Bickmore Actuarial

Actuarial Review of the Self-Insured Workers' Compensation Program

Experience Modification Factors for Program Year 2023-24

Presented to
Santa Clara County Schools' Insurance Group

February 17, 2023

Bickmore Actuarial

Friday, February 17, 2023

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 2023-24 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 2022-23 and current 2023-24 experience modification factors for the Group's members.

SCCSIG PROPOSED 2023-24 EXPERIENCE MODIFICATION FACTORS

FIVE-YEAR CREDIBILITY METHOD

BASED ON LOSSES LIMITED TO $150,000 PER OCCURRENCE

	2022-23 Prior	2023-24 Current	% Change From 22-23
BERRYESSA	1.168	1.161	-1%
CAMBRIAN	0.919	0.904	-2%
CUPERTINO	0.980	1.049	7%
EAST SIDE	0.952	0.903	-5%
FRANKLIN-MCKINLEY	1.319	1.385	5%
FREMONT UNION	0.933	0.965	3%
GILROY	1.425	1.292	-9%
LAKESIDE JOINT	0.988	0.987	0%
LOMA PRIETA	0.949	0.947	0%
LOS ALTOS	0.807	0.833	3%
LOS GATOS – SARATOGA DCER	0.973	0.978	0%
LOS GATOS-SARATOGA	0.805	0.846	5%
LOS GATOS UNION	0.772	0.762	-1%
LUTHER BURBANK	0.981	0.980	0%
METRO EDUCATION DISTRICT	1.042	1.017	-2%
MORELAND	0.905	0.843	-7%
MORGAN HILL	1.378	1.324	-4%
MT PLEASANT	1.205	1.245	3%
MOUNTAIN VIEW WHISMAN	1.373	1.310	-5%
MT VIEW - LOS ALTOS	0.564	0.618	10%
OAK GROVE	1.266	1.192	-6%
ORCHARD	0.919	0.963	5%
SARATOGA UNION	0.872	0.941	8%
SUNNYVALE	0.972	1.012	4%
UNION	0.709	0.689	-3%
MILPITAS USD	1.178	1.097	-7%
SANTA CLARA USD	0.772	0.844	9%
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 2016-17 to 2020-21. The current mods are based on losses from accident years 2017-18 to 2021-22.

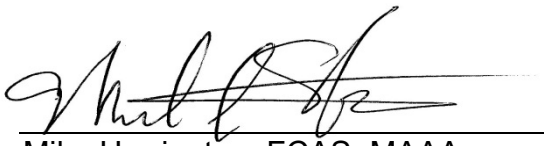
	Change X-mod	Prior X-mod Losses	Current X-mod Losses	Change X-mod Losses
BERRYESSA	-1%	$1,976,561	$2,049,420	4%
CAMBRIAN	-2%	464,174	432,936	-7%
CUPERTINO	7%	3,588,439	3,998,144	11%
EAST SIDE	-5%	4,670,099	4,631,468	-1%
FRANKLIN-MCKINLEY	5%	2,939,146	3,282,345	12%
FREMONT UNION	3%	2,718,338	3,023,918	11%
GILROY	-9%	3,965,196	3,394,981	-14%
LAKESIDE JOINT	0%	712	712	0%
LOMA PRIETA	0%	16,966	14,953	-12%
LOS ALTOS	3%	630,320	620,883	-1%
LOS GATOS – SARATOGA DCER	0%	40,677	44,428	9%
LOS GATOS-SARATOGA	5%	412,887	542,148	31%
LOS GATOS UNION	-1%	167,502	139,836	-17%
LUTHER BURBANK	0%	76,869	77,317	1%
METRO EDUCATION DISTRICT	-2%	315,963	268,025	-15%
MORELAND	-7%	776,156	607,307	-22%
MORGAN HILL	-4%	2,866,789	2,821,426	-2%
MT PLEASANT	3%	1,030,178	1,161,024	13%
MOUNTAIN VIEW WHISMAN	-5%	2,519,132	2,482,529	-1%
MT VIEW - LOS ALTOS	10%	200,009	453,980	127%
OAK GROVE	-6%	3,142,653	2,903,780	-8%
ORCHARD	5%	19,784	123,358	524%
SARATOGA UNION	8%	257,535	432,803	68%
SUNNYVALE	4%	1,641,796	1,903,737	16%
UNION	-3%	335,671	281,380	-16%
MILPITAS USD	-7%	2,988,333	2,817,310	-6%
SANTA CLARA USD	9%	3,758,573	4,593,226	22%
TOTAL	**0%**	**$41,520,459**	**$43,103,372**	**4%**

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

Sincerely,

Bickmore Actuarial

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



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

SCCSIG Credibility Plan Experience Modifiers
Fiscal Year 2023-24 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	$243,591,494	$0.84	1.365	44%	1.159	1.161
CAMBRIAN	111,283,392	0.39	0.631	26%	0.903	0.904
CUPERTINO	605,526,135	0.66	1.071	66%	1.047	1.049
EAST SIDE	866,783,468	0.53	0.867	73%	0.902	0.903
FRANKLIN-MCKINLEY	298,086,115	1.10	1.786	49%	1.383	1.385
FREMONT UNION	521,020,235	0.58	0.941	62%	0.963	0.965
GILROY	376,378,158	0.90	1.463	55%	1.290	1.292
LAKESIDE JOINT	4,890,163	0.01	0.024	2%	0.985	0.987
LOMA PRIETA	20,458,469	0.07	0.119	6%	0.946	0.947
LOS ALTOS	184,732,249	0.34	0.545	37%	0.832	0.833
LOS GATOS – SARATOGA DCER	15,199,681	0.29	0.474	5%	0.976	0.978
LOS GATOS-SARATOGA	161,856,837	0.33	0.543	34%	0.845	0.846
LOS GATOS UNION	128,061,215	0.11	0.177	29%	0.761	0.762
LUTHER BURBANK	19,814,810	0.39	0.633	6%	0.978	0.980
METRO EDUCATION DISTRICT	38,169,377	0.70	1.139	11%	1.015	1.017
MORELAND	175,597,136	0.35	0.561	36%	0.842	0.843
MORGAN HILL	269,673,968	1.05	1.697	46%	1.322	1.324
MT PLEASANT	90,146,878	1.29	2.089	22%	1.243	1.245
MOUNTAIN VIEW WHISMAN	233,838,399	1.06	1.722	43%	1.308	1.310
MT VIEW - LOS ALTOS	308,455,473	0.15	0.239	50%	0.617	0.618
OAK GROVE	345,833,372	0.84	1.362	52%	1.190	1.192
ORCHARD	33,658,331	0.37	0.594	10%	0.961	0.963
SARATOGA UNION	94,869,473	0.46	0.740	23%	0.940	0.941
SUNNYVALE	302,653,133	0.63	1.020	49%	1.010	1.012
UNION	208,492,005	0.13	0.219	40%	0.688	0.689
MILPITAS USD	389,929,931	0.72	1.172	55%	1.095	1.097
SANTA CLARA USD	942,098,751	0.49	0.791	75%	0.843	0.844
Member	$6,991,098,648	$0.62			0.998	1.000

Notes:

(A) Exhibit II, Page 1, Col (F)
(B) Exhibit II, Page 3, Col (F)
(C) (C) / Total (C)
(D) (A) / ((A) + $314,032,917)
(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 2023-24 Funding Allocation

Payroll

Member	2017-18 (A)	2018-19 (B)	2019-20 (C)	2020-21 (D)	2021-22 (E)	5 Year Total (F)	Projected 2023-24 (G)
BERRYESSA	$45,797,401	$46,522,933	$48,826,131	$50,589,595	$51,855,434	$243,591,494	$48,085,000
CAMBRIAN	22,014,547	21,636,184	22,236,104	22,990,265	22,406,292	111,283,392	19,320,000
CUPERTINO	122,688,359	122,576,903	121,259,984	117,871,494	121,129,396	605,526,135	121,813,000
EAST SIDE	161,620,260	173,491,372	172,514,173	169,851,070	189,306,594	866,783,468	199,548,000
FRANKLIN-MCKINLEY	59,914,705	58,176,914	56,856,996	60,315,541	62,821,958	298,086,115	65,873,000
FREMONT UNION	96,438,141	99,058,153	102,718,802	107,236,725	115,568,414	521,020,235	119,854,000
GILROY	72,193,872	75,360,246	73,368,479	75,100,016	80,355,545	376,378,158	83,191,000
LAKESIDE JOINT	881,897	889,332	1,081,215	990,324	1,047,395	4,890,163	1,061,000
LOMA PRIETA	4,005,322	4,045,942	4,124,226	4,128,308	4,154,671	20,458,469	4,113,000
LOS ALTOS	35,994,009	36,488,409	35,767,886	37,128,390	39,353,557	184,732,249	40,891,000
LOS GATOS – SARATOGA DCER	3,491,810	3,690,943	3,222,280	2,200,212	2,594,436	15,199,681	2,972,000
LOS GATOS-SARATOGA	30,703,620	32,269,733	31,844,574	32,209,224	34,829,685	161,856,837	35,423,000
LOS GATOS UNION	23,934,551	24,502,478	24,677,468	27,264,313	27,682,405	128,061,215	29,870,000
LUTHER BURBANK	3,953,545	4,092,033	3,531,954	3,971,568	4,265,711	19,814,810	4,630,000
METRO EDUCATION DISTRICT	8,133,031	7,370,983	7,249,166	8,005,576	7,410,622	38,169,377	8,858,000
MORELAND	34,127,738	35,101,985	35,422,014	34,452,316	36,493,084	175,597,136	38,654,000
MORGAN HILL	50,956,470	52,104,634	53,093,945	53,374,612	60,144,308	269,673,968	68,137,000
MT PLEASANT	18,321,243	18,310,753	18,334,853	17,482,103	17,697,925	90,146,878	15,682,000
MOUNTAIN VIEW WHISMAN	41,884,274	45,156,034	46,872,949	48,634,589	51,290,554	233,838,399	50,863,000
MT VIEW - LOS ALTOS	54,260,643	59,163,173	59,643,272	64,830,992	70,557,394	308,455,473	65,769,000
OAK GROVE	69,727,058	69,288,319	68,981,937	67,924,452	69,911,606	345,833,372	68,853,000
ORCHARD	5,544,320	6,108,554	6,814,010	6,996,607	8,194,840	33,658,331	8,137,000
SARATOGA UNION	18,392,324	18,815,001	19,009,647	18,666,529	19,985,973	94,869,473	20,892,000
SUNNYVALE	54,430,780	57,578,749	61,256,378	61,876,279	67,510,947	302,653,133	67,897,000
UNION	37,472,884	39,584,923	43,463,091	43,373,846	44,597,261	208,492,005	44,184,000
MILPITAS USD	70,728,964	73,640,150	76,752,665	80,784,360	88,023,792	389,929,931	87,550,000
SANTA CLARA USD	167,698,460	181,084,623	185,885,441	194,487,447	212,942,779	942,098,751	231,565,000
All Members	$1,315,310,228	$1,366,109,454	$1,384,809,638	$1,412,736,750	$1,512,132,578	$6,991,098,648	$1,553,685,000

Notes:
(A) Provided by SCCSIG.
(B) Provided by SCCSIG.
(C) Provided by SCCSIG.
(D) Provided by SCCSIG.
(E) Provided by SCCSIG.
(F) (A) + (B) + (C) + (D) + (E)
(G) Assumed 3% increase from 2022-23 Estimates.

SCCSIG Credibility Plan Experience Modifiers
Fiscal Year 2023-24 Funding Allocation

Incurred Losses as of December 31, 2022, Capped at $150,000 per Occurrence

Member	2017-18 (A)	2018-19 (B)	2019-20 (C)	2020-21 (D)	2021-22 (E)	5 Year Total (F)
BERRYESSA	$612,643	$502,690	$319,969	$159,510	$454,609	$2,049,420
CAMBRIAN	237,911	105,056	9,569	29,277	51,123	432,936
CUPERTINO	1,131,727	1,128,423	453,873	498,028	786,092	3,998,144
EAST SIDE	1,389,389	801,371	697,509	680,286	1,062,913	4,631,468
FRANKLIN-MCKINLEY	630,099	1,058,902	380,023	360,721	852,600	3,282,345
FREMONT UNION	754,932	408,109	1,007,637	265,356	587,885	3,023,918
GILROY	833,242	797,787	553,552	416,890	793,509	3,394,981
LAKESIDE JOINT	0	0	0	712	0	712
LOMA PRIETA	2,667	9,769	2,149	0	368	14,953
LOS ALTOS	165,426	214,858	24,710	188,488	27,400	620,883
LOS GATOS – SARATOGA DCER	21,879	4,196	13,325	0	5,027	44,428
LOS GATOS-SARATOGA	140,702	6,566	57,390	140,205	197,285	542,148
LOS GATOS UNION	5,135	98,027	13,449	3,485	19,740	139,836
LUTHER BURBANK	2,577	70,664	2,254	1,283	539	77,317
METRO EDUCATION DISTRICT	94,350	6,066	8,711	154,825	4,074	268,025
MORELAND	166,156	34,104	104,812	199,501	102,734	607,307
MORGAN HILL	593,521	679,119	369,351	707,249	472,186	2,821,426
MT PLEASANT	79,933	188,278	529,740	156,019	207,054	1,161,024
MOUNTAIN VIEW WHISMAN	328,283	634,176	446,766	524,254	549,049	2,482,529
MT VIEW - LOS ALTOS	99,863	14,157	29,490	11,448	299,022	453,980
OAK GROVE	453,247	659,977	825,421	261,775	703,360	2,903,780
ORCHARD	6,400	4,463	488	0	112,007	123,358
SARATOGA UNION	11,112	18,784	187,702	69,521	145,684	432,803
SUNNYVALE	408,111	96,196	609,162	183,705	606,563	1,903,737
UNION	98,277	70,785	27,866	21,912	62,539	281,380
MILPITAS USD	681,961	500,279	350,572	522,702	761,797	2,817,310
SANTA CLARA USD	934,870	1,387,540	609,072	301,110	1,360,634	4,593,226
All Members	$9,884,411	$9,500,342	$7,634,562	$5,858,264	$10,225,793	$43,103,372

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 2023-24 Funding Allocation

Reported Loss Rate Per $100 of Payroll

Member	2017-18 (A)	2018-19 (B)	2019-20 (C)	2020-21 (D)	2021-22 (E)	5 Year Total (F)
BERRYESSA	$1.34	$1.08	$0.66	$0.32	$0.88	$0.84
CAMBRIAN	1.08	0.49	0.04	0.13	0.23	0.39
CUPERTINO	0.92	0.92	0.37	0.42	0.65	0.66
EAST SIDE	0.86	0.46	0.40	0.40	0.56	0.53
FRANKLIN-MCKINLEY	1.05	1.82	0.67	0.60	1.36	1.10
FREMONT UNION	0.78	0.41	0.98	0.25	0.51	0.58
GILROY	1.15	1.06	0.75	0.56	0.99	0.90
LAKESIDE JOINT	0.00	0.00	0.00	0.07	0.00	0.01
LOMA PRIETA	0.07	0.24	0.05	0.00	0.01	0.07
LOS ALTOS	0.46	0.59	0.07	0.51	0.07	0.34
LOS GATOS – SARATOGA DCER	0.63	0.11	0.41	0.00	0.19	0.29
LOS GATOS-SARATOGA	0.46	0.02	0.18	0.44	0.57	0.33
LOS GATOS UNION	0.02	0.40	0.05	0.01	0.07	0.11
LUTHER BURBANK	0.07	1.73	0.06	0.03	0.01	0.39
METRO EDUCATION DISTRICT	1.16	0.08	0.12	1.93	0.05	0.70
MORELAND	0.49	0.10	0.30	0.58	0.28	0.35
MORGAN HILL	1.16	1.30	0.70	1.33	0.79	1.05
MT PLEASANT	0.44	1.03	2.89	0.89	1.17	1.29
MOUNTAIN VIEW WHISMAN	0.78	1.40	0.95	1.08	1.07	1.06
MT VIEW - LOS ALTOS	0.18	0.02	0.05	0.02	0.42	0.15
OAK GROVE	0.65	0.95	1.20	0.39	1.01	0.84
ORCHARD	0.12	0.07	0.01	0.00	1.37	0.37
SARATOGA UNION	0.06	0.10	0.99	0.37	0.73	0.46
SUNNYVALE	0.75	0.17	0.99	0.30	0.90	0.63
UNION	0.26	0.18	0.06	0.05	0.14	0.13
MILPITAS USD	0.96	0.68	0.46	0.65	0.87	0.72
SANTA CLARA USD	0.56	0.77	0.33	0.15	0.64	0.49
All Members	$0.75	$0.70	$0.55	$0.41	$0.68	$0.62

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)