mathematical model of claim sizes.
- (H) (F) x (G).

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

Santa Clara County Schools Insurance Group - Property

Frequency and Severity Method

Accident Year	Ultimate Program Severity (A)	Adjusted Ultimate Claims (B)	Ultimate Program Losses (C)
2008-2009	\$34,422	10	\$344,220
2009-2010	22,085	15	331,275
2010-2011	30,875	12	370,500
2011-2012	5,440	8	43,520
2012-2013	9,419	9	84,771
2013-2014	10,878	2	21,756
2014-2015	25,862	15	387,930
2015-2016	26,643	2	53,286
2016-2017	27,447	7	192,129
2017-2018	28,275	10	282,750
2018-2019	29,126	12	349,512
2019-2020	30,000	12	360,000
Total		114	\$2,821,649

Notes:

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

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

Santa Clara County Schools Insurance Group - Property

Frequency and Severity Method

Accident Year	Ultimate Limited Losses (A)	Adjusted Ultimate Claims (B)	Ultimate Limited Severity (C)	Trend Factor (D)	Trended Limited Severity (E)	Limited Severity (F)	Factor to SIR (G)	Program Severity (H)
2008-2009	\$344,219	10	\$34,422	1.385	\$47,674	\$34,422	1.000	\$34,422
2009-2010	331,278	15	22,085	1.345	29,704	22,085	1.000	22,085
2010-2011	370,502	12	30,875	1.306	40,323	30,875	1.000	30,875
2011-2012	43,519	8	5,440	1.267	6,892	5,440	1.000	5,440
2012-2013	84,769	9	9,419	1.231	11,595	9,419	1.000	9,419
2013-2014	21,756	2	10,878	1.195	12,999	10,878	1.000	10,878
2014-2015	282,415	15	18,828	1.160	21,840	25,862	1.000	25,862
2015-2016	107,854	2	53,927	1.126	60,722	26,643	1.000	26,643
2016-2017	64,596	7	9,228	1.093	10,086	27,447	1.000	27,447
2017-2018	205,767	10	20,577	1.061	21,832	28,275	1.000	28,275
2018-2019	614,000	12	51,167	1.030	52,702	29,126	1.000	29,126
2019-2020	504,000	12	42,000	1.000	42,000	30,000	1.000	30,000

Average Limited Severity: \$29,864
 Average 13/14-17/18 Limited Severity: 25,496
 Average 17/18-18/19 Limited Severity: 37,267

 Selected Limited Severity: \$30,000
 Prior: \$30,000

Notes:

- (A) Selected average of results from Appendices A, B, and C.
- (B) Appendix D - PR, Page 3, Column (C).
- (C) (A) / (B).
- (D) From Appendix E - PR, Page 1, Column (J).
- (E) (C) x (D).
- (F) Selected Limited Severity / (D).
- (G) Based on a Burr distribution, a mathematical model of claim sizes.
- (H) (F) x (G).

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

Santa Clara County Schools Insurance Group - Property

Frequency and Severity Method
Projection of Ultimate Claims

Accident Year	Reported Claim Development (A)	Closed Claim Development (B)	Selected Ultimate Claims (C)	Trended TIV (\$000,000) (D)	Claim Frequency (E)	Trend Factor (F)	Trended Claim Frequency (G)
2008-2009	10	9	10	2,138.5	0.0047	1.000	0.0047
2009-2010	15	15	15	2,107.3	0.0071	1.000	0.0071
2010-2011	12	12	12	2,075.1	0.0058	1.000	0.0058
2011-2012	8	8	8	2,041.7	0.0039	1.000	0.0039
2012-2013	9	9	9	2,083.8	0.0043	1.000	0.0043
2013-2014	2	2	2	2,160.2	0.0009	1.000	0.0009
2014-2015	15	15	15	2,186.2	0.0069	1.000	0.0069
2015-2016	2	1	2	2,295.1	0.0009	1.000	0.0009
2016-2017	7	7	7	2,305.9	0.0030	1.000	0.0030
2017-2018	10	11	10	2,326.7	0.0043	1.000	0.0043
2018-2019	12	9	12	2,394.5	0.0050	1.000	0.0050
2019-2020	14	24	12	2,462.5	0.0049	1.000	0.0049
Total	116	122	114	26,577.4			0.0043
17/18-18/19	22	20	22	4,721.2			0.0047

(H) Selected Frequency: 0.0050
Prior: 0.0045

Program Year:	2019-2020	2020-2021
(I) Trend Factor:	1.000	1.000
(J) Selected Frequency:	0.0050	0.0050
(K) Est. TIV (\$000,000):	2,462.5	2,595.7
(L) Ultimate Claims:	12	13

Notes:

- (A) From Appendix D - PR, Page 4, (C).
- (B) From Appendix D - PR, Page 5, (C).
- (C) Selected from (A) and (B).
- (D) From Appendix L - PR, Column (C) / 1,000.
- (E) (C) / (D).
- (F) From Appendix E - PR, Page 1, Column (H).
- (G) (E) x (F).
- (H) The selected frequency of 0.0050 is based on (G).
- (I) From Appendix E - PR, Page 1, Column (H).
- (J) (H) x (I).
- (K) From Appendix L - PR, Column (C) / 1,000.
- (L) (J) x (K).

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

Santa Clara County Schools Insurance Group - Property

Frequency and Severity Method
Reported Claim Count Development

Accident Year	Claims Reported as of 12/31/2019 (A)	Reported Claim Development Factor (B)	Ultimate Claims (C)	Trended Claim Frequency (D)
2008-2009	10	1.000	10	0.0047
2009-2010	15	1.000	15	0.0071
2010-2011	12	1.000	12	0.0058
2011-2012	8	1.000	8	0.0039
2012-2013	9	1.000	9	0.0043
2013-2014	2	1.000	2	0.0009
2014-2015	15	1.000	15	0.0069
2015-2016	2	1.000	2	0.0009
2016-2017	7	1.000	7	0.0030
2017-2018	10	1.000	10	0.0043
2018-2019	12	1.010	12	0.0050
2019-2020	6	2.273	14	0.0057
Total	108		116	0.0044

Notes:

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

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

Santa Clara County Schools Insurance Group - Property

Frequency and Severity Method
Closed Claim Count Development

Accident Year	Claims Closed as of 12/31/2019 (A)	Closed Claim Development Factor (B)	Ultimate Claims (C)	Trended Claim Frequency (D)
2008-2009	9	1.000	9	0.0042
2009-2010	15	1.000	15	0.0071
2010-2011	12	1.000	12	0.0058
2011-2012	8	1.000	8	0.0039
2012-2013	9	1.000	9	0.0043
2013-2014	2	1.000	2	0.0009
2014-2015	15	1.000	15	0.0069
2015-2016	1	1.000	1	0.0004
2016-2017	7	1.010	7	0.0030
2017-2018	10	1.061	11	0.0047
2018-2019	7	1.220	9	0.0038
2019-2020	2	12.200	24	0.0097
Total	97		122	0.0046

Notes:

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

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

Santa Clara County Schools Insurance Group - Property
Reported Claim Count Development

Accident Year	<u>Claims Reported as of:</u>											
	6 Months	18 Months	30 Months	42 Months	54 Months	66 Months	78 Months	90 Months	102 Months	114 Months	126 Months	138 Months
2008-2009						10	10	10	10	10	10	10
2009-2010					15	15	15	15	15	15	15	15
2010-2011				12	12	12	12	12	12	12	12	
2011-2012			8	8	8	8	8	8	8	8		
2012-2013		8	9	9	9	9	9	9				
2013-2014		2	2	2	2	2	2					
2014-2015	7	15	15	15	15	15						
2015-2016	2	2	2	2	2							
2016-2017	5	10	7	7								
2017-2018	5	10	10									
2018-2019	6	12										
2019-2020	6											

Reported Claim Count Development Factors:

	6-18 Months	18-30 Months	30-42 Months	42-54 Months	54-66 Months	66-78 Months	78-90 Months	90-102 Months	102-114 Months	114-126 Months	126-138 Months	138-Ult. Months
2008-2009						1.000	1.000	1.000	1.000	1.000	1.000	1.000
2009-2010					1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2010-2011				1.000	1.000	1.000	1.000	1.000	1.000	1.000		
2011-2012			1.000	1.000	1.000	1.000	1.000	1.000				
2012-2013		1.125	1.000	1.000	1.000	1.000	1.000					
2013-2014		1.000	1.000	1.000	1.000	1.000						
2014-2015	2.143	1.000	1.000	1.000	1.000							
2015-2016	1.000	1.000	1.000	1.000								
2016-2017	2.000	0.700	1.000									
2017-2018	2.000	1.000										
2018-2019	2.000											
Average	1.829	0.971	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Claim-Weighted Averages												
3-yr	2.000	0.864	1.000	1.000	1.000	1.000	1.000	1.000	1.000			
4-yr	1.889	0.919	1.000	1.000	1.000	1.000	1.000	1.000				
Comparative Factors	2.633	1.136	1.018	1.005	1.005	1.004	1.004	1.002	1.002	1.001	1.000	1.000
Prior	2.250	1.010	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000		
Selected	2.250	1.010	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Cumulated	2.273	1.010	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Santa Clara County Schools Insurance Group - Property
Closed Claim Development

Accident Year	<u>Claims Closed as of:</u>											
	6 Months	18 Months	30 Months	42 Months	54 Months	66 Months	78 Months	90 Months	102 Months	114 Months	126 Months	138 Months
2008-2009						10	10	10	10	10	9	9
2009-2010					14	15	15	15	15	15	15	
2010-2011				11	12	12	12	12	12	12		
2011-2012			8	8	8	8	8	8	8			
2012-2013		7	8	9	9	9	9	9				
2013-2014		2	2	2	2	2	2					
2014-2015	1	13	15	15	15	15						
2015-2016				1	1							
2016-2017		3	7	7								
2017-2018	1	8	10									
2018-2019	1	7										
2019-2020	2											

Closed Claim Count Development Factors:

	6-18 Months	18-30 Months	30-42 Months	42-54 Months	54-66 Months	66-78 Months	78-90 Months	90-102 Months	102-114 Months	114-126 Months	126-138 Months	138-Ult. Months
2008-2009						1.000	1.000	1.000	1.000	0.900	1.000	
2009-2010					1.071	1.000	1.000	1.000	1.000	1.000		
2010-2011				1.091	1.000	1.000	1.000	1.000	1.000			
2011-2012			1.000	1.000	1.000	1.000	1.000	1.000				
2012-2013		1.143	1.125	1.000	1.000	1.000	1.000					
2013-2014		1.000	1.000	1.000	1.000	1.000						
2014-2015	13.000	1.154	1.000	1.000	1.000							
2015-2016				1.000								
2016-2017		2.333	1.000									
2017-2018	8.000	1.250										
2018-2019	7.000											
Average	9.333	1.376	1.025	1.015	1.012	1.000	1.000	1.000	1.000	0.950	1.000	
Claim-Weighted Averages												
3-yr				1.000	1.000	1.000	1.000	1.000	1.000			
4-yr				1.000	1.000	1.000	1.000	1.000				
Comparative Factors	3.387	1.495	1.122	1.051	1.033	1.020	1.012	1.010	1.007	1.005	1.005	1.015
Prior	10.000	1.150	1.050	1.010	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Selected	10.000	1.150	1.050	1.010	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Cumulated	12.200	1.220	1.061	1.010	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Santa Clara County Schools Insurance Group - Property

Loss Trend Factors

Accident Year	Benefit Level Factor (A)	Factor to 2019-2020 Loss Rate Level (B)	Factor to 2020-2021 Loss Rate Level (C)	Factor to 2021-2022 Loss Rate Level (D)	Factor to 2022-2023 Loss Rate Level (E)	Factor to 2019-2020 Frequency Level (F)	Factor to 2020-2021 Frequency Level (G)	Factor to 2021-2022 Frequency Level (H)	Factor to 2022-2023 Frequency Level (I)	Factor to 2019-2020 Severity Level (J)
1998-1999	1.000	1.862	1.918	1.976	2.035	1.000	1.000	1.000	1.000	1.862
1999-2000	1.000	1.808	1.862	1.918	1.976	1.000	1.000	1.000	1.000	1.808
2000-2001	1.000	1.755	1.808	1.862	1.918	1.000	1.000	1.000	1.000	1.755
2001-2002	1.000	1.704	1.755	1.808	1.862	1.000	1.000	1.000	1.000	1.704
2002-2003	1.000	1.654	1.704	1.755	1.808	1.000	1.000	1.000	1.000	1.654
2003-2004	1.000	1.606	1.654	1.704	1.755	1.000	1.000	1.000	1.000	1.606
2004-2005	1.000	1.559	1.606	1.654	1.704	1.000	1.000	1.000	1.000	1.559
2005-2006	1.000	1.513	1.559	1.606	1.654	1.000	1.000	1.000	1.000	1.513
2006-2007	1.000	1.469	1.514	1.559	1.606	1.000	1.000	1.000	1.000	1.469
2007-2008	1.000	1.426	1.469	1.514	1.559	1.000	1.000	1.000	1.000	1.426
2008-2009	1.000	1.385	1.427	1.470	1.514	1.000	1.000	1.000	1.000	1.385
2009-2010	1.000	1.345	1.385	1.427	1.470	1.000	1.000	1.000	1.000	1.345
2010-2011	1.000	1.306	1.345	1.385	1.427	1.000	1.000	1.000	1.000	1.306
2011-2012	1.000	1.267	1.305	1.345	1.385	1.000	1.000	1.000	1.000	1.267
2012-2013	1.000	1.231	1.268	1.306	1.345	1.000	1.000	1.000	1.000	1.231
2013-2014	1.000	1.195	1.231	1.268	1.306	1.000	1.000	1.000	1.000	1.195
2014-2015	1.000	1.160	1.195	1.231	1.268	1.000	1.000	1.000	1.000	1.160
2015-2016	1.000	1.126	1.160	1.195	1.231	1.000	1.000	1.000	1.000	1.126
2016-2017	1.000	1.093	1.126	1.160	1.195	1.000	1.000	1.000	1.000	1.093
2017-2018	1.000	1.061	1.093	1.126	1.160	1.000	1.000	1.000	1.000	1.061
2018-2019	1.000	1.030	1.061	1.093	1.126	1.000	1.000	1.000	1.000	1.030
2019-2020	1.000	1.000	1.030	1.061	1.093	1.000	1.000	1.000	1.000	1.000
2020-2021	1.000	--	1.000	1.030	1.061	--	1.000	1.000	1.000	--
2021-2022	1.000	--	--	1.000	1.030	--	--	1.000	1.000	--
2022-2023	1.000	--	--	--	1.000	--	--	--	1.000	--

Notes:

- (A) No benefit level adjustment applied.
- (B) - (E) (A) adjusted for a 3.0% annual loss rate trend.
- (F) - (I) (A) adjusted for a 0.0% annual frequency trend.
- (J) (A) adjusted for a 3.0% annual severity trend.

This exhibit shows the calculation of the ways in which we expect claims costs to have changed over the past twenty years due to changes in inflation.

Santa Clara County Schools Insurance Group - Property

Residual Trend Factors

Accident Year	Initial Estimate of Ultimate Limited Losses (A)	Ultimate Reported Claims (B)	BLF (C)	Adjusted Limited Severity (D)	Trended TIV (\$000) (E)	Ultimate Frequency (F)
2009-2010	331,278	15	1.000	22,085	2,107,251	0.071
2010-2011	370,502	12	1.000	30,875	2,075,101	0.058
2011-2012	43,519	8	1.000	5,440	2,041,718	0.039
2012-2013	84,769	9	1.000	9,419	2,083,762	0.043
2013-2014	21,756	2	1.000	10,878	2,160,153	0.009
2014-2015	282,415	15	1.000	18,828	2,186,220	0.069
2015-2016	107,854	2	1.000	53,927	2,295,131	0.009
2016-2017	64,596	7	1.000	9,228	2,305,857	0.030
2017-2018	205,767	10	1.000	20,577	2,326,653	0.043
2018-2019	623,000	12	1.000	51,917	2,394,504	0.050

	<u>Severity Trend Factors</u>	<u>Frequency Trend Factors</u>
Latest 8 x 2018-2019	1.069	0.929
Latest 5 x 2018-2019	1.058	1.253
Prior	1.030	0.975
Default	1.030	0.975
Selected Residual Trend	1.030	1.000

Notes:

- (A) Selected average of results from Appendix A - PR and Appendix B - PR.
- (B) Appendix D - PR, Page 3, Column (C).
- (C) Appendix E - PR, Page 1, (A).
- (D) (A) x (C) / (B).
- (E) From Appendix L - PR, Column (C).
- (F) (B) / (E) x 10,000.

Santa Clara County Schools Insurance Group - Property

Payment and Reserve Forecast

<u>Accident Year</u>	<u>As of</u> <u>12/31/2019</u>	<u>Calendar Period</u>	
		<u>1/1/2020</u> <u>to</u> <u>6/30/2020</u>	<u>7/1/2020</u> <u>to</u> <u>6/30/2021</u>
2008-2009			
Ultimate Loss	\$344,219	\$344,219	\$344,219
Paid in Calendar Period	-		
Paid to Date	344,219	344,219	344,219
Outstanding Liability			
2009-2010			
Ultimate Loss	\$331,278	\$331,278	\$331,278
Paid in Calendar Period	-		
Paid to Date	331,278	331,278	331,278
Outstanding Liability			
2010-2011			
Ultimate Loss	\$370,502	\$370,502	\$370,502
Paid in Calendar Period	-		
Paid to Date	370,502	370,502	370,502
Outstanding Liability			
2011-2012			
Ultimate Loss	\$43,519	\$43,519	\$43,519
Paid in Calendar Period	-		
Paid to Date	43,519	43,519	43,519
Outstanding Liability			
2012-2013			
Ultimate Loss	\$84,769	\$84,769	\$84,769
Paid in Calendar Period	-		
Paid to Date	84,769	84,769	84,769
Outstanding Liability			
2013-2014			
Ultimate Loss	\$21,756	\$21,756	\$21,756
Paid in Calendar Period	-		
Paid to Date	21,756	21,756	21,756
Outstanding Liability			
2014-2015			
Ultimate Loss	\$282,415	\$282,415	\$282,415
Paid in Calendar Period	-		
Paid to Date	282,415	282,415	282,415
Outstanding Liability			
2015-2016			
Ultimate Loss	\$107,854	\$107,854	\$107,854
Paid in Calendar Period	-		
Paid to Date	107,854	107,854	107,854
Outstanding Liability			

Santa Clara County Schools Insurance Group - Property

Payment and Reserve Forecast

<u>Accident Year</u>	<u>As of</u> <u>12/31/2019</u>	<u>Calendar Period</u>	
		<u>1/1/2020</u> <u>to</u> <u>6/30/2020</u>	<u>7/1/2020</u> <u>to</u> <u>6/30/2021</u>
2016-2017			
Ultimate Loss	\$64,596	\$64,596	\$64,596
Paid in Calendar Period	-		
Paid to Date	64,596	64,596	64,596
Outstanding Liability			
2017-2018			
Ultimate Loss	\$205,767	\$205,767	\$205,767
Paid in Calendar Period	-		
Paid to Date	205,767	205,767	205,767
Outstanding Liability			
2018-2019			
Ultimate Loss	\$614,000	\$614,000	\$614,000
Paid in Calendar Period	-	27,208	34,202
Paid to Date	542,774	569,982	604,184
Outstanding Liability	71,226	44,018	9,816
2019-2020			
Ultimate Loss	\$252,000	\$504,000	\$504,000
Paid in Calendar Period	-	175,234	221,573
Paid to Date	32,941	208,175	429,748
Outstanding Liability	219,059	295,825	74,252
2020-2021			
Ultimate Loss	-	-	\$402,000
Paid in Calendar Period	-	-	159,192
Paid to Date	-	-	159,192
Outstanding Liability	-	-	242,808
Totals			
Ultimate Loss	\$2,722,675	\$2,974,675	\$3,376,675
Paid in Calendar Period	-	202,442	414,967
Paid to Date	2,432,390	2,634,832	3,049,799
Outstanding Liability	290,285	339,843	326,876

Notes appear on the next page.

Santa Clara County Schools Insurance Group - Property
Payment and Reserve Forecast

Notes to previous page:

- Accident Year is associated with date of loss. Calendar Period is associated with date of transaction. For example, for the losses which occurred during 2017-2018, \$0 is expected to be paid between 1/1/20 and 6/30/20, \$205,767 will have been paid by 6/30/20, and the reserve for remaining payments on these claims should be \$0.
- Ultimate Losses for each accident year are from Exhibit 4 - PR, Page 1.
- Paid in Calendar Period is a proportion of the Outstanding Liability from the previous calendar period. These proportions are derived from the paid loss development pattern selected in Appendix B. For example, \$0 = \$0 x 100.0%.
- Paid to Date is Paid in Calendar Period plus Paid to Date from previous calendar period. For example, \$205,767 = \$0 + \$205,767.
- Outstanding Liability is Ultimate Loss minus Paid to Date. For example, \$0 = \$205,767 - \$205,767.

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

Santa Clara County Schools Insurance Group - Property

Short- and Long-Term Liabilities

<u>Liabilities as of 12/31/19:</u>		<u>Expected</u>	<u>Discounted</u>
<u>Current (Short Term)</u>	Loss and ALAE:	\$187,319	\$185,474
	ULAE:	0	0
	Short-Term Loss and LAE:	<u>\$187,319</u>	<u>\$185,474</u>
<u>Non-Current (Long Term)</u>	Loss and ALAE:	\$102,966	\$99,264
	ULAE:	0	0
	Long-Term Loss and LAE:	<u>\$102,966</u>	<u>\$99,264</u>
<u>Total Liability</u>	Loss and ALAE:	\$290,285	\$284,738
	ULAE:	0	0
	Total Loss and LAE:	<u>\$290,285</u>	<u>\$284,738</u>
<u>Liabilities as of 6/30/20:</u>			
<u>Current (Short Term)</u>	Loss and ALAE:	\$255,775	\$253,255
	ULAE:	0	0
	Short-Term Loss and LAE:	<u>\$255,775</u>	<u>\$253,255</u>
<u>Non-Current (Long Term)</u>	Loss and ALAE:	\$84,068	\$81,291
	ULAE:	0	0
	Long-Term Loss and LAE:	<u>\$84,068</u>	<u>\$81,291</u>
<u>Total Liability</u>	Loss and ALAE:	\$339,843	\$334,546
	ULAE:	0	0
	Total Loss and LAE:	<u>\$339,843</u>	<u>\$334,546</u>

		<u>Discounted with a Margin for Contingencies</u>				
		<u>70%</u>	<u>75%</u>	<u>80%</u>	<u>85%</u>	<u>90%</u>
		<u>Confidence</u>	<u>Confidence</u>	<u>Confidence</u>	<u>Confidence</u>	<u>Confidence</u>
<u>Liabilities as of 12/31/19:</u>						
<u>Current (Short Term)</u>	Loss and ALAE:	\$218,859	\$234,254	\$252,245	\$274,502	\$304,177
	ULAE:	0	0	0	0	0
	Short-Term Loss and LAE:	<u>\$218,859</u>	<u>\$234,254</u>	<u>\$252,245</u>	<u>\$274,502</u>	<u>\$304,177</u>
<u>Non-Current (Long Term)</u>	Loss and ALAE:	\$117,132	\$125,370	\$134,999	\$146,910	\$162,793
	ULAE:	0	0	0	0	0
	Long-Term Loss and LAE:	<u>\$117,132</u>	<u>\$125,370</u>	<u>\$134,999</u>	<u>\$146,910</u>	<u>\$162,793</u>
<u>Total Liability</u>	Loss and ALAE:	\$335,991	\$359,624	\$387,244	\$421,412	\$466,970
	ULAE:	0	0	0	0	0
	Total Loss and LAE:	<u>\$335,991</u>	<u>\$359,624</u>	<u>\$387,244</u>	<u>\$421,412</u>	<u>\$466,970</u>
<u>Liabilities as of 6/30/20:</u>						
<u>Current (Short Term)</u>	Loss and ALAE:	\$298,841	\$319,861	\$344,427	\$374,817	\$415,338
	ULAE:	0	0	0	0	0
	Short-Term Loss and LAE:	<u>\$298,841</u>	<u>\$319,861</u>	<u>\$344,427</u>	<u>\$374,817</u>	<u>\$415,338</u>
<u>Non-Current (Long Term)</u>	Loss and ALAE:	\$95,923	\$102,671	\$110,556	\$120,311	\$133,317
	ULAE:	0	0	0	0	0
	Long-Term Loss and LAE:	<u>\$95,923</u>	<u>\$102,671</u>	<u>\$110,556</u>	<u>\$120,311</u>	<u>\$133,317</u>
<u>Total Liability</u>	Loss and ALAE:	\$394,764	\$422,532	\$454,983	\$495,128	\$548,655
	ULAE:	0	0	0	0	0
	Total Loss and LAE:	<u>\$394,764</u>	<u>\$422,532</u>	<u>\$454,983</u>	<u>\$495,128</u>	<u>\$548,655</u>

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

Santa Clara County Schools Insurance Group - Property

Discount Factors to be Applied to Overall Reserves

Accident Year	Full Value of Reserve at 12/31/19 (A)	Discount Factor (B)	Discounted Reserve at 12/31/19 (C)	Full Value of Reserve at 6/30/20 (D)	Discount Factor (E)	Discounted Reserve at 6/30/20 (F)
2018-2019	\$71,226	0.985	\$70,159	\$44,018	0.986	\$43,394
2019-2020	219,059	0.980	214,579	295,825	0.984	291,152
Totals	\$290,285		\$284,738	\$339,843		\$334,546

(G) Discount Factor at 12/31/19 for Overall Reserve:	0.981
(H) Discount Factor at 6/30/20 for Overall Reserve:	0.984

Notes:

- (A) From Appendix F - PR, Outstanding Liability at 12/31/19.
- (B) Based on Appendix H - PR, Page 2, Column (E).
- (C) (A) x (B).
- (D) From Appendix F - PR, Outstanding Liability at 6/30/20.
- (E) Based on Appendix H - PR, Page 2, Column (E).
- (F) (D) x (E).
- (G) Total of (C) / Total of (A).
- (H) Total of (F) / Total of (D).

This exhibit shows the expected impact of anticipated investment income on the liability for outstanding claims at the date of evaluation and the end of the current fiscal year. For example, if the discount factor in item (G) is 0.981, the discounted liability for outstanding claims is 98.1% of the full value.

Santa Clara County Schools Insurance Group - Property

Calculation of Discount Factors

Payment Year (A)	Payment Pattern (B)	Return on Investment (C)	Discounted Reserves (D)	Undiscounted Reserves (E)	Discount Factor (F)
22	0.0%	2.0%	0.000	0.000	1.000
21	0.0%	2.0%	0.000	0.000	1.000
20	0.0%	2.0%	0.000	0.000	1.000
19	0.0%	2.0%	0.000	0.000	1.000
18	0.0%	2.0%	0.000	0.000	1.000
17	0.0%	2.0%	0.000	0.000	1.000
16	0.0%	2.0%	0.000	0.000	1.000
15	0.0%	2.0%	0.000	0.000	1.000
14	0.0%	2.0%	0.000	0.000	1.000
13	0.0%	2.0%	0.000	0.000	1.000
12	0.0%	2.0%	0.000	0.000	1.000
11	0.0%	2.0%	0.000	0.000	1.000
10	0.0%	2.0%	0.000	0.000	1.000
9	0.0%	2.0%	0.000	0.000	1.000
8	0.0%	2.0%	0.000	0.000	1.000
7	0.0%	2.0%	0.000	0.000	1.000
6	0.0%	2.0%	0.000	0.000	1.000
5	0.0%	2.0%	0.000	0.000	1.000
4	3.4%	2.0%	0.033	0.034	0.990
3	11.8%	2.0%	0.150	0.152	0.986
2	45.2%	2.0%	0.595	0.604	0.984
1	39.6%	2.0%	0.975	1.000	0.975
(G) Discount Factor for Future Funding:				2019-2020	0.985
				2020-2021	0.985

Notes:

- (A) This is the year of payment relative to the accident year. For example, year 7 refers to payments made in the seventh year after the inception of the accident year. We assume that payments are made at midyear.
- (B) Percent of ultimate loss paid this year. This payment pattern is based on the paid loss development pattern selected in Appendix B - PR, Page 2.
- (C) Assumed Investment Income Rates.
- (D) Discounted Reserves at the beginning of this year is next year's Discounted Reserves discounted one year plus this year's payments discounted six months. For example, in year 2, $59.5\% = [15.0\% / 1.020] + [45.2\% / (1.010)]$.
- (E) Summation of future (B) values. This is the percent of ultimate loss unpaid at the beginning of the year.
- (F) (D) / (E).
- (G) (F) at year 1, with interest accumulated for six months. We assume that the required funding is deposited at the middle of the first year.

This exhibit shows the calculation of the effect of anticipated investment income on future claims costs. Thus, if the discount factor in item (F) is 0.98, on a discounted basis, \$0.98 must be budgeted for every \$1 that will actually be paid on claims that will be incurred in the next fiscal year.

Santa Clara County Schools Insurance Group - Property

Confidence Level Table

Probability	Projected Losses	Outstanding Losses
95%	2.053	1.905
90%	1.737	1.640
85%	1.548	1.480
80%	1.406	1.360
75%	1.293	1.263
70%	1.197	1.180
65%	1.113	1.108
60%	1.037	1.041
55%	0.968	0.981
50%	0.902	0.923
45%	0.840	0.868
40%	0.779	0.814
35%	0.719	0.761
30%	0.659	0.707
25%	0.598	0.650

To read table: For the above retention, there is a 90% chance that final loss settlements will be less than 1.737 times the average expected amount of losses.

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

Santa Clara County Schools Insurance Group - Property

Program History

Policy Year Start Date	Policy Year End Date	Policy Year	Self-Insured Retention	
			Per Occurrence	Aggregate
7/1/2008	6/30/2009	2008-2009	\$100,000	(none)
7/1/2009	6/30/2010	2009-2010	100,000	(none)
7/1/2010	6/30/2011	2010-2011	100,000	(none)
7/1/2011	6/30/2012	2011-2012	100,000	(none)
7/1/2012	6/30/2013	2012-2013	100,000	(none)
7/1/2013	6/30/2014	2013-2014	100,000	(none)
7/1/2014	6/30/2015	2014-2015	100,000	(none)
7/1/2015	6/30/2016	2015-2016	100,000	(none)
7/1/2016	6/30/2017	2016-2017	100,000	(none)
7/1/2017	6/30/2018	2017-2018	100,000	(none)
7/1/2018	6/30/2019	2018-2019	100,000	(none)
7/1/2019	6/30/2020	2019-2020	100,000	(none)
7/1/2020	6/30/2021	2020-2021	100,000	(none)
	Third Party Claims Administrator		Begin Date	End Date
	ASCIP		7/1/2008	Current

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

Santa Clara County Schools Insurance Group - Property

Incurred Losses as of 12/31/19

Accident Year (A)	Unlimited Incurred (B)	Subtractions from Losses (C)	Subtractions from Losses (D)	Adjusted Incurred (E)	Incurred Over SIR (F)	Incurred Over \$100,000 (G)	Incurred Capped at \$100,000 (H)	Incurred \$100,000 to SIR Layer (I)	Incurred Capped at SIR (J)	Incurred Capped at SIR & Aggregate (K)
2008-2009	\$960,818	\$2,672	\$20,606	\$937,540	\$593,321	\$593,321	\$344,219	\$0	\$344,219	\$344,219
2009-2010	540,760	8,712	50,139	481,908	150,631	150,631	331,278	0	331,278	331,278
2010-2011	540,984	0	84,729	456,255	85,753	85,753	370,502	0	370,502	370,502
2011-2012	76,550	33,031	0	43,519	0	0	43,519	0	43,519	43,519
2012-2013	122,882	34,047	4,066	84,769	0	0	84,769	0	84,769	84,769
2013-2014	26,156	4,400	0	21,756	0	0	21,756	0	21,756	21,756
2014-2015	417,375	11,673	10,179	395,523	113,108	113,108	282,415	0	282,415	282,415
2015-2016	12,807,854	0	0	12,807,854	12,700,000	12,700,000	107,854	0	107,854	107,854
2016-2017	79,560	9,523	5,441	64,596	0	0	64,596	0	64,596	64,596
2017-2018	703,757	0	485,413	218,344	12,577	12,577	205,767	0	205,767	205,767
2018-2019	1,465,186	48,500	0	1,416,686	825,269	825,269	591,417	0	591,417	591,417
2019-2020	377,953	0	0	377,953	82,500	82,500	295,453	0	295,453	295,453
Total	\$18,119,834	\$152,559	\$660,574	\$17,306,701	\$14,563,158	\$14,563,158	\$2,743,543	\$0	\$2,743,543	\$2,743,543

Notes:

- (A) Years are 7/1 to 6/30.
- (B) Provided by the Group.
- (C) Amount over SIR for Claims with SIR < \$100,000.
- (D) Subrogation recoveries.
- (E) (B) - (C) - (D).
- (F) Sum of incurred losses in excess of SIR.
- (G) Sum of incurred losses in excess of \$100,000.
- (H) (E) - (G).
- (I) (G) - (F).
- (J) (E) - (F).
- (K) Minimum of (J) and the aggregate stop loss. See Appendix J - PR.

Santa Clara County Schools Insurance Group - Property

Paid Losses as of 12/31/19

Accident Year (A)	Unlimited Paid (B)	Subtractions from Losses (C)	Subtractions from Losses (D)	Adjusted Paid (E)	Paid Over SIR (F)	Paid Over \$100,000 (G)	Paid Capped at \$100,000 (H)	Paid \$100,000 to SIR Layer (I)	Paid Capped at SIR (J)	Paid Capped at SIR & Aggregate (K)
2008-2009	\$960,818	\$2,672	\$20,606	\$937,540	\$593,321	\$593,321	\$344,219	\$0	\$344,219	\$344,219
2009-2010	540,760	8,712	50,139	481,908	150,631	150,631	331,278	0	331,278	331,278
2010-2011	540,984	0	84,729	456,255	85,753	85,753	370,502	0	370,502	370,502
2011-2012	76,550	33,031	0	43,519	0	0	43,519	0	43,519	43,519
2012-2013	122,882	34,047	4,066	84,769	0	0	84,769	0	84,769	84,769
2013-2014	26,156	4,400	0	21,756	0	0	21,756	0	21,756	21,756
2014-2015	417,375	11,673	10,179	395,523	113,108	113,108	282,415	0	282,415	282,415
2015-2016	12,200,446	0	0	12,200,446	12,092,592	12,092,592	107,854	0	107,854	107,854
2016-2017	79,560	9,523	5,441	64,596	0	0	64,596	0	64,596	64,596
2017-2018	703,757	0	485,413	218,344	12,577	12,577	205,767	0	205,767	205,767
2018-2019	1,338,856	48,500	0	1,290,356	747,583	747,583	542,774	0	542,774	542,774
2019-2020	32,941	0	0	32,941	0	0	32,941	0	32,941	32,941
Total	\$17,041,084	\$152,559	\$660,574	\$16,227,951	\$13,795,563	\$13,795,563	\$2,432,388	\$0	\$2,432,388	\$2,432,388

Notes:

- (A) Years are 7/1 to 6/30.
- (B) Provided by the Group.
- (C) Amount over SIR for Claims with SIR < \$100,000.
- (D) Subrogation recoveries.
- (E) (B) - (C) - (D).
- (F) Sum of paid losses in excess of SIR.
- (G) Sum of paid losses in excess of \$100,000.
- (H) (E) - (G).
- (I) (G) - (F).
- (J) (E) - (F).
- (K) Minimum of (J) and the aggregate stop loss. See Appendix J - PR.

Santa Clara County Schools Insurance Group - Property

Case Reserves as of 12/31/19

Accident Year (A)	Unlimited Reserves (B)	Subtractions from Losses (C)	Subtractions from Losses (D)	Adjusted Reserves (E)	Reserves Over SIR (F)	Reserves Over \$100,000 (G)	Reserves Capped at \$100,000 (H)	Reserves \$100,000 to SIR Layer (I)	Reserves Capped at SIR (J)	Reserves Capped at SIR & Aggregate (K)
2008-2009	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2009-2010	0	0	0	0	0	0	0	0	0	0
2010-2011	0	0	0	0	0	0	0	0	0	0
2011-2012	0	0	0	0	0	0	0	0	0	0
2012-2013	0	0	0	0	0	0	0	0	0	0
2013-2014	0	0	0	0	0	0	0	0	0	0
2014-2015	0	0	0	0	0	0	0	0	0	0
2015-2016	607,409	0	0	607,409	607,409	607,409	0	0	0	0
2016-2017	0	0	0	0	0	0	0	0	0	0
2017-2018	0	0	0	0	0	0	0	0	0	0
2018-2019	126,329	0	0	126,329	77,686	77,686	48,644	0	48,644	48,644
2019-2020	345,012	0	0	345,012	82,500	82,500	262,512	0	262,512	262,512
Total	\$1,078,750	\$0	\$0	\$1,078,750	\$767,594	\$767,594	\$311,155	\$0	\$311,155	\$311,155

Notes:

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

Santa Clara County Schools Insurance Group - Property

Claim Counts as of 12/31/19

Accident Year (A)	Reported Claims (B)	Additions to Reported Claims (C)	Subtractions from Reported Claims (D)	Adjusted Reported Claims (E)	Closed Claims (F)	Additions to Closed Claims (G)	Subtractions from Closed Claims (H)	Adjusted Closed Claims (I)	Open Claims (J)	Adjusted Open Claims (K)
2008-2009	10	0	0	10	9	0	0	9	1	1
2009-2010	15	0	0	15	15	0	0	15	0	0
2010-2011	12	0	0	12	12	0	0	12	0	0
2011-2012	8	0	0	8	8	0	0	8	0	0
2012-2013	9	0	0	9	9	0	0	9	0	0
2013-2014	2	0	0	2	2	0	0	2	0	0
2014-2015	20	0	5	15	20	0	5	15	0	0
2015-2016	5	0	3	2	4	0	3	1	1	1
2016-2017	14	0	7	7	14	0	7	7	0	0
2017-2018	15	0	5	10	15	0	5	10	0	0
2018-2019	15	0	3	12	10	0	3	7	5	5
2019-2020	6	0	0	6	2	0	0	2	4	4
Total	131	0	23	108	120	0	23	97	11	11

Notes:

- (A) Years are 7/1 to 6/30.
- (B) Provided by the Group.
- (C)
- (D) Closed no payment claims.
- (E) (B) + (C) - (D).
- (F) Provided by the Group.
- (G)
- (H) Closed no payment claims.
- (I) (F) + (G) - (H).
- (J) (B) - (F).
- (K) (E) - (I).

Santa Clara County Schools Insurance Group - Property

Exposure Measures

Accident Year	Total TIV (\$000) (A)	Inflation Trend Factor (B)	Trended TIV (\$000) (C)
2008-2009	1,629,990	1.312	2,138,547
2009-2010	1,646,290	1.280	2,107,251
2010-2011	1,661,410	1.249	2,075,101
2011-2012	1,674,912	1.219	2,041,718
2012-2013	1,752,533	1.189	2,083,762
2013-2014	1,862,201	1.160	2,160,153
2014-2015	1,931,290	1.132	2,186,220
2015-2016	2,078,923	1.104	2,295,131
2016-2017	2,141,000	1.077	2,305,857
2017-2018	2,213,752	1.051	2,326,653
2018-2019	2,336,101	1.025	2,394,504
2019-2020	2,462,494	1.000	2,462,494
2020-2021	2,595,725	1.000	2,595,725

Notes:

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