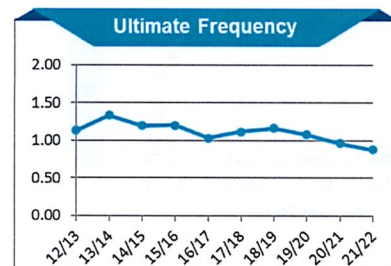
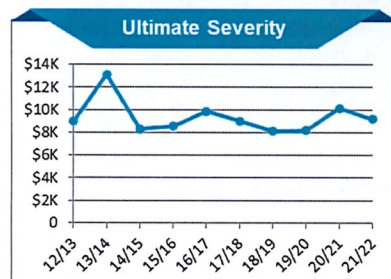


Workers Compensation Unpaid Losses & ALAE

Executive Summary



Trend Assumptions

- The selected frequency trend is -0.5%.
- The selected severity trend is 2.5%.
- The selected loss cost trend is 2.0%.
- The loss cost and severity trends are adjusted to the current benefit level.
- The loss cost and severity trends are shown at a per occurrence retention of \$75,000.
- The combination of negative frequency trend and rising severity is not uncommon amongst municipalities and WC in general.

Key Findings

- Frequency has remained relatively stable, decreasing slightly, over the past 10 years, ranging from 0.9 to 1.3 claims per million dollars of payroll.
- Severity, with claims limited to \$75,000, has ranged from \$8,000 to \$13,000, and is generally increasing.
- The loss cost, with claims limited to \$75,000, has ranged from \$8 to \$17 per thousand dollars of payroll.

Reconciliation of Reserves

Beginning of Period Unpaid Losses as of 6/30/21	\$10,458,761
Plus Estimated Ultimate Losses for (7/1/21-6/30/22)	\$3,271,000
Plus Change in Ultimate Losses through 6/30/21	(\$1,103,100)
Less Actual Payments (7/1/21-6/30/22)	\$2,122,299
End of Period Unpaid Losses as of 6/30/22	\$10,504,362

Claim Changes Since Prior Report

Claimant	Date of Loss	Current Status	Current Incurred	Prior Incurred	Incurred Change	Current Paid
CN-12-0500139	4/19/2012	C	149,192	308,184	-158,992	149,192
CN-13-005252	5/2/2013	O	628,185	1,298,791	-670,606	577,842
CN-17-005633	4/20/2017	C	155,289	533,992	-378,703	155,289
CN-20-005223	1/27/2020	O	665,521	83,395	582,126	103,460
CN-22-005061	9/15/2021	O	137,002	0	137,002	28,603
CN-22-005123	12/3/2021	O	1,514,607	0	1,514,607	190,661
CN-22-005129	12/15/2021	O	112,721	0	112,721	5,342
CN-22-005133	1/8/2022	O	145,509	0	145,509	61,623

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Workers Compensation Unpaid Losses & ALAE

Executive Summary

Unpaid Losses & ALAE
as of 6/30/22:

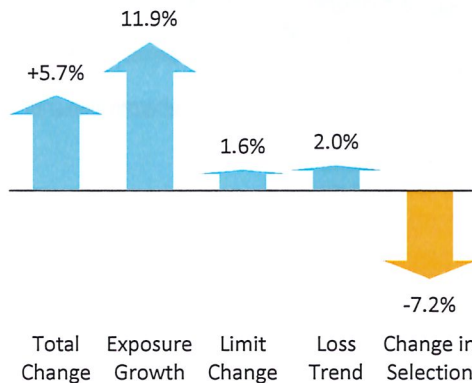
\$10,504,362

Unpaid Losses & ALAE
as of 6/30/21:

\$10,458,761

2021/2022 Ultimate Losses &
ALAE as of 6/30/21

\$2,700,000



2022/2023 Ultimate Losses &
ALAE as of 6/30/22

\$2,907,000

Scope of Analysis

- Estimated unpaid losses and allocated loss adjustment expense (ALAE) as of June 30, 2022 for accidents occurring between January 1, 2003 and June 30, 2022 at an actuarial central estimate and various probability levels
- Projected ultimate losses and ALAE for policy period July 1, 2022 – 2023 at an actuarial central estimate and various probability levels

Important Assumptions

- All estimates are limited to the City's self-insured retentions, which increased from \$500,000 to \$600,000 per-occurrence effective 7/1/12, to \$1M for police / fire effective 7/1/15, to \$1.25M for police / fire effective 7/1/18, to \$750,000 / \$2.25M effective 7/1/20, \$1M / \$3M effective 7/1/21 and to \$1.5M / \$3M effective 7/1/22.

Key Findings

- The unpaid estimate has increased by approximately \$50K due to the addition of the 7/1/21-22 policy year (at an increased retention level, and already with a \$1.5M claim), offset by decreases in prior periods
- The forecast for 22/23 is up 5.7% from the prior forecast due to increases in payroll and the retained limits offset by a reduction in our estimated base rate per payroll.

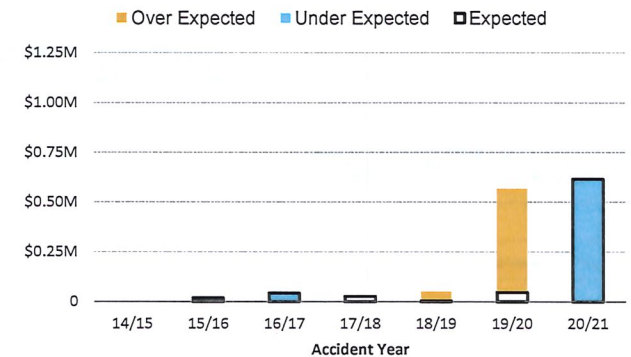
Actual vs. Expected Results

Reported Losses & ALAE 6/30/21 to 6/30/22

Actual	Expected	AvE
\$46,113	\$795,646	(\$749,533)

Ultimate Losses & ALAE 6/30/21 to 6/30/22

Prior	Current	Change
\$38,294,116	\$37,762,016	(\$532,100)



- Actual versus Expected results reflect changes in the claims from 6/30/21 to 6/30/22. The table will not fully display actual incurred of -\$165k in 11/12 and -\$427k in 16/17.