

Workers' Compensation Unpaid Losses & ALAE

Executive Summary

Unpaid Losses & ALAE
as of 6/30/23:

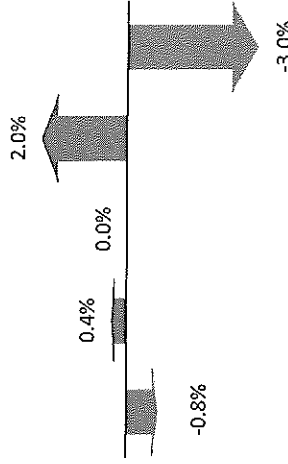
\$11,105,144

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

\$10,504,362

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

\$2,907,000



Total Exposure Change
Limit Change
Loss Trend
Change in Selection

2023/2024 Ultimate Losses &
ALAE as of 6/30/23

\$2,885,000

Scope of Analysis

- Estimated unpaid losses and allocated loss adjustment expense (ALAE) as of June 30, 2023 for accidents occurring between January 1, 2003 and June 30, 2023 at an actuarial central estimate and various probability levels
- Projected ultimate losses and ALAE for policy period July 1, 2023 – 2024 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 \$560K due to the addition of the 7/1/22-23 policy year (at the higher retention level), partially offset by decreases in prior periods
- The forecast for 22/23 is down 0.8% from the prior forecast due to a reduction in the estimated rate per payroll in response to the decreases in prior periods.

Actual vs. Expected Results

Reported Losses & ALAE 6/30/22 to 6/30/23

Actual	Expected	ΔVE
\$101,295	\$591,353	(\$490,058)

Ultimate Losses & ALAE 6/30/22 to 6/30/23

Prior	Current	Change
\$40,658,016	\$39,846,516	(\$811,500)

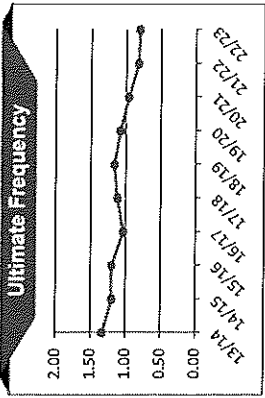
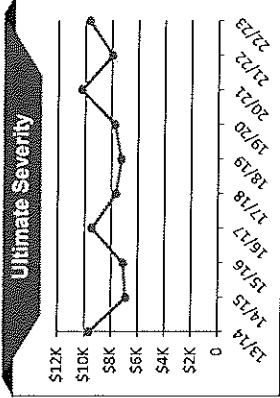
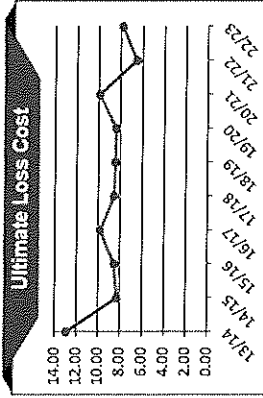
Over Expected Under Expected Expected



- Actual versus Expected results reflect changes in the claims from 6/30/22 to 6/30/23. The table will not fully display actual incurred of -\$12k in 17/18 and -\$362k in 21/22.



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 declining frequency and increasing severity are consistent with prior observations and industry information.

- Key Findings**
- Frequency has remained relatively stable, decreasing slightly, over the past 10 years, ranging from 0.8 to 1.3 claims per million dollars of payroll.
 - Severity, with claims limited to \$75,000, has ranged from \$7,000 to \$10,000, and is generally increasing.
 - The loss cost, with claims limited to \$75,000, has ranged from \$6 to \$13 per thousand dollars of payroll.

Reconciliation of Reserves

Beginning of Period Unpaid Losses as of 6/30/22	\$10,504,362
Plus Estimated Ultimate Losses for (7/1/22-6/30/23)	\$2,812,000
Plus Change in Ultimate Losses through 6/30/22	(\$764,500)
Less Actual Payments (7/1/22-6/30/23)	\$1,483,718
End of Period Unpaid Losses as of 6/30/23	\$11,068,144

Claim Changes Over \$75K Since Prior Report

Claimant	Date of Loss	Current Status	Current Incurred	Prior Incurred	Change	Current Paid
CN-21-005075	7/15/2020	Open	337,090	89,943	247,247	104,570
CN-23-300169	1/26/2023	Open	242,926	0	242,926	135,425
CN-23-300168	1/24/2023	Open	148,449	0	148,449	9,284
CN-20-005092	8/9/2019	Open	115,233	20,407	94,826	100,355
CN-19-005526	5/2/2019	Open	240,336	147,261	93,075	128,543
CN-23-300104	11/15/2022	Open	91,330	0	91,330	17,865
CN-23-300172	11/23/2022	Open	90,924	0	90,924	26,033
CN-21-005168	2/11/2021	Open	157,353	77,048	80,305	47,252
CN-23-300058	8/30/2021	Open	86,742	0	86,742	16,555
CN-19-005453	4/8/2019	Open	85,729	2,430	83,299	44,546
CN-21-005061	9/15/2021	Closed	29,826	137,002	-107,176	29,826

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