



# **Bickmore**

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# **Actuarial**

## **Experience Modification Factors for the Workers' Compensation Program**

*Program Year 2020-21*

*Presented to*

**Santa Clara County Schools Insurance Group**

February 14, 2020





Friday, February 14, 2020

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

RE: Experience Modification Factors for the Workers' Compensation Program

Dear Mr. Phan:

As you requested, we have developed experience modification factors for the Santa Clara County Schools' Insurance Group's workers' compensation program. Attached are detailed calculations for each member for the 2020-21 program year. We understand that the Group has adopted a credibility weighted methodology based on losses from the previous five years which are individually capped at \$150,000.

The table on the following page summarizes the prior 2019-20 and current 2020-21 experience modification factors for the Group's members.

**SCCSIG PROPOSED 2020-21 EXPERIENCE MODIFICATION FACTORS**  
**FIVE-YEAR CREDIBILITY METHOD**  
**BASED ON LOSSES LIMITED TO \$150,000 PER OCCURRENCE**

	Actual 2019-20 Prior	Proposed 2020-21 Current	% Change From 19-20
BERRYESSA	1.019	1.104	8%
CAMBRIAN	0.949	0.970	2%
CUPERTINO	0.804	0.871	8%
EAST SIDE	1.184	1.146	-3%
FRANKLIN-MCKINLEY	1.218	1.212	0%
FREMONT UNION	0.752	0.807	7%
GILROY	1.533	1.511	-1%
LAKESIDE JOINT	0.979	0.978	0%
LOMA PRIETA	0.935	0.976	4%
LOS ALTOS	0.752	0.740	-2%
LOS GATOS-SARATOGA DCER	0.975	0.981	1%
LOS GATOS-SARATOGA	0.770	0.754	-2%
LOS GATOS UNION	0.840	0.856	2%
LUTHER BURBANK	0.938	0.975	4%
METRO EDUCATION DISTRICT	1.076	0.973	-10%
MORELAND	0.953	0.922	-3%
MORGAN HILL	1.260	1.224	-3%
MT PLEASANT	1.059	1.020	-4%
MOUNTAIN VIEW WHISMAN	1.153	1.220	6%
MT VIEW - LOS ALTOS	0.646	0.616	-5%
OAK GROVE	1.058	1.146	8%
ORCHARD	0.921	0.920	0%
SARATOGA UNION	0.883	0.892	1%
SUNNYVALE	0.985	0.894	-9%
UNION	0.774	0.734	-5%
MILPITAS USD	1.198	1.158	-3%
SANTA CLARA USD	0.885	0.870	-2%
AVERAGE	1.000	1.000	0%

The following table illustrates the correlation between the change in the calculated experience mod and the percentage change in experience period losses. The prior mods were based on losses from accident years 2013-14 to 2017-18. The current mods are based on losses from accident years 2014-15 to 2018-19.

## SCCSIG PROPOSED 2020-21 EXPERIENCE MODIFICATION FACTORS

### Change in X-mods vs. Change in Experience Losses

	Prior X-mod	Current X-mod	Change X-mod	Prior X-mod Losses	Current X-mod Losses	Change X-mod Losses
BERRYESSA	1.019	1.104	8%	\$1,433,126	\$1,798,526	25%
CAMBRIAN	0.949	0.970	2%	548,299	612,129	12%
CUPERTINO	0.804	0.871	8%	2,732,571	3,359,855	23%
EAST SIDE	1.184	1.146	-3%	6,311,769	6,270,762	-1%
FRANKLIN-MCKINLEY	1.218	1.212	0%	2,625,366	2,650,733	1%
FREMONT UNION	0.752	0.807	7%	1,688,864	2,042,529	21%
GILROY	1.533	1.511	-1%	4,303,963	4,347,926	1%
LAKESIDE JOINT	0.979	0.978	0%	0	0	0%
LOMA PRIETA	0.935	0.976	4%	10,793	90,161	735%
LOS ALTOS	0.752	0.740	-2%	466,357	373,800	-20%
LOS GATOS-SARATOGA DCER	0.975	0.981	1%	74,875	89,161	19%
LOS GATOS-SARATOGA	0.770	0.754	-2%	343,154	308,213	-10%
LOS GATOS UNION	0.840	0.856	2%	335,176	393,852	18%
LUTHER BURBANK	0.938	0.975	4%	22,501	94,371	319%
METRO EDUCATION DISTRICT	1.076	0.973	-10%	425,772	187,092	-56%
MORELAND	0.953	0.922	-3%	913,431	855,733	-6%
MORGAN HILL	1.260	1.224	-3%	2,356,366	2,333,590	-1%
MT PLEASANT	1.059	1.020	-4%	699,289	628,376	-10%
MOUNTAIN VIEW WHISMAN	1.153	1.220	6%	1,728,535	1,898,174	10%
MT VIEW - LOS ALTOS	0.646	0.616	-5%	397,743	352,637	-11%
OAK GROVE	1.058	1.146	8%	2,369,940	2,817,526	19%
ORCHARD	0.921	0.920	0%	27,078	32,261	19%
SARATOGA UNION	0.883	0.892	1%	317,794	346,160	9%
SUNNYVALE	0.985	0.894	-9%	1,493,356	1,278,470	-14%
UNION	0.774	0.734	-5%	451,395	377,043	-16%
MILPITAS USD	1.198	1.158	-3%	2,906,586	2,849,485	-2%
SANTA CLARA USD	0.885	0.870	-2%	3,668,846	3,975,516	8%
<b>TOTAL</b>	<b>1.000</b>	<b>1.000</b>	<b>0%</b>	<b>\$38,652,945</b>	<b>\$40,364,080</b>	<b>4%</b>

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

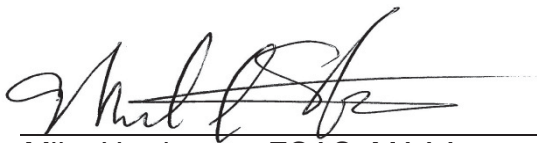
Sincerely,

Bickmore Actuarial



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



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

**SCCSIG Credibility Plan Experience Modifiers  
Fiscal Year 2020-21 Funding Allocation**

Indicated Experience Modifiers With Credibility by Member

Member	5 Year Total Payroll (A)	5 Year Total Loss Rate (B)	Indicated Modifier (C)	Member Credibility (D)	Credibility Weighted Modifier (E)	Balanced Modifier (F)
BERRYESSA	\$216,855,680	\$0.83	1.284	45%	1.111	1.104
CAMBRIAN	103,731,091	0.59	0.914	28%	0.976	0.970
CUPERTINO	597,106,682	0.56	0.871	69%	0.876	0.871
EAST SIDE	806,219,320	0.78	1.204	75%	1.153	1.146
FRANKLIN-MCKINLEY	288,113,402	0.92	1.424	52%	1.219	1.212
FREMONT UNION	452,120,808	0.45	0.699	63%	0.812	0.807
GILROY	350,725,125	1.24	1.919	57%	1.520	1.511
LAKESIDE JOINT	4,400,543	0.00	0.000	2%	0.984	0.978
LOMA PRIETA	19,092,589	0.47	0.731	7%	0.982	0.976
LOS ALTOS	170,640,187	0.22	0.339	39%	0.744	0.740
LOS GATOS – SARATOGA DCER	17,366,967	0.51	0.795	6%	0.987	0.981
LOS GATOS-SARATOGA	148,831,736	0.21	0.321	36%	0.758	0.754
LOS GATOS UNION	114,326,780	0.34	0.533	30%	0.861	0.856
LUTHER BURBANK	20,040,818	0.47	0.729	7%	0.981	0.975
METRO EDUCATION DISTRICT	39,483,594	0.47	0.734	13%	0.979	0.973
MORELAND	163,901,421	0.52	0.808	38%	0.927	0.922
MORGAN HILL	243,189,803	0.96	1.486	48%	1.231	1.224
MT PLEASANT	87,890,702	0.71	1.107	25%	1.026	1.020
MOUNTAIN VIEW WHISMAN	189,783,004	1.00	1.549	41%	1.227	1.220
MT VIEW - LOS ALTOS	252,833,198	0.14	0.216	49%	0.620	0.616
OAK GROVE	338,009,903	0.83	1.291	56%	1.153	1.146
ORCHARD	27,109,257	0.12	0.184	9%	0.925	0.920
SARATOGA UNION	90,549,082	0.38	0.592	25%	0.897	0.892
SUNNYVALE	250,557,196	0.51	0.790	48%	0.899	0.894
UNION	174,392,835	0.22	0.335	39%	0.738	0.734
MILPITAS USD	340,853,715	0.84	1.294	56%	1.165	1.158
SANTA CLARA USD	741,330,062	0.54	0.830	73%	0.875	0.870
Member	\$6,249,455,500	\$0.65			1.006	1.000

## Notes:

- (A) Exhibit II, Page 1, Col (F)
- (B) Exhibit II, Page 3, Col (F)
- (C) (C) / Total (C)
- (D) (A) / ((A) + \$268,739,773)
- (E) (D) \* (C) + (1 - (D)); Tempered to limit changes from prior to maximum of +/-10%.
- (F) (E) balanced to 1.000

**SCCSIG Credibility Plan Experience Modifiers  
Fiscal Year 2020-21 Funding Allocation**

Payroll

Member	2014-15 (A)	2015-16 (B)	2016-17 (C)	2017-18 (D)	2018-19 (E)	5 Year Total (F)	Projected 2020-21 (G)
BERRYESSA	\$39,818,903	\$41,465,590	\$43,250,853	\$45,797,401	\$46,522,933	\$216,855,680	\$43,000,000
CAMBRIAN	19,013,214	19,887,825	21,179,320	22,014,547	21,636,184	103,731,091	22,255,243
CUPERTINO	110,791,561	120,182,972	120,866,888	122,688,359	122,576,903	597,106,682	129,650,221
EAST SIDE	147,720,077	159,109,745	164,277,865	161,620,260	173,491,372	806,219,320	168,335,743
FRANKLIN-MCKINLEY	54,377,960	57,151,072	58,492,750	59,914,705	58,176,914	288,113,402	58,842,075
FREMONT UNION	77,311,981	86,352,245	92,960,288	96,438,141	99,058,153	452,120,808	98,500,000
GILROY	63,476,524	67,888,639	71,805,843	72,193,872	75,360,246	350,725,125	74,000,000
LAKESIDE JOINT	806,913	955,018	867,384	881,897	889,332	4,400,543	889,553
LOMA PRIETA	3,381,519	3,801,678	3,858,129	4,005,322	4,045,942	19,092,589	4,117,426
LOS ALTOS	31,784,233	32,023,741	34,349,795	35,994,009	36,488,409	170,640,187	36,600,000
LOS GATOS – SARATOGA DCER	3,255,693	3,478,891	3,449,630	3,491,810	3,690,943	17,366,967	3,990,000
LOS GATOS-SARATOGA	27,657,406	28,490,435	29,710,542	30,703,620	32,269,733	148,831,736	33,336,350
LOS GATOS UNION	20,814,001	21,637,369	23,438,381	23,934,551	24,502,478	114,326,780	24,570,000
LUTHER BURBANK	3,781,975	4,051,517	4,161,749	3,953,545	4,092,033	20,040,818	4,215,235
METRO EDUCATION DISTRICT	7,925,095	7,727,877	8,326,608	8,133,031	7,370,983	39,483,594	8,200,000
MORELAND	30,057,475	31,274,606	33,339,618	34,127,738	35,101,985	163,901,421	36,917,594
MORGAN HILL	43,521,045	46,223,648	50,384,006	50,956,470	52,104,634	243,189,803	55,373,287
MT PLEASANT	15,958,208	17,213,499	18,086,998	18,321,243	18,310,753	87,890,702	19,471,039
MOUNTAIN VIEW WHISMAN	31,158,637	33,628,681	37,955,379	41,884,274	45,156,034	189,783,004	46,366,058
MT VIEW - LOS ALTOS	42,678,503	46,213,071	50,517,809	54,260,643	59,163,173	252,833,198	55,265,353
OAK GROVE	63,246,875	66,804,660	68,942,991	69,727,058	69,288,319	338,009,903	68,808,247
ORCHARD	4,767,467	5,140,242	5,548,673	5,544,320	6,108,554	27,109,257	6,043,136
SARATOGA UNION	17,518,574	17,772,007	18,051,177	18,392,324	18,815,001	90,549,082	19,476,999
SUNNYVALE	41,764,576	46,322,304	50,460,787	54,430,780	57,578,749	250,557,196	59,800,100
UNION	29,437,756	32,125,547	35,771,725	37,472,884	39,584,923	174,392,835	40,333,620
MILPITAS USD	61,606,757	65,836,338	69,041,506	70,728,964	73,640,150	340,853,715	78,000,000
SANTA CLARA USD	111,766,914	127,507,496	153,272,569	167,698,460	181,084,623	741,330,062	177,457,237
All Members	\$1,105,399,841	\$1,190,266,713	\$1,272,369,263	\$1,315,310,228	\$1,366,109,454	\$6,249,455,500	\$1,373,814,516

Notes:

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

## SCCSIG Credibility Plan Experience Modifiers Fiscal Year 2020-21 Funding Allocation

Incurred Losses as of December 31, 2019, Capped at \$150,000

Member	2014-15 (A)	2015-16 (B)	2016-17 (C)	2017-18 (D)	2018-19 (E)	5 Year Total (F)
BERRYESSA	\$60,256	\$336,698	\$260,145	\$573,633	\$567,795	\$1,798,526
CAMBRIAN	159,271	92,734	156,900	81,791	121,432	612,129
CUPERTINO	678,700	395,231	570,090	869,579	846,256	3,359,855
EAST SIDE	1,336,340	1,163,996	1,160,790	1,462,799	1,146,836	6,270,762
FRANKLIN-MCKINLEY	458,507	303,168	638,915	523,622	726,520	2,650,733
FREMONT UNION	283,456	451,621	300,159	674,377	332,916	2,042,529
GILROY	707,742	729,754	863,899	1,019,807	1,026,723	4,347,926
LAKESIDE JOINT	0	0	0	0	0	0
LOMA PRIETA	1,205	2,286	2,382	2,667	81,622	90,161
LOS ALTOS	37,075	10,457	17,308	187,455	121,504	373,800
LOS GATOS – SARATOGA DCER	8,892	19,612	1,324	42,094	17,238	89,161
LOS GATOS-SARATOGA	84,465	17,061	97,480	102,980	6,228	308,213
LOS GATOS UNION	174,175	36,101	47,424	5,135	131,017	393,852
LUTHER BURBANK	10,028	9,788	107	2,577	71,870	94,371
METRO EDUCATION DISTRICT	11,507	29,950	40,558	99,360	5,718	187,092
MORELAND	308,296	124,956	253,189	137,228	32,063	855,733
MORGAN HILL	68,122	565,496	803,791	483,852	412,329	2,333,590
MT PLEASANT	17,849	259,316	139,317	84,189	127,705	628,376
MOUNTAIN VIEW WHISMAN	94,252	452,537	606,309	294,725	450,351	1,898,174
MT VIEW - LOS ALTOS	149,333	16,699	20,849	117,795	47,961	352,637
OAK GROVE	292,031	643,171	672,426	555,513	654,385	2,817,526
ORCHARD	7,134	5,830	8,433	6,400	4,463	32,261
SARATOGA UNION	109,146	139,493	27,303	34,715	35,502	346,160
SUNNYVALE	214,416	334,135	293,983	311,915	124,021	1,278,470
UNION	78,669	63,743	45,740	104,545	84,346	377,043
MILPITAS USD	534,875	378,956	764,051	652,790	518,813	2,849,485
SANTA CLARA USD	734,076	809,987	536,589	778,847	1,116,017	3,975,516
All Members	\$6,619,821	\$7,392,777	\$8,329,463	\$9,210,389	\$8,811,631	\$40,364,080

Notes:

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



**SCCSIG Credibility Plan Experience Modifiers**  
**Fiscal Year 2020-21 Funding Allocation**

Reported Loss Rate Per \$100 of Payroll

Member	2014-15 (A)	2015-16 (B)	2016-17 (C)	2017-18 (D)	2018-19 (E)	5 Year Total (F)
BERRYESSA	\$0.15	\$0.81	\$0.60	\$1.25	\$1.22	\$0.83
CAMBRIAN	0.84	0.47	0.74	0.37	0.56	0.59
CUPERTINO	0.61	0.33	0.47	0.71	0.69	0.56
EAST SIDE	0.90	0.73	0.71	0.91	0.66	0.78
FRANKLIN-MCKINLEY	0.84	0.53	1.09	0.87	1.25	0.92
FREMONT UNION	0.37	0.52	0.32	0.70	0.34	0.45
GILROY	1.11	1.07	1.20	1.41	1.36	1.24
LAKESIDE JOINT	0.00	0.00	0.00	0.00	0.00	0.00
LOMA PRIETA	0.04	0.06	0.06	0.07	2.02	0.47
LOS ALTOS	0.12	0.03	0.05	0.52	0.33	0.22
LOS GATOS – SARATOGA DCER	0.27	0.56	0.04	1.21	0.47	0.51
LOS GATOS-SARATOGA	0.31	0.06	0.33	0.34	0.02	0.21
LOS GATOS UNION	0.84	0.17	0.20	0.02	0.53	0.34
LUTHER BURBANK	0.27	0.24	0.00	0.07	1.76	0.47
METRO EDUCATION DISTRICT	0.15	0.39	0.49	1.22	0.08	0.47
MORELAND	1.03	0.40	0.76	0.40	0.09	0.52
MORGAN HILL	0.16	1.22	1.60	0.95	0.79	0.96
MT PLEASANT	0.11	1.51	0.77	0.46	0.70	0.71
MOUNTAIN VIEW WHISMAN	0.30	1.35	1.60	0.70	1.00	1.00
MT VIEW - LOS ALTOS	0.35	0.04	0.04	0.22	0.08	0.14
OAK GROVE	0.46	0.96	0.98	0.80	0.94	0.83
ORCHARD	0.15	0.11	0.15	0.12	0.07	0.12
SARATOGA UNION	0.62	0.78	0.15	0.19	0.19	0.38
SUNNYVALE	0.51	0.72	0.58	0.57	0.22	0.51
UNION	0.27	0.20	0.13	0.28	0.21	0.22
MILPITAS USD	0.87	0.58	1.11	0.92	0.70	0.84
SANTA CLARA USD	0.66	0.64	0.35	0.46	0.62	0.54
All Members	\$0.60	\$0.62	\$0.65	\$0.70	\$0.65	\$0.65

Notes:

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