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SPECIAL BOARD OF DIRECTORS MEETING AGENDA

**Tuesday, March 22, 2022
10:00 a.m.**

**Zoom Videoconference
Please contact Katie Sullivan for Videoconference Information**

All portions of this meeting will be conducted via teleconference in accordance with Government Code Section 54953.

Members of the public may observe and listen to the meeting via teleconference. No physical location will be available from which members of the public may observe the meeting and offer public comment. Public comments may be submitted in advance of the meeting by emailing Katie Sullivan at katie.sullivan@sedgwick.com. Emails can also be sent to Ms. Sullivan during the meeting and, if timely received, Ms. Sullivan will read or summarize the email to the Board of Directors. Members of the public may also speak when public comment is requested at the beginning of the meeting.

In compliance with the Americans with Disabilities Act, if you need a disability-related modification or accommodation to participate in this meeting, please contact Ms. Sullivan. Requests must be made as early as possible, and preferably at least one full business day before the start of the meeting. Documents and materials relating to an open session agenda item that are provided to the Board of Directors will be available for public inspection.

Documents and materials relating to an open session agenda item that are provided to the Board of Directors less than 72 hours prior to a regular meeting will be available for public inspection.

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|--------------------|--|
| 1. | CALL TO ORDER |
| 2. | INTRODUCTIONS |
| 3. | APPROVAL OF AGENDA AS POSTED (OR AMENDED) |
| 4. | PUBLIC COMMENTS - The Public may submit any questions in advance of the meeting by contacting Katie Sullivan at: katie.sullivan@sedgwick.com . This time is reserved for members of the public to address the Board relative to matters of the Board of Directors not on the agenda. No action may be taken on non-agenda items unless authorized by law. Comments will be limited to five minutes per person and twenty minutes in total. |

- Page** **5. AB361**
4 A. Update on AB361 and Virtual Committee Meetings
 Recommendation: Staff recommends the Board of Directors reaffirm Resolution 2021-03 that, as a result of the COVID-19 emergency, meeting in person would present imminent risks to the health or safety of attendees, and the meeting should be held by teleconference as authorized by subdivision (e)(1)(C) of section 54943 of the Government Code.
- 5** **6. GENERAL MANAGER’S REPORT**
 *A. Report from PLAN JPA’s General Manger
 Recommendation:

 1) *Staff recommends the Board of Directors approve the agreement with ResoluteGuard, subject to Board Counsel review of the agreement.*

 2) *Staff recommends the Board of Directors appoint Rebecca Mendenhall as the Interim President for the remaining 2021/22 Program Year.*
- 20** **7. LIABILITY PROGRAM**
 *A. Actuarial Update for the General Liability Program
 Recommendation: None. Information only.
- 158** B. State of the Market - Liability
 Recommendation: None. Information only.
- 159** C. PLAN JPA 2022/23 Projections – Liability
 Recommendation: None. Information only.
- 160** **8. PROPERTY AND GROUP PURCHASE PROGRAMS**
 *A. Actuarial Update for the Property Program
 Recommendation: None. Information only.
- 206** B. State of the Market – Property and Group Purchase Programs
 Recommendation: None. Information only.
- 207** C. PLAN JPA 2022/23 Projections – Property and Group Purchase Programs
 Recommendation: None. Information only.
- 208** **9. FINANCIAL MATTERS**
 *A. Review of the PLAN JPA 2022/23 Preliminary Operating Budget
 Recommendation: None. Information only.

10. CLOSING COMMENTS

This time is reserved for comments by Board members and/or staff and to identify matters for future Board business.

- A. Board of Directors
- B. Staff

11. ADJOURNMENT

NOTICES:

- The next Executive Committee meeting will be held on May 19, 2022 at 10:00am. Format TBD.
- The next Board of Directors meeting will be held on June 16, 2022 at 9:30am. Format: TBD.

Agenda Item 5.A.

AB361

SUBJECT: Update on AB361 and Virtual Committee Meetings

BACKGROUND AND HISTORY:

PLAN JPA staff consulted with Board Counsel regarding recently passed legislation, AB361, pertaining to teleconference and virtual meetings. Under AB361, local agency boards may conduct meetings by teleconference subject to modified rules during a State-proclaimed state of emergency when either (1) social distancing measures are required or recommended by state or local officials, or (2) the governing board determines meeting in person would present imminent risks to the health or safety of attendees.

To continue to meet virtually, and because the Board does not meet monthly and its next meeting is in December, we are recommending PLAN JPA's Executive Committee, Claims Committee, and Board of Directors adopt a resolution to continue remote meetings based on the findings made in the resolution attached. To continue with remote meetings, reauthorization must occur at each meeting or at least once a month.

STAFF RECOMMENDATION:

Staff recommends the Board of Directors reaffirm Resolution 2021-03 that, as a result of the COVID-19 emergency, meeting in person would present imminent risks to the health or safety of attendees, and the meeting should be held by teleconference as authorized by subdivision ©(1)© of section 54943 of the Government Code.

REFERENCE MATERIALS ATTACHED:

None

GENERAL MANAGER'S REPORT

SUBJECT: Report from PLAN JPA's General Manger

BACKGROUND AND HISTORY:

Update on CARMA Renewals

PLAN JPA joined the California Affiliated Risk Management Authority (CARMA) at July 1, 2021, for the \$9M x \$1M PLAN JPA layer. Jon Paulsen, PLAN JPA General Manager, and Rob Kramer, CARMA Executive Director, will be present to provide a quick update on CARMA's renewal process.

Consideration of In-Person Meetings

California Executive Order N-29-20 was enacted on March 17, 2020, allowing for public entities to hold meetings virtually due to the COVID-19 pandemic. Due to the current state of the pandemic, public entities around California have begun to resume meetings in-person.

With the health and safety of PLAN JPA members, staff, and services providers being a top priority, staff is requesting guidance on PLAN JPA member's willingness to resume meetings in-person, starting with the June 2022 Board of Directors meeting.

Update on ResoluteGuard

As an initiative from PLAN's December 2019 strategic planning meetings, PLAN staff focused on discovering cyber security options for members. Staff developed a four-part series of cyber risk webinars which were presented to members from August 19, 2020, to September 23, 2020. Additionally, Sedgwick Pooling added a California IT Risk Control Manager, Colette Klier, to our team. To date, approximately six (6) members have engaged Sedgwick to perform cyber security risk assessments.

At the December 8, 2021, Strategic Planning Session, Mr. Paulsen and Jeff Schobel, CEO of ResoluteGuard, presented the capabilities of ResoluteGuard to members. Attached are the requested ResoluteGuard proposal for PLAN JPA, as well as a sample member contract. Mr. Schobel will be in attendance to answer any questions from the Board.

Appointment of Interim President

Staff was informed that PLAN JPA President, Marc Zafferano, will be retiring from the City of San Bruno in May 2022. Mr. Zafferano has been a staple of leadership for PLAN JPA for many years and will be greatly missed.

Rebecca Mendenhall, PLAN JPA Vice President, has agreed to step in and assume the presidency role for the remaining duration of Mr. Zafferano's term. Ms. Mendenhall would serve

March 22, 2022

Agenda Item 6.A.
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as Interim President for the rest of 2021/22 and in June 2022, PLAN JPA will formally elect Officers for 2022/23.

RECOMMENDATION:

- 1) Staff recommends the Board of Directors approve the agreement with ResoluteGuard, subject to Board Counsel review of the agreement.*
- 2) Staff recommends the Board of Directors appoint Rebecca Mendenhall as the Interim President for the remaining 2021/22 Program Year.*

REFERENCE MATERIALS ATTACHED:

- ResoluteGuard Cyber Security Continuous Improvement Platform – Action Plan for PLAN JPA
- ResoluteGuard Services Agreement - Member

Cyber-Security Continuous Improvement Platform™ For PLAN JPA Insureds

ResoluteGuard's Cyber-Security Continuous Improvement Platform™, mapped to the **National Institute of Standards and Technology Cyber Security Framework (NIST-CSF)** performs automated internal and external security profile assessments to continuously improve your cyber security posture.

These comprehensive internal and external assessments are scheduled and performed every 90 days, and include change reports to track progress, any newly discovered vulnerabilities as well as all updated NIST identified controls.

This 90-day schedule provides the continuous improvement process critical for protecting against the ever-evolving cyber predator strategies and tactics, while providing administrative support for fact-based budgeting and resource allocation decision-making.

Key to the platform are the user-friendly remedial action worksheets and reports, customized to each person's administrative and/or technical role, which align an across organization effort for a continuation of uninterrupted service.

These user-friendly remedial action worksheets and reports are updated every 90 days to include newly identified vulnerabilities, with all actions reprioritized by risk of occurrence and loss.

Templated Policies and guidance are provided for documenting the Best Practice Procedures important to support maintenance activities and to provide evidence of compliance for auditing purposes.

With cyber-attacks on the rise, insurance companies are requiring more detailed questionnaires to ascertain an insureds cyber security risk profile and determine corresponding cyber insurance costs and coverage limit quotes.

The **ResoluteGuard's Customized Cyber-insurance Action Plan (CAP)** option maps assessment findings to automate fact-based response submissions to these insurance questionnaires to *optimize* an insureds security posture to help qualify for the best cyber insurance coverage costs and terms:

ResoluteGuard introduced this **CAP** module due to over-riding demand as many public entities lack the resources to properly address these insurance questionnaire submissions as renewal periods come due, potentially positioning them for a premium increase, dramatic deductible increases, and greatly reduced maximum coverage terms.

ResoluteGuard's Cyber-Security Continuous Improvement Platform™ and Cyber-insurance Action Plan Module (CAP) provide the continuous and timely framework to support Plan JPA's efforts to manage cyber security claims and settlements.

Description of Services

NIST-CSF Based Comprehensive Internal/External Assessment and Improvement

Conduct web Meetings with administrative and technical personnel to review reports, remedial action worksheets, templated best practices Policies and procedures, and to schedule initial assessment.

- Analyze submitted insurance renewal questionnaire
- Discuss assessment information requirements
- Screenshare with Technical staff to implement scanning software
- Share best practices for optimal scanning results

Cyber-insurance Action Plan (CAP) and Assessments Results

Web Meeting to review CAP and Assessment Result to provides fact-based recommendations and responses to Insurance Questionnaire Requirements

- User-friendly Step by Step Action Plans prioritized by risk of loss occurrence
- User Assignment /Help/Support Documentation /Align Policy and Solution Activities
 - Network Security Summary
 - Create Inventory Management Summary
 - Establish Network Documentation
 - Server and workstation Aging Report
 - Includes: Discovery Tasks, User Information, Disc Capacity, and more

Policies and Procedures- Per insurance and NIST Requirements

- Prioritize Policy Action Plan for Documenting Best Practices
- Support for modifying policy templates
- Align Policy creation and Solution Activities

Each Subsequent 90 Day Comprehensive Internal/External Assessment

Cyber Action Plan (CAP) and Assessment Results

Web Meeting to review updated CAP and Assessment Results

Step by Step Action Plans re-prioritized by risk of loss occurrence

- User Assignment
- Help/Support Documentation
- Re-align Policy and Solution Activities

Review Assessment Reports

- Re-prioritize remedial action plan by risk of potential loss occurrence
- Review Change and Progress Reports

Network Security Summary

- Updated Inventory Management Summary
- Updated Network Documentation
- Server Aging Report
- Workstation Aging Report
- Includes: Discovery Tasks, User Information, Disc Capacity, and more
- Review Change and Progress

Policies and Procedures- Review progress and reprioritize additional activities

- Per insurance and NIST-CSF Requirement
- Support for modifying policy templates
- Align Policy Creation and Solution Activities

NIST CSF Compliance- Fill out additional questionnaires/worksheets toward full NIST-CSF Compliance

FEES

First 12-month period Annual Fee: \$4500 (up to 250 endpoints)
Each addt'l. Network- \$1150

Subsequent 12-month period Annual Fee: \$2500 (up to 250 endpoints)
Each addt'l. Network- \$1150

Each additional 250 endpoints \$1150

Based upon the number of administrative employees per PLAN JPA insured, the estimated Fee for the First 12-month period is as follows:

| No. of Insureds | Devices | Total Fee |
|-----------------|------------------|------------------|
| 16 | 1-250 | \$72,000 |
| 10 | 251-500 | \$56,500 |
| 2 | 501-750 | \$13,600 |
| | Total Est | \$142,100 |

*Cyber-insurance Action Plan (CAP)- Add \$750 annually per insured

PLAN JPA Kick-Off

1. Conduct a meeting with Jon Paulson, Terrie Norris, Katie Sullivan
2. PLAN JPA & **ResoluteGuard** email review to introduce partnership to insureds.
3. Review Co-Branded Landing Page and brochure
4. Schedule Webinar for insureds
5. Obtain contact list for ResoluteGuard follow-up

Member Insured Engagement

1. Conduct ResoluteGuard Presentation- Learn more about present cybersecurity posture and initiatives
2. Obtain signed agreement to Get Started
3. Schedule and conduct Onboarding
4. Conduct Assessment and review Cyber-insurance Action Plan (CAP)
5. Review User-friendly Reports and schedule subsequent meetings to review Action Plan

SERVICES AGREEMENT

This Services Agreement (this "**Agreement**"), dated as of _____, 2022 (the "**Effective Date**"), is entered into by and between **RESOLUTEGUARD LLC**, a New Jersey limited liability company, with offices located at 417 Crescent Parkway Sea Girt, New Jersey 08750 ("**Service Provider**"), and the undersigned municipality ("**Member**").

1. **Services.** PLAN JPA ("**JPA**") has certain municipalities within its network (collectively, the "**Members**"), including Member, to whom Service Provider shall provide certain services relating to Service Provider's "Cybersecurity Risk Management Program" (the "**Services**") as further set forth in **Exhibit A**.

2. **Fees and Expenses.** For the Services to be performed hereunder, PLAN JPA shall pay to Service Provider the fixed fee per Member as set out in that certain Payment Agreement by and between Service Provider and PLAN JPA dated March 1, 2022 (as amended and supplemented to date, the "**Payment Agreement**") (collectively, the "**Fees**").

3. **Member's Obligations.** Member represents and warrants to Service as follows:

3.1 Member will cooperate with Service Provider in all matters relating to the Services and appoint a Member employee to serve as the primary contact with respect to this Agreement and who will have the authority to act on behalf of Member with respect to matters pertaining to this Agreement (the "**Member Contract Manager**"). Service Provider will be entitled to rely upon directions and guidance from the Member Contract Manager until Service Provider is affirmatively made aware of a change of status of the Member Contract Manager;

3.2 Member shall ensure that Service Provider has such access to Member's equipment and networks (collectively, the "**Environment**") as may reasonably be requested by Service Provider for the purposes of performing the Services. Without limiting the generality of the foregoing, Members hereby grants to Service Provider the right to monitor, diagnose, manipulate, communicate with, retrieve information from, and otherwise access the Member's Environment to enable Service Provider to provide the Services, Member acknowledges that Service Provider may be required to install one or more software agents into Member's Environment through which such access may be enabled;

3.3 Member shall respond promptly to any Service Provider request to provide direction, information, approvals, authorizations, or decisions that are reasonably necessary for Service Provider to perform Services in accordance with the requirements of this Agreement. It being understood that if Service Provider's performance of its obligations under this Agreement is prevented or delayed by any act or omission of Member, its agents, subcontractors, consultants, or employees, Service Provider shall not be deemed in breach of its obligations under this Agreement or otherwise liable for any costs, charges, or losses sustained or incurred by Member, in each case, to the extent arising directly or indirectly from such prevention or delay.

3.4 Member shall comply, fully with all reasonable specifications, rules, regulations and policies governing the Services provided to Member by Service Provider. Such rules, regulations and policies shall be subject to change from time to time in Service Provider's sole discretion;

3.5 Member, and not Service Provider, is responsible for Member's own compliance with all applicable laws, including all confidentiality and security requirements, including, but not limited to such requirements of the FERPA, HIPAA, Gramm-Leach-Bliley Act, USA Patriot Act. The Services are not intended, and will not be used, to bring Member into full regulatory compliance with any law, rule, regulation, or requirement that may be applicable to Member's business or operations. The Services may aid Member's efforts to fulfill regulatory compliance; however, the Services are not (and should not be used as) as a compliance solution;

3.6 Service Provider may provide Member with specific advice and directions related to the Services ("**Advice**"). Member is strongly advised to follow Advice which, depending on the situation, may require Member to make additional purchases or investments in its Environment at its sole cost. Member acknowledges and agrees that Service Provider is not responsible for any problems or issues (such as downtime or security-related issues) caused by Member's failure to promptly follow Advice. If, in Service Provider's discretion, Member's failure to follow Advice renders part or all of the Services economically or technically unreasonable to provide, then Service Provider may terminate all or a portion of the Services.

4. Intellectual Property. All intellectual property rights, including copyrights, patents, patent disclosures and inventions (whether patentable or not), trademarks, service marks, trade secrets, know-how, and other confidential information, trade dress, trade names, logos, corporate names and domain names, together with all of the goodwill associated therewith, derivative works and all other rights (collectively, "**Intellectual Property Rights**") in and to all documents, work product and other materials that are delivered to Member under this Agreement or prepared by or on behalf of Service Provider in the course of performing the Services (collectively, the "**Deliverables**") except for any Confidential Information of Member or Member-provided materials shall, as between Member and Service Provider, be owned exclusively by Service Provider. Service Provider hereby grants Member a license (or if applicable, a sublicense) to use all Intellectual Property Rights in the Deliverables free of additional charge (other than the Fees) and on a non-exclusive, worldwide, non-transferable, non-sublicensable, fully paid-up, royalty-free and perpetual basis, solely to the extent necessary to enable Member to make reasonable use of the Deliverables and the Services.

5. Confidentiality. From time to time during the Term of this Agreement, either party (as the "**Disclosing Party**") may disclose or make available to the other party (as the "**Receiving Party**"), non-public, proprietary, and confidential information of Disclosing Party that, if disclosed in writing or other tangible form is clearly labeled as "confidential," or if disclosed orally, is identified as confidential when disclosed and within 10 days thereafter, is summarized in writing and confirmed as confidential ("**Confidential Information**"); provided, however, that Confidential Information does not include any information that: (a) is or becomes generally available to the public other than as a result of Receiving Party's breach of this Section 5; (b) is

or becomes available to the Receiving Party on a non-confidential basis from a third-party source, provided that such third party is not and was not prohibited from disclosing such Confidential Information; (c) was in Receiving Party's possession prior to Disclosing Party's disclosure hereunder; or (d) was or is independently developed by Receiving Party without using any Confidential Information. The Receiving Party shall: (x) protect and safeguard the confidentiality of the Disclosing Party's Confidential Information with at least the same degree of care as the Receiving Party would protect its own Confidential Information, but in no event with less than a commercially reasonable degree of care; (y) not use the Disclosing Party's Confidential Information, or permit it to be accessed or used, for any purpose other than to exercise its rights or perform its obligations under this Agreement; and (z) not disclose any such Confidential Information to any person or entity, except to the Receiving Party's Group who need to know the Confidential Information to assist the Receiving Party, or act on its behalf, to exercise its rights or perform its obligations under this Agreement. If the Receiving Party is required by applicable law or legal process to disclose any Confidential Information, it shall, prior to making such disclosure, use commercially reasonable efforts to notify Disclosing Party of such requirements to afford Disclosing Party the opportunity to seek, at Disclosing Party's sole cost and expense, a protective order or other remedy. For purposes of this Section 5 only, Receiving Party's Group shall mean the Receiving Party's affiliates and its or their employees, officers, directors, shareholders, partners, members, managers, agents, independent contractors, service providers, sublicensees, subcontractors, attorneys, accountants, and financial advisors.

Provided however, this Section 5 shall not prohibit or otherwise prevent Service Provider from extracting, compiling, synthesizing, and analyzing data provided by Member to Service Provider in connection with the delivery of the Services to the extent such data or information does not identify or is otherwise attributable to Member, JPA's and/or the Members' operations, or its systems or networks or any person (collectively, "**Anonymous Data**").

6. Term. This Agreement shall commence as of the Effective Date and, unless sooner terminated as provided in this Agreement, will remain in full force and effect for an initial term equal to one (1) year from the Effective Date (the "**Initial Term**") after which the term shall automatically renew for additional 12-month periods (collectively with the Initial Term, the "**Term**") unless a party provides written notice to the other party of that party's intention to not renew this Agreement at least thirty (30) days prior to the expiration of the then current Term.

7. Termination. Either party may terminate this Agreement, effective upon written notice to the other party (the "**Defaulting Party**"), if the Defaulting Party: (a) materially breaches this Agreement, and such breach is incapable of cure, or with respect to a material breach capable of cure, the Defaulting Party does not cure such breach within 30 days after receipt of written notice of such breach; (b) becomes insolvent or admits its inability to pay its debts generally as they become due; (c) becomes subject, voluntarily or involuntarily, to any proceeding under any domestic or foreign bankruptcy or insolvency law, which is not fully stayed within seven business days or is not dismissed or vacated within 45 days after filing; (d) is dissolved or liquidated or takes any corporate action for such purpose; (e) makes a general assignment for the benefit of creditors; or (f) has a receiver, trustee, custodian, or similar agent appointed by order of any court of competent jurisdiction to take charge of or sell any material portion of its property or business. Notwithstanding anything to the contrary in this section, Service Provider

may terminate this Agreement before the expiration date of the Term on written notice if JPA fails to pay any amount when due under the Payment Agreement.

8. Independent Contractor. The details of the method and manner for performance of the Services by Service Provider shall be under its own control, Member being interested only in the results thereof. The Service Provider shall be solely responsible for supervising, controlling and directing the details and manner of the completion of the Services. Nothing in this Agreement shall give Member (or JPA) the right to instruct, supervise, control, or direct the details and manner of the completion of the Services. Service Provider is for all purposes hereunder an independent contractor and in no event will Service Provider be considered an agent or employee of Member or JPA or any of their subsidiaries or affiliates for any purpose.

9. Indemnification.

9.1 Member shall defend, indemnify, and hold harmless Service Provider and Service Provider's affiliates and their officers, directors, employees, agents, successors, and permitted assigns from and against all losses arising out of or resulting from any third-party action arising out of or resulting from Member's breach of any representation, warranty, or obligation of Member in this Agreement or otherwise, from any act or omission of a Member inconsistent with the terms and requirements of this Agreement. Service Provider shall promptly notify Member in writing of any action and cooperate with the Member at Member's sole cost and expense. Service Provider will have the right, but not the obligation, to control the intake, defense and disposition of any claim or cause of action for which indemnity may be sought under this section. Otherwise, Member shall immediately take control of the defense and investigation of such action and shall employ counsel of its choice to handle and defend the same, at Member's sole cost and expense. Member shall not settle any action in a manner that adversely affects the rights of Service Provider without Service Provider's prior written consent. Service Provider's failure to perform any obligations under this Section shall not relieve Member of its obligations under this Section. Service Provider may participate in and observe the proceedings at its own cost and expense.

10. Limited Warranty. Service Provider warrants that it shall perform the Services, which includes the delivery of a vulnerability assessment to Member, in a timely, workmanlike, and professional manner in accordance with generally recognized industry standards for similar services. SERVICE PROVIDER (a) MAKES NO WARRANTIES EXCEPT FOR THAT SET OUT ABOVE; AND (b) DISCLAIMS ALL OTHER WARRANTIES, WHETHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. Without limiting the generality of the foregoing, Service Provider makes no representations or warranties with respect to any third party software or Deliverables provided to Member with respect to the Services, nor does Service Provider provide to Member any representations, warranties, assurances or promises that Member's operations during or following the delivery of the Services will meet any or all regulatory compliance requirements (or other requirements of applicable laws). Service Provider's sole and exclusive liability and Member's sole and exclusive remedy for breach of the limited warranty set out in this Section shall be reperformance of the affected Services. If Service Provider cannot reperform the Services in compliance with the warranty set forth above within a reasonable time (but no more than 30 days) after Member's

written notice of such breach, Member may, at its option, terminate the Agreement by serving written notice of termination in accordance with Section 7. Service Provider shall not have any obligation to refund to Member or JPA any portion of the fees previously paid by JPA as of the date of termination corresponding to the defective Services.

11. Limitation of Liability. IN NO EVENT SHALL SERVICE PROVIDER BE LIABLE TO MEMBER OR TO ANY THIRD PARTY (INCLUDING ANY MEMBER) FOR ANY LOSS OF USE, REVENUE, OR PROFIT OR LOSS OF DATA OR DIMINUTION IN VALUE, OR FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, EXEMPLARY, SPECIAL, OR PUNITIVE DAMAGES WHETHER ARISING OUT OF BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), OR OTHERWISE, REGARDLESS OF WHETHER SUCH DAMAGE WAS FORESEEABLE AND WHETHER OR NOT SERVICE PROVIDER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, AND NOTWITHSTANDING THE FAILURE OF ANY AGREED OR OTHER REMEDY OF ITS ESSENTIAL PURPOSE. SERVICE PROVIDER'S SOLE LIABILITY ARISING OUT OF OR RELATED TO THIS AGREEMENT, WHETHER ARISING OUT OF OR RELATED TO BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), OR OTHERWISE, SHALL BE AS SET FORTH IN SECTION 10 ABOVE.

12. General. Each of the parties hereto shall use commercially reasonable efforts to, from time to time at the request and sole expense of the other party, furnish the other party such further information or assurances, execute and deliver such additional documents, instruments, and conveyances, and take such other actions and do such other things, as may be reasonably necessary or appropriate to carry out the provisions of this Agreement and give effect to the transactions contemplated hereby. Each party shall deliver all communications in writing either in person, by certified or registered mail, return receipt requested and postage prepaid, by facsimile or email (with confirmation of transmission), or by recognized overnight courier service, and addressed to the other party at the addresses set forth above (or to such other address that the receiving party may designate from time to time in accordance with this Section). This Agreement and all matters arising out of or relating to this Agreement, including tort and statutory claims are governed by, and construed in accordance with the laws of New Jersey, (including its statutes of limitations), without giving effect to any conflict of laws provisions thereof that would result in the application of the laws of a different jurisdiction. Except as otherwise set forth in Section 13 below, either party shall institute any legal suit, action, or proceeding arising out of or relating to this Agreement in the federal or state courts in each case located in Sea Girt, New Jersey. SUBJECT TO SECTION 13 BELOW, EACH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY: (A) CONSENTS AND SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE AFOREMENTIONED COURTS; (B) WAIVES ANY OBJECTION TO THAT CHOICE OF FORUM BASED ON VENUE OR TO THE EFFECT THAT THE FORUM IS NOT CONVENIENT; (C) WAIVES ANY RIGHT TO TRIAL BY JURY; AND (D) WAIVES PERSONAL SERVICE OF ANY SUMMONS, COMPLAINT, OR OTHER PROCESS, WHICH MAY BE MADE BY ANY OTHER MEANS PERMITTED BY NEW JERSEY LAW. This Agreement contains the entire understanding of the parties with respect to the subject matter hereof, and supersedes all prior and contemporaneous written or oral understandings, agreements, representations, and warranties with respect to such subject matter. The invalidity, illegality, or unenforceability of any provision herein does not affect any other provision herein or the validity, legality, or enforceability of

such provision in any other jurisdiction. The parties may not amend this Agreement except by written instrument signed by the parties. No waiver of any right, remedy, power, or privilege under this Agreement ("**Right(s)**") is effective unless contained in a writing signed by the party charged with such waiver. No failure to exercise, or delay in exercising, any Right operates as a waiver thereof. No single or partial exercise of any Right precludes any other or further exercise thereof or the exercise of any other Right. The Rights under this Agreement are cumulative and are in addition to any other rights and remedies available at law or in equity or otherwise; provided that, the parties intend that the remedy set out in Section 11 (Limited Warranty) is Member's exclusive remedy for the Service Provider's breach of the limited warranty set out in Section 11. Neither party may directly or indirectly assign, transfer, or delegate any of or all of its rights or obligations under this Agreement, voluntarily or involuntarily, including by change of control, merger (whether or not such party is the surviving entity), operation of law, or any other manner, without the prior written consent of the other party. Any purported assignment or delegation in violation of this Section shall be null and void. Service Provider, however, may subcontract the Services. This Agreement is binding upon and inures to the benefit of the parties and their respective successors and permitted assigns. Except for the parties, their successors and permitted assigns, there are no third party beneficiaries under this Agreement (without limiting the generality of the foregoing, JPA is not an intended third party beneficiary under this Agreement). Any provision that, in order to give proper effect to its intent, should survive the expiration or termination of this Agreement, will survive such expiration or termination for the period specified therein, or if nothing is specified for a period of 12 months after such expiration or termination. This Agreement may be executed in counterparts.

13. Dispute Settlement/Arbitration. Prior to bringing any action as contemplated in Section 12 above, the parties agree to make good faith efforts to amicably resolve all controversies, claims and matters of difference arising under this Agreement. If they are unable to do so, either party may demand in writing that a specified dispute be submitted to non-binding mediation to be conducted by the American Arbitration Association (or similar commercial dispute resolution center) in Newark, New Jersey, within 30 days of such demand. If such mediation does not result in settlement of the dispute, the dispute shall be submitted to arbitration. Arbitration shall be conducted in Newark, New Jersey area (unless otherwise agreed by the parties), in accordance with the Commercial Arbitration Rules of the American Arbitration Association, except to the extent such rules conflict with the express provisions of this Section. Arbitration hereunder shall be by three independent and impartial arbitrators. Each of the parties shall appoint one arbitrator within 30 days after one party gives notice of a claim to be arbitrated hereunder. The two arbitrators so appointed shall select a third arbitrator within 45 days after such notice, failing which the American Arbitration Association shall select the third arbitrator. The three arbitrators shall conduct a hearing no later than 60 days after such notice, and the arbitrators shall render a decision within 30 days of the hearing. At the hearing, the parties shall present such evidence and witnesses as they may choose, with or without counsel. The arbitration panel shall consider any evidence and testimony that it determines to be relevant, in accordance with procedures that it determines to be appropriate. Any award entered shall be made by a written opinion stating the reasons for the award made. The arbitrators may award legal or equitable relief; including but not limited to specific performance, and may award the costs and fees, including attorneys' fees, arbitrators and expert witness fees, to the prevailing party. Such award shall be final and binding on all parties, and shall not be appealable. Each party shall continue to perform its obligations under this Agreement and notwithstanding any

other provision of this Agreement, neither party shall have the power to terminate this Agreement, nor shall this Agreement automatically terminate by its own provisions, pending conclusion of the arbitration.

14. Force Majeure. No party shall be liable or responsible to the other party, nor be deemed to have defaulted under or breached this Agreement, for any failure or delay in fulfilling or performing any term of this Agreement (except for any obligations of JPA to make payments to Service Provider under the Payment Agreement), when and to the extent such failure or delay is caused by or results from acts beyond the impacted party's ("**Impacted Party**") reasonable control, including, without limitation, the following force majeure events ("**Force Majeure Event(s)**"): (a) acts of God; (b) flood, fire, earthquake, or explosion; (c) war, invasion, hostilities (whether war is declared or not), terrorist threats or acts, riot or other civil unrest; (d) government order, law, or actions; (e) embargoes or blockades in effect on or after the date of this Agreement; (f) national or regional emergency; (g) strikes, labor stoppages or slowdowns, or other industrial disturbances; (h) shortage of adequate power or transportation facilities; and (i) other similar events beyond the reasonable control of the Impacted Party. The Impacted Party shall give notice within 10 days of the Force Majeure Event to the other party, stating the period of time the occurrence is expected to continue. The Impacted Party shall use diligent efforts to end the failure or delay and ensure the effects of such Force Majeure Event are minimized. The Impacted Party shall resume the performance of its obligations as soon as reasonably practicable after the removal of the cause. In the event that the Impacted Party's failure or delay remains uncured for a period of 10 consecutive days following written notice given by it under this Section, either party may thereafter terminate this Agreement upon 10 days' written notice.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the Effective Date by their respective officers thereunto duly authorized.

RESOLUTEGUARD LLC

By_____

Name: Jeffrey Schobel

Title: CEO

[PLAN JPA Member]

By_____

Name:

Title:

EXHIBIT A

DESCRIPTION OF SERVICES

Comprehensive Internal/External Assessment and Improvement

Based on NIST-CSF Controls

Web Meeting to Outline Onboarding and Setup for assessment software installation

- Analyze submitted insurance renewal questionnaire
- Discuss assessment information requirements
- Screenshare with Technical staff to implement scanning software
- Share best practices for optimal scanning results

Cyber-insurance Action Plan (CAP) and Assessments Results

Web Meeting to review CAP and Assessment Results

Provides fact-based recommendations and responses to Insurance Questionnaire

Step by Step Action Plans prioritized by risk of loss occurrence

- User Assignment
- Help/Support Documentation
- Align Policy and Solution Activities

Review Assessment Reports

Prioritize Network Action Plan by risk of potential loss occurrence

Network Management Plan

- User-Friendly Detailed Remedial Actions

Consolidated Risk Report

- Network Security Summary
- Create Inventory Management Summary
- Establish Network Documentation

Review Excel Export

- Server Aging Report
- Workstation Aging Report
- Includes: Discovery Tasks, User Information, Disc Capacity, and more

Policies and Procedures

Per insurance and NIST Requirements

Prioritize Policy Action Plan for Documenting Best Practices

- Support for modifying policy templates
- Align Policy creation and Solution Activities

Each Subsequent 90 Day Comprehensive Internal/External Assessment

Cyber-insurance Action Plan (CAP) and Assessment Results

- Web Meeting to review CAP and Assessment Results
- Step by Step Action Plans re-prioritized by risk of loss occurrence
 - User Assignment
 - Help/Support Documentation
 - Re-align Policy and Solution Activities
- Review Assessment Reports
 - Re-prioritize Network Action Plan by risk of potential loss occurrence
 - Review Change and Progress Reports
 - Network Management Plan
 - User-Friendly Detailed Remedial Actions
 - Change and Progress
 - Consolidated Risk Report
 - Network Security Summary
 - Updated Inventory Management Summary
 - Updated Network Documentation
 - Change and Progress
- Review Excel Export
 - Server Aging Report
 - Workstation Aging Report
 - Includes: Discovery Tasks, User Information, Disc Capacity & more
 - Change and Progress

Policies and Procedures

- Per insurance and NIST-CSF Requirements
- Re-prioritize Policy Action Plan for Documenting Best Practices
 - Support for modifying policy templates
 - Align Policy Creation and Solution Activities

NIST CSF Compliance

- Fill out additional questionnaires to achieve full NIST-CSF Compliance
 - Complete Inventory worksheet
 - Complete User Access worksheet
 - Complete External Port Use worksheet
 - Complete NIST Category worksheets-Identify; Protect; Detect; Respond; Recover

LIABILITY PROGRAM

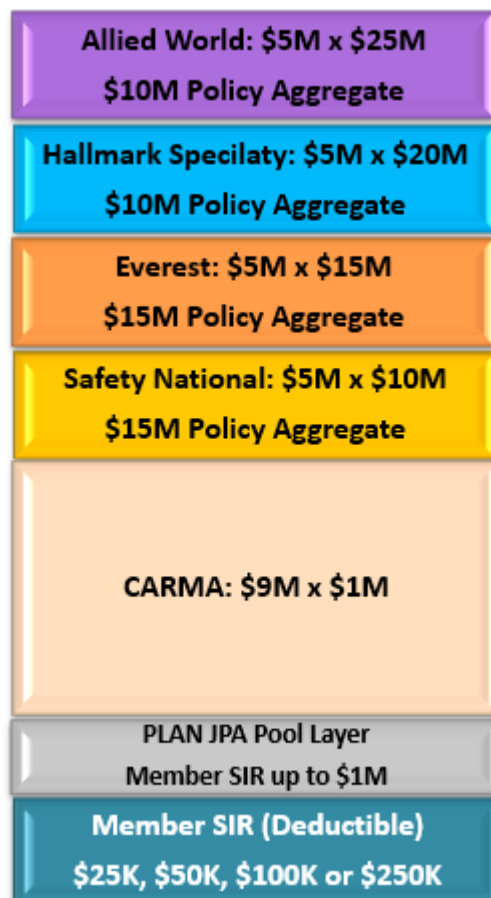
SUBJECT: Actuarial Update for the General Liability Program

BACKGROUND AND HISTORY:

The preliminary actuarial report provides the funding information for the 2022/23 year. The actuary was able to compile the report using December 31, 2021, loss run and estimated payroll data.

General Liability Program:

Below is our current program structure.



**PLAN JPA
SPECIAL BOARD OF DIRECTORS MEETING**

March 22, 2022

**Agenda Item 7.A.
Page 2**

Below is a comparison of the funding for the PLAN JPA Primary Pool Layer:

| Liability Program | Discount Factor | Expected | 60% | 70% |
|------------------------------|----------------------------|-----------------|--------------|--------------|
| 2022/23 | 2.0% | \$ 4,972,000 | \$ 5,102,000 | \$ 5,828,000 |
| 2021/22 | 2.0% | 4,613,000 | 4,729,000 | 5,411,000 |
| | Change | 359,000 | 373,000 | 417,000 |
| | % Change | 7.8% | 7.9% | 7.7% |

Compared to prior years, PLAN JPA's self-insured retention (SIR) went from \$2.5M to \$1M in 2021/22 by way of joining CARMA, which resulted in funding decreases. In 2022/23, the Liability Program funding increased by \$373,000 or 7.9% over 2021/22 at the 60% confidence level. The increase in the primary funding layer is due to estimated payroll increasing by 6.4%.

With a change of methodology in the collection of actual payrolls from members based on DE9, this resulted in better consistency on the data and estimated payroll for 2022/23. However, certain members are experiencing greater year over year variances. This will be discussed in detail during the 2022/23 Preliminary Operating Budget agenda item.

This report also includes changes to the contribution calculation method implemented during the 2021/22 year and continues for the 2022/23 year. A 30% cap is placed on the ex-mod change year over year. Due to changes in the contribution calculation methodology, Board recommended a phase-in period be utilized on contribution changes with a 40% cap in 2021/22, a 50% cap in 2022/23, and a 60% cap in 2023/24. The 2022/23 budget utilizes a 50% cap placed on contributions changes from prior year.

Becky Richard, Bickmore Actuarial, will be present to discuss the funding report.

RECOMMENDATION:

None. Information only.

REFERENCE MATERIALS ATTACHED:

- Draft General Liability Program Actuarial Report as of March 15, 2022



Bickmore — Actuarial

Actuarial Review of the Self-Insured Liability Program

Outstanding Liabilities as of June 30, 2022
Forecast for Program Year 2022-23

Presented to
PLAN JPA

March 15, 2022 - DRAFT

Tuesday, March 15, 2022

Mr. Jon Paulsen
Pool Administrator
Pooled Liability Assurance Network Joint Powers Authority
1750 Creekside Oaks Drive, Suite 200
Sacramento, CA 95833

Re: Actuarial Review of the Self-Insured Liability Program

Dear Mr. Paulsen:

As you requested, we have completed our review of the Authority's self-insured liability program (the PLAN JPA). We estimate the ultimate cost of claims and expenses for claims incurred during the 2022-23 program year to be \$4,972,000 including allocated loss adjustment expenses (ALAE) and a discount for anticipated investment income (assuming a \$1 million retention). ALAE is basically the direct cost associated with the defense of individual claims. The discount for investment income is calculated based on the likely payout pattern of your claims, assuming a 2.0% return on investments per year. For budgeting purposes, the expected cost of 2022-23 claims translates to a rate of \$1.044 per \$100 payroll.

In addition, we estimate the program's liability for outstanding claims to be \$19,808,000 as of June 30, 2022, including ALAE, unallocated loss adjustment expenses (ULAE), and discounted for anticipated investment income, assuming a 2.0% discount rate. ULAE is the remainder of the cost to administer all claims to final settlement. Given estimated program assets of \$48,829,000 (including SIR Fund assets), the program is funded above the 95% confidence level (see Graph 1 on Page 8).

The \$18,808,000 estimate is the minimum liability to be booked by the PLAN in accordance with Governmental Accounting Standards Board (GASB) Statement #10. GASB #10 requires PLAN 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.

Estimated Liability for Unpaid Loss and LAE
at June 30, 2022

| | Expected | Marginally Acceptable 70% CL | Recommended Range | | | Conservative 90% CL |
|-------------------------------------|--------------|------------------------------------|-------------------|--------------|----------------|------------------------|
| | | | Low 75% CL | 80% CL | High 85% CL | |
| Loss and ALAE | \$18,423,000 | | | | | |
| ULAE (Claims Administration) | 2,303,000 | | | | | |
| Investment Income Offset @ 2% | (918,000) | | | | | |
| Discounted Loss and LAE | \$19,808,000 | \$21,967,000 | \$22,878,000 | \$23,968,000 | \$25,315,000 | \$27,137,000 |
| Program Assets Includes SIR Fund | 48,829,000 | | | | | |
| Redundancy | \$29,021,000 | \$26,862,000 | \$25,951,000 | \$24,861,000 | \$23,514,000 | \$21,692,000 |

The following table shows estimated liability for unpaid loss and LAE at various discount rate assumptions at the expected confidence level.

Estimated Liability for Unpaid Loss and LAE
at June 30, 2022

| Discount Rate | Outstanding Liability |
|---------------|-----------------------|
| 2.0% | \$19,808,000 |
| 3.0% | \$19,380,000 |
| 4.0% | \$18,971,000 |

GASB #10 does not address an actual funding requirement for the program, but only speaks of the liability to be recorded on the PLAN'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 margin for contingencies. Generally, the amount should be sufficient to bring funding to the 75% to 85% confidence level.

It should be noted that the \$48,829,000 of program assets can be broken downs as follows:

- \$22,599,000 of assets backing discounted loss and LAE liabilities at expected level
- \$7,329,000 of assets backing discounted loss and LAE liabilities from the expected level to the 90% confidence level (Risk-Margin Fund)
- \$21,692,000 of assets backing discounted loss and LAE liabilities above the 90% confidence level (SIR Fund)

The following tables show our funding recommendations for PLAN for the 2022-23 fiscal year assuming \$1 million limit at 2.0%, 3.0% and 4.0% discount rate assumptions.

Loss and ALAE Funding Guidelines

| | 2.0% | 3.0% | 4.0% |
|------------------------|-------------|-------------|-------------|
| Expected Loss and ALAE | \$4,972,000 | \$4,813,000 | \$4,662,000 |
| 60% Confidence Level | 5,102,000 | 4,938,000 | 4,783,000 |
| 70% Confidence Level | 5,828,000 | 5,641,000 | 5,464,000 |
| 80% Confidence Level | 6,787,000 | 6,570,000 | 6,364,000 |
| 90% Confidence Level | 8,309,000 | 8,043,000 | 7,790,000 |

The funding recommendations above are for losses and allocated loss adjustment expense only. They do not include any provision for claims administration, excess insurance, loss control, overhead, and other expenses associated with the program.

DRAFT

Please note, the estimates included in this report do not make any provision for the increased cost of general liability claims as a result of the coronavirus (COVID-19) pandemic.

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 PLAN's internal use. It is not intended for general circulation.

We appreciate the opportunity to be of service to PLAN in preparing this report. Please feel free to call Becky Richard at (916) 244-1183, Mike Harrington at (916) 244-1162 or David Kim at (916) 244-1166 with any questions you may have concerning this report.

Sincerely,

Bickmore Actuarial

DRAFT

Becky Richard, ACAS, MAAA
Senior Actuarial Manager, Bickmore Actuarial
Associate, Casualty Actuarial Society
Member, American Academy of Actuaries

DRAFT

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

DRAFT

David Kim, MA
Senior Actuarial Analyst, Bickmore Actuarial

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I. BACKGROUND

PLAN JPA began its self-insured excess liability program on June 2, 1986. Excess liability coverage up to \$5 million limits is written for accident years 1986-87 through 1997-98. For accident years 1998-99, 1999-00 and 2000-01 the excess liability coverage is \$7 million. For accident years 2001-02 through 2014-15, the excess liability coverage is \$5 million. For accident years 2015-16 through 2020-21, the excess liability coverage is \$2.5 million. PLAN currently purchases reinsurance in excess of \$1 million per occurrence as follows:

| <u>Loss Layer</u> | <u>Reinsurer</u> |
|------------------------------|------------------|
| \$1M - \$10M per occurrence | CARMA |
| \$10M - \$15M per occurrence | Safety National |
| \$15M - \$20M per occurrence | Everest |
| \$20M - \$25M per occurrence | Hallmark |
| \$25M - \$30M per occurrence | AWAC |

Each member city retains a portion of each claim. Deductible options are: \$25,000, \$50,000, \$100,000, \$250,000 and \$500,000. Appendix D, page 3 summarizes the member cities' deductibles by year.

Claims administration services are provided by York. As of June 30, 2022, the PLAN JPA is expected to have available assets of \$48,829,000 for the program including SIR Fund.

In PLAN's loss history, there have been claims made relating to property development actions, specifically inverse condemnation claims. Effective July 1, 2008, the PLAN JPA Program Memorandum of Coverage (MOC) was amended with the intent to exclude all regulatory inverse condemnation claims going forward. However, there exists tail exposure for claims occurring prior to this date. For these claims, an agreement was reached to provide each member a \$1 million SIR for defense coverage for all prior inverse claims reported by June 30, 2013 (5-year reporting window).

The purpose of this review is to provide a guide to PLAN JPA to determine reasonable funding levels for its self-insurance program according to the funding policy PLAN JPA has adopted to comply with Governmental Accounting Standards Board Statements #10 and #30. The specific objectives of the study are to estimate the Authority's liability for outstanding claims as of June 30, 2022, project ultimate loss cost for 2022-23 and provide funding guidelines to meet these liabilities and future costs.

II. CONCLUSIONS AND RECOMMENDATIONS

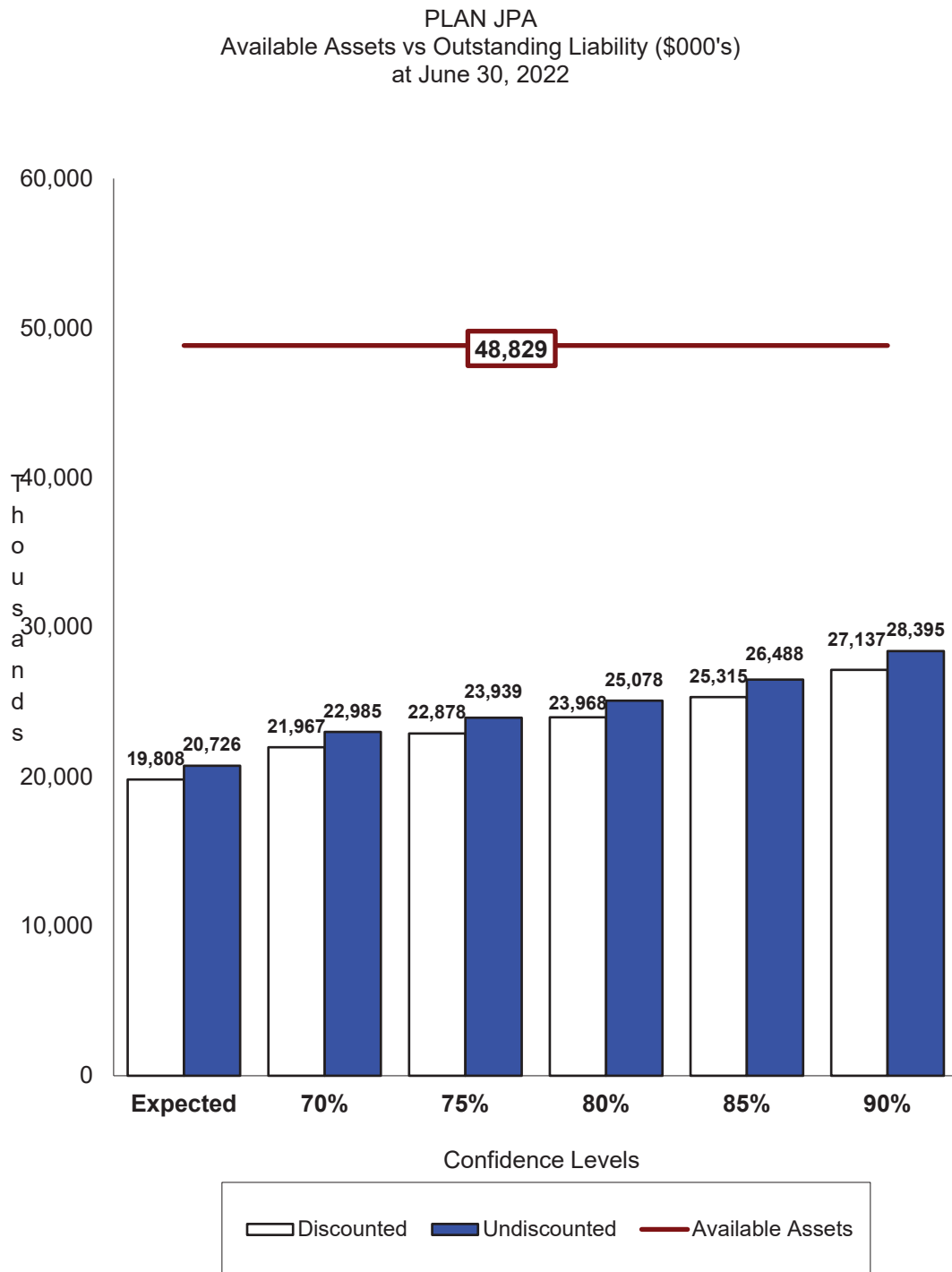
A. LIABILITY FOR OUTSTANDING CLAIMS AS OF JUNE 30, 2022

Graph 1 on the following page summarizes our assessment of the PLAN JPA's funding position as of June 30, 2022. 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 solid horizontal line across the graph indicates the PLAN JPA's available assets at June 30, 2022 including the SIR Fund.

Our best estimate of the full value of PLAN JPA's liability for outstanding claims within its self-insured retention (SIR) is \$20,726,000. This amount includes losses, allocated loss adjustment expenses (ALAE) and unallocated loss adjustment expenses (ULAE), and is shown at the far left of the graph. ALAE is basically the direct cost associated with the defense of individual claims (e.g. legal fees, investigation fees, court charges, etc.). ULAE is the additional cost to administer all claims to final settlement, which may be years into the future (e.g. claims adjusters' salaries, taxes, etc.), and is estimated to be 10% of outstanding loss and ALAE.

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.

Graph 1



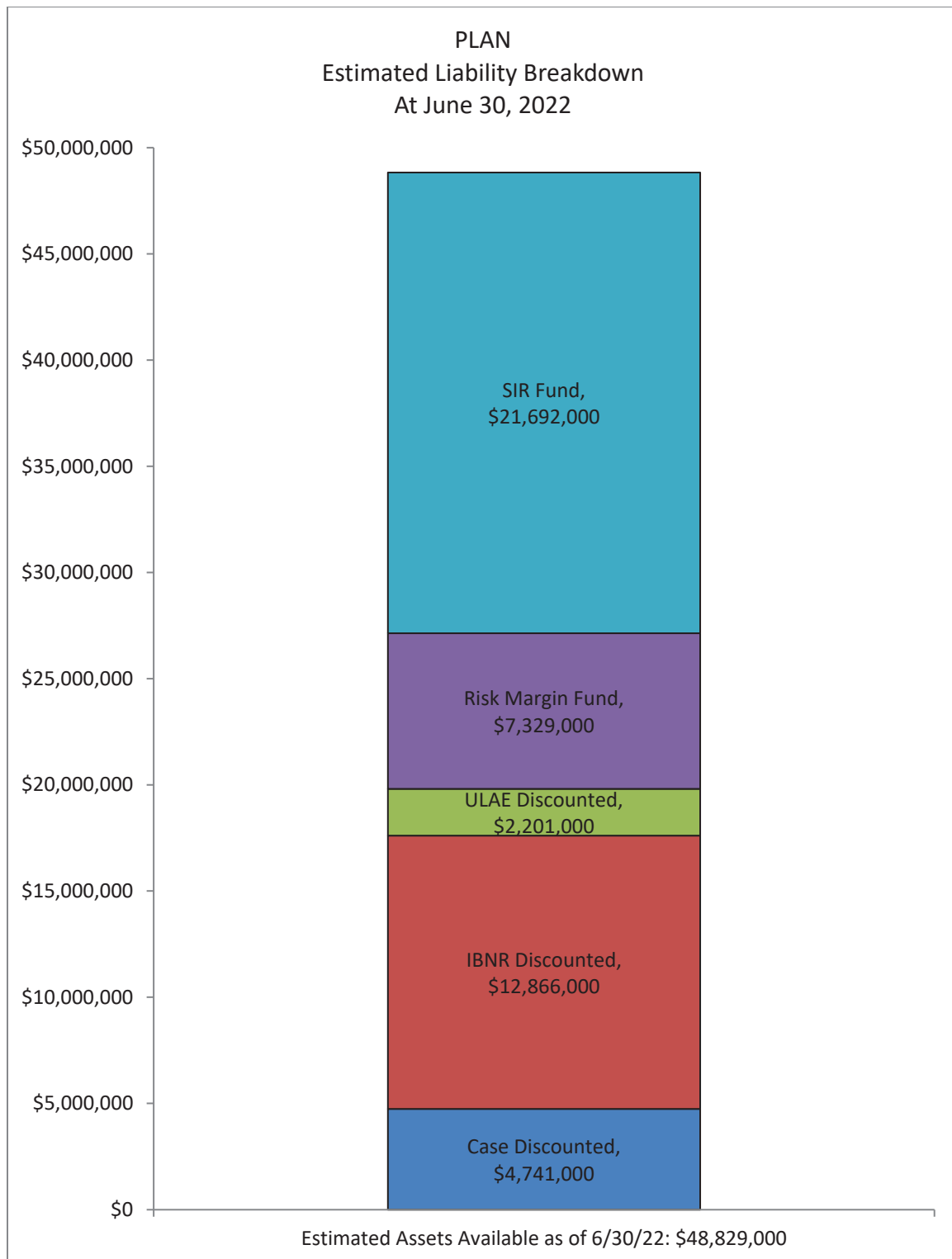
The PLAN can earn investment income on the assets it holds until claims payments come due. Assuming a long-term average annual return on investments of 2.0%, we estimate the impact of investment income earnings to be about 4.4% if the program is funded within the range indicated in Graph 1. Investment 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 PLAN's discounted liability for outstanding claims.

We estimate the program's expected discounted liability for outstanding claims to be \$19,808,000 again including ALAE and ULAE. With recognition of the investment income that can be earned on the assets held, the program is funded above the 90% confidence level. The information presented in Graph 1 is also summarized in tabular form below.

| Liability for Outstanding Claims at 6/30/22 | | | | | | |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| Confidence Levels | Expected | 70% | 75% | 80% | 85% | 90% |
| Not Discounted | \$20,726,000 | \$22,985,000 | \$23,939,000 | \$25,078,000 | \$26,488,000 | \$28,395,000 |
| Discounted | 19,808,000 | 21,967,000 | 22,878,000 | 23,968,000 | 25,315,000 | 27,137,000 |
| Assets Available at 6/30/22 | \$48,829,000 | | | | | |

GASB #10 does not address an actual funding requirement for the program, but only speaks to the liability to be recorded on the PLAN'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 margin for contingencies. Optimally, the amount should be sufficient to bring funding to the 75% to 85% confidence level. We consider funding to the 90% confidence level to be conservative.

The following chart shows the breakdown of PLAN's estimated assets available as of June 30, 2022. The discounted value of PLAN's estimated case reserves, IBNR and ULAE as of June 30, 2022 are \$4,741,000, \$12,866,000, and \$2,201,000, respectively. An additional \$7,329,000 increases the funding to 90% confidence.



B. COSTS OF 2022-23 CLAIMS

The following chart shows our funding recommendations for PLAN for the 2022-23 fiscal year assuming \$1 million limit at 2.0%, 3.0% and 4.0% discount rate assumptions.

Loss and ALAE Funding Guidelines

| | 2.0% | 3.0% | 4.0% |
|------------------------|-------------|-------------|-------------|
| Expected Loss and ALAE | \$4,972,000 | \$4,813,000 | \$4,662,000 |
| 60% Confidence Level | 5,102,000 | 4,938,000 | 4,783,000 |
| 70% Confidence Level | 5,828,000 | 5,641,000 | 5,464,000 |
| 80% Confidence Level | 6,787,000 | 6,570,000 | 6,364,000 |
| 90% Confidence Level | 8,309,000 | 8,043,000 | 7,790,000 |

The funding recommendations above are for losses and allocated loss adjustment expense only. They do not include any provision for claims administration, excess insurance, loss control, overhead, and other expenses associated with the program.

C. 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.

The PLAN has separated, to some extent, the funding goals for its self-insurance program from these accounting guidelines. GASB #10 and #30 do not address funding requirements. They do, however, allow a range of funded amounts to be recognized for accounting purposes, specifically GASB #10 and #30 allow recognition of a funding margin for unexpectedly adverse loss experience.

As you know, the amount of such a margin should be a question of long-term funding policy. We recommend that the margin be determined by thinking in terms of the probability that a given level of funding will prove to be adequate. If you elect to fund at a low confidence level, the chances are much greater that future events will prove that additional contributions should have been made for current claims.

We generally recommend maintaining program funding 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 funding will be sufficient to meet claim liabilities, yet the required 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 pretty much offsets the required margin, which means that it is also reasonable to think of the liabilities as being stated 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, PLAN'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 that you fund each year's claims costs in that year. When surpluses or deficiencies have developed 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 surplus funding more slowly than you would accumulate funding to make up a deficiency.

The following target funding ratios are used to further determine appropriate funding goals.

| <u>Funding Benchmarks</u> | <u>Score (SIR: \$2.5M)</u> | <u>Score (SIR: \$1M)</u> | <u>Target</u> | <u>Result</u> |
|---|--------------------------------|------------------------------|---------------|---------------|
| Net Assets to SIR | 11.61 | 29.02 | >5 : 1 | Pass |
| SIR fund to SIR | 8.68 | 21.69 | > 2 : 1 | Pass |
| Net Premium to Net Assets | 0.18 | 0.18 | < 2 : 1 | Pass |
| Claim Reserve/IBNR to Net Assets | 0.61 | 0.61 | < 3 : 1 | Pass |
| Ultimate Loss Development to Net Assets | -18% | -18% | < 20% | Pass |

Net Assets to SIR ratio: Target >5:1

This ratio is a measure of the maximum amount net assets could decline due to a single full limits loss. A high ratio is desirable.

SIR Fund to SIR ratio: Target >2:1

This ratio is a measure of the maximum amount the SIR Fund could decline due to a single full limits loss. A high ratio is desirable.

Net Premium to Net Assets ratio: Target <2:1

This ratio measure whether adverse loss development can be absorbed by new premium. Net premium equals premium received by PLAN, less premium paid by PLAN to others. A low ratio is desirable.

Claim Reserve/IBNR to Net Assets ratio: Target <3:1

The ratio is a measure of how net assets are leveraged against total undiscounted reserves. A low ratio is desirable.

Ultimate Loss Development to Net Assets ratio: Target <20%

This ratio is a measure of the development in prior year's ultimate losses from one year to the next. A low ratio is desirable.

We provide the following comparison of deposit premiums, which include ultimate loss and ALAE, claims administration, loss prevention, other administration and excess insurance costs at the 60% confidence level on a discounted basis (2.0%). This is shown in further detail on Exhibit 1, page 1.

| SIR/Excess | 2021-22 \$1.0M/\$30M | 2022-23 \$1.0M/\$30M | | |
|-----------------|-------------------------|-------------------------|------------------|-------------------|
| Member | Prior Funding | Proposed Funding | Dollar Change | Percent Change |
| American Canyon | \$366,248 | \$447,951 | \$81,703 | 22.31% |
| Atherton | 241,418 | 308,000 | 66,582 | 27.58% |
| Benicia | 764,947 | 919,469 | 154,522 | 20.20% |
| Burlingame | 677,137 | 889,657 | 212,520 | 31.39% |
| Campbell | 814,430 | 891,891 | 77,461 | 9.51% |
| Colma | 106,988 | 122,298 | 15,310 | 14.31% |
| Cupertino | 708,593 | 1,005,996 | 297,403 | 41.97% |
| Dublin | 708,418 | 1,062,627 | 354,209 | 50.00% |
| East Palo Alto | 497,809 | 742,172 | 244,363 | 49.09% |
| Foster City | 462,331 | 672,441 | 210,110 | 45.45% |
| Half Moon Bay | 237,854 | 273,692 | 35,838 | 15.07% |
| Hillsborough | 362,411 | 384,392 | 21,981 | 6.07% |
| Los Altos Hills | 232,844 | 211,164 | (21,680) | -9.31% |
| Los Gatos | 587,027 | 629,547 | 42,520 | 7.24% |
| Millbrae | 490,019 | 556,364 | 66,346 | 13.54% |
| Milpitas | 1,283,279 | 1,846,813 | 563,535 | 43.91% |
| Morgan Hill | 1,148,574 | 1,223,383 | 74,809 | 6.51% |
| Newark | 963,154 | 1,078,529 | 115,376 | 11.98% |
| Pacifica | 1,029,312 | 1,088,042 | 58,730 | 5.71% |
| Portola Valley | 107,940 | 123,306 | 15,366 | 14.24% |
| Ross, Town of | 88,562 | 94,356 | 5,794 | 6.54% |
| San Bruno | 1,255,750 | 1,372,544 | 116,794 | 9.30% |
| San Carlos | 963,495 | 809,351 | (154,145) | -16.00% |
| Saratoga | 430,311 | 645,467 | 215,156 | 50.00% |
| South SF | 1,476,305 | 1,438,198 | (38,107) | -2.58% |
| Suisun City | 389,892 | 584,838 | 194,946 | 50.00% |
| Tiburon | 188,307 | 242,144 | 53,837 | 28.59% |
| Woodside | 141,802 | 165,943 | 24,142 | 17.02% |
| Total | \$16,725,157 | \$19,830,577 | \$3,105,420 | 18.57% |

As shown in the previous table, total PLAN contributions are \$19,166,577, and can be broken down into four categories (1) Loss Funding, (2) Fixed Expenses, (3) Variable Expenses and (4) Loss Prevention Expenses. These costs are allocated to each individual member using the various methods discussed below.

The loss funding category actually can be broken down into two components: (1) PLAN loss fund contributions and (2) excess insurance. The PLAN loss fund contributions are based on the member's loss experience relative to the overall PLAN average and member's projected exposure (payroll) for 2022-23. The member's loss experience is factored into the allocation by using the experience modification factor developed in Exhibit 1, page 6. The experience modification factor calculation compares the prior five year's loss experience (2016-17 through 2020-21) per \$100 of payroll to the average of all PLAN members. A factor of 100% indicates that the member's loss experience is equal to the PLAN average.

The number of years of loss experience utilized depends on the degree of stability vs. responsiveness desired. Using more years in the calculation may stabilize year-to-year premium changes, but will not be responsive to changes in loss experience. On the other hand, using a limited number of years results in a quick response to changes in loss experience, but changes in year-to-year premiums by member will be dramatic. A five-year time period provides a reasonable balance between stability and responsiveness.

Furthermore, the experience modification factors are developed based on losses limited to \$250,000 per occurrence. Without such a loss limit, a member incurring one catastrophic loss will pay disproportionately higher premiums as long as that loss remains in the experience period. The member will not realize financial benefits from loss control, even though its claim frequency may have decreased.

The experience modification and deductible factors are applied to the selected funding rate to obtain the adjusted rate. The adjusted rate is multiplied by the members' payroll to determine the base deposit.

The excess insurance portion of the loss funding is allocated to each member based upon estimated member population. The assumption here is that losses in excess of the PLAN retention are random, and thus more appropriately related to exposure than loss experience. This calculation is shown on Exhibit 1, Page 3.

Total budgeted administrative costs for 2022-23 are \$2,342,577. Total PLAN administrative expenses of \$2,342,577 are split into \$1,874,062 for general liability and \$468,515 for property coverages then again split into fixed and variable portions. Thirty-three percent of these expenses are assumed to be fixed, and every individual member is initially allocated the same amount of fixed expense regardless of its size. Given total fixed expenses of \$773,050 and 28 members for the 2022-23 fiscal year, this results in an initial charge of \$27,609 per member.

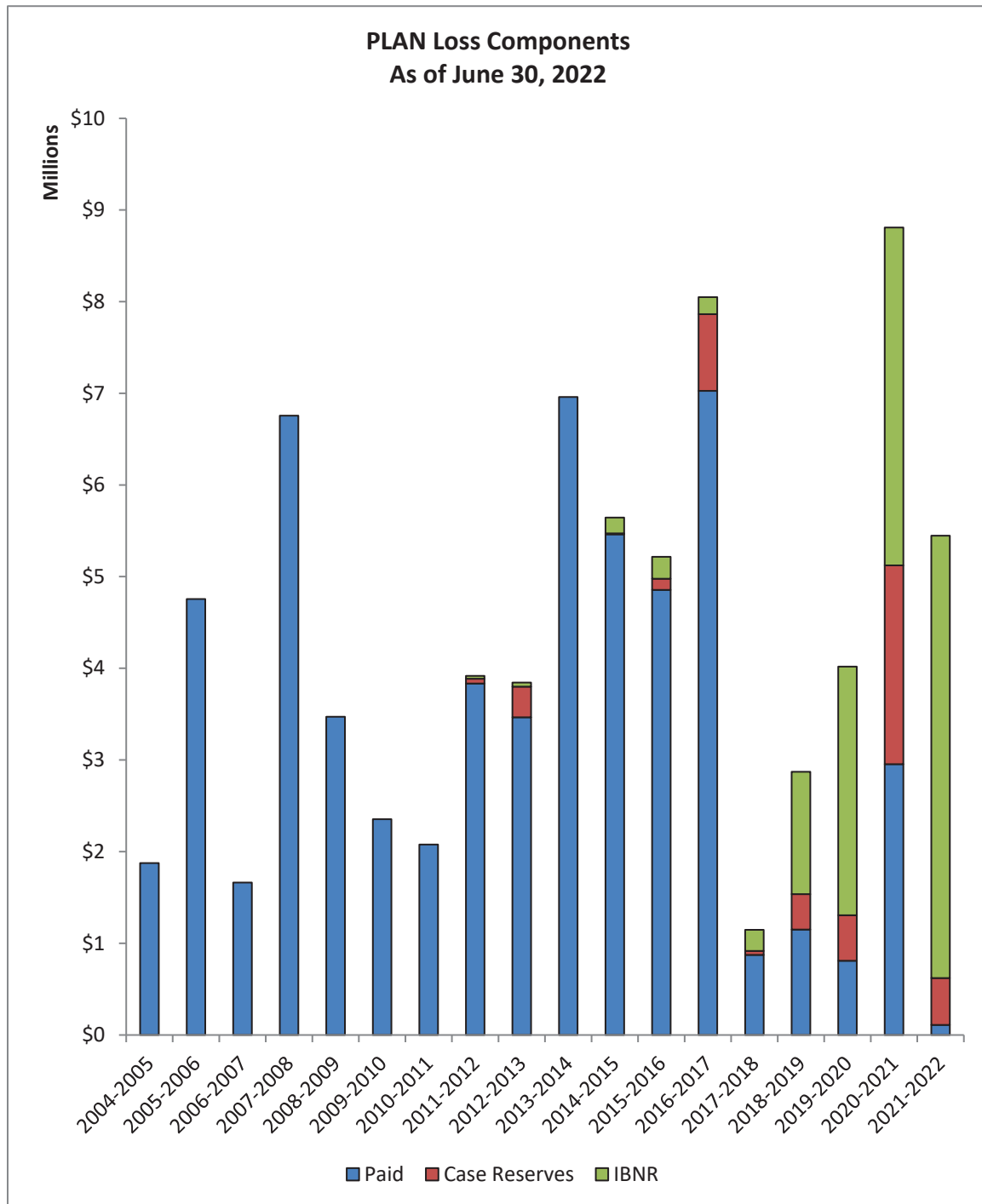
The remaining sixty-seven percent of administrative expenses are assumed to vary by member and are initially allocated based upon one-third weight to reported claims

greater than \$1 (i.e. excluding claims closed without payment) and two-thirds weight to paid losses in the period 2016-17 through 2020-21. Liability and Property are treated separately for the allocation, then added into the premium in total.

In order to prevent extreme year-to-year fluctuations in each member's deposit, there is a limit in the annual change in deposit between the upcoming year and the current year. As directed by PLAN, the annual change in deposit is limited to 50%, assuming the member keeps the same deductible. The net impact of limiting the change in deposit is spread back to all members whose deposits are not already limited so that total deposit collected for the 2022-23 after limiting will be equal to prior deposit.

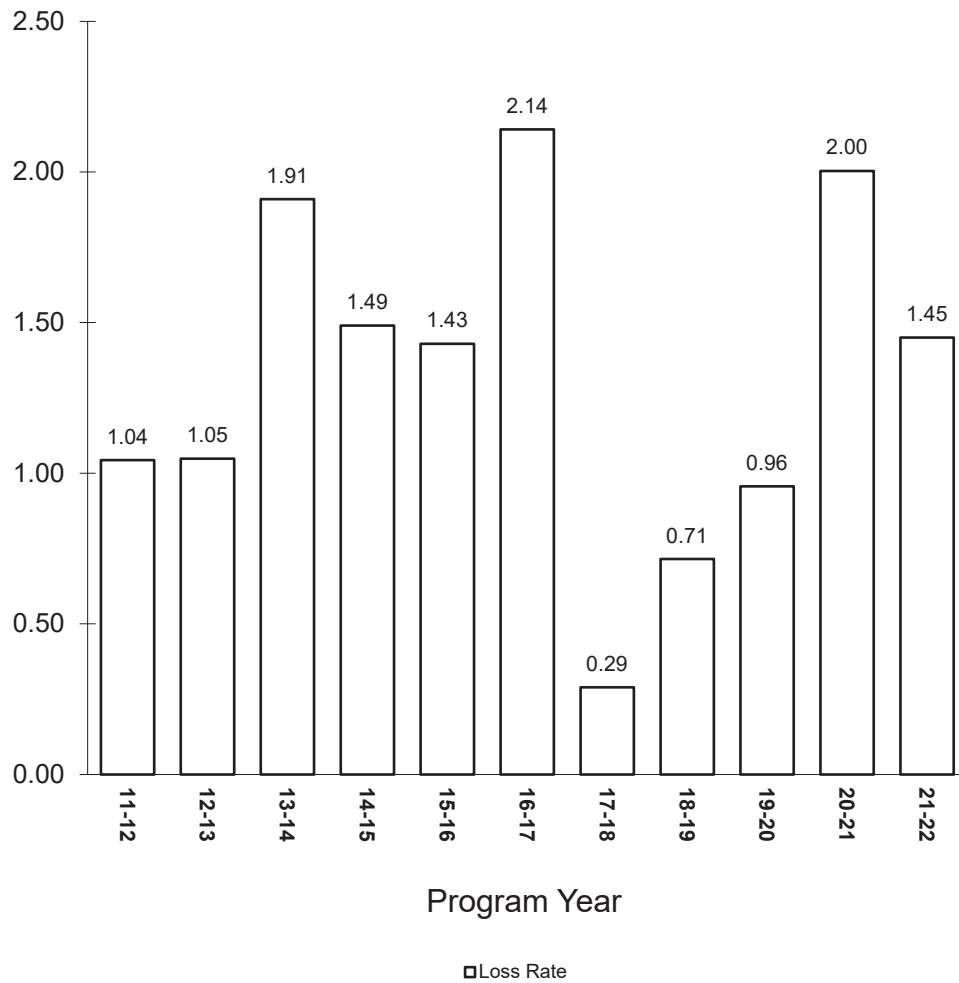
D. OTHER RESULTS

The following chart show each program year's ultimate loss broken down by paid losses, case reserves and IBNR reserves.



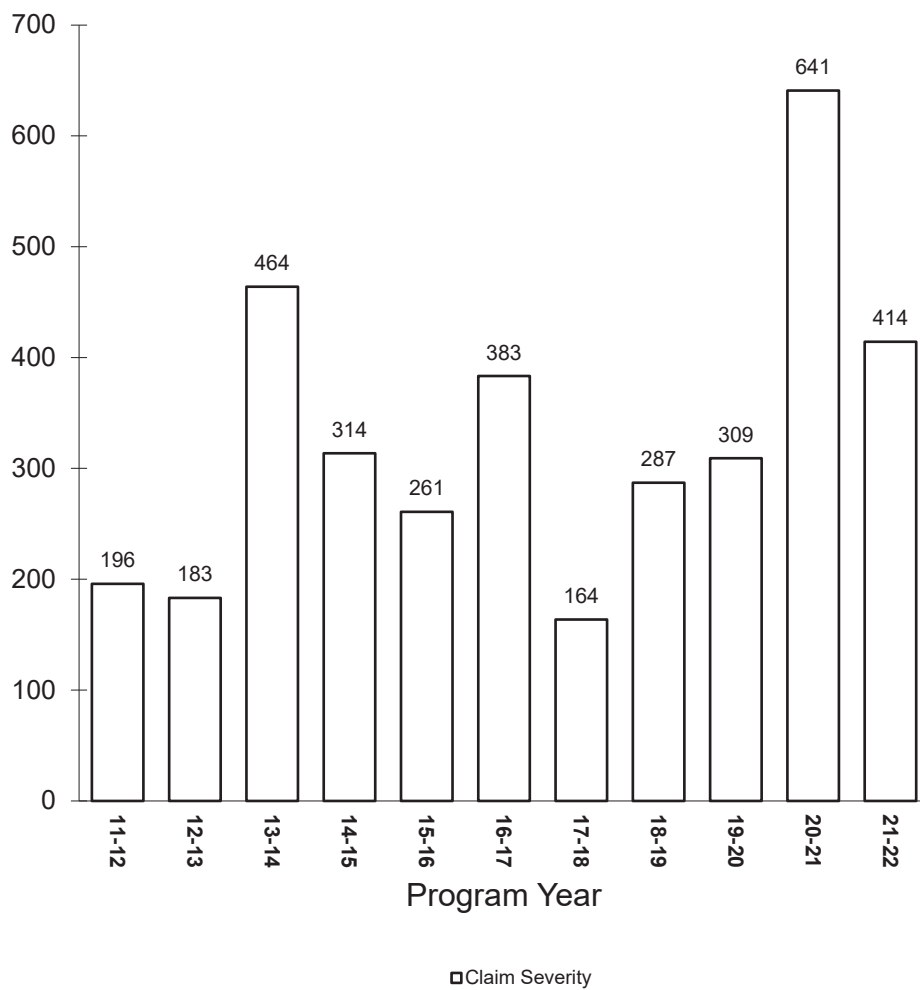
PLAN's loss rate per \$100 of payroll has varied significantly over the past ten years. The projected loss rate of \$1.45 per \$100 of payroll for the 2021-22 year is based on the long-term average.

**Indicated Loss Rate per \$100 of Payroll
Pool Layer**



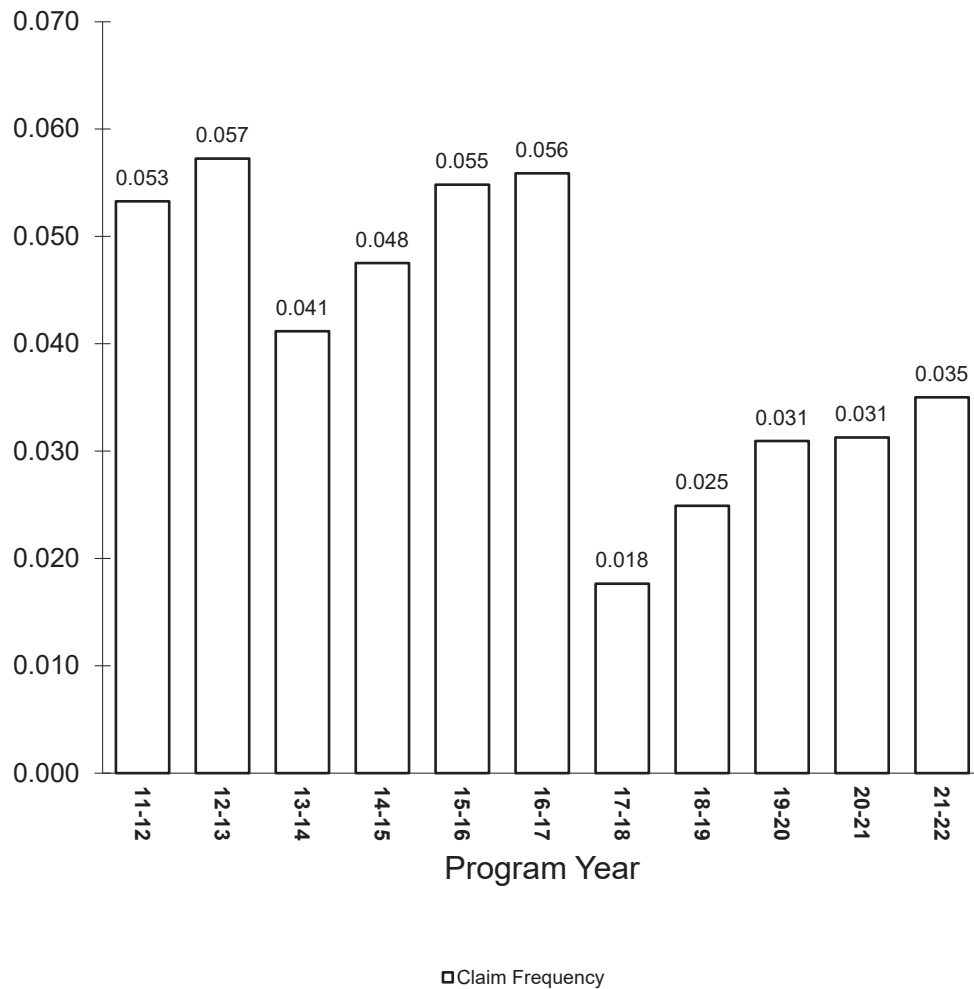
The program's cost per claim averaged \$189,500 per claim prior to 2013-14. Since then the severity averaged \$350,000 in the latest eight years. The projected severity for the 2021-22 program year of \$414,000 is based on this increasing trend. The claim severities in the following chart are limited to pool limits.

**Indicated Severity
Pool Layer (\$000)**



PLAN's claims frequency per \$1 million of payroll averaged 0.052 claims per \$1 million of payroll during the 2011-12 through 2016-17 years. However, the average frequency for the latest four years decreased to 0.026 claims per \$1 million of payroll. The projected frequency for the 2021-22 program year of 0.035 is based on the long-term average.

Indicated Frequency Pool Layer



E. COMPARISON WITH OUR PREVIOUS RESULTS

The prior report for PLAN was dated August 4, 2021. In the table below we display actual versus expected development of incurred losses and ALAE by accident year between the December 31, 2020 evaluation date of the prior report and the December 31, 2021 evaluation date of the current report.

Actual Versus Expected Incurred Loss and ALAE Development

| Accident Year | Expected Incurred Development | Actual Incurred Development | Actual Minus Expected |
|---------------|-------------------------------|-----------------------------|-----------------------|
| 1986-01 | \$1,000 | \$0 | (\$1,000) |
| 2001-02 | 0 | 0 | 0 |
| 2002-03 | 0 | 0 | 0 |
| 2003-04 | 0 | 0 | 0 |
| 2004-05 | 0 | 0 | 0 |
| 2005-06 | 0 | 0 | 0 |
| 2006-07 | 0 | 0 | 0 |
| 2007-08 | 0 | 0 | 0 |
| 2008-09 | 0 | (1,000) | (1,000) |
| 2009-10 | 0 | 0 | 0 |
| 2010-11 | 0 | 0 | 0 |
| 2011-12 | 19,000 | 0 | (19,000) |
| 2012-13 | 37,000 | 0 | (37,000) |
| 2013-14 | 47,000 | 0 | (47,000) |
| 2014-15 | 91,000 | 0 | (91,000) |
| 2015-16 | 80,000 | (130,000) | (210,000) |
| 2016-17 | 247,000 | 761,000 | 514,000 |
| 2017-18 | 1,085,000 | (53,000) | (1,138,000) |
| 2018-19 | 1,571,000 | 434,000 | (1,137,000) |
| 2019-20 | 2,480,000 | 304,000 | (2,176,000) |
| 2020-21 | 975,000 | 1,789,000 | 814,000 |
| Total | \$6,633,000 | \$3,104,000 | (\$3,529,000) |

As shown, actual incurred development was less than anticipated since the prior report. Based on the assumptions from the prior report, it was expected that incurred losses through accident year 2020-21 would increase by \$6,633,000 between the two evaluation dates. However, actual development was approximately \$3,104,000; or about \$3,529,000 less than expected.

In the table below we display actual versus expected development of paid losses and ALAE by accident year between the December 31, 2020 evaluation date of the prior report and the December 31, 2021 evaluation date of the current report.

Actual Versus Expected Paid Loss and ALAE Development

| Accident Year | Expected Paid Development | Actual Paid Development | Actual Minus Expected |
|---------------|---------------------------|-------------------------|-----------------------|
| 1986-01 | \$2,000 | \$0 | (\$2,000) |
| 2001-02 | 0 | 0 | 0 |
| 2002-03 | 0 | 0 | 0 |
| 2003-04 | 0 | 0 | 0 |
| 2004-05 | 0 | 0 | 0 |
| 2005-06 | 0 | 0 | 0 |
| 2006-07 | 0 | 0 | 0 |
| 2007-08 | 0 | 0 | 0 |
| 2008-09 | 0 | (1,000) | (1,000) |
| 2009-10 | 0 | 0 | 0 |
| 2010-11 | 0 | 0 | 0 |
| 2011-12 | 41,000 | 2,000 | (39,000) |
| 2012-13 | 209,000 | 18,000 | (191,000) |
| 2013-14 | 64,000 | 0 | (64,000) |
| 2014-15 | 160,000 | 0 | (160,000) |
| 2015-16 | 407,000 | 204,000 | (203,000) |
| 2016-17 | 952,000 | 1,709,000 | 757,000 |
| 2017-18 | 912,000 | 38,000 | (874,000) |
| 2018-19 | 1,516,000 | 540,000 | (976,000) |
| 2019-20 | 955,000 | 56,000 | (899,000) |
| 2020-21 | 280,000 | 2,431,000 | 2,151,000 |
| Total | \$5,498,000 | \$4,997,000 | (\$501,000) |

As shown, actual paid development was less than anticipated since the prior report. Based on the assumptions from the prior report, it was expected that paid losses through accident year 2020-21 would increase by \$5,498,000 between the two evaluation dates. However, actual development was approximately \$4,997,000; or about \$501,000 less than expected.

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 Loss and ALAE Ultimate Losses

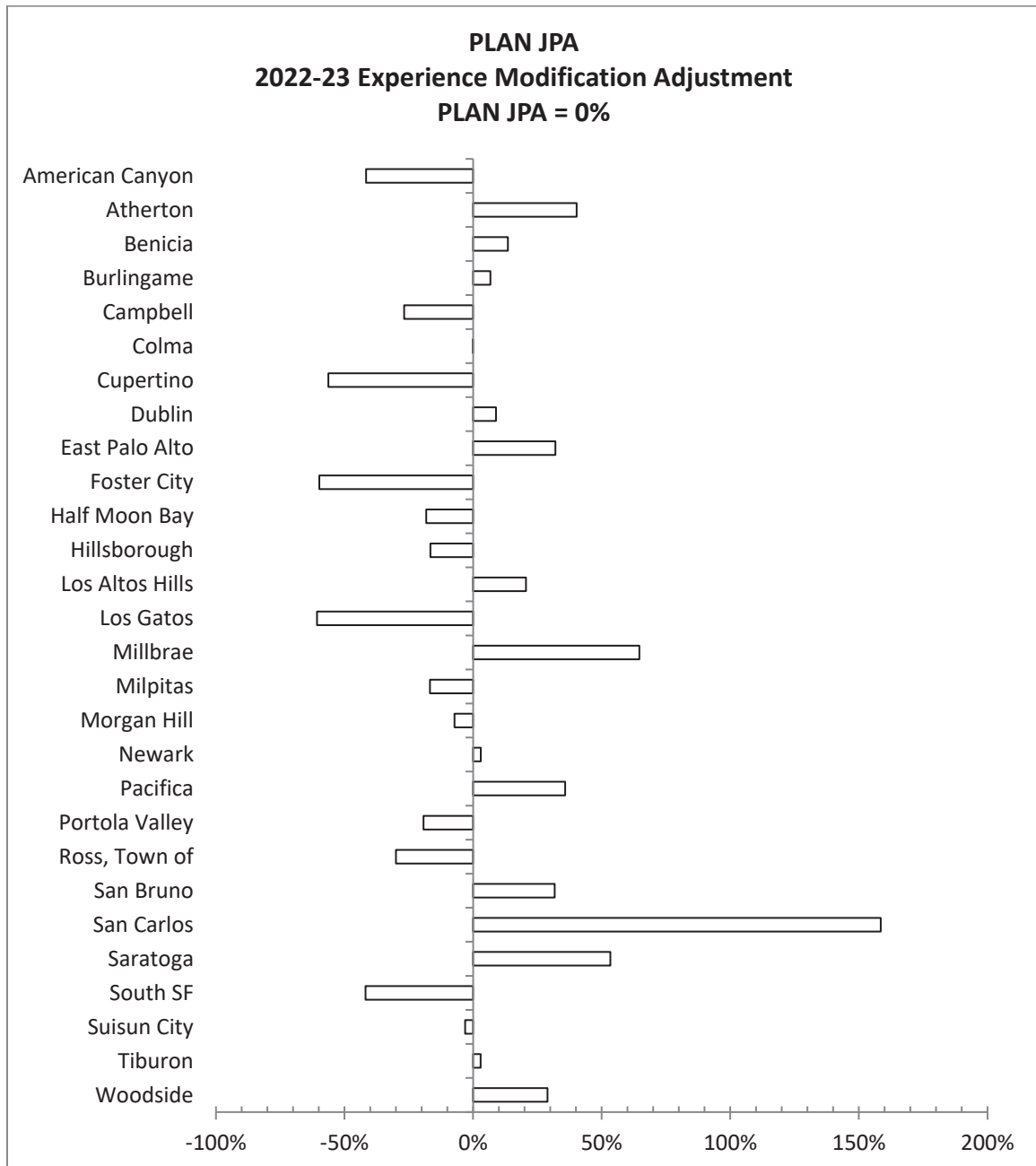
| Accident Year | Prior Report | Current Report | Change |
|---------------|---------------|----------------|---------------|
| 1986-01 | \$30,004,000 | \$30,004,000 | \$0 |
| 2001-02 | 4,627,000 | 4,627,000 | 0 |
| 2002-03 | 8,812,000 | 8,812,000 | 0 |
| 2003-04 | 2,574,000 | 2,574,000 | 0 |
| 2004-05 | 1,874,000 | 1,874,000 | 0 |
| 2005-06 | 4,756,000 | 4,756,000 | 0 |
| 2006-07 | 1,662,000 | 1,662,000 | 0 |
| 2007-08 | 6,756,000 | 6,756,000 | 0 |
| 2008-09 | 3,473,000 | 3,472,000 | (1,000) |
| 2009-10 | 2,353,000 | 2,353,000 | 0 |
| 2010-11 | 2,077,000 | 2,077,000 | 0 |
| 2011-12 | 3,936,000 | 3,917,000 | (19,000) |
| 2012-13 | 3,883,000 | 3,845,000 | (38,000) |
| 2013-14 | 7,087,000 | 6,959,000 | (128,000) |
| 2014-15 | 5,760,000 | 5,644,000 | (116,000) |
| 2015-16 | 5,413,000 | 5,216,000 | (197,000) |
| 2016-17 | 7,698,000 | 8,049,000 | 351,000 |
| 2017-18 | 3,013,000 | 1,146,000 | (1,867,000) |
| 2018-19 | 4,147,000 | 2,871,000 | (1,276,000) |
| 2019-20 | 5,859,000 | 4,018,000 | (1,841,000) |
| 2020-21 | 6,997,000 | 8,808,000 | 1,811,000 |
| Total | \$122,761,000 | \$119,440,000 | (\$3,321,000) |

As shown, overall we have decreased our estimated ultimate losses by \$3,321,000 since our prior report. The changes in our estimates of ultimate losses take into account both the incurred and paid development listed on the previous two pages.

The following table displays a comparison of the PLAN JPA's proposed 2022-23 funding and actual 2021-22 funding by member.

| Member | 2021-22 Actual Funding | 2022-23 Proposed Funding | Dollar Change | Percent Change |
|-----------------|------------------------------|--------------------------------|------------------|-------------------|
| American Canyon | \$366,248 | \$447,951 | \$81,703 | 22.31% |
| Atherton | 241,418 | 308,000 | 66,582 | 27.58% |
| Benicia | 764,947 | 919,469 | 154,522 | 20.20% |
| Burlingame | 677,137 | 889,657 | 212,520 | 31.39% |
| Campbell | 814,430 | 891,891 | 77,461 | 9.51% |
| Colma | 106,988 | 122,298 | 15,310 | 14.31% |
| Cupertino | 708,593 | 1,005,996 | 297,403 | 41.97% |
| Dublin | 708,418 | 1,062,627 | 354,209 | 50.00% |
| East Palo Alto | 497,809 | 742,172 | 244,363 | 49.09% |
| Foster City | 462,331 | 672,441 | 210,110 | 45.45% |
| Half Moon Bay | 237,854 | 273,692 | 35,838 | 15.07% |
| Hillsborough | 362,411 | 384,392 | 21,981 | 6.07% |
| Los Altos Hills | 232,844 | 211,164 | (21,680) | -9.31% |
| Los Gatos | 587,027 | 629,547 | 42,520 | 7.24% |
| Millbrae | 490,019 | 556,364 | 66,346 | 13.54% |
| Milpitas | 1,283,279 | 1,846,813 | 563,535 | 43.91% |
| Morgan Hill | 1,148,574 | 1,223,383 | 74,809 | 6.51% |
| Newark | 963,154 | 1,078,529 | 115,376 | 11.98% |
| Pacifica | 1,029,312 | 1,088,042 | 58,730 | 5.71% |
| Portola Valley | 107,940 | 123,306 | 15,366 | 14.24% |
| Ross, Town of | 88,562 | 94,356 | 5,794 | 6.54% |
| San Bruno | 1,255,750 | 1,372,544 | 116,794 | 9.30% |
| San Carlos | 963,495 | 809,351 | (154,145) | -16.00% |
| Saratoga | 430,311 | 645,467 | 215,156 | 50.00% |
| South SF | 1,476,305 | 1,438,198 | (38,107) | -2.58% |
| Suisun City | 389,892 | 584,838 | 194,946 | 50.00% |
| Tiburon | 188,307 | 242,144 | 53,837 | 28.59% |
| Woodside | 141,802 | 165,943 | 24,142 | 17.02% |
| Total | \$16,725,157 | \$19,830,577 | \$3,105,420 | 18.57% |

The following table displays PLAN JPA members' 2022-23 experience modification adjustment. This is the experience modification factor minus 100%, and shows how each member performs relative to the pool average. A negative percentage indicates better than average performance, while a positive percentage indicates worse than average performance. A detailed calculation of the experience modification factors is shown in Exhibit 1, page 6.



F. DATA ISSUES

Overall, the data utilized in preparing this report appears to be accurate as of the date of the current evaluation. However, it should be noted that certain assumptions have been made to allow for a lack of information on exposures.

We received loss data evaluated as of December 31, 2021. This data appeared to be consistent with the data provided for prior reviews.

We were provided with fiscal year payrolls for the 2020-21, 2021-22 and 2022-23 program years.

Excess insurance premium is estimated to be \$12,386,000 for the \$1 million to \$30 million layer. Premiums for individual layers are estimated based upon pool limits factors.

Tiburon has assumed liability coverage for the Tiburon-Belvedere library effective July 1, 2006. Tiburon-Belvedere library left the pool effective July 1, 2020.

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 PLAN. 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 other California public entities with self-insured excess liability program.
- 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 the participants of other California public entities with self-insured liability programs in the aggregate form a reasonable basis of comparison to the patterns from PLAN's data.
- We have made use of cost relationships for claims of various sizes derived from the most recent actuarial reviews of other California public entities with self-insured liability 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 cost 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.

- We have assumed that the loss costs associated with liability claims are increasing at 6.5% per year. We have assumed that the average claim size is stable and that the average number of claims per \$1 million increases at 6.5% per year.
- 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 annual return of 2%.
- The claims costs we have estimated include indemnity and medical payments, and all loss adjustment expenses. We have not provided estimates for excess insurance contributions, and other expenses associated with the program.
- Our funding recommendations do not include provision for catastrophic events not in the PLAN'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 PLAN's excess coverage.
- PLAN available assets have been estimated to be \$48,829,000 as of June 30, 2022 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.)

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 \$1 million payroll.

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 \$100 payroll.

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.

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.)

PLAN JPA

Summary of 2022-23 Deposit by Retention Limit

| Member (A) | 2021-22 Premium Deposit (B) | Total Deposit \$1 Million Retention Limit \$30 Million (C) | Indicated Dollar Change (D) | Indicated Percent Change (E) | Total Deposit Capped at +/- 50% (F) | Total Percent Change (G) |
|-----------------|--------------------------------------|--|--------------------------------------|---------------------------------------|---|-----------------------------------|
| American Canyon | \$366,248 | \$442,851 | \$76,602 | 20.9% | 447,951 | 22.3% |
| Atherton | 241,418 | 304,493 | 63,075 | 26.1% | 308,000 | 27.6% |
| Benicia | 764,947 | 908,999 | 144,052 | 18.8% | 919,469 | 20.2% |
| Burlingame | 677,137 | 879,527 | 202,390 | 29.9% | 889,657 | 31.4% |
| Campbell | 814,430 | 881,735 | 67,305 | 8.3% | 891,891 | 9.5% |
| Colma | 106,988 | 120,906 | 13,918 | 13.0% | 122,298 | 14.3% |
| Cupertino | 708,593 | 994,541 | 285,948 | 40.4% | 1,005,996 | 42.0% |
| Dublin | 708,418 | 1,174,413 | 465,995 | 65.8% | 1,062,627 | 50.0% |
| East Palo Alto | 497,809 | 733,721 | 235,912 | 47.4% | 742,172 | 49.1% |
| Foster City | 462,331 | 664,784 | 202,453 | 43.8% | 672,441 | 45.4% |
| Half Moon Bay | 237,854 | 270,575 | 32,722 | 13.8% | 273,692 | 15.1% |
| Hillsborough | 362,411 | 380,015 | 17,604 | 4.9% | 384,392 | 6.1% |
| Los Altos Hills | 232,844 | 208,760 | (24,084) | -10.3% | 211,164 | -9.3% |
| Los Gatos | 587,027 | 622,378 | 35,351 | 6.0% | 629,547 | 7.2% |
| Millbrae | 490,019 | 550,029 | 60,011 | 12.2% | 556,364 | 13.5% |
| Milpitas | 1,283,279 | 1,825,784 | 542,506 | 42.3% | 1,846,813 | 43.9% |
| Morgan Hill | 1,148,574 | 1,209,453 | 60,879 | 5.3% | 1,223,383 | 6.5% |
| Newark | 963,154 | 1,066,248 | 103,095 | 10.7% | 1,078,529 | 12.0% |
| Pacifica | 1,029,312 | 1,075,653 | 46,341 | 4.5% | 1,088,042 | 5.7% |
| Portola Valley | 107,940 | 121,902 | 13,962 | 12.9% | 123,306 | 14.2% |
| Ross, Town of | 88,562 | 93,281 | 4,720 | 5.3% | 94,356 | 6.5% |
| San Bruno | 1,255,750 | 1,356,915 | 101,165 | 8.1% | 1,372,544 | 9.3% |
| San Carlos | 963,495 | 800,135 | (163,361) | -17.0% | 809,351 | -16.0% |
| Saratoga | 430,311 | 696,647 | 266,335 | 61.9% | 645,467 | 50.0% |
| South SF | 1,476,305 | 1,421,822 | (54,483) | -3.7% | 1,438,198 | -2.6% |
| Suisun City | 389,892 | 621,568 | 231,676 | 59.4% | 584,838 | 50.0% |
| Tiburon | 188,307 | 239,387 | 51,080 | 27.1% | 242,144 | 28.6% |
| Woodside | 141,802 | 164,054 | 22,252 | 15.7% | 165,943 | 17.0% |
| Total | \$16,725,157 | \$19,830,577 | \$3,105,420 | 18.6% | \$19,830,577 | |

(B) From provided by PLAN JPA.

(C) From Exhibit 1 - Page 2a

(D) (C) - (B)

(E) (C) / (B) - 1

(F) (E) Capped at +/-50%

PLAN JPA

Split of 2022-23 Deposit Between Loss Funding and Administrative Expenses
\$1.0M Retention / \$30M Limit

| Member (A) | Loss Funding (B) | Excess Insurance (C) | Admin Expenses (D) | Total Deposit (E) |
|-----------------|------------------------|----------------------------|--------------------------|-------------------------|
| American Canyon | \$74,249 | \$309,302 | \$59,299 | \$442,851 |
| Atherton | 157,010 | 102,536 | 44,947 | 304,493 |
| Benicia | 406,546 | 403,110 | 99,343 | 908,999 |
| Burlingame | 191,796 | 442,290 | 245,441 | 879,527 |
| Campbell | 183,678 | 617,549 | 80,508 | 881,735 |
| Colma | 53,231 | 24,667 | 43,008 | 120,906 |
| Cupertino | 74,188 | 872,149 | 48,203 | 994,541 |
| Dublin | 145,196 | 961,942 | 67,274 | 1,174,413 |
| East Palo Alto | 201,964 | 451,271 | 80,486 | 733,721 |
| Foster City | 106,622 | 488,324 | 69,839 | 664,784 |
| Half Moon Bay | 50,918 | 183,021 | 36,636 | 270,575 |
| Hillsborough | 140,567 | 169,371 | 70,076 | 380,015 |
| Los Altos Hills | 50,785 | 124,750 | 33,225 | 208,760 |
| Los Gatos | 107,079 | 458,497 | 56,803 | 622,378 |
| Millbrae | 140,686 | 334,684 | 74,660 | 550,029 |
| Milpitas | 552,618 | 1,125,024 | 148,142 | 1,825,784 |
| Morgan Hill | 298,746 | 704,398 | 206,309 | 1,209,453 |
| Newark | 245,712 | 726,479 | 94,057 | 1,066,248 |
| Pacifica | 385,060 | 563,382 | 127,211 | 1,075,653 |
| Portola Valley | 25,263 | 67,802 | 28,837 | 121,902 |
| Ross, Town of | 27,341 | 37,871 | 28,069 | 93,281 |
| San Bruno | 450,194 | 668,148 | 238,574 | 1,356,915 |
| San Carlos | 292,712 | 443,301 | 64,122 | 800,135 |
| Saratoga | 193,507 | 454,185 | 48,955 | 696,647 |
| South SF | 299,668 | 998,222 | 123,932 | 1,421,822 |
| Suisun City | 139,577 | 429,443 | 52,548 | 621,568 |
| Tiburon | 61,774 | 140,600 | 37,012 | 239,387 |
| Woodside | 45,312 | 83,682 | 35,060 | 164,054 |
| Total | \$5,102,000 | \$12,386,000 | \$2,342,577 | \$19,830,577 |

(B) From Exhibit 1, Page 2b.

(C) From Exhibit 1, Page 2b.

(D) From Exhibit 1, Page 2b.

(E) (B) + (C) + (D)

PLAN JPA

2022-23 Deposit by Member
\$1.0M Retention / \$30M Limit

| Member (A) | Deductible (B) | Deductible Factor (C) | Adjusted Experience Modification Factor (D) | 2022-23 Payroll (00) (E) | PLAN JPA Loss Fund Contribution (F) | Balanced PLAN JPA Loss Fund Contribution (G) | Excess Insurance (H) | Adjusted Admin. Expenses (I) | Indicated Total Deposit (J) |
|-----------------|-------------------|-----------------------------|---|-----------------------------------|--|--|----------------------------|---------------------------------------|--------------------------------------|
| American Canyon | 25,000 | 1.403 | 58% | 85,038 | 70,846 | 74,249 | 309,302 | 59,299 | 442,851 |
| Atherton | 25,000 | 1.403 | 140% | 74,867 | 149,815 | 157,010 | 102,536 | 44,947 | 304,493 |
| Benicia | 25,000 | 1.403 | 114% | 239,540 | 387,916 | 406,546 | 403,110 | 99,343 | 908,999 |
| Burlingame | 250,000 | 0.622 | 107% | 271,151 | 183,007 | 191,796 | 442,290 | 245,441 | 879,527 |
| Campbell | 100,000 | 1.000 | 73% | 235,577 | 175,261 | 183,678 | 617,549 | 80,508 | 881,735 |
| Colma | 50,000 | 1.230 | 100% | 40,653 | 50,791 | 53,231 | 24,667 | 43,008 | 120,906 |
| Cupertino | 250,000 | 0.622 | 44% | 255,934 | 70,789 | 74,188 | 872,149 | 48,203 | 994,541 |
| Dublin | 50,000 | 1.230 | 109% | 101,718 | 138,543 | 145,196 | 961,942 | 67,274 | 1,174,413 |
| East Palo Alto | 100,000 | 1.000 | 132% | 143,546 | 192,709 | 201,964 | 451,271 | 80,486 | 733,721 |
| Foster City | 100,000 | 1.000 | 40% | 248,749 | 101,736 | 106,622 | 488,324 | 69,839 | 664,784 |
| Half Moon Bay | 50,000 | 1.230 | 82% | 47,486 | 48,585 | 50,918 | 183,021 | 36,636 | 270,575 |
| Hillsborough | 50,000 | 1.230 | 83% | 128,612 | 134,126 | 140,567 | 169,371 | 70,076 | 380,015 |
| Los Altos Hills | 25,000 | 1.403 | 121% | 28,174 | 48,458 | 50,785 | 124,750 | 33,225 | 208,760 |
| Los Gatos | 50,000 | 1.230 | 39% | 207,729 | 102,172 | 107,079 | 458,497 | 56,803 | 622,378 |
| Millbrae | 100,000 | 1.000 | 165% | 80,165 | 134,239 | 140,686 | 334,684 | 74,660 | 550,029 |
| Milpitas | 100,000 | 1.000 | 83% | 623,171 | 527,294 | 552,618 | 1,125,024 | 148,142 | 1,825,784 |
| Morgan Hill | 100,000 | 1.000 | 93% | 302,233 | 285,056 | 298,746 | 704,398 | 206,309 | 1,209,453 |
| Newark | 100,000 | 1.000 | 103% | 223,832 | 234,452 | 245,712 | 726,479 | 94,057 | 1,066,248 |
| Pacifica | 50,000 | 1.230 | 136% | 216,335 | 367,414 | 385,060 | 563,382 | 127,211 | 1,075,653 |
| Portola Valley | 25,000 | 1.403 | 81% | 20,935 | 24,105 | 25,263 | 67,802 | 28,837 | 121,902 |
| Ross, Town of | 25,000 | 1.403 | 70% | 26,123 | 26,089 | 27,341 | 37,871 | 28,069 | 93,281 |
| San Bruno | 100,000 | 1.000 | 132% | 320,646 | 429,563 | 450,194 | 668,148 | 238,574 | 1,356,915 |
| San Carlos | 100,000 | 1.000 | 259% | 106,244 | 279,299 | 292,712 | 443,301 | 64,122 | 800,135 |
| Saratoga | 25,000 | 1.403 | 153% | 84,366 | 184,640 | 193,507 | 454,185 | 48,955 | 696,647 |
| South SF | 100,000 | 1.000 | 58% | 483,190 | 285,935 | 299,668 | 998,222 | 123,932 | 1,421,822 |
| Suisun City | 25,000 | 1.403 | 97% | 96,358 | 133,181 | 139,577 | 429,443 | 52,548 | 621,568 |
| Tiburon | 50,000 | 1.230 | 103% | 45,792 | 58,944 | 61,774 | 140,600 | 37,012 | 239,387 |
| Woodside | 25,000 | 1.403 | 129% | 23,506 | 43,236 | 45,312 | 83,682 | 35,060 | 164,054 |
| Total | | 1.054 | 94% | 4,761,670 | 4,868,199 | 5,102,000 | 12,386,000 | 2,342,577 | 19,830,577 |

(B) Provided by PLAN

(C) From Exhibit 2, Page 2.

(D) From Exhibit 1, Page 6.

(E) From Exhibit 2, Page 1.

(G) { [\$5,102,000 / Total (E)] x [(C) / Weighted Average of (C)] x (D) x (E)}.

\$5,102,000 is the discounted expected loss & ALAE at 60% CL from Exhibit 2, Page 1a. (2.0% Discount Rate).

(H) From Exhibit 1, page 3.

(I) Provided by PLAN

(J) (G) + (H) + (I)

PLAN JPA

2022-23 Allocation of Excess Insurance Premium by Member

| Member (A) | 2022-23 Population (B) | Percent 2022-23 Population (C) | 2022-23 Excess Insurance \$29M XS \$1M (D) |
|-----------------|------------------------------|---|--|
| American Canyon | 20,802 | 2.50% | 309,302 |
| Atherton | 6,896 | 0.83% | 102,536 |
| Benicia | 27,111 | 3.25% | 403,110 |
| Burlingame | 29,746 | 3.57% | 442,290 |
| Campbell | 41,533 | 4.99% | 617,549 |
| Colma | 1,659 | 0.20% | 24,667 |
| Cupertino | 58,656 | 7.04% | 872,149 |
| Dublin | 64,695 | 7.77% | 961,942 |
| East Palo Alto | 30,350 | 3.64% | 451,271 |
| Foster City | 32,842 | 3.94% | 488,324 |
| Half Moon Bay | 12,309 | 1.48% | 183,021 |
| Hillsborough | 11,391 | 1.37% | 169,371 |
| Los Altos Hills | 8,390 | 1.01% | 124,750 |
| Los Gatos | 30,836 | 3.70% | 458,497 |
| Millbrae | 22,509 | 2.70% | 334,684 |
| Milpitas | 75,663 | 9.08% | 1,125,024 |
| Morgan Hill | 47,374 | 5.69% | 704,398 |
| Newark | 48,859 | 5.87% | 726,479 |
| Pacifica | 37,890 | 4.55% | 563,382 |
| Portola Valley | 4,560 | 0.55% | 67,802 |
| Ross, Town of | 2,547 | 0.31% | 37,871 |
| San Bruno | 44,936 | 5.39% | 668,148 |
| San Carlos | 29,814 | 3.58% | 443,301 |
| Saratoga | 30,546 | 3.67% | 454,185 |
| South SF | 67,135 | 8.06% | 998,222 |
| Suisun City | 28,882 | 3.47% | 429,443 |
| Tiburon | 9,456 | 1.14% | 140,600 |
| Woodside | 5,628 | 0.68% | 83,682 |
| Total | 833,015 | 100.0% | 12,386,000 |

(B) Provided by PLAN JPA.

(C) (B) / Total (B)

(D) (C) X Total (D)

PLAN JPA

2022-23 Allocation of Variable Administrative Expenses by Member
Property Claims

| Member (A) | Property Reported Counts > \$1 2016-17 2020-21 (B) | Property Paid Losses 2016-17 2020-21 (C) | Percent Property Reported Counts > \$1 (D) | Percent Property Paid Losses 2016-17 2020-21 (E) | Percent Property Variable Administrative Expenses (G) | Property Variable Administrative Expenses (H) |
|-----------------|---|--|--|---|--|---|
| American Canyon | 11 | 461,878 | 7.01% | 8.95% | 8.30% | 26,064 |
| Atherton | 5 | 13,362 | 3.18% | 0.26% | 1.23% | 3,874 |
| Benicia | 10 | 429,237 | 6.37% | 8.32% | 7.67% | 24,073 |
| Burlingame | 1 | 95,000 | 0.64% | 1.84% | 1.44% | 4,519 |
| Campbell | 4 | 327,286 | 2.55% | 6.34% | 5.08% | 15,940 |
| Colma | 7 | 38,641 | 4.46% | 0.75% | 1.99% | 6,232 |
| Cupertino | 1 | 0 | 0.64% | 0.00% | 0.21% | 666 |
| Dublin | 6 | 48,645 | 3.82% | 0.94% | 1.90% | 5,972 |
| East Palo Alto | 21 | 187,349 | 13.38% | 3.63% | 6.88% | 21,594 |
| Foster City | 6 | 431,019 | 3.82% | 8.35% | 6.84% | 21,480 |
| Half Moon Bay | 1 | 0 | 0.64% | 0.00% | 0.21% | 666 |
| Hillsborough | 6 | 22,667 | 3.82% | 0.44% | 1.57% | 4,918 |
| Los Altos Hills | 4 | 15,467 | 2.55% | 0.30% | 1.05% | 3,293 |
| Los Gatos | 8 | 110,050 | 5.10% | 2.13% | 3.12% | 9,795 |
| Millbrae | 3 | 97,017 | 1.91% | 1.88% | 1.89% | 5,934 |
| Milpitas | 16 | 302,185 | 10.19% | 5.86% | 7.30% | 22,919 |
| Morgan Hill | 5 | 374,153 | 3.18% | 7.25% | 5.90% | 18,507 |
| Newark | 5 | 156,593 | 3.18% | 3.03% | 3.08% | 9,683 |
| Pacifica | 2 | 765,322 | 1.27% | 14.83% | 10.31% | 32,372 |
| Portola Valley | 1 | 210 | 0.64% | 0.00% | 0.22% | 675 |
| Ross, Town of | 0 | 0 | 0.00% | 0.00% | 0.00% | 0 |
| San Bruno | 8 | 1,042,105 | 5.10% | 20.20% | 15.16% | 47,597 |
| San Carlos | 4 | 7,951 | 2.55% | 0.15% | 0.95% | 2,988 |
| Saratoga | 3 | 35,396 | 1.91% | 0.69% | 1.09% | 3,435 |
| South SF | 13 | 164,195 | 8.28% | 3.18% | 4.88% | 15,323 |
| Suisun City | 3 | 22,122 | 1.91% | 0.43% | 0.92% | 2,897 |
| Tiburon | 2 | 0 | 1.27% | 0.00% | 0.42% | 1,333 |
| Woodside | 1 | 12,000 | 0.64% | 0.23% | 0.37% | 1,153 |
| Total | 157 | 5,159,848 | 100.00% | 100.00% | 100.00% | 313,905 |

(B) Based on reported claims count > \$1 for 2016-17 2020-21 from Appendix E, Page 8.
Reported property claims for 2016-17 2020-21 included.

(C) Based on paid losses limited to SIR for 2016-17 2020-21 from Appendix E, Page 6b.
Property paid losses limited to SIR for 2016-17 2020-21 are included.

(D) (B) / Total (B)

(E) (C) / Total (C)

(G) (D) x (1/3) + (E) x (2/3)

(H) (G) x Total of (H)

Total variable liability expenses are equal to 13.4% of total expenses. Total expenses of \$2,342,577 projected by PLAN JPA.

PLAN JPA

2022-23 Allocation of Variable Administrative Expenses by Member
Liability Claims

| Member (A) | Liability Reported Counts > \$1 2016-17 2020-21 (B) | Liability Paid Losses 2016-17 2020-21 (C) | Percent Liability Reported Counts > \$1 (D) | Percent Liability Paid Losses 2016-17 2020-21 (E) | Percent Liability Variable Administrative Expenses (G) | Liability Variable Administrative Expenses (H) |
|-----------------|--|---|---|--|---|--|
| American Canyon | 8 | 42,386 | 0.88% | 0.23% | 0.45% | 5,627 |
| Atherton | 8 | 212,992 | 0.88% | 1.17% | 1.07% | 13,464 |
| Benicia | 57 | 466,789 | 6.26% | 2.56% | 3.80% | 47,660 |
| Burlingame | 69 | 3,952,516 | 7.58% | 21.69% | 16.99% | 213,313 |
| Campbell | 47 | 333,979 | 5.16% | 1.83% | 2.94% | 36,960 |
| Colma | 13 | 69,376 | 1.43% | 0.38% | 0.73% | 9,166 |
| Cupertino | 31 | 123,424 | 3.41% | 0.68% | 1.59% | 19,928 |
| Dublin | 19 | 543,213 | 2.09% | 2.98% | 2.68% | 33,694 |
| East Palo Alto | 25 | 430,665 | 2.75% | 2.36% | 2.49% | 31,283 |
| Foster City | 25 | 201,382 | 2.75% | 1.11% | 1.65% | 20,750 |
| Half Moon Bay | 12 | 61,858 | 1.32% | 0.34% | 0.67% | 8,361 |
| Hillsborough | 55 | 266,709 | 6.04% | 1.46% | 2.99% | 37,549 |
| Los Altos Hills | 4 | 10,513 | 0.44% | 0.06% | 0.18% | 2,323 |
| Los Gatos | 32 | 101,891 | 3.52% | 0.56% | 1.54% | 19,399 |
| Millbrae | 27 | 624,706 | 2.97% | 3.43% | 3.27% | 41,117 |
| Milpitas | 73 | 1,393,974 | 8.02% | 7.65% | 7.77% | 97,614 |
| Morgan Hill | 55 | 2,936,379 | 6.04% | 16.12% | 12.76% | 160,193 |
| Newark | 43 | 805,144 | 4.73% | 4.42% | 4.52% | 56,765 |
| Pacifica | 39 | 1,072,982 | 4.29% | 5.89% | 5.35% | 67,230 |
| Portola Valley | 1 | 2,027 | 0.11% | 0.01% | 0.04% | 553 |
| Ross, Town of | 1 | 0 | 0.11% | 0.00% | 0.04% | 460 |
| San Bruno | 87 | 2,685,121 | 9.56% | 14.74% | 13.01% | 163,368 |
| San Carlos | 29 | 439,416 | 3.19% | 2.41% | 2.67% | 33,525 |
| Saratoga | 18 | 209,661 | 1.98% | 1.15% | 1.43% | 17,911 |
| South SF | 87 | 892,159 | 9.56% | 4.90% | 6.45% | 81,000 |
| Suisun City | 26 | 219,508 | 2.86% | 1.20% | 1.76% | 22,042 |
| Tiburon | 11 | 65,547 | 1.21% | 0.36% | 0.64% | 8,070 |
| Woodside | 8 | 56,989 | 0.88% | 0.31% | 0.50% | 6,298 |
| Total | 910 | 18,221,306 | 100.00% | 100.00% | 100.00% | 1,255,621 |

(B) Based on reported claims count > \$1 for 2016-17 2020-21 from Appendix E, Page 8.

(C) Based on paid losses limited to SIR for 2016-17 2020-21 from Appendix E, Page 6b.

(D) (B) / Total (B)

(E) (C) / Total (C)

(G) (D) x (1/3) + (E) x (2/3)

(H) (G) x Total of (H)

Total variable liability expenses are equal to 53.6% of total expenses. Total expenses of \$2,342,577 projected by PLAN JPA.

PLAN JPA

Calculation of Experience Modification Factors by Member

| Member (A) | 2016-17 2020-21 Limited Incurred Losses (B) | 2016-17 2020-21 Payroll (00) (C) | Percent Incurred Losses (D) | Percent Payroll (E) | Indicated Differential (F) | Credibility (G) | 2022-23 Indicated Experience Modification Factor (H) | 2021-22 Capped Experience Modification Factor (I) | +/- 30% Capped Experience Modification Factor (J) | Change In Experience Modification Factor (K) |
|-----------------|--|--|--------------------------------------|---------------------------|----------------------------------|--------------------|---|--|--|---|
| American Canyon | 42,386 | 358,813 | 0.3% | 1.7% | 0.168 | 50% | 58% | 60.9% | 58.4% | -4.1% |
| Atherton | 335,187 | 237,453 | 2.3% | 1.1% | 2.007 | 40% | 140% | 130.4% | 140.3% | 7.6% |
| Benicia | 1,196,649 | 985,555 | 8.1% | 4.7% | 1.726 | 80% | 158% | 87.3% | 113.5% | 30.0% |
| Burlingame | 965,563 | 1,178,152 | 6.5% | 5.6% | 1.165 | 80% | 113% | 82.1% | 106.7% | 30.0% |
| Campbell | 557,564 | 1,192,680 | 3.8% | 5.7% | 0.665 | 80% | 73% | 82.1% | 73.2% | -10.9% |
| Colma | 187,341 | 215,443 | 1.3% | 1.0% | 1.236 | 40% | 109% | 76.8% | 99.9% | 30.0% |
| Cupertino | 227,959 | 1,092,418 | 1.5% | 5.2% | 0.297 | 80% | 44% | 38.7% | 43.7% | 13.1% |
| Dublin | 782,104 | 473,213 | 5.3% | 2.2% | 2.349 | 60% | 181% | 83.8% | 108.9% | 30.0% |
| East Palo Alto | 512,231 | 474,751 | 3.5% | 2.3% | 1.534 | 60% | 132% | 117.4% | 132.0% | 12.4% |
| Foster City | 273,513 | 1,250,155 | 1.8% | 5.9% | 0.311 | 80% | 45% | 30.9% | 40.2% | 30.0% |
| Half Moon Bay | 80,165 | 209,078 | 0.5% | 1.0% | 0.545 | 40% | 82% | 76.0% | 81.8% | 7.7% |
| Hillsborough | 266,716 | 524,393 | 1.8% | 2.5% | 0.723 | 60% | 83% | 91.1% | 83.4% | -8.4% |
| Los Altos Hills | 11,015 | 121,768 | 0.1% | 0.6% | 0.129 | 30% | 74% | 172.2% | 120.6% | -30.0% |
| Los Gatos | 154,070 | 906,652 | 1.0% | 4.3% | 0.242 | 80% | 39% | 48.3% | 39.3% | -18.6% |
| Millbrae | 554,946 | 379,636 | 3.7% | 1.8% | 2.078 | 60% | 165% | 231.0% | 164.7% | -28.7% |
| Milpitas | 1,508,750 | 2,636,478 | 10.2% | 12.5% | 0.813 | 90% | 83% | 87.2% | 83.2% | -4.6% |
| Morgan Hill | 857,552 | 1,340,436 | 5.8% | 6.4% | 0.909 | 80% | 93% | 113.5% | 92.8% | -18.3% |
| Newark | 748,679 | 1,025,678 | 5.0% | 4.9% | 1.038 | 80% | 103% | 97.9% | 103.0% | 5.2% |
| Pacifica | 951,326 | 934,328 | 6.4% | 4.4% | 1.447 | 80% | 136% | 151.0% | 135.8% | -10.1% |
| Portola Valley | 2,027 | 81,329 | 0.0% | 0.4% | 0.035 | 20% | 81% | 80.8% | 80.7% | -0.1% |
| Ross, Town of | 1 | 110,151 | 0.0% | 0.5% | 0.000 | 30% | 70% | 70.0% | 70.0% | 0.0% |
| San Bruno | 1,447,758 | 1,473,317 | 9.8% | 7.0% | 1.397 | 80% | 132% | 142.8% | 131.7% | -7.8% |
| San Carlos | 667,344 | 426,966 | 4.5% | 2.0% | 2.222 | 60% | 173% | 369.3% | 258.5% | -30.0% |
| Saratoga | 499,324 | 343,210 | 3.4% | 1.6% | 2.068 | 50% | 153% | 140.1% | 153.4% | 9.5% |
| South SF | 942,147 | 2,500,927 | 6.4% | 11.9% | 0.535 | 90% | 58% | 73.0% | 58.2% | -20.3% |
| Suisun City | 473,890 | 325,674 | 3.2% | 1.5% | 2.068 | 50% | 153% | 74.5% | 96.9% | 30.0% |
| Tiburon | 306,491 | 183,801 | 2.1% | 0.9% | 2.370 | 40% | 155% | 79.2% | 102.9% | 30.0% |
| Woodside | 277,217 | 97,910 | 1.9% | 0.5% | 4.025 | 20% | 160% | 99.2% | 128.9% | 30.0% |
| Total | 14,829,915 | 21,080,363 | 100.0% | 100.0% | 1.000 | 100% | 101% | | 95% | |

(B) Based on losses limited to \$250,000 for 2016-17 to 2020-21 from Exhibit 1, Page 7

(C) Based on payroll for 2016-17 to 2020-21 from ,

(D) (B) / Total (B)

(E) (C) / Total (C)

(F) (D) / (E)

(G) [(C) / ((C) + 30,000,000)]. Limited to minimum of 10% and maximum of 90%, and rounded to the nearest 10%.

(H) ((F) x (G)) + (1.00 - (G))

(I) Prior X-Mod.

(J) Indicated x-mod capped at +/- 30%.

(K) (J) / (I) - 1

PLAN JPA

Limited Incurred Losses

| Member (A) | 2016-17 (B) | 2017-18 (C) | 2018-19 (D) | 2019-20 (E) | 2020-21 (F) |
|-----------------|----------------|----------------|----------------|----------------|----------------|
| American Canyon | 11,618 | 30,538 | 0 | 230 | 0 |
| Atherton | 110,707 | 857 | 2,494 | 2,234 | 218,895 |
| Benicia | 100,689 | 232,424 | 22,137 | 176,668 | 664,732 |
| Burlingame | 301,970 | 167,689 | 41,049 | 136,361 | 318,495 |
| Campbell | 138,659 | 159,039 | 11,050 | 214,105 | 34,711 |
| Colma | 1,498 | 42,689 | 5,416 | 4,774 | 132,964 |
| Cupertino | 6,140 | 13,431 | 117,335 | 55,508 | 35,545 |
| Dublin | 115,452 | 1,434 | 250,530 | 31,707 | 382,981 |
| East Palo Alto | 227,202 | 141,796 | 2,375 | 127,783 | 13,075 |
| Foster City | 29,686 | 21,810 | 26,791 | 184,219 | 11,006 |
| Half Moon Bay | 0 | 8,914 | 1,200 | 62,126 | 7,924 |
| Hillsborough | 144,307 | 15,748 | 53,735 | 34,097 | 18,829 |
| Los Altos Hills | 513 | 0 | 0 | 10,502 | |
| Los Gatos | 32,021 | 46,081 | 5,875 | 8,452 | 61,640 |
| Millbrae | 411,143 | 101,504 | 17,641 | 5,789 | 18,869 |
| Milpitas | 525,827 | 313,944 | 177,102 | 241,754 | 250,124 |
| Morgan Hill | 383,125 | 270,161 | 33,287 | 113,462 | 57,517 |
| Newark | 265,762 | 63,884 | 58,362 | 92,900 | 267,771 |
| Pacifica | 342,112 | 81,679 | 370,548 | 4,924 | 152,062 |
| Portola Valley | | 2,027 | 0 | 0 | |
| Ross, Town of | 0 | | 0 | | 1 |
| San Bruno | 471,033 | 499,624 | 67,238 | 224,669 | 185,193 |
| San Carlos | 3,831 | 38,641 | 425,276 | 189,073 | 10,523 |
| Saratoga | 72,767 | 6,559 | 289,996 | 130,000 | 2 |
| South SF | 683,553 | 126,262 | 53,885 | 45,008 | 33,439 |
| Suisun City | 4,668 | 10,468 | 70,580 | 207,757 | 180,417 |
| Tiburon | 34,402 | | 0 | 21,676 | 250,413 |
| Woodside | 43,184 | 8,000 | 0 | 1,367 | 224,666 |
| Total | 4,461,870 | 2,405,204 | 2,103,903 | 2,327,142 | 3,531,795 |

PLAN JPA
Pool LayerFunding Options for 2022-2023 Losses
2.0% Discount Rate

| | | \$1M Retention \$30M Limit | \$2M Retention \$30M Limit | \$2.5M Retention \$30M Limit | \$4M Retention \$30M Limit | \$5M Retention \$30M Limit |
|--|-------|-------------------------------|-------------------------------|---------------------------------|-------------------------------|-------------------------------|
| (A) Payroll (\$00's) | | 4,761,670 | 4,761,670 | 4,761,670 | 4,761,670 | 4,761,670 |
| (B) Average SIR Discount factor: | | 105.4% | 105.4% | 105.4% | 105.4% | 105.4% |
| (C) Base Loss Rate: | | \$1.060 | \$1.319 | \$1.369 | \$1.485 | \$1.522 |
| (D) PLAN JPA Expected Losses: | | \$5,318,000 | \$6,615,000 | \$6,868,000 | \$7,449,000 | \$7,638,000 |
| (E) Discount Factor for Future Funding: at 2% interest | | 93.5% | 93.5% | 93.5% | 93.5% | 93.5% |
| (F) Estimated Cost of Excess Insurance | | \$12,386,000 | \$9,365,000 | \$8,778,000 | \$7,423,000 | \$6,983,000 |
| (G) Estimated Administration Expenses | | \$2,343,000 | \$2,343,000 | \$2,343,000 | \$2,343,000 | \$2,343,000 |
| (H) Discounted Losses w/ Excess Insurance | | \$19,701,000 | \$17,893,000 | \$17,543,000 | \$16,731,000 | \$16,468,000 |
| (I) 60% Confidence Margin | 1.026 | 129,000 | 161,000 | 168,000 | 181,000 | 186,000 |
| 70% Confidence Margin | 1.172 | 855,000 | 1,064,000 | 1,105,000 | 1,198,000 | 1,228,000 |
| 80% Confidence Margin | 1.365 | 1,815,000 | 2,258,000 | 2,344,000 | 2,542,000 | 2,607,000 |
| 90% Confidence Margin | 1.671 | 3,337,000 | 4,150,000 | 4,309,000 | 4,674,000 | 4,792,000 |
| (J) Funding at the 60% confidence Level: | | 19,830,000 | 18,054,000 | 17,711,000 | 16,912,000 | 16,654,000 |
| Funding at the 70% confidence Level: | | 20,556,000 | 18,957,000 | 18,648,000 | 17,929,000 | 17,696,000 |
| Funding at the 80% confidence Level: | | 21,516,000 | 20,151,000 | 19,887,000 | 19,273,000 | 19,075,000 |
| Funding at the 90% confidence Level: | | 23,038,000 | 22,043,000 | 21,852,000 | 21,405,000 | 21,260,000 |
| (A) From , . | | | | | | |
| (B) Based on , . | | | | | | |
| (C) From Exhibit 2, Page 2. | | | | | | |
| (D) (A) x (B) x (C) | | | | | | |
| (E) Based on \$100K to \$1M Rate Analysis Appendix F | | | | | | |
| (F) Based on \$12,386,000 in Excess Insurance Premium for the \$1M to \$30M layer and ILF factors. | | | | | | |
| (G) Provided by PLAN JPA. | | | | | | |
| (H) (D) x (E) + (F) + (G) | | | | | | |
| (I) Based on \$100K to \$1M Rate Analysis Appendix G | | | | | | |
| (J) (H) + (I) | | | | | | |

PLAN JPA
Pool LayerFunding Options for 2022-2023 Losses
2.0% Discount Rate

| | \$1M Retention \$30M Limit |
|---|-------------------------------|
| (A) Payroll (\$00's) | 4,761,670 |
| (B) Average SIR Discount factor: | 105.4% |
| (C) Base Loss Rate: | \$1.060 |
| (D) PLAN JPA Expected Losses: | \$5,318,000 |
| (E) Discount Factor for Future Funding: at 2% interest | 93.5% |
| (F) Estimated Cost of Excess Insurance | \$12,386,000 |
| (G) Estimated Administration Expenses | \$2,343,000 |
| (H) Discounted Losses w/ Excess Insurance | \$19,701,000 |
| (I) 60% Confidence Margin | 129,000 |
| 70% Confidence Margin | 855,000 |
| 80% Confidence Margin | 1,815,000 |
| 90% Confidence Margin | 3,337,000 |
| (J) Funding at the 60% confidence Level: | 19,830,000 |
| Funding at the 70% confidence Level: | 20,556,000 |
| Funding at the 80% confidence Level: | 21,516,000 |
| Funding at the 90% confidence Level: | 23,038,000 |
| (A) From , . | |
| (B) Based on , . | |
| (C) From Exhibit 2, Page 2. | |
| (D) (A) x (B) x (C) | |
| (E) Based on \$100K to \$1M Rate Analysis Appendix F | |
| (F) Provided by PLAN JPA. | |
| (G) Provided by PLAN JPA. | |
| (H) (D) x (E) + (F) + (G) | |
| (I) Based on \$100K to \$1M Rate Analysis Appendix G | |
| (J) (H) + (I) | |

PLAN JPA
Pool Layer

Selected 2022-2023 Base Loss Rate (\$100K - \$1M Layer)

| | | Current 2022-2023 | Prior 2021-2022 |
|-----|--|----------------------|--------------------|
| (A) | Estimated based on \$1M Ultimate Less \$100K Ultimate | \$1.051 | \$1.076 |
| (B) | Estimated based on \$100K - \$1M Analysis: | 1.061 | 1.061 |
| (C) | Estimated based on \$100K Analysis & Size of Loss Factors: | 1.055 | 1.037 |
| (D) | Selected Base Loss Rate (\$100K - \$1M Layer): | 1.060 | 1.060 |
| (E) | Factor to \$1.0M Retention | 1.000 | 1.000 |
| | Factor to \$2.0M Retention | 1.244 | 1.244 |
| | Factor to \$2.5M Retention | 1.291 | 1.291 |
| | Factor to \$3.0M Retention | 1.362 | 1.362 |
| | Factor to \$3.5M Retention | 1.378 | 1.378 |
| | Factor to \$4.0M Retention | 1.401 | 1.401 |
| | Factor to \$5.0M Retention | 1.436 | 1.436 |
| (F) | Selected Base Loss Rate for \$1.0M Retention : | \$1.060 | \$1.060 |
| | Selected Base Loss Rate for \$2.0M Retention : | 1.319 | 1.319 |
| | Selected Base Loss Rate for \$2.5M Retention : | 1.369 | 1.369 |
| | Selected Base Loss Rate for \$3.0M Retention : | 1.444 | 1.444 |
| | Selected Base Loss Rate for \$3.5M Retention : | 1.460 | 1.460 |
| | Selected Base Loss Rate for \$4.0M Retention : | 1.485 | 1.485 |
| | Selected Base Loss Rate for \$5.0M Retention : | 1.522 | 1.522 |

- (A) From PLAN JPA - Liability Program (\$100K and \$1M Analysis), Appendix B, Page 1.
 (B) From PLAN JPA - Liability Program (\$100K to \$1M Analysis), \$100K to \$1M Rate Analysis Exhibit 1, Page 1.
 (C) From PLAN JPA - Liability Program (\$100K and \$1M Analysis), \$100K and \$1M Rate Analysis Exhibit 1, Page 1.
 (D) Based on (A) - (C).
 (E) Based on PLAN JPA and Industry experience.
 (F) (D) x (E).

PLAN JPA
Historical Payroll By Member

| Member | X-MOD Experience Period | | | | | | | | | | | | 1999-00 | | | | | | | | | | | |
|-----------------|-------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | 2022-23 | 2021-22 | 2020-21 | 2019-20 | 2018-19 | 2017-18 | 2016-17 | 2015-16 | 2014-15 | 2013-14 | 2012-13 | 2011-12 | | 2010-11 | 2009-10 | 2008-09 | 2007-08 | 2006-07 | 2005-06 | 2004-05 | 2003-04 | 2002-03 | 2001-02 | 2000-01 |
| American Canyon | 85,038 | 82,561 | 67,674 | 76,546 | 71,504 | 73,529 | 69,561 | 64,947 | 62,832 | 59,261 | 56,164 | 53,981 | 56,022 | 63,972 | 63,432 | 58,902 | 54,210 | 48,866 | 41,573 | 34,774 | 28,801 | 23,329 | 21,177 | 19,900 |
| Atherton | 74,867 | 72,687 | 51,210 | 48,404 | 48,829 | 45,445 | 43,565 | 41,078 | 38,491 | 34,000 | 34,592 | 36,802 | 45,381 | 50,023 | 50,796 | 45,574 | 45,055 | 45,194 | 43,882 | 41,735 | 40,574 | 32,989 | 26,438 | 20,203 |
| Benicia | 239,340 | 232,563 | 220,431 | 204,187 | 195,449 | 190,907 | 174,380 | 173,400 | 168,219 | 161,332 | 169,601 | 171,303 | 182,687 | 198,410 | 225,356 | 216,184 | 202,790 | 186,246 | 176,805 | 168,413 | 159,140 | 146,155 | 133,716 | 122,153 |
| Burlingame | 271,151 | 263,254 | 259,984 | 251,855 | 244,121 | 226,049 | 196,142 | 211,620 | 204,811 | 226,244 | 212,557 | 222,582 | 196,076 | 220,383 | 232,462 | 230,073 | 216,855 | 210,827 | 206,662 | 205,624 | 205,991 | 195,222 | 173,377 | 146,674 |
| Campbell | 235,577 | 228,715 | 238,045 | 255,640 | 241,923 | 232,507 | 224,585 | 219,282 | 202,300 | 186,236 | 182,084 | 174,052 | 169,237 | 182,887 | 179,241 | 173,961 | 165,454 | 162,011 | 163,179 | 162,967 | 155,318 | 142,955 | 130,119 | 120,875 |
| Colma | 40,653 | 39,469 | 46,434 | 44,486 | 44,629 | 40,153 | 39,739 | 36,261 | 32,798 | 34,461 | 33,463 | 36,130 | 34,548 | 33,406 | 35,110 | 35,626 | 35,236 | 30,768 | 27,803 | 25,229 | 21,834 | 20,566 | 19,108 | 16,198 |
| Cupertino | 255,934 | 248,480 | 236,636 | 231,368 | 218,591 | 210,161 | 195,661 | 173,727 | 161,102 | 151,388 | 147,032 | 140,304 | 140,719 | 140,147 | 135,281 | 128,347 | 121,432 | 115,940 | 115,054 | 112,134 | 109,351 | 94,215 | 84,590 | 90,166 |
| Dublin | 101,718 | 98,756 | 93,603 | 97,221 | 95,973 | 93,651 | 92,564 | 81,926 | 78,962 | 76,640 | 73,368 | 69,240 | 56,029 | 63,211 | 65,236 | 63,442 | 60,646 | 57,882 | 54,531 | 50,196 | 44,190 | 37,520 | 32,110 | 26,570 |
| East Palo Alto | 143,546 | 139,365 | 107,001 | 93,099 | 105,529 | 87,442 | 81,680 | 80,370 | 82,125 | 96,655 | 95,638 | 98,599 | 108,795 | 105,568 | 124,042 | 109,195 | 104,812 | 102,953 | 95,207 | 76,575 | 55,607 | 45,547 | 39,093 | 0 |
| Foster City | 248,749 | 241,504 | 220,415 | 226,687 | 263,534 | 275,599 | 263,920 | 245,194 | 234,067 | 197,640 | 236,679 | 215,001 | 229,560 | 283,752 | 260,152 | 250,629 | 237,184 | 230,922 | 227,263 | 225,614 | 209,424 | 189,817 | 177,988 | 177,988 |
| Half Moon Bay | 47,486 | 46,103 | 42,032 | 50,635 | 44,685 | 41,399 | 30,328 | 25,309 | 19,966 | 23,164 | 18,107 | 18,975 | 42,436 | 53,954 | 64,070 | 72,572 | 72,027 | 66,403 | 58,039 | 53,898 | 53,734 | 49,001 | 41,546 | 36,128 |
| Hillsborough | 128,612 | 124,866 | 116,374 | 109,048 | 102,940 | 101,065 | 94,966 | 85,298 | 78,341 | 84,635 | 85,353 | 82,536 | 91,127 | 94,376 | 95,120 | 89,252 | 82,257 | 78,219 | 69,089 | 61,053 | 58,055 | 59,743 | 57,700 | 50,339 |
| Los Altos Hills | 28,174 | 27,354 | 29,198 | 27,922 | 24,483 | 20,742 | 19,024 | 18,097 | 17,831 | 17,747 | 19,300 | 18,321 | 18,579 | 18,952 | 17,168 | 16,045 | 16,038 | 15,289 | 14,424 | 14,484 | 14,819 | 13,461 | 11,175 | 10,538 |
| Los Gatos | 207,729 | 201,679 | 204,277 | 191,197 | 182,860 | 167,907 | 160,411 | 156,997 | 152,590 | 153,503 | 155,665 | 157,468 | 152,679 | 155,119 | 165,399 | 157,508 | 150,600 | 148,037 | 144,536 | 143,117 | 142,289 | 132,046 | 116,501 | 104,685 |
| Millbrae | 80,165 | 77,831 | 70,605 | 78,661 | 84,069 | 78,738 | 67,563 | 63,586 | 76,638 | 73,789 | 70,939 | 68,090 | 67,768 | 67,446 | 67,519 | 66,372 | 64,075 | 69,650 | 71,640 | 69,901 | 79,854 | 80,079 | 70,992 | 65,384 |
| Milpitas | 623,171 | 605,020 | 573,193 | 525,414 | 467,593 | 448,555 | 419,722 | 381,307 | 356,375 | 366,375 | 403,269 | 403,269 | 428,492 | 516,308 | 525,480 | 519,865 | 506,534 | 510,706 | 517,325 | 513,319 | 483,543 | 417,519 | 380,864 | 390,828 |
| Morgan Hill | 302,233 | 293,430 | 272,857 | 274,915 | 273,262 | 267,465 | 251,938 | 239,627 | 202,443 | 183,195 | 167,140 | 165,675 | 167,044 | 200,336 | 204,796 | 190,530 | 172,093 | 149,919 | 137,728 | 124,354 | 114,774 | 113,909 | 100,320 | 82,561 |
| Newark | 223,832 | 217,313 | 198,877 | 211,197 | 213,924 | 207,069 | 193,612 | 179,059 | 175,394 | 172,576 | 160,369 | 162,569 | 154,950 | 259,438 | 298,331 | 305,613 | 300,480 | 288,155 | 294,338 | 289,438 | 253,146 | 222,908 | 206,155 | 188,202 |
| Pacifica | 216,335 | 210,034 | 198,237 | 186,500 | 187,895 | 176,823 | 184,874 | 168,836 | 164,792 | 163,285 | 163,989 | 170,266 | 188,468 | 174,664 | 178,353 | 175,683 | 170,265 | 158,652 | 151,102 | 147,091 | 143,911 | 137,863 | 125,728 | 114,410 |
| Portola Valley | 20,935 | 20,325 | 17,163 | 16,549 | 16,001 | 16,637 | 14,979 | 12,541 | 13,637 | 12,265 | 10,881 | 12,035 | 12,308 | 11,973 | 11,341 | 10,378 | 9,112 | 8,314 | 8,311 | 8,167 | 7,505 | 6,758 | 6,420 | 5,936 |
| Ross, Town of | 26,123 | 25,362 | 21,610 | 23,395 | 22,187 | 22,304 | 20,655 | 18,705 | 17,852 | 13,324 | 15,066 | 25,237 | 25,270 | 24,782 | 24,902 | 21,107 | 18,825 | 17,180 | 15,697 | 14,306 | 12,401 | 12,583 | 12,980 | 12,988 |
| San Bruno | 320,646 | 311,307 | 295,367 | 300,329 | 299,658 | 286,052 | 285,710 | 269,032 | 253,278 | 242,461 | 236,970 | 230,925 | 233,714 | 220,779 | 202,857 | 206,998 | 207,920 | 203,992 | 204,509 | 201,479 | 190,694 | 169,400 | 146,559 | 136,508 |
| San Carlos | 106,244 | 103,150 | 90,744 | 92,075 | 84,072 | 79,879 | 80,196 | 69,256 | 65,545 | 62,150 | 88,708 | 73,340 | 78,628 | 116,455 | 110,995 | 111,044 | 110,501 | 105,698 | 106,674 | 105,202 | 100,881 | 90,088 | 76,508 | 76,508 |
| San Jose | 84,366 | 81,909 | 74,247 | 92,075 | 84,072 | 79,879 | 80,196 | 69,256 | 65,545 | 62,150 | 88,708 | 73,340 | 78,628 | 116,455 | 110,995 | 111,044 | 110,501 | 105,698 | 106,674 | 105,202 | 100,881 | 90,088 | 76,508 | 76,508 |
| San Mateo | 483,190 | 469,116 | 465,097 | 471,026 | 486,223 | 548,505 | 530,076 | 481,353 | 57,618 | 56,508 | 54,527 | 53,195 | 53,060 | 62,769 | 53,711 | 49,948 | 45,739 | 41,102 | 38,859 | 39,497 | 39,416 | 35,396 | 29,873 | 26,608 |
| South SF | 96,358 | 93,552 | 75,233 | 71,140 | 64,867 | 58,784 | 55,650 | 56,250 | 53,967 | 54,989 | 492,016 | 487,646 | 485,791 | 493,074 | 516,356 | 498,645 | 439,070 | 413,120 | 435,324 | 424,355 | 409,682 | 390,342 | 359,016 | 331,372 |
| Sunnyvale | 463,980 | 463,980 | 463,980 | 463,980 | 463,980 | 463,980 | 463,980 | 463,980 | 463,980 | 463,980 | 463,980 | 463,980 | 463,980 | 463,980 | 463,980 | 463,980 | 463,980 | 463,980 | 463,980 | 463,980 | 463,980 | 463,980 | 463,980 | 463,980 |
| Thurston | 45,792 | 44,458 | 39,549 | 41,159 | 35,379 | 34,840 | 32,874 | 23,351 | 22,110 | 21,897 | 21,895 | 21,688 | 24,396 | 24,670 | 25,801 | 24,651 | 17,072 | 14,394 | 14,107 | 13,989 | 13,313 | 11,851 | 10,344 | 9,276 |
| Woodside | 23,506 | 22,621 | 21,264 | 20,468 | 18,755 | 18,618 | 16,765 | 20,365 | 21,603 | 19,994 | 21,440 | 24,433 | 26,217 | 25,788 | 23,573 | 27,389 | 19,923 | 17,941 | 16,600 | 16,971 | 15,628 | 12,982 | 11,468 | 10,144 |
| Total | 4,761,670 | 4,622,890 | 4,396,808 | 4,346,148 | 4,265,647 | 4,135,396 | 3,936,364 | 3,697,212 | 3,550,523 | 3,430,028 | 3,480,180 | 3,457,490 | 3,534,443 | 3,940,725 | 4,049,436 | 3,909,370 | 3,705,140 | 3,557,514 | 3,500,006 | 3,401,137 | 3,255,273 | 2,986,375 | 2,694,385 | 2,454,227 |

PLAN JPA

Member Deductibles

| Member | 2022-23 | 2021-22 |
|-----------------|---------|---------|
| American Canyon | 25,000 | 25,000 |
| Atherton | 25,000 | 25,000 |
| Benicia | 25,000 | 25,000 |
| Burlingame | 250,000 | 250,000 |
| Campbell | 100,000 | 100,000 |
| Colma | 50,000 | 50,000 |
| Cupertino | 250,000 | 250,000 |
| Dublin | 50,000 | 50,000 |
| East Palo Alto | 100,000 | 100,000 |
| Foster City | 100,000 | 100,000 |
| Half Moon Bay | 50,000 | 50,000 |
| Hillsborough | 50,000 | 50,000 |
| Los Altos Hills | 25,000 | 25,000 |
| Los Gatos | 50,000 | 50,000 |
| Millbrae | 100,000 | 100,000 |
| Milpitas | 100,000 | 100,000 |
| Morgan Hill | 100,000 | 100,000 |
| Newark | 100,000 | 100,000 |
| Pacifica | 50,000 | 50,000 |
| Portola Valley | 25,000 | 25,000 |
| Ross, Town of | 25,000 | 25,000 |
| San Bruno | 100,000 | 100,000 |
| San Carlos | 100,000 | 100,000 |
| Saratoga | 25,000 | 25,000 |
| South SF | 100,000 | 100,000 |
| Suisun City | 25,000 | 25,000 |
| Tiburon | 50,000 | 50,000 |
| Woodside | 25,000 | 25,000 |

PLAN JPA

Funding Guidelines for Outstanding Liabilities and
Funding Options for Program Year 2022-2023

At Various Discount Rates and Confidence Levels

I. Funding Guidelines for Discounted Outstanding Liabilities at 6/30/22

| Investment Rate | Expected Confidence Level | 70% Confidence Level | 75% Confidence Level | 80% Confidence Level | 85% Confidence Level | 90% Confidence Level |
|-----------------|---------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| 1.0% | \$20,256,000 | \$22,464,000 | \$23,396,000 | \$24,510,000 | \$25,887,000 | \$27,751,000 |
| 1.5% | 20,030,000 | 22,213,000 | 23,135,000 | 24,236,000 | 25,598,000 | 27,441,000 |
| 2.0% | 19,808,000 | 21,967,000 | 22,878,000 | 23,968,000 | 25,315,000 | 27,137,000 |
| 2.5% | 19,592,000 | 21,728,000 | 22,629,000 | 23,706,000 | 25,039,000 | 26,841,000 |
| 3.0% | 19,380,000 | 21,492,000 | 22,384,000 | 23,450,000 | 24,768,000 | 26,551,000 |
| 3.5% | 19,173,000 | 21,263,000 | 22,145,000 | 23,199,000 | 24,503,000 | 26,267,000 |
| 4.0% | 18,971,000 | 21,039,000 | 21,912,000 | 22,955,000 | 24,245,000 | 25,990,000 |

II. Funding Options for Program Year 2022-2023

| Investment Rate | Expected Confidence Level | 60% Confidence Level | 70% Confidence Level | 80% Confidence Level | 90% Confidence Level |
|-----------------|---------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| 1.0% | \$19,870,000 | \$20,004,000 | \$20,754,000 | \$21,746,000 | \$23,319,000 |
| 1.5% | 19,784,000 | 19,915,000 | 20,654,000 | 21,629,000 | 23,176,000 |
| 2.0% | 19,701,000 | 19,830,000 | 20,556,000 | 21,516,000 | 23,038,000 |
| 2.5% | 19,621,000 | 19,748,000 | 20,462,000 | 21,407,000 | 22,903,000 |
| 3.0% | 19,542,000 | 19,667,000 | 20,370,000 | 21,299,000 | 22,772,000 |
| 3.5% | 19,466,000 | 19,589,000 | 20,281,000 | 21,195,000 | 22,644,000 |
| 4.0% | 19,391,000 | 19,512,000 | 20,193,000 | 21,093,000 | 22,519,000 |

PLAN JPA - Liability Program (\$100K to \$1M Analysis)

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

| Accident Year | Ultimate Limited Losses (A) | Trend Factor (B) | Trended Limited Losses (C) | Trended Payroll (\$00) (D) | Trended Limited Loss Rate (E) |
|-------------------------------|-----------------------------|------------------|----------------------------|----------------------------|-------------------------------|
| 2000-2001 | 1,719,728 | 2.281 | 3,922,700 | 4,426,994 | 0.886 |
| 2001-2002 | 2,949,541 | 2.193 | 6,468,343 | 4,793,823 | 1.349 |
| 2002-2003 | 4,237,463 | 2.108 | 8,932,572 | 5,201,926 | 1.717 |
| 2003-2004 | 2,205,881 | 2.028 | 4,473,527 | 5,302,373 | 0.844 |
| 2004-2005 | 1,424,731 | 1.949 | 2,776,801 | 5,323,509 | 0.522 |
| 2005-2006 | 2,684,321 | 1.875 | 5,033,102 | 5,279,351 | 0.953 |
| 2006-2007 | 1,419,184 | 1.803 | 2,558,789 | 5,365,043 | 0.477 |
| 2007-2008 | 2,651,368 | 1.733 | 4,594,821 | 5,523,940 | 0.832 |
| 2008-2009 | 2,652,344 | 1.667 | 4,421,457 | 5,584,172 | 0.792 |
| 2009-2010 | 1,335,978 | 1.603 | 2,141,573 | 5,300,275 | 0.404 |
| 2010-2011 | 1,557,549 | 1.541 | 2,400,183 | 4,637,189 | 0.518 |
| 2011-2012 | 3,503,000 | 1.482 | 5,191,446 | 4,425,587 | 1.173 |
| 2012-2013 | 3,577,000 | 1.425 | 5,097,225 | 4,346,745 | 1.173 |
| 2013-2014 | 2,088,304 | 1.370 | 2,860,976 | 4,181,204 | 0.684 |
| 2014-2015 | 3,799,380 | 1.317 | 5,003,783 | 4,221,572 | 1.185 |
| 2015-2016 | 3,287,000 | 1.267 | 4,164,629 | 4,288,766 | 0.971 |
| 2016-2017 | 5,426,000 | 1.218 | 6,608,868 | 4,455,964 | 1.483 |
| 2017-2018 | 1,170,000 | 1.171 | 1,370,070 | 4,565,477 | 0.300 |
| 2018-2019 | 1,910,000 | 1.125 | 2,148,750 | 4,594,102 | 0.468 |
| 2019-2020 | 2,371,000 | 1.082 | 2,565,422 | 4,567,802 | 0.562 |
| 2020-2021 | 4,818,000 | 1.040 | 5,010,720 | 4,506,728 | 1.112 |
| Totals | \$56,787,772 | | \$87,745,757 | 100,892,542 | \$0.870 |
| 11/12-16/17 | 21,680,684 | | 28,926,927 | 25,919,838 | 1.116 |
| 11/12-20/21 | 31,949,684 | | 40,021,889 | 44,153,947 | 0.906 |
| (F) Selected Limited Rate: | | | | | \$1.020 |
| Prior: | | | | | \$1.020 |
| Program Year: | 2021-2022 | 2022-2023 | | | |
| (G) Factor to SIR: | 1.000 | 1.000 | | | |
| (H) Trend Factor: | 1.000 | 1.040 | | | |
| (I) Program Rate: | \$1.020 | \$1.061 | | | |
| (J) Trended Payroll (\$00): | 4,622,980 | 4,761,670 | | | |
| (K) Projected Program Losses: | 4,715,000 | 5,052,000 | | | |
| (L) Projected ULAE: | 0 | 0 | | | |
| (M) Projected Loss and ULAE: | \$4,715,000 | \$5,052,000 | | | |

Notes appear on the next page.

PLAN JPA - Liability Program (\$100K to \$1M Analysis)

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

Notes:

- (A) From \$100K to \$1M Rate Analysis Not Included, Page 2, Column (F).
For purposes of projecting future losses, losses are capped at \$100,000 per occurrence.
- (B) From \$100K to \$1M Rate Analysis Appendix E, Page 1, Column (B).
- (C) (A) x (B).
- (D) From \$100K to \$1M Rate Analysis Appendix I, Column (C).
- (E) (C) / (D).
- (F) Selected based on (E).
- (G) Based on a Burr distribution, a mathematical model of claim sizes.
- (H) From \$100K to \$1M Rate Analysis Appendix E.
- (I) (F) x (G) x (H).
- (J) From \$100K to \$1M Rate Analysis Appendix I, Column (C).
- (K) (I) x (J).
- (L) Based on an estimated claim closing pattern and the Authority'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.

PLAN JPA - Liability Program (\$100K to \$1M Analysis)

Reported Loss Development

| Accident Year (A) | Limited Reported Losses as of 12/31/21 (B) | Reported Loss Development Factor (C) | Ultimate Limited Losses (D) | Program Reported Losses of 12/31/21 (E) | Reported Loss Development Factor (F) | Ultimate Program Losses (G) |
|-------------------------|--|--|--------------------------------------|---|--|--------------------------------------|
| 2000-2001 | \$1,719,728 | 1.000 | \$1,719,728 | \$1,719,728 | 1.000 | \$1,719,728 |
| 2001-2002 | 2,949,541 | 1.000 | 2,949,541 | 2,949,541 | 1.000 | 2,949,541 |
| 2002-2003 | 4,237,463 | 1.000 | 4,237,463 | 4,237,463 | 1.000 | 4,237,463 |
| 2003-2004 | 2,205,881 | 1.000 | 2,205,881 | 2,205,881 | 1.000 | 2,205,881 |
| 2004-2005 | 1,424,731 | 1.000 | 1,424,731 | 1,424,731 | 1.000 | 1,424,731 |
| 2005-2006 | 2,684,321 | 1.000 | 2,684,321 | 2,684,321 | 1.000 | 2,684,321 |
| 2006-2007 | 1,419,184 | 1.000 | 1,419,184 | 1,419,184 | 1.000 | 1,419,184 |
| 2007-2008 | 2,651,368 | 1.000 | 2,651,368 | 2,651,368 | 1.000 | 2,651,368 |
| 2008-2009 | 2,652,344 | 1.001 | 2,654,996 | 2,652,344 | 1.001 | 2,654,996 |
| 2009-2010 | 1,335,978 | 1.003 | 1,339,986 | 1,335,978 | 1.003 | 1,339,986 |
| 2010-2011 | 1,557,549 | 1.006 | 1,566,894 | 1,557,549 | 1.006 | 1,566,894 |
| 2011-2012 | 3,468,509 | 1.010 | 3,503,194 | 3,468,509 | 1.010 | 3,503,194 |
| 2012-2013 | 3,524,416 | 1.015 | 3,577,282 | 3,524,416 | 1.015 | 3,577,282 |
| 2013-2014 | 2,088,304 | 1.025 | 2,140,512 | 2,088,304 | 1.025 | 2,140,512 |
| 2014-2015 | 3,799,380 | 1.040 | 3,951,355 | 3,799,380 | 1.040 | 3,951,355 |
| 2015-2016 | 3,125,229 | 1.052 | 3,287,741 | 3,125,229 | 1.052 | 3,287,741 |
| 2016-2017 | 5,165,945 | 1.063 | 5,491,400 | 5,165,945 | 1.063 | 5,491,400 |
| 2017-2018 | 773,258 | 1.098 | 760,837 | 773,258 | 1.098 | 760,837 |
| 2018-2019 | 717,128 | 1.265 | 907,167 | 717,128 | 1.265 | 907,167 |
| 2019-2020 | 66,812 | 1.762 | 117,723 | 66,812 | 1.762 | 117,723 |
| 2020-2021 | 2,019,771 | 4.097 | 8,275,002 | 2,019,771 | 4.097 | 8,275,002 |
| Totals | \$49,586,840 | | \$56,866,306 | \$49,586,840 | | \$56,866,306 |

Notes:

- (A) Years are 7/1 to 6/30.
- (B) Provided by the Authority. These losses exclude amounts over \$100,000 per occurrence.
- (C) From \$100K to \$1M Rate Analysis Appendix A, Page 2.
- (D) (B) x (C). These estimated losses exclude amounts over \$100,000 per occurrence.
- (E) Losses capped at the Authority's SIR. Amounts are provided by the Authority.
- (F) Derived from factors on \$100K to \$1M Rate Analysis Appendix A, Page 4.
- (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.

PLAN JPA - Liability Program (\$100K to \$1M Analysis)
Reported Loss Development

| Accident Year | Limited Losses Reported as of: | | | | | | | | | | |
|------------------|--------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|---------------|
| | 6 Months | 18 Months | 30 Months | 42 Months | 54 Months | 66 Months | 78 Months | 90 Months | 102 Months | 114 Months | 126 Months |
| 2000-2001 | | | | 898,513 | 1,005,578 | 1,060,578 | 1,023,612 | 1,023,612 | 964,842 | 964,842 | 1,825,620 |
| 2001-2002 | | | 965,485 | 958,981 | 953,812 | 1,008,532 | 1,579,410 | 1,581,139 | 1,581,139 | 2,382,404 | 2,382,404 |
| 2002-2003 | | 365,699 | 1,446,885 | 1,633,894 | 2,059,086 | 2,967,377 | 2,941,383 | 2,955,718 | 2,956,981 | 2,951,981 | 3,039,481 |
| 2003-2004 | 365,543 | 1,476,042 | 3,953,355 | 3,589,550 | 4,887,581 | 4,262,606 | 4,441,309 | 4,901,984 | 4,966,984 | 5,011,984 | 3,560,542 |
| 2004-2005 | | 66,478 | 363,636 | 398,884 | 890,862 | 986,705 | 3,560,692 | 3,460,542 | 3,560,542 | 2,866,202 | 2,866,155 |
| 2005-2006 | | 586,598 | 1,140,449 | 1,700,075 | 1,700,074 | 2,861,424 | 2,893,524 | 2,858,702 | 3,795,674 | 3,789,394 | 3,789,394 |
| 2006-2007 | 25,000 | 331,278 | 1,741,278 | 2,362,206 | 3,669,875 | 3,689,497 | 3,765,682 | 3,394,986 | 3,394,936 | 3,394,936 | 3,394,936 |
| 2007-2008 | 200,000 | 292,450 | 332,811 | 3,039,627 | 3,179,650 | 3,297,534 | 4,358,070 | 4,259,056 | 4,259,284 | 4,259,284 | 4,259,284 |
| 2008-2009 | 100,000 | 633,000 | 3,743,710 | 4,332,780 | 4,420,360 | 3,430,417 | 3,345,621 | 3,347,708 | 3,346,029 | 3,347,708 | 3,336,906 |
| 2009-2010 | | 2,839,064 | 3,484,984 | 3,288,639 | 3,131,959 | 3,127,921 | 3,127,921 | 3,127,921 | 3,127,921 | 3,127,921 | 3,127,921 |
| 2010-2011 | 763,697 | 3,371,740 | 3,848,137 | 2,650,741 | 2,519,762 | 2,455,668 | 2,409,001 | 2,409,001 | 2,396,051 | 2,396,051 | 2,396,051 |
| 2011-2012 | 510,509 | 2,770,955 | 3,631,019 | 3,415,805 | 3,302,356 | 3,237,194 | 3,127,725 | 3,127,725 | 3,127,725 | 3,127,725 | 3,127,725 |
| 2012-2013 | 602,255 | 4,254,395 | 3,881,185 | 3,547,144 | 3,502,651 | 3,489,052 | 3,450,659 | 3,459,906 | 3,559,906 | 3,559,906 | |
| 2013-2014 | 842,948 | 2,251,578 | 2,694,553 | 2,631,490 | 2,671,389 | 2,539,618 | 2,539,618 | 2,539,618 | 2,539,618 | | |
| 2014-2015 | 325,035 | 2,666,242 | 3,946,907 | 3,795,367 | 3,350,810 | 3,291,420 | 3,281,784 | | | | |
| 2015-2016 | 371,511 | 2,328,347 | 4,341,861 | 3,149,726 | 3,155,562 | 3,143,331 | 3,135,461 | | | | |
| 2016-2017 | 290,633 | 3,737,779 | 2,754,128 | 2,812,484 | 2,851,248 | 2,931,044 | | | | | |
| 2017-2018 | 199,803 | 1,368,867 | 1,871,566 | 1,908,433 | 1,873,364 | | | | | | |
| 2018-2019 | 65,888 | 691,395 | 1,755,631 | 1,596,209 | | | | | | | |
| 2019-2020 | 184,043 | 934,320 | 2,260,330 | | | | | | | | |
| 2020-2021 | 23,204,597 | 2,532,027 | | | | | | | | | |
| 2021-2022 | 415,421 | | | | | | | | | | |

| | Reported Loss 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 |
| 2000-2001 | | | | 1.119 | 1.055 | 0.965 | 1.000 | 0.943 | 1.000 | 1.892 | 1.000 |
| 2001-2002 | | | 0.993 | 0.995 | 1.057 | 1.566 | 1.001 | 1.000 | 1.507 | 1.000 | 1.000 |
| 2002-2003 | | 3.956 | 1.129 | 1.260 | 1.441 | 0.991 | 1.005 | 1.000 | 0.998 | 1.030 | 1.638 |
| 2003-2004 | 4.038 | 2.678 | 0.908 | 1.362 | 0.872 | 1.042 | 1.104 | 1.013 | 1.009 | 0.710 | 1.000 |
| 2004-2005 | | 5.470 | 1.097 | 2.233 | 1.108 | 3.609 | 0.972 | 1.029 | 0.805 | 1.000 | 1.001 |
| 2005-2006 | | 1.944 | 1.491 | 1.000 | 1.683 | 1.011 | 0.988 | 1.328 | 0.998 | 1.000 | 1.000 |
| 2006-2007 | 13.251 | 5.256 | 1.357 | 1.554 | 1.005 | 1.021 | 0.902 | 1.000 | 1.000 | 1.000 | 1.000 |
| 2007-2008 | 1.462 | 1.138 | 9.133 | 1.046 | 1.037 | 1.322 | 0.977 | 1.000 | 1.000 | 1.000 | 0.977 |
| 2008-2009 | 6.330 | 5.914 | 1.157 | 1.020 | 0.776 | 0.975 | 1.001 | 0.999 | 1.001 | 0.997 | 1.003 |
| 2009-2010 | | 1.228 | 0.944 | 0.952 | 0.999 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| 2010-2011 | 4.415 | 1.141 | 0.689 | 0.951 | 0.975 | 0.981 | 1.000 | 0.995 | 1.000 | 1.000 | 1.000 |
| 2011-2012 | 5.428 | 1.310 | 0.941 | 0.967 | 0.980 | 0.966 | 1.000 | 1.000 | 1.000 | 1.000 | |
| 2012-2013 | 7.064 | 0.912 | 0.914 | 0.987 | 0.996 | 0.989 | 1.003 | 1.029 | 1.000 | | |
| 2013-2014 | 2.671 | 1.197 | 0.977 | 1.015 | 0.951 | 1.000 | 1.000 | 1.000 | | | |
| 2014-2015 | 8.203 | 1.480 | 0.962 | 0.883 | 0.982 | 0.997 | 1.000 | | | | |
| 2015-2016 | 6.267 | 1.865 | 0.725 | 1.002 | 0.996 | 0.997 | | | | | |
| 2016-2017 | 12.861 | 0.737 | 1.021 | 1.014 | 1.028 | | | | | | |
| 2017-2018 | 6.851 | 1.367 | 1.020 | 0.982 | | | | | | | |
| 2018-2019 | 10.493 | 2.539 | 0.909 | | | | | | | | |
| 2019-2020 | 5.077 | 2.419 | | | | | | | | | |
| 2020-2021 | 0.109 | | | | | | | | | | |

| | 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 | 6.301 | 2.364 | 1.465 | 1.130 | 1.055 | 1.215 | 0.997 | 1.024 | 1.024 | 1.052 | 1.056 |
| Dollar-Weighted | | | | | | | | | | | |
| Averages | | | | | | | | | | | |
| 3-yr | 0.177 | 1.966 | 0.990 | 1.001 | 1.001 | 0.998 | 1.001 | 1.011 | 1.000 | 1.000 | 1.001 |
| 4-yr | 0.234 | 1.284 | 0.883 | 0.963 | 0.990 | 0.996 | 1.001 | 1.008 | 1.000 | 0.999 | 0.993 |
| 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 | 5.500 | 2.325 | 1.334 | 1.166 | 1.053 | 1.018 | 1.016 | 1.015 | 1.010 | 1.005 | 1.004 |
| Selected | 5.500 | 2.325 | 1.393 | 1.152 | 1.033 | 1.010 | 1.011 | 1.015 | 1.010 | 1.005 | 1.004 |
| Cumulated | 22.534 | 4.097 | 1.762 | 1.265 | 1.098 | 1.063 | 1.052 | 1.040 | 1.025 | 1.015 | 1.010 |

PLAN JPA - Liability Program (\$100K to \$1M Analysis)
Reported Loss Development

| Accident Year | Limited Losses Reported as of: | | | | | | | | | | |
|------------------|--------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 138 Months | 150 Months | 162 Months | 174 Months | 186 Months | 198 Months | 210 Months | 222 Months | 234 Months | 246 Months | 258 Months |
| 2000-2001 | 1,825,620 | 1,825,620 | 2,482,404 | 2,482,404 | 2,485,232 | 2,482,404 | 2,485,232 | 2,485,232 | 2,485,232 | 2,485,232 | 4,217,210 |
| 2001-2002 | 2,382,504 | 3,027,919 | 3,012,173 | 3,012,173 | 3,012,173 | 3,012,173 | 3,012,173 | 3,012,173 | 3,012,173 | 7,414,620 | |
| 2002-2003 | 4,977,421 | 4,977,421 | 4,977,421 | 4,977,421 | 4,977,421 | 4,977,421 | 4,977,421 | 4,977,421 | 5,444,013 | | |
| 2003-2004 | 3,560,542 | 3,560,542 | 3,560,542 | 3,560,542 | 3,560,542 | 3,560,542 | 3,560,542 | 3,560,542 | | | |
| 2004-2005 | 2,867,654 | 2,867,654 | 2,867,654 | 2,867,654 | 2,867,654 | 2,867,654 | 2,867,654 | | | | |
| 2005-2006 | 3,789,394 | 3,788,958 | 3,788,958 | 3,788,958 | 3,788,958 | 3,788,958 | | | | | |
| 2006-2007 | 3,394,936 | 3,400,836 | 3,400,836 | 3,425,837 | 3,408,506 | | | | | | |
| 2007-2008 | 4,159,284 | 4,259,284 | 4,259,284 | | | | | | | | |
| 2008-2009 | 3,347,708 | 3,347,708 | 3,347,708 | | | | | | | | |
| 2009-2010 | 3,127,921 | 3,127,921 | | | | | | | | | |
| 2010-2011 | 2,396,051 | | | | | | | | | | |
| 2011-2012 | | | | | | | | | | | |
| 2012-2013 | | | | | | | | | | | |
| 2013-2014 | | | | | | | | | | | |
| 2014-2015 | | | | | | | | | | | |
| 2015-2016 | | | | | | | | | | | |
| 2016-2017 | | | | | | | | | | | |
| 2017-2018 | | | | | | | | | | | |
| 2018-2019 | | | | | | | | | | | |
| 2019-2020 | | | | | | | | | | | |
| 2020-2021 | | | | | | | | | | | |
| 2021-2022 | | | | | | | | | | | |

Reported Loss Development Factors:

| | 138-150 Months | 150-162 Months | 162-174 Months | 174-186 Months | 186-198 Months | 198-210 Months | 210-222 Months | 222-234 Months | 234-246 Months | 246-258 Months | 258-Ult. Months |
|-----------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| 2000-2001 | 1.000 | 1.360 | 1.000 | 1.001 | 0.999 | 1.001 | 1.000 | 1.000 | 1.000 | 1.697 | |
| 2001-2002 | 1.271 | 0.995 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 2.462 | | |
| 2002-2003 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.094 | | | |
| 2003-2004 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | | | | |
| 2004-2005 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | | | | | |
| 2005-2006 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | | | | | | |
| 2006-2007 | 1.002 | 1.000 | 1.007 | 0.995 | | | | | | | |
| 2007-2008 | 1.024 | 1.000 | 1.000 | | | | | | | | |
| 2008-2009 | 1.000 | 1.000 | | | | | | | | | |
| 2009-2010 | 1.000 | | | | | | | | | | |
| 2010-2011 | | | | | | | | | | | |
| 2011-2012 | | | | | | | | | | | |
| 2012-2013 | | | | | | | | | | | |
| 2013-2014 | | | | | | | | | | | |
| 2014-2015 | | | | | | | | | | | |
| 2015-2016 | | | | | | | | | | | |
| 2016-2017 | | | | | | | | | | | |
| 2017-2018 | | | | | | | | | | | |
| 2018-2019 | | | | | | | | | | | |
| 2019-2020 | | | | | | | | | | | |
| 2020-2021 | | | | | | | | | | | |
| Average | 1.030 | 1.039 | 1.001 | 0.999 | 1.000 | 1.000 | 1.000 | 1.031 | 1.731 | 1.697 | |
| Dollar-Weighted | | | | | | | | | | | |
| Averages | | | | | | | | | | | |
| 3-yr | 1.009 | 1.000 | 1.002 | 0.998 | 1.000 | 1.000 | 1.000 | 1.045 | | | |
| 4-yr | 1.008 | 1.000 | 1.002 | 0.999 | 1.000 | 1.000 | 1.000 | | | | |
| Comparative | | | | | | | | | | | |
| Factors | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| Prior | 1.003 | 1.002 | 1.001 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| Selected | 1.003 | 1.002 | 1.001 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| Cumulated | 1.006 | 1.003 | 1.001 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |

PLAN JPA - Liability Program (\$100K to \$1M Analysis)

Paid Loss Development

| Accident Year (A) | Limited Paid Losses as of 12/31/21 (B) | Paid Loss Development Factor (C) | Ultimate Limited Losses (D) | Program Paid Losses of 12/31/21 (E) | Paid Loss Development Factor (F) | Ultimate Program Losses (G) |
|-------------------------|--|---|--------------------------------------|---|---|--------------------------------------|
| 2000-2001 | \$1,719,728 | 1.000 | \$1,719,728 | \$1,719,728 | 1.000 | \$1,719,728 |
| 2001-2002 | 2,949,541 | 1.000 | 2,949,541 | 2,949,541 | 1.000 | 2,949,541 |
| 2002-2003 | 4,237,463 | 1.000 | 4,237,463 | 4,237,463 | 1.000 | 4,237,463 |
| 2003-2004 | 2,205,881 | 1.000 | 2,205,881 | 2,205,881 | 1.000 | 2,205,881 |
| 2004-2005 | 1,424,731 | 1.000 | 1,424,731 | 1,424,731 | 1.000 | 1,424,731 |
| 2005-2006 | 2,684,321 | 1.000 | 2,684,321 | 2,684,321 | 1.000 | 2,684,321 |
| 2006-2007 | 1,419,184 | 1.000 | 1,419,184 | 1,419,184 | 1.000 | 1,419,184 |
| 2007-2008 | 2,651,369 | 1.000 | 2,651,369 | 2,651,369 | 1.000 | 2,651,369 |
| 2008-2009 | 2,652,344 | 1.001 | 2,654,996 | 2,652,344 | 1.001 | 2,654,996 |
| 2009-2010 | 1,335,978 | 1.003 | 1,339,986 | 1,335,978 | 1.003 | 1,339,986 |
| 2010-2011 | 1,557,549 | 1.006 | 1,566,894 | 1,557,549 | 1.006 | 1,566,894 |
| 2011-2012 | 3,404,584 | 1.010 | 3,438,630 | 3,404,584 | 1.010 | 3,438,630 |
| 2012-2013 | 3,107,052 | 1.015 | 3,153,658 | 3,107,052 | 1.015 | 3,153,658 |
| 2013-2014 | 2,088,304 | 1.025 | 2,140,512 | 2,088,304 | 1.025 | 2,140,512 |
| 2014-2015 | 3,799,381 | 1.051 | 3,993,149 | 3,799,381 | 1.051 | 3,993,149 |
| 2015-2016 | 2,991,237 | 1.104 | 3,302,326 | 2,991,237 | 1.104 | 3,302,326 |
| 2016-2017 | 4,466,711 | 1.236 | 5,520,855 | 4,466,711 | 1.236 | 5,520,855 |
| 2017-2018 | 719,295 | 1.415 | 644,302 | 719,295 | 1.415 | 644,302 |
| 2018-2019 | 515,432 | 1.981 | 1,021,071 | 515,432 | 1.981 | 1,021,071 |
| 2019-2020 | 0 | 4.957 | 0 | 0 | 4.957 | 0 |
| 2020-2021 | 947,057 | 22.307 | 21,126,000 | 947,057 | 22.307 | 21,126,000 |
| Totals | \$46,877,142 | | \$69,194,597 | \$46,877,142 | | \$69,194,597 |

Notes:

- (A) Years are 7/1 to 6/30.
- (B) Provided by the Authority. These losses exclude amounts over \$100,000 per occurrence.
- (C) From \$100K to \$1M Rate Analysis Appendix B, Page 2.
- (D) (B) x (C). These estimated losses exclude amounts over \$100,000 per occurrence.
- (E) Losses capped at the Authority's SIR. Amounts are provided by the Authority.
- (F) Derived from factors on \$100K to \$1M Rate Analysis Appendix B, Page 4.
- (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.

PLAN JPA - Liability Program (\$100K to \$1M Analysis)

Paid Loss Development

Limited Losses Paid 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 |
|---------------|----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------|------------|
| 2000-2001 | | | | | 1,000,106 | 1,275,187 | 1,823,244 | 1,823,244 | 1,823,244 | 1,823,244 | 1,823,244 |
| 2001-2002 | | | | 880,149 | 1,000,578 | 1,023,612 | 1,023,612 | 1,023,612 | 964,842 | 964,842 | 2,382,404 |
| 2002-2003 | | | 873,114 | 953,412 | 953,532 | 953,532 | 1,579,410 | 1,581,139 | 1,581,139 | 2,939,481 | 2,998,047 |
| 2003-2004 | | 309,735 | 1,022,186 | 1,490,294 | 1,947,824 | 2,029,466 | 2,041,384 | 2,943,619 | 4,893,323 | 4,930,307 | 3,560,542 |
| 2004-2005 | 75,543 | 903,527 | 2,226,102 | 3,446,317 | 3,946,802 | 3,910,106 | 4,427,910 | 3,460,542 | 3,560,542 | 2,866,154 | 2,866,154 |
| 2005-2006 | | 15,692 | 363,636 | 379,734 | 682,512 | 766,935 | 2,853,463 | 2,858,654 | 3,780,292 | 3,789,394 | 3,789,394 |
| 2006-2007 | | 6,598 | 310,953 | 1,675,075 | 1,675,075 | 3,654,071 | 3,764,224 | 3,394,936 | 3,394,936 | 3,394,936 | 3,394,936 |
| 2007-2008 | | 208,642 | 211,412 | 862,224 | 3,103,547 | 3,253,555 | 4,228,474 | 4,256,077 | 4,259,284 | 4,259,284 | 4,259,284 |
| 2008-2009 | 6,182 | 15,240 | 69,317 | 3,650,448 | 4,101,554 | 3,338,980 | 3,345,621 | 3,347,708 | 3,346,029 | 3,347,708 | 3,336,906 |
| 2009-2010 | | 54,284 | 2,186,680 | 2,792,089 | 2,998,274 | 3,072,132 | 3,115,424 | 3,127,921 | 3,127,921 | 3,127,921 | 3,127,921 |
| 2010-2011 | | 1,046,459 | 2,274,617 | 2,287,500 | 2,319,013 | 2,395,143 | 2,396,051 | 2,396,051 | 2,396,051 | 2,396,051 | 2,396,051 |
| 2011-2012 | 106,645 | 872,432 | 2,112,380 | 2,750,332 | 3,122,242 | 3,118,744 | 3,127,725 | 3,127,725 | 3,127,725 | 3,127,725 | 3,127,725 |
| 2012-2013 | 114,916 | 934,308 | 2,290,004 | 3,124,392 | 3,371,990 | 3,450,380 | 3,450,659 | 3,459,906 | 3,559,906 | 3,559,906 | |
| 2013-2014 | 130,461 | 888,140 | 1,780,866 | 2,316,155 | 2,654,568 | 2,539,618 | 2,539,618 | 2,539,618 | 2,539,618 | | |
| 2014-2015 | 91,368 | 1,387,749 | 2,717,926 | 3,379,346 | 3,268,352 | 3,281,784 | 3,281,784 | 3,281,784 | | | |
| 2015-2016 | 98,110 | 679,755 | 1,938,077 | 2,795,127 | 2,999,838 | 3,135,716 | 3,135,461 | | | | |
| 2016-2017 | 30,679 | 920,995 | 1,975,490 | 2,421,836 | 2,773,661 | 2,834,023 | | | | | |
| 2017-2018 | 31,268 | 758,485 | 1,188,193 | 1,713,864 | 1,800,791 | | | | | | |
| 2018-2019 | 16,322 | 417,918 | 940,933 | 1,337,293 | | | | | | | |
| 2019-2020 | 65,521 | 413,661 | 1,128,779 | | | | | | | | |
| 2020-2021 | 54,421 | 793,126 | | | | | | | | | |
| 2021-2022 | 40,902 | | | | | | | | | | |

Paid Loss 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 |
|----------------------------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|----------------|----------------|----------------|
| 2000-2001 | | | | | 1.275 | 1.430 | 1.000 | 1.000 | 1.000 | 1.000 | 1.001 |
| 2001-2002 | | | | 1.137 | 1.023 | 1.000 | 1.000 | 0.943 | 1.000 | 2.469 | 1.000 |
| 2002-2003 | | | 1.092 | 1.000 | 1.000 | 1.656 | 1.001 | 1.000 | 1.859 | 1.020 | 1.660 |
| 2003-2004 | | 3.300 | 1.458 | 1.307 | 1.042 | 1.006 | 1.442 | 1.662 | 1.008 | 0.722 | 1.000 |
| 2004-2005 | 11.960 | 2.464 | 1.548 | 1.145 | 0.991 | 1.132 | 0.782 | 1.029 | 0.805 | 1.000 | 1.001 |
| 2005-2006 | | 23.173 | 1.044 | 1.797 | 1.124 | 3.721 | 1.002 | 1.322 | 1.002 | 1.000 | 1.000 |
| 2006-2007 | | 47.128 | 5.387 | 1.000 | 2.181 | 1.030 | 0.902 | 1.000 | 1.000 | 1.000 | 1.000 |
| 2007-2008 | | 1.013 | 4.078 | 3.599 | 1.048 | 1.300 | 1.007 | 1.001 | 1.000 | 1.000 | 0.977 |
| 2008-2009 | 2.465 | 4.548 | 52.663 | 1.124 | 0.814 | 1.002 | 1.001 | 0.999 | 1.001 | 0.997 | 1.003 |
| 2009-2010 | | 40.282 | 1.277 | 1.074 | 1.025 | 1.014 | 1.004 | 1.000 | 1.000 | 1.000 | 1.000 |
| 2010-2011 | | 2.174 | 1.006 | 1.014 | 1.033 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| 2011-2012 | 8.181 | 2.421 | 1.302 | 1.135 | 0.999 | 1.003 | 1.000 | 1.000 | 1.000 | 1.000 | |
| 2012-2013 | 8.130 | 2.451 | 1.364 | 1.079 | 1.023 | 1.000 | 1.003 | 1.029 | 1.000 | | |
| 2013-2014 | 6.808 | 2.005 | 1.301 | 1.146 | 0.957 | 1.000 | 1.000 | 1.000 | | | |
| 2014-2015 | 15.189 | 1.959 | 1.243 | 0.967 | 1.004 | 1.000 | 1.000 | | | | |
| 2015-2016 | 6.928 | 2.851 | 1.442 | 1.073 | 1.045 | 1.000 | | | | | |
| 2016-2017 | 30.020 | 2.145 | 1.226 | 1.145 | 1.022 | | | | | | |
| 2017-2018 | 24.258 | 1.567 | 1.442 | 1.051 | | | | | | | |
| 2018-2019 | 25.605 | 2.251 | 1.421 | | | | | | | | |
| 2019-2020 | 6.313 | 2.729 | | | | | | | | | |
| 2020-2021 | 14.574 | | | | | | | | | | |
| Average Dollar-Weighted Averages | 13.369 | 8.498 | 4.723 | 1.282 | 1.094 | 1.268 | 1.010 | 1.070 | 1.052 | 1.101 | 1.058 |
| 3-yr | 11.923 | 2.049 | 1.333 | 1.093 | 1.023 | 1.000 | 1.001 | 1.011 | 1.000 | 1.000 | 1.001 |
| 4-yr | 14.225 | 2.084 | 1.368 | 1.052 | 1.008 | 1.000 | 1.001 | 1.009 | 1.000 | 0.999 | 0.993 |
| 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 | 9.100 | 4.500 | 2.521 | 1.400 | 1.145 | 1.120 | 1.050 | 1.025 | 1.010 | 1.005 | 1.004 |
| Selected | 9.100 | 4.500 | 2.502 | 1.400 | 1.145 | 1.120 | 1.050 | 1.025 | 1.010 | 1.005 | 1.004 |
| Cumulated | 202.994 | 22.307 | 4.957 | 1.981 | 1.415 | 1.236 | 1.104 | 1.051 | 1.025 | 1.015 | 1.010 |

PLAN JPA - Liability Program (\$100K to \$1M Analysis)
Paid Loss Development

| Accident Year | <u>Limited Losses Paid as of:</u> | | | | | | | | | | |
|------------------|-----------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 138 Months | 150 Months | 162 Months | 174 Months | 186 Months | 198 Months | 210 Months | 222 Months | 234 Months | 246 Months | 258 Months |
| 2000-2001 | 1,825,620 | 1,825,620 | 2,482,404 | 2,482,404 | 2,485,232 | 2,482,404 | 2,485,232 | 2,485,232 | 2,485,232 | 2,485,232 | 4,217,210 |
| 2001-2002 | 2,382,404 | 3,000,611 | 3,012,173 | 3,012,173 | 3,012,173 | 3,012,173 | 3,012,173 | 3,012,173 | 3,012,173 | 7,414,620 | |
| 2002-2003 | 4,977,421 | 4,977,421 | 4,977,421 | 4,977,421 | 4,977,421 | 4,977,421 | 4,977,421 | 4,977,421 | 5,444,013 | | |
| 2003-2004 | 3,560,542 | 3,560,542 | 3,560,542 | 3,560,542 | 3,560,542 | 3,560,542 | 3,560,542 | 3,560,542 | | | |
| 2004-2005 | 2,867,654 | 2,867,654 | 2,867,654 | 2,867,654 | 2,867,654 | 2,867,654 | 2,867,654 | | | | |
| 2005-2006 | 3,789,394 | 3,788,958 | 3,788,958 | 3,788,958 | 3,788,958 | 3,788,958 | | | | | |
| 2006-2007 | 3,394,936 | 3,400,836 | 3,400,836 | 3,403,249 | 3,408,506 | | | | | | |
| 2007-2008 | 4,159,284 | 4,259,284 | 4,259,284 | | | | | | | | |
| 2008-2009 | 3,347,708 | 3,347,708 | 3,347,708 | | | | | | | | |
| 2009-2010 | 3,127,921 | 3,127,921 | | | | | | | | | |
| 2010-2011 | 2,396,051 | | | | | | | | | | |
| 2011-2012 | | | | | | | | | | | |
| 2012-2013 | | | | | | | | | | | |
| 2013-2014 | | | | | | | | | | | |
| 2014-2015 | | | | | | | | | | | |
| 2015-2016 | | | | | | | | | | | |
| 2016-2017 | | | | | | | | | | | |
| 2017-2018 | | | | | | | | | | | |
| 2018-2019 | | | | | | | | | | | |
| 2019-2020 | | | | | | | | | | | |
| 2020-2021 | | | | | | | | | | | |
| 2021-2022 | | | | | | | | | | | |

Paid Loss Development Factors:

| | 138-150 Months | 150-162 Months | 162-174 Months | 174-186 Months | 186-198 Months | 198-210 Months | 210-222 Months | 222-234 Months | 234-246 Months | 246-258 Months | 258-Ult. Months |
|-----------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| 2000-2001 | 1.000 | 1.360 | 1.000 | 1.001 | 0.999 | 1.001 | 1.000 | 1.000 | 1.000 | 1.697 | |
| 2001-2002 | 1.259 | 1.004 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 2.462 | | |
| 2002-2003 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.094 | | | |
| 2003-2004 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | | | | |
| 2004-2005 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | | | | | |
| 2005-2006 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | | | | | | |
| 2006-2007 | 1.002 | 1.000 | 1.001 | 1.002 | | | | | | | |
| 2007-2008 | 1.024 | 1.000 | 1.000 | | | | | | | | |
| 2008-2009 | 1.000 | 1.000 | | | | | | | | | |
| 2009-2010 | 1.000 | | | | | | | | | | |
| 2010-2011 | | | | | | | | | | | |
| 2011-2012 | | | | | | | | | | | |
| 2012-2013 | | | | | | | | | | | |
| 2013-2014 | | | | | | | | | | | |
| 2014-2015 | | | | | | | | | | | |
| 2015-2016 | | | | | | | | | | | |
| 2016-2017 | | | | | | | | | | | |
| 2017-2018 | | | | | | | | | | | |
| 2018-2019 | | | | | | | | | | | |
| 2019-2020 | | | | | | | | | | | |
| 2020-2021 | | | | | | | | | | | |
| Average | 1.029 | 1.040 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.031 | 1.731 | 1.697 | |
| Dollar-Weighted | | | | | | | | | | | |
| Averages | | | | | | | | | | | |
| 3-yr | 1.009 | 1.000 | 1.000 | 1.001 | 1.000 | 1.000 | 1.000 | 1.045 | | | |
| 4-yr | 1.008 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | | | | |
| Comparative | | | | | | | | | | | |
| Factors | 1.006 | 1.004 | 1.004 | 1.002 | 1.002 | 1.001 | 1.001 | 1.001 | 1.001 | 1.001 | 1.000 |
| Prior | 1.003 | 1.002 | 1.001 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| Selected | 1.003 | 1.002 | 1.001 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| Cumulated | 1.006 | 1.003 | 1.001 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |

PLAN JPA - Liability Program (\$100K to \$1M Analysis)

Exposure and Development Method
Based on Reported Losses

| Accident Year | Trended Payroll (\$00) (A) | Reported Losses as of 12/31/21 (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) |
|---------------|----------------------------|------------------------------------|-----------------------------|---|------------------|--------------------------------------|-----------------------------|
| 2000-2001 | 4,426,994 | 1,719,728 | 1.000 | 0.000 | 0.388 | 0 | 1,719,728 |
| 2001-2002 | 4,793,823 | 2,949,541 | 1.000 | 0.000 | 0.615 | 0 | 2,949,541 |
| 2002-2003 | 5,201,926 | 4,237,463 | 1.000 | 0.000 | 0.815 | 0 | 4,237,463 |
| 2003-2004 | 5,302,373 | 2,205,881 | 1.000 | 0.000 | 0.416 | 0 | 2,205,881 |
| 2004-2005 | 5,323,509 | 1,424,731 | 1.000 | 0.000 | 0.268 | 0 | 1,424,731 |
| 2005-2006 | 5,279,351 | 2,684,321 | 1.000 | 0.000 | 0.508 | 0 | 2,684,321 |
| 2006-2007 | 5,365,043 | 1,419,184 | 1.000 | 0.000 | 0.265 | 0 | 1,419,184 |
| 2007-2008 | 5,523,940 | 2,651,368 | 1.000 | 0.000 | 0.480 | 0 | 2,651,368 |
| 2008-2009 | 5,584,172 | 2,652,344 | 1.001 | 0.001 | 0.475 | 2,652 | 2,654,996 |
| 2009-2010 | 5,300,275 | 1,335,978 | 1.003 | 0.003 | 0.252 | 4,007 | 1,339,985 |
| 2010-2011 | 4,637,189 | 1,557,549 | 1.006 | 0.006 | 0.336 | 9,349 | 1,566,898 |
| 2011-2012 | 4,425,587 | 3,468,509 | 1.010 | 0.010 | 0.792 | 35,051 | 3,503,560 |
| 2012-2013 | 4,346,745 | 3,524,416 | 1.015 | 0.015 | 0.823 | 53,661 | 3,578,077 |
| 2013-2014 | 4,181,204 | 2,088,304 | 1.025 | 0.024 | 0.499 | 50,074 | 2,138,378 |
| 2014-2015 | 4,221,572 | 3,799,380 | 1.040 | 0.038 | 0.900 | 144,378 | 3,943,758 |
| 2015-2016 | 4,288,766 | 3,125,229 | 1.052 | 0.049 | 0.767 | 161,185 | 3,286,414 |
| 2016-2017 | 4,455,964 | 5,165,945 | 1.063 | 0.059 | 0.739 | 194,284 | 5,360,229 |
| 2017-2018 | 4,565,477 | 773,258 | 1.098 | 0.089 | 0.769 | 312,466 | 1,085,724 |
| 2018-2019 | 4,594,102 | 717,128 | 1.265 | 0.209 | 0.800 | 768,134 | 1,485,262 |
| 2019-2020 | 4,567,802 | 66,812 | 1.762 | 0.432 | 0.832 | 1,641,778 | 1,708,590 |
| 2020-2021 | 4,506,728 | 2,019,771 | 4.097 | 0.756 | 0.865 | 2,947,130 | 4,966,901 |
| Totals | 100,892,542 | \$49,586,840 | | | | \$6,324,149 | \$55,910,989 |

Notes:

- (A) From \$100K to \$1M Rate Analysis Appendix I, Column (C).
- (B) Provided by the Authority. These losses exclude amounts incurred above the Authority's SIR for each year.
- (C) From \$100K to \$1M Rate Analysis Appendix A, Page 1, Column (F).
- (D) $1 - 1/(C)$.
- (E) From \$100K to \$1M Rate Analysis Appendix C, 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.

PLAN JPA - Liability Program (\$100K to \$1M Analysis)

Exposure and Development Method
Based on Paid Losses

| Accident Year | Trended Payroll (\$00) (A) | Paid Losses as of 12/31/21 (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) |
|---------------|----------------------------|--------------------------------|-----------------------------|---|------------------|---------------------------|-----------------------------|
| 2000-2001 | 4,426,994 | 1,719,728 | 1.000 | 0.000 | 0.388 | 0 | 1,719,728 |
| 2001-2002 | 4,793,823 | 2,949,541 | 1.000 | 0.000 | 0.615 | 0 | 2,949,541 |
| 2002-2003 | 5,201,926 | 4,237,463 | 1.000 | 0.000 | 0.815 | 0 | 4,237,463 |
| 2003-2004 | 5,302,373 | 2,205,881 | 1.000 | 0.000 | 0.416 | 0 | 2,205,881 |
| 2004-2005 | 5,323,509 | 1,424,731 | 1.000 | 0.000 | 0.268 | 0 | 1,424,731 |
| 2005-2006 | 5,279,351 | 2,684,321 | 1.000 | 0.000 | 0.508 | 0 | 2,684,321 |
| 2006-2007 | 5,365,043 | 1,419,184 | 1.000 | 0.000 | 0.265 | 0 | 1,419,184 |
| 2007-2008 | 5,523,940 | 2,651,369 | 1.000 | 0.000 | 0.480 | 0 | 2,651,369 |
| 2008-2009 | 5,584,172 | 2,652,344 | 1.001 | 0.001 | 0.475 | 2,652 | 2,654,996 |
| 2009-2010 | 5,300,275 | 1,335,978 | 1.003 | 0.003 | 0.252 | 4,007 | 1,339,985 |
| 2010-2011 | 4,637,189 | 1,557,549 | 1.006 | 0.006 | 0.336 | 9,349 | 1,566,898 |
| 2011-2012 | 4,425,587 | 3,404,584 | 1.010 | 0.010 | 0.792 | 35,051 | 3,439,635 |
| 2012-2013 | 4,346,745 | 3,107,052 | 1.015 | 0.015 | 0.823 | 53,661 | 3,160,713 |
| 2013-2014 | 4,181,204 | 2,088,304 | 1.025 | 0.024 | 0.499 | 50,074 | 2,138,378 |
| 2014-2015 | 4,221,572 | 3,799,381 | 1.051 | 0.049 | 0.900 | 186,171 | 3,985,552 |
| 2015-2016 | 4,288,766 | 2,991,237 | 1.104 | 0.094 | 0.767 | 309,211 | 3,300,448 |
| 2016-2017 | 4,455,964 | 4,466,711 | 1.236 | 0.191 | 0.739 | 628,955 | 5,095,666 |
| 2017-2018 | 4,565,477 | 719,295 | 1.415 | 0.293 | 0.769 | 1,028,680 | 1,747,975 |
| 2018-2019 | 4,594,102 | 515,432 | 1.981 | 0.495 | 0.800 | 1,819,264 | 2,334,696 |
| 2019-2020 | 4,567,802 | | 4.957 | 0.798 | 0.832 | 3,032,728 | 3,032,728 |
| 2020-2021 | 4,506,728 | 947,057 | 22.307 | 0.955 | 0.865 | 3,722,895 | 4,669,952 |
| Totals | 100,892,542 | \$46,877,142 | | | | \$10,882,698 | \$57,759,840 |

Notes:

- (A) From \$100K to \$1M Rate Analysis Appendix I, Column (C).
- (B) Provided by the Authority. These losses exclude amounts paid above the Authority's SIR for each year.
- (C) From \$100K to \$1M Rate Analysis Appendix B, Page 1, Column (F).
- (D) $1 - 1/(C)$.
- (E) From \$100K to \$1M Rate Analysis Appendix C, 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.

PLAN JPA - Liability Program (\$100K to \$1M Analysis)

Exposure and Development Method

| Accident Year | Trended Payroll (\$00) (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) |
|---------------|----------------------------|-----------------------------|------------------|----------------------------|-------------------------------|-----------------------|-------------------|-----------------------|
| 2000-2001 | 4,426,994 | 1,719,728 | 2.281 | 3,922,700 | 0.886 | 0.388 | 1.000 | 0.388 |
| 2001-2002 | 4,793,823 | 2,949,541 | 2.193 | 6,468,343 | 1.349 | 0.615 | 1.000 | 0.615 |
| 2002-2003 | 5,201,926 | 4,237,463 | 2.108 | 8,932,572 | 1.717 | 0.815 | 1.000 | 0.815 |
| 2003-2004 | 5,302,373 | 2,205,881 | 2.028 | 4,473,527 | 0.844 | 0.416 | 1.000 | 0.416 |
| 2004-2005 | 5,323,509 | 1,424,731 | 1.949 | 2,776,801 | 0.522 | 0.268 | 1.000 | 0.268 |
| 2005-2006 | 5,279,351 | 2,684,321 | 1.875 | 5,033,102 | 0.953 | 0.508 | 1.000 | 0.508 |
| 2006-2007 | 5,365,043 | 1,419,184 | 1.803 | 2,558,789 | 0.477 | 0.265 | 1.000 | 0.265 |
| 2007-2008 | 5,523,940 | 2,651,368 | 1.733 | 4,594,821 | 0.832 | 0.480 | 1.000 | 0.480 |
| 2008-2009 | 5,584,172 | 2,652,344 | 1.667 | 4,421,457 | 0.792 | 0.475 | 1.000 | 0.475 |
| 2009-2010 | 5,300,275 | 1,335,978 | 1.603 | 2,141,573 | 0.404 | 0.252 | 1.000 | 0.252 |
| 2010-2011 | 4,637,189 | 1,557,549 | 1.541 | 2,400,183 | 0.518 | 0.336 | 1.000 | 0.336 |
| 2011-2012 | 4,425,587 | 3,503,000 | 1.482 | 5,191,446 | 1.173 | 0.792 | 1.000 | 0.792 |
| 2012-2013 | 4,346,745 | 3,577,000 | 1.425 | 5,097,225 | 1.173 | 0.823 | 1.000 | 0.823 |
| 2013-2014 | 4,181,204 | 2,088,304 | 1.370 | 2,860,976 | 0.684 | 0.499 | 1.000 | 0.499 |
| 2014-2015 | 4,221,572 | 3,799,380 | 1.317 | 5,003,783 | 1.185 | 0.900 | 1.000 | 0.900 |
| 2015-2016 | 4,288,766 | 3,288,000 | 1.267 | 4,165,896 | 0.971 | 0.767 | 1.000 | 0.767 |
| 2016-2017 | 4,455,964 | 5,491,000 | 1.218 | 6,688,038 | 1.501 | 0.739 | 1.000 | 0.739 |
| 2017-2018 | 4,565,477 | 761,000 | 1.171 | 891,131 | 0.195 | 0.769 | 1.000 | 0.769 |
| 2018-2019 | 4,594,102 | 907,000 | 1.125 | 1,020,375 | 0.222 | 0.800 | 1.000 | 0.800 |
| 2019-2020 | 4,567,802 | 2,353,000 | 1.082 | 2,545,946 | 0.557 | 0.832 | 1.000 | 0.832 |
| 2020-2021 | 4,506,728 | 2,863,000 | 1.040 | 2,977,520 | 0.661 | 0.865 | 1.000 | 0.865 |
| Total/Avg | 100,892,542 | \$53,468,772 | | \$84,166,204 | \$0.834 | | | |
| 14/15-18/19 | 22,125,881 | 14,246,380 | | 17,769,223 | 0.803 | | | |
| 15/16-19/20 | 22,472,111 | 12,800,000 | | 15,311,386 | 0.681 | | | |

Selected Limited Rate: \$0.900
Prior: \$0.975

Notes:

- (A) From \$100K to \$1M Rate Analysis Appendix I, Column (C).
- (B) Selected average of results from Appendices \$ and \$.
- (C) From \$100K to \$1M Rate Analysis Appendix E, Page 1, Column (B).
- (D) (B) x (C).
- (E) (D) / (A).
- (F) Selected Limited Rate / (C). For 2015-2016 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.

PLAN JPA - Liability Program (\$100K to \$1M Analysis)

Frequency and Severity Method

| Accident Year | Ultimate Program Severity (A) | Adjusted Ultimate Claims (B) | Ultimate Program Losses (C) |
|------------------|--|---------------------------------------|--------------------------------------|
| 2000-2001 | \$245,675 | 7 | \$1,719,725 |
| 2001-2002 | 294,954 | 10 | 2,949,540 |
| 2002-2003 | 201,784 | 21 | 4,237,464 |
| 2003-2004 | 183,823 | 12 | 2,205,876 |
| 2004-2005 | 356,183 | 4 | 1,424,732 |
| 2005-2006 | 206,486 | 13 | 2,684,318 |
| 2006-2007 | 109,168 | 13 | 1,419,184 |
| 2007-2008 | 220,947 | 12 | 2,651,364 |
| 2008-2009 | 241,122 | 11 | 2,652,342 |
| 2009-2010 | 95,427 | 14 | 1,335,978 |
| 2010-2011 | 173,061 | 9 | 1,557,549 |
| 2011-2012 | 233,533 | 15 | 3,502,995 |
| 2012-2013 | 238,467 | 15 | 3,577,005 |
| 2013-2014 | 232,034 | 9 | 2,088,306 |
| 2014-2015 | 422,153 | 9 | 3,799,377 |
| 2015-2016 | 205,438 | 16 | 3,287,008 |
| 2016-2017 | 317,241 | 15 | 4,758,615 |
| 2017-2018 | 326,821 | 6 | 1,960,926 |
| 2018-2019 | 336,688 | 6 | 2,020,128 |
| 2019-2020 | 346,843 | 6 | 2,081,058 |
| 2020-2021 | 357,282 | 8 | 2,858,256 |
| Total | | 231 | \$54,771,746 |

Notes:

- (A) From \$100K to \$1M Rate Analysis Appendix D, Page 2, Column
 (B) From \$100K to \$1M Rate Analysis Appendix D, Page 2, Column
 (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.

PLAN JPA - Liability Program (\$100K to \$1M Analysis)

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) |
|---------------|-----------------------------|------------------------------|-------------------------------|------------------|------------------------------|----------------------|-------------------|----------------------|
| 2000-2001 | \$1,719,728 | 7 | \$245,675 | 1.862 | \$457,447 | \$245,675 | 1.000 | \$245,675 |
| 2001-2002 | 2,949,541 | 10 | 294,954 | 1.808 | 533,277 | 294,954 | 1.000 | 294,954 |
| 2002-2003 | 4,237,463 | 21 | 201,784 | 1.755 | 354,131 | 201,784 | 1.000 | 201,784 |
| 2003-2004 | 2,205,881 | 12 | 183,823 | 1.704 | 313,234 | 183,823 | 1.000 | 183,823 |
| 2004-2005 | 1,424,731 | 4 | 356,183 | 1.654 | 589,127 | 356,183 | 1.000 | 356,183 |
| 2005-2006 | 2,684,321 | 13 | 206,486 | 1.606 | 331,617 | 206,486 | 1.000 | 206,486 |
| 2006-2007 | 1,419,184 | 13 | 109,168 | 1.559 | 170,193 | 109,168 | 1.000 | 109,168 |
| 2007-2008 | 2,651,368 | 12 | 220,947 | 1.513 | 334,293 | 220,947 | 1.000 | 220,947 |
| 2008-2009 | 2,652,344 | 11 | 241,122 | 1.469 | 354,208 | 241,122 | 1.000 | 241,122 |
| 2009-2010 | 1,335,978 | 14 | 95,427 | 1.426 | 136,079 | 95,427 | 1.000 | 95,427 |
| 2010-2011 | 1,557,549 | 9 | 173,061 | 1.385 | 239,689 | 173,061 | 1.000 | 173,061 |
| 2011-2012 | 3,503,000 | 15 | 233,533 | 1.345 | 314,102 | 233,533 | 1.000 | 233,533 |
| 2012-2013 | 3,577,000 | 15 | 238,467 | 1.306 | 311,438 | 238,467 | 1.000 | 238,467 |
| 2013-2014 | 2,088,304 | 9 | 232,034 | 1.267 | 293,987 | 232,034 | 1.000 | 232,034 |
| 2014-2015 | 3,799,380 | 9 | 422,153 | 1.231 | 519,670 | 422,153 | 1.000 | 422,153 |
| 2015-2016 | 3,287,000 | 16 | 205,438 | 1.195 | 245,498 | 205,438 | 1.000 | 205,438 |
| 2016-2017 | 5,426,000 | 15 | 361,733 | 1.160 | 419,610 | 317,241 | 1.000 | 317,241 |
| 2017-2018 | 1,170,000 | 6 | 195,000 | 1.126 | 219,570 | 326,821 | 1.000 | 326,821 |
| 2018-2019 | 1,910,000 | 6 | 318,333 | 1.093 | 347,938 | 336,688 | 1.000 | 336,688 |
| 2019-2020 | 2,371,000 | 6 | 395,167 | 1.061 | 419,272 | 346,843 | 1.000 | 346,843 |
| 2020-2021 | 4,818,000 | 8 | 602,250 | 1.030 | 620,318 | 357,282 | 1.000 | 357,282 |

Average Limited Severity: \$358,319
Average 15/16-19/20 Limited Severity: 330,378
Average 16/17-20/21 Limited Severity: 405,342

Selected Limited Severity: \$368,000
Prior: \$445,000

Notes:

- (A) Selected average of results from Appendices \$, \$, and \$.
- (B) \$100K to \$1M Rate Analysis Appendix D, Page 3, Column (C).
- (C) (A) / (B).
- (D) From \$100K to \$1M Rate Analysis Appendix E, 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.

PLAN JPA - Liability Program (\$100K to \$1M Analysis)

Frequency and Severity Method
Projection of Ultimate Claims

| Accident Year | Reported Claim Development (A) | Closed Claim Development (B) | Selected Ultimate Claims (C) | Trended Payroll (\$000,000) (D) | Claim Frequency (E) | Trend Factor (F) | Trended Claim Frequency (G) |
|---------------|--------------------------------|------------------------------|------------------------------|---------------------------------|---------------------|------------------|-----------------------------|
| 2000-2001 | 7 | 7 | 7 | 442.7 | 0.016 | 1.232 | 0.020 |
| 2001-2002 | 10 | 10 | 10 | 479.4 | 0.021 | 1.219 | 0.026 |
| 2002-2003 | 21 | 21 | 21 | 520.2 | 0.040 | 1.208 | 0.048 |
| 2003-2004 | 12 | 12 | 12 | 530.2 | 0.023 | 1.196 | 0.028 |
| 2004-2005 | 4 | 4 | 4 | 532.4 | 0.008 | 1.184 | 0.009 |
| 2005-2006 | 13 | 13 | 13 | 527.9 | 0.025 | 1.173 | 0.029 |
| 2006-2007 | 13 | 13 | 13 | 536.5 | 0.024 | 1.161 | 0.028 |
| 2007-2008 | 12 | 12 | 12 | 552.4 | 0.022 | 1.150 | 0.025 |
| 2008-2009 | 11 | 11 | 11 | 558.4 | 0.020 | 1.138 | 0.023 |
| 2009-2010 | 14 | 14 | 14 | 530.0 | 0.026 | 1.126 | 0.029 |
| 2010-2011 | 9 | 9 | 9 | 463.7 | 0.019 | 1.116 | 0.021 |
| 2011-2012 | 15 | 14 | 15 | 442.6 | 0.034 | 1.105 | 0.038 |
| 2012-2013 | 15 | 14 | 15 | 434.7 | 0.035 | 1.094 | 0.038 |
| 2013-2014 | 9 | 9 | 9 | 418.1 | 0.022 | 1.083 | 0.024 |
| 2014-2015 | 9 | 9 | 9 | 422.2 | 0.021 | 1.073 | 0.023 |
| 2015-2016 | 16 | 15 | 16 | 428.9 | 0.037 | 1.062 | 0.039 |
| 2016-2017 | 15 | 9 | 15 | 445.6 | 0.034 | 1.051 | 0.036 |
| 2017-2018 | 6 | 4 | 6 | 456.5 | 0.013 | 1.041 | 0.014 |
| 2018-2019 | 6 | 1 | 6 | 459.4 | 0.013 | 1.030 | 0.013 |
| 2019-2020 | 6 | 0 | 6 | 456.8 | 0.013 | 1.019 | 0.013 |
| 2020-2021 | 39 | 0 | 8 | 450.7 | 0.018 | 1.010 | 0.018 |
| Total | 262 | 201 | 231 | 10,089.3 | | | 0.026 |
| 15/16-19/20 | 49 | 29 | 49 | 2,247.2 | | | 0.023 |

(H) Selected Frequency: 0.028
Prior: 0.028

| | | |
|-------------------------------|-----------|-----------|
| Program Year: | 2021-2022 | 2022-2023 |
| (I) Trend Factor: | 1.000 | 1.010 |
| (J) Selected Frequency: | 0.028 | 0.028 |
| (K) Est. Payroll (\$000,000): | 462.3 | 476.2 |
| (L) Ultimate Claims: | 13 | 13 |

Notes:

- (A) From \$100K to \$1M Rate Analysis Appendix D, Page 4, (C).
 (B) From \$100K to \$1M Rate Analysis Appendix D, Page 5, (C).
 (C) Selected from (A) and (B).
 (D) From \$100K to \$1M Rate Analysis Appendix I, Column (C) / 10,000.
 (E) (C) / (D).
 (F) From \$100K to \$1M Rate Analysis Appendix E, Page 1, Column (H).

- (G) (E) x (F).
 (H) The selected frequency of 0.028 is based on (G).
 (I) From \$100K to \$1M Rate Analysis Appendix E, Page 1, Column (H).
 (J) (H) x (I).
 (K) From \$100K to \$1M Rate Analysis Appendix I, Column (C) / 10,000.
 (L) (J) x (K).

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

PLAN JPA - Liability Program (\$100K to \$1M Analysis)

Frequency and Severity Method
Reported Claim Count Development

| Accident Year | Claims Reported as of 12/31/2021 (A) | Reported Claim Development Factor (B) | Ultimate Claims (C) | Trended Claim Frequency (D) |
|---------------|--------------------------------------|---------------------------------------|---------------------|-----------------------------|
| 2000-2001 | 7 | 1.000 | 7 | 0.019 |
| 2001-2002 | 10 | 1.000 | 10 | 0.025 |
| 2002-2003 | 21 | 1.000 | 21 | 0.049 |
| 2003-2004 | 12 | 1.000 | 12 | 0.027 |
| 2004-2005 | 4 | 1.000 | 4 | 0.009 |
| 2005-2006 | 13 | 1.000 | 13 | 0.029 |
| 2006-2007 | 13 | 1.000 | 13 | 0.028 |
| 2007-2008 | 12 | 1.000 | 12 | 0.025 |
| 2008-2009 | 11 | 1.000 | 11 | 0.022 |
| 2009-2010 | 14 | 1.001 | 14 | 0.030 |
| 2010-2011 | 9 | 1.001 | 9 | 0.022 |
| 2011-2012 | 15 | 1.001 | 15 | 0.037 |
| 2012-2013 | 15 | 1.002 | 15 | 0.038 |
| 2013-2014 | 9 | 1.003 | 9 | 0.023 |
| 2014-2015 | 9 | 1.004 | 9 | 0.023 |
| 2015-2016 | 16 | 1.005 | 16 | 0.040 |
| 2016-2017 | 15 | 1.015 | 15 | 0.035 |
| 2017-2018 | 6 | 1.040 | 6 | 0.014 |
| 2018-2019 | 5 | 1.196 | 6 | 0.013 |
| 2019-2020 | 4 | 1.435 | 6 | 0.013 |
| 2020-2021 | 12 | 3.229 | 39 | 0.087 |
| Total | 232 | | 262 | 0.029 |

Notes:

- (A) Provided by the Authority.
 (B) From \$100K to \$1M Rate Analysis Appendix D, Page 6.
 (C) (A) x (B).
 (D) (C) / [\$100K to \$1M Rate Analysis Appendix D, Page 3, (D)] x [\$100K to \$1M Rate Analy:

This exhibit shows the calculation of estimated ultimate claims for each year based on reported claims as provided by the Authority. 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.

PLAN JPA - Liability Program (\$100K to \$1M Analysis)

Frequency and Severity Method
Closed Claim Count Development

| Accident Year | Claims Closed as of 12/31/2021 (A) | Closed Claim Development Factor (B) | Ultimate Claims (C) | Trended Claim Frequency (D) |
|---------------|------------------------------------|-------------------------------------|---------------------|-----------------------------|
| 2000-2001 | 7 | 1.000 | 7 | 0.019 |
| 2001-2002 | 10 | 1.000 | 10 | 0.025 |
| 2002-2003 | 21 | 1.000 | 21 | 0.049 |
| 2003-2004 | 12 | 1.000 | 12 | 0.027 |
| 2004-2005 | 4 | 1.000 | 4 | 0.009 |
| 2005-2006 | 13 | 1.000 | 13 | 0.029 |
| 2006-2007 | 13 | 1.000 | 13 | 0.028 |
| 2007-2008 | 12 | 1.000 | 12 | 0.025 |
| 2008-2009 | 11 | 1.001 | 11 | 0.022 |
| 2009-2010 | 14 | 1.002 | 14 | 0.030 |
| 2010-2011 | 9 | 1.003 | 9 | 0.022 |
| 2011-2012 | 14 | 1.004 | 14 | 0.035 |
| 2012-2013 | 14 | 1.005 | 14 | 0.035 |
| 2013-2014 | 9 | 1.006 | 9 | 0.023 |
| 2014-2015 | 9 | 1.007 | 9 | 0.023 |
| 2015-2016 | 15 | 1.008 | 15 | 0.037 |
| 2016-2017 | 9 | 1.009 | 9 | 0.021 |
| 2017-2018 | 4 | 1.010 | 4 | 0.009 |
| 2018-2019 | 1 | 1.061 | 1 | 0.002 |
| 2019-2020 | 0 | 3.183 | 0 | |
| 2020-2021 | 0 | 11.141 | 0 | |
| Total | 201 | | 201 | 0.023 |

Notes:

- (A) Provided by the Authority.
 (B) From \$100K to \$1M Rate Analysis Appendix D, Page 7.
 (C) (A) x (B).
 (D) (C) / [\$100K to \$1M Rate Analysis Appendix D, Page 3, (D)] x [\$100K to \$1M Rate Analy:

This exhibit shows the calculation of estimated ultimate claims for each year based on closed claims as provided by the Authority. 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.

PLAN JPA - Liability Program (\$100K to \$1M Analysis)
Reported Claim Count Development

| Accident Year | Claims Reported as of: | | | | | | | | | | | | | |
|------------------|------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 6 Months | 18 Months | 30 Months | 42 Months | 54 Months | 66 Months | 78 Months | 90 Months | 102 Months | 114 Months | 126 Months | 138 Months | 150 Months | 162 Months |
| 2000-2001 | | | | | | | | 3 | 3 | 3 | 3 | 3 | 8 | 8 |
| 2001-2002 | | | | | | | 8 | 8 | 8 | 8 | 8 | 7 | 10 | 10 |
| 2002-2003 | | | | | | 7 | 7 | 7 | 7 | 7 | 11 | 21 | 21 | 21 |
| 2003-2004 | | | | | 9 | 10 | 10 | 10 | 10 | 22 | 12 | 12 | 12 | 12 |
| 2004-2005 | | | | 17 | 20 | 20 | 20 | 20 | 12 | 5 | 5 | 5 | 5 | 5 |
| 2005-2006 | | | 4 | 7 | 9 | 10 | 11 | 5 | 15 | 15 | 15 | 15 | 15 | 15 |
| 2006-2007 | | 3 | 8 | 6 | 6 | 5 | 16 | 13 | 13 | 13 | 13 | 13 | 13 | 13 |
| 2007-2008 | 1 | 5 | 9 | 11 | 14 | 11 | 19 | 18 | 18 | 18 | 18 | 17 | 18 | 13 |
| 2008-2009 | 2 | 6 | 8 | 8 | 19 | 14 | 13 | 13 | 13 | 13 | 13 | 13 | 18 | 13 |
| 2009-2010 | 3 | 5 | 14 | 14 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 13 | 16 | |
| 2010-2011 | | 6 | 21 | 14 | 13 | 12 | 11 | 11 | 11 | 11 | 16 | 11 | | |
| 2011-2012 | 3 | 11 | 19 | 17 | 17 | 16 | 16 | 16 | 16 | 11 | 17 | | | |
| 2012-2013 | 3 | 22 | 22 | 15 | 15 | 16 | 15 | 15 | 16 | 16 | | | | |
| 2013-2014 | 3 | 4 | 8 | 10 | 11 | 11 | 11 | 15 | 11 | | | | | |
| 2014-2015 | 3 | 8 | 15 | 12 | 12 | 12 | 11 | 12 | | | | | | |
| 2015-2016 | | 4 | 10 | 15 | 16 | 12 | 16 | | | | | | | |
| 2016-2017 | | 4 | 11 | 12 | 16 | 15 | | | | | | | | |
| 2017-2018 | | 2 | 4 | 12 | 6 | | | | | | | | | |
| 2018-2019 | | | 4 | 5 | | | | | | | | | | |
| 2019-2020 | | | 4 | | | | | | | | | | | |
| 2020-2021 | | 12 | | | | | | | | | | | | |
| 2021-2022 | 1 | | | | | | | | | | | | | |

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 | 138-150 Months | 150-162 Months | 162-174 Months |
|----------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| 2000-2001 | | | | | | | | 1.000 | 1.000 | 1.000 | 1.000 | 2.667 | 1.000 | 1.000 |
| 2001-2002 | | | | | | | 1.000 | 1.000 | 1.000 | 1.000 | 0.875 | 1.429 | 1.000 | 1.000 |
| 2002-2003 | | | | | | 1.000 | 1.000 | 1.000 | 1.000 | 1.571 | 1.909 | 1.000 | 1.000 | 1.000 |
| 2003-2004 | | | | | 1.111 | 1.000 | 1.000 | 1.000 | 2.200 | 0.545 | 1.000 | 1.000 | 1.000 | 1.000 |
| 2004-2005 | | | | 1.176 | 1.000 | 1.000 | 1.000 | 0.600 | 0.417 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| 2005-2006 | | | 1.750 | 1.286 | 1.111 | 1.100 | 0.455 | 3.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| 2006-2007 | | 2.667 | 0.750 | 1.000 | 0.833 | 3.200 | 0.813 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.154 |
| 2007-2008 | 5.000 | 1.800 | 1.222 | 1.273 | 0.786 | 1.727 | 0.947 | 1.000 | 1.000 | 1.000 | 0.944 | 1.059 | 0.722 | 1.385 |
| 2008-2009 | 3.000 | 1.333 | 1.000 | 2.375 | 0.737 | 0.929 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.385 | 0.722 | |
| 2009-2010 | 1.667 | 2.800 | 1.000 | 1.143 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 0.813 | 1.231 | | |
| 2010-2011 | | 3.500 | 0.667 | 0.929 | 0.923 | 0.917 | 1.000 | 1.000 | 1.000 | 1.455 | 0.688 | | | |
| 2011-2012 | 3.667 | 1.727 | 0.895 | 1.000 | 0.941 | 1.000 | 1.000 | 1.000 | 0.688 | 1.545 | | | | |
| 2012-2013 | 7.333 | 1.000 | 0.682 | 1.000 | 1.067 | 0.938 | 1.000 | 1.067 | 1.000 | | | | | |
| 2013-2014 | 1.333 | 2.000 | 1.250 | 1.100 | 1.000 | 1.000 | 1.364 | 0.733 | | | | | | |
| 2014-2015 | 2.667 | 1.875 | 0.800 | 1.000 | 1.000 | 0.917 | 1.091 | | | | | | | |
| 2015-2016 | | 2.500 | 1.500 | 1.067 | 0.750 | 1.333 | | | | | | | | |
| 2016-2017 | | 2.750 | 1.091 | 1.333 | 0.938 | | | | | | | | | |
| 2017-2018 | | 2.000 | 3.000 | 0.500 | | | | | | | | | | |
| 2018-2019 | | | 1.250 | | | | | | | | | | | |
| 2019-2020 | | | | | | | | | | | | | | |
| 2020-2021 | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| | 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 | 138-150 Months | 150-162 Months | 162-174 Months |
| Average | 3.524 | 2.163 | 1.204 | 1.156 | 0.943 | 1.219 | 0.976 | 1.100 | 1.023 | 1.093 | 1.021 | 1.277 | 0.938 | 1.067 |
| Claim-Weighted | | | | | | | | | | | | | | |
| Averages | | | | | | | | | | | | | | |
| 3-yr | | | 1.526 | 0.974 | 0.886 | 1.086 | 1.135 | 0.935 | 0.884 | 1.289 | 0.822 | 1.209 | 0.796 | 1.171 |
| 4-yr | | | 1.517 | 0.980 | 0.909 | 1.039 | 1.094 | 0.947 | 0.915 | 1.216 | 0.857 | 1.161 | 0.844 | 1.152 |
| 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 | 1.000 | 1.000 |
| Prior | 3.700 | 2.250 | 1.200 | 1.150 | 1.025 | 1.010 | 1.001 | 1.001 | 1.001 | 1.001 | 1.000 | 1.000 | 1.001 | 1.000 |
| Selected | 3.700 | 2.250 | 1.200 | 1.150 | 1.025 | 1.010 | 1.001 | 1.001 | 1.001 | 1.001 | 1.000 | 1.000 | 1.001 | 1.000 |
| Cumulated | 11.947 | 3.229 | 1.435 | 1.196 | 1.040 | 1.015 | 1.005 | 1.004 | 1.003 | 1.002 | 1.001 | 1.001 | 1.001 | 1.000 |

PLAN JPA - Liability Program (\$100K to \$1M Analysis)

Closed Claim Development

Claims Closed 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 | 150 Months | 162 Months |
|---------------|----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------|------------|------------|------------|------------|
| 2000-2001 | | | | | | | | 2 | 2 | 3 | 3 | 3 | 8 | 8 |
| 2001-2002 | | | | | | | 8 | 8 | 8 | 8 | 8 | 7 | 10 | 10 |
| 2002-2003 | | | | | | 6 | 7 | 7 | 7 | 7 | 10 | 20 | 20 | 20 |
| 2003-2004 | | | | | 6 | 7 | 8 | 10 | 10 | 20 | 12 | 12 | 12 | 12 |
| 2004-2005 | | | | 12 | 17 | 18 | 19 | 20 | 10 | 5 | 5 | 5 | 5 | 5 |
| 2005-2006 | | | 4 | 4 | 5 | 5 | 6 | 5 | 13 | 14 | 15 | 15 | 15 | 15 |
| 2006-2007 | | 1 | 1 | 5 | 5 | 5 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 12 |
| 2007-2008 | | | 1 | 6 | 8 | 8 | 18 | 18 | 18 | 18 | 18 | 17 | 18 | 12 |
| 2008-2009 | | 1 | 2 | 6 | 12 | 10 | 12 | 13 | 13 | 13 | 13 | 13 | 18 | 13 |
| 2009-2010 | | | 1 | 6 | 13 | 14 | 15 | 15 | 16 | 16 | 16 | 13 | 16 | |
| 2010-2011 | | | 1 | 4 | 7 | 10 | 11 | 11 | 11 | 11 | 16 | 11 | | |
| 2011-2012 | | | | 2 | 8 | 10 | 14 | 16 | 15 | 11 | 16 | | | |
| 2012-2013 | | 1 | 5 | 10 | 11 | 15 | 14 | 14 | 15 | 15 | | | | |
| 2013-2014 | | | 3 | 5 | 10 | 9 | 10 | 14 | 11 | | | | | |
| 2014-2015 | | 2 | 5 | 9 | 8 | 12 | 10 | 12 | | | | | | |
| 2015-2016 | | | 2 | 6 | 10 | 12 | 15 | | | | | | | |
| 2016-2017 | | | | 1 | 5 | 10 | 9 | | | | | | | |
| 2017-2018 | | | | 1 | 5 | 4 | | | | | | | | |
| 2018-2019 | | | | 1 | 1 | | | | | | | | | |
| 2019-2020 | | | | | | | | | | | | | | |
| 2020-2021 | | | | | | | | | | | | | | |
| 2021-2022 | | | | | | | | | | | | | | |

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 | 138-150 Months | 150-162 Months | 162-174 Months |
|---------------------------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|
| 2000-2001 | | | | | | | | 1.000 | 1.500 | 1.000 | 1.000 | 2.667 | 1.000 | 1.000 |
| 2001-2002 | | | | | | | 1.000 | 1.000 | 1.000 | 1.000 | 0.875 | 1.429 | 1.000 | 1.000 |
| 2002-2003 | | | | | | 1.167 | 1.000 | 1.000 | 1.000 | 1.429 | 2.000 | 1.000 | 1.000 | 1.000 |
| 2003-2004 | | | | | 1.167 | 1.143 | 1.250 | 1.000 | 2.000 | 0.600 | 1.000 | 1.000 | 1.000 | 1.000 |
| 2004-2005 | | | | 1.417 | 1.059 | 1.056 | 1.053 | 0.500 | 0.500 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| 2005-2006 | | | 1.000 | 1.250 | 1.000 | 1.200 | 0.833 | 2.600 | 1.077 | 1.071 | 1.000 | 1.000 | 1.000 | 1.000 |
| 2006-2007 | | 1.000 | 5.000 | 1.000 | 1.000 | 2.600 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 0.923 | 1.250 |
| 2007-2008 | | | 6.000 | 1.333 | 1.000 | 2.250 | 1.000 | 1.000 | 1.000 | 1.000 | 0.944 | 1.059 | 0.667 | 1.500 |
| 2008-2009 | | 2.000 | 3.000 | 2.000 | 0.833 | 1.200 | 1.083 | 1.000 | 1.000 | 1.000 | 1.000 | 1.385 | 0.722 | |
| 2009-2010 | | | 6.000 | 2.167 | 1.077 | 1.071 | 1.000 | 1.067 | 1.000 | 1.000 | 0.813 | 1.231 | | |
| 2010-2011 | | 4.000 | 1.750 | 1.429 | 1.100 | 1.000 | 1.000 | 1.000 | 1.000 | 1.455 | 0.688 | | | |
| 2011-2012 | | | 4.000 | 1.250 | 1.400 | 1.143 | 0.938 | 1.000 | 0.733 | 1.455 | | | | |
| 2012-2013 | | 5.000 | 2.000 | 1.100 | 1.364 | 0.933 | 1.000 | 1.071 | 1.000 | | | | | |
| 2013-2014 | | | 1.667 | 2.000 | 0.900 | 1.111 | 1.400 | 0.786 | | | | | | |
| 2014-2015 | | 2.500 | 1.800 | 0.889 | 1.500 | 0.833 | 1.200 | | | | | | | |
| 2015-2016 | | | 3.000 | 1.667 | 1.200 | 1.250 | | | | | | | | |
| 2016-2017 | | | 5.000 | 2.000 | 0.900 | | | | | | | | | |
| 2017-2018 | | | 5.000 | 0.800 | | | | | | | | | | |
| 2018-2019 | | | 1.000 | | | | | | | | | | | |
| 2019-2020 | | | | | | | | | | | | | | |
| 2020-2021 | | | | | | | | | | | | | | |
| Average Claim-Weighted Averages | 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 | 138-150 Months | 150-162 Months | 162-174 Months |
| | | 2.900 | 3.301 | 1.450 | 1.107 | 1.283 | 1.054 | 1.073 | 1.062 | 1.084 | 1.029 | 1.277 | 0.924 | 1.094 |
| 3-yr | | | 3.667 | 1.500 | 1.179 | 1.061 | 1.176 | 0.953 | 0.902 | 1.263 | 0.822 | 1.209 | 0.755 | 1.231 |
| 4-yr | | | 3.400 | 1.280 | 1.105 | 1.021 | 1.100 | 0.963 | 0.930 | 1.196 | 0.857 | 1.161 | 0.813 | 1.205 |
| Comparative Factors Prior | 3.387 | 1.495 | 1.122 | 1.051 | 1.033 | 1.020 | 1.012 | 1.010 | 1.007 | 1.005 | 1.005 | 1.003 | 1.003 | 1.001 |
| | 4.000 | 3.500 | 3.000 | 1.050 | 1.001 | 1.001 | 1.001 | 1.001 | 1.001 | 1.001 | 1.001 | 1.001 | 1.001 | 1.001 |
| Selected | 4.000 | 3.500 | 3.000 | 1.050 | 1.001 | 1.001 | 1.001 | 1.001 | 1.001 | 1.001 | 1.001 | 1.001 | 1.001 | 1.001 |
| Cumulated | 44.564 | 11.141 | 3.183 | 1.061 | 1.010 | 1.009 | 1.008 | 1.007 | 1.006 | 1.005 | 1.004 | 1.003 | 1.002 | 1.001 |

PLAN JPA - Liability Program (\$100K to \$1M Analysis)

Loss Trend Factors

| Accident Year | Benefit Level Factor (A) | Factor to 2021-2022 Loss Rate Level (B) | Factor to 2022-2023 Loss Rate Level (C) | Factor to 2023-2024 Loss Rate Level (D) | Factor to 2024-2025 Loss Rate Level (E) | Factor to 2021-2022 Frequency Level (F) | Factor to 2022-2023 Frequency Level (G) | Factor to 2023-2024 Frequency Level (H) | Factor to 2024-2025 Frequency Level (I) | Factor to 2021-2022 Severity Level (J) |
|---------------|--------------------------|---|---|---|---|---|---|---|---|--|
| 2000-2001 | 1.000 | 2.281 | 2.372 | 2.467 | 2.566 | 1.232 | 1.244 | 1.256 | 1.269 | 1.862 |
| 2001-2002 | 1.000 | 2.193 | 2.280 | 2.372 | 2.467 | 1.219 | 1.231 | 1.244 | 1.256 | 1.808 |
| 2002-2003 | 1.000 | 2.108 | 2.192 | 2.281 | 2.372 | 1.208 | 1.220 | 1.232 | 1.244 | 1.755 |
| 2003-2004 | 1.000 | 2.028 | 2.108 | 2.193 | 2.281 | 1.196 | 1.208 | 1.220 | 1.232 | 1.704 |
| 2004-2005 | 1.000 | 1.949 | 2.027 | 2.109 | 2.193 | 1.184 | 1.196 | 1.208 | 1.220 | 1.654 |
| 2005-2006 | 1.000 | 1.875 | 1.949 | 2.028 | 2.109 | 1.173 | 1.184 | 1.196 | 1.208 | 1.606 |
| 2006-2007 | 1.000 | 1.803 | 1.874 | 1.950 | 2.028 | 1.161 | 1.173 | 1.184 | 1.196 | 1.559 |
| 2007-2008 | 1.000 | 1.733 | 1.802 | 1.875 | 1.950 | 1.150 | 1.161 | 1.172 | 1.184 | 1.513 |
| 2008-2009 | 1.000 | 1.667 | 1.733 | 1.803 | 1.875 | 1.138 | 1.149 | 1.160 | 1.172 | 1.469 |
| 2009-2010 | 1.000 | 1.603 | 1.666 | 1.734 | 1.803 | 1.126 | 1.137 | 1.149 | 1.160 | 1.426 |
| 2010-2011 | 1.000 | 1.541 | 1.603 | 1.667 | 1.734 | 1.116 | 1.126 | 1.138 | 1.149 | 1.385 |
| 2011-2012 | 1.000 | 1.482 | 1.541 | 1.603 | 1.667 | 1.105 | 1.116 | 1.127 | 1.138 | 1.345 |
| 2012-2013 | 1.000 | 1.425 | 1.482 | 1.541 | 1.603 | 1.094 | 1.105 | 1.116 | 1.127 | 1.306 |
| 2013-2014 | 1.000 | 1.370 | 1.424 | 1.482 | 1.541 | 1.083 | 1.094 | 1.105 | 1.116 | 1.267 |
| 2014-2015 | 1.000 | 1.317 | 1.370 | 1.425 | 1.482 | 1.073 | 1.083 | 1.094 | 1.105 | 1.231 |
| 2015-2016 | 1.000 | 1.267 | 1.317 | 1.370 | 1.425 | 1.062 | 1.073 | 1.083 | 1.094 | 1.195 |
| 2016-2017 | 1.000 | 1.218 | 1.266 | 1.317 | 1.370 | 1.051 | 1.062 | 1.072 | 1.083 | 1.160 |
| 2017-2018 | 1.000 | 1.171 | 1.217 | 1.266 | 1.317 | 1.041 | 1.051 | 1.061 | 1.072 | 1.126 |
| 2018-2019 | 1.000 | 1.125 | 1.170 | 1.217 | 1.266 | 1.030 | 1.040 | 1.050 | 1.061 | 1.093 |
| 2019-2020 | 1.000 | 1.082 | 1.125 | 1.170 | 1.217 | 1.019 | 1.029 | 1.040 | 1.050 | 1.061 |
| 2020-2021 | 1.000 | 1.040 | 1.081 | 1.125 | 1.170 | 1.010 | 1.020 | 1.030 | 1.040 | 1.030 |
| 2021-2022 | 1.000 | 1.000 | 1.040 | 1.082 | 1.125 | 1.000 | 1.010 | 1.020 | 1.030 | 1.000 |
| 2022-2023 | 1.000 | -- | 1.000 | 1.040 | 1.082 | -- | 1.000 | 1.010 | 1.020 | -- |
| 2023-2024 | 1.000 | -- | -- | 1.000 | 1.040 | -- | -- | 1.000 | 1.010 | -- |
| 2024-2025 | 1.000 | -- | -- | -- | 1.000 | -- | -- | -- | 1.000 | -- |

Notes:

- (A) No benefit level adjustment applied.
 (B) - (E) (A) adjusted for a 4.0% 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.

PLAN JPA - Liability Program (\$100K to \$1M Analysis)

Residual Trend Factors

| Accident Year | Initial Estimate of Ultimate Limited Losses (A) | Ultimate Reported Claims (B) | BLF (C) | Adjusted Limited Severity (D) | Trended Payroll (\$00) (E) | Ultimate Frequency (F) |
|---------------|---|------------------------------|---------|-------------------------------|----------------------------|------------------------|
| 2000-2001 | \$1,719,728 | 7 | 1.000 | 245,675 | 4,426,994 | 0.016 |
| 2001-2002 | 2,949,541 | 10 | 1.000 | 294,954 | 4,793,823 | 0.021 |
| 2002-2003 | 4,237,463 | 21 | 1.000 | 201,784 | 5,201,926 | 0.040 |
| 2003-2004 | 2,205,881 | 12 | 1.000 | 183,823 | 5,302,373 | 0.023 |
| 2004-2005 | 1,424,731 | 4 | 1.000 | 356,183 | 5,323,509 | 0.008 |
| 2005-2006 | 2,684,321 | 13 | 1.000 | 206,486 | 5,279,351 | 0.025 |
| 2006-2007 | 1,419,184 | 13 | 1.000 | 109,168 | 5,365,043 | 0.024 |
| 2007-2008 | 2,651,368 | 12 | 1.000 | 220,947 | 5,523,940 | 0.022 |
| 2008-2009 | 2,652,344 | 11 | 1.000 | 241,122 | 5,584,172 | 0.020 |
| 2009-2010 | 1,335,978 | 14 | 1.000 | 95,427 | 5,300,275 | 0.026 |
| 2010-2011 | 1,557,549 | 9 | 1.000 | 173,061 | 4,637,189 | 0.019 |
| 2011-2012 | 3,503,000 | 15 | 1.000 | 233,533 | 4,425,587 | 0.034 |
| 2012-2013 | 3,577,000 | 15 | 1.000 | 238,467 | 4,346,745 | 0.035 |
| 2013-2014 | 2,088,304 | 9 | 1.000 | 232,034 | 4,181,204 | 0.022 |
| 2014-2015 | 3,799,380 | 9 | 1.000 | 422,153 | 4,221,572 | 0.021 |
| 2015-2016 | 3,288,000 | 16 | 1.000 | 205,500 | 4,288,766 | 0.037 |
| 2016-2017 | 5,491,000 | 15 | 1.000 | 366,067 | 4,455,964 | 0.034 |
| 2017-2018 | 761,000 | 6 | 1.000 | 126,833 | 4,565,477 | 0.013 |
| 2018-2019 | 907,000 | 6 | 1.000 | 151,167 | 4,594,102 | 0.013 |
| 2019-2020 | 2,353,000 | 6 | 1.000 | 392,167 | 4,567,802 | 0.013 |
| 2020-2021 | 2,863,000 | 8 | 1.000 | 357,875 | 4,506,728 | 0.018 |

Severity Trend FactorsFrequency Trend Factors

| | | |
|-----------------------------|-------|-------|
| 2007-2008 through 2016-2017 | 1.074 | 1.048 |
| 2008-2009 through 2017-2018 | 1.039 | 0.997 |
| 2009-2010 through 2018-2019 | 1.027 | 0.948 |
| Prior | 1.030 | 1.010 |
| Default | 1.030 | 0.975 |

| | | |
|-------------------------|-------|-------|
| Selected Residual Trend | 1.030 | 1.010 |
|-------------------------|-------|-------|

Notes:

- (A) Selected average of results from \$100K to \$1M Rate Analysis Appendix A and \$100K to \$1M Rate Analysis Appendix D, Page 3, Column (C).
 (B) \$100K to \$1M Rate Analysis Appendix E, Page 1, (A).
 (C) (A) x (C) / (B).
 (D) From \$100K to \$1M Rate Analysis Appendix I, Column (C).
 (E) (B) / (E) x 10,000.

PLAN JPA - Liability Program (\$100K to \$1M Analysis)

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 | 0.2% | 2.0% | 0.002 | 0.002 | 0.990 |
| 13 | 0.2% | 2.0% | 0.004 | 0.004 | 0.980 |
| 12 | 0.4% | 2.0% | 0.008 | 0.008 | 0.976 |
| 11 | 0.4% | 2.0% | 0.011 | 0.012 | 0.968 |
| 10 | 0.8% | 2.0% | 0.019 | 0.020 | 0.965 |
| 9 | 1.7% | 2.0% | 0.035 | 0.037 | 0.967 |
| 8 | 3.5% | 2.0% | 0.069 | 0.071 | 0.968 |
| 7 | 7.1% | 2.0% | 0.138 | 0.142 | 0.970 |
| 6 | 9.9% | 2.0% | 0.234 | 0.242 | 0.967 |
| 5 | 15.2% | 2.0% | 0.380 | 0.394 | 0.964 |
| 4 | 25.2% | 2.0% | 0.623 | 0.647 | 0.963 |
| 3 | 23.0% | 2.0% | 0.838 | 0.877 | 0.956 |
| 2 | 9.8% | 2.0% | 0.919 | 0.975 | 0.943 |
| 1 | 2.5% | 2.0% | 0.926 | 1.000 | 0.926 |

| | | |
|---|-----------|-------|
| (G) Discount Factor for Future Funding: | 2021-2022 | 0.935 |
| | 2022-2023 | 0.935 |

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 \$100K to \$1M Rate Analysis Appendix B, 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, $91.9\% = [83.8\% / 1.020] + [9.8\% / (1.010)]$.
- (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 0.94, on a discounted basis, \$0.94 must be budgeted for every \$1 that will actually be paid on claims that will be incurred in the next fiscal year.

PLAN JPA - Liability Program (\$100K to \$1M Analysis)

Confidence Level Table

| Probability | Projected Losses | Outstanding Losses |
|-------------|------------------|--------------------|
| 95% | 1.965 | 1.533 |
| 90% | 1.671 | 1.376 |
| 85% | 1.496 | 1.283 |
| 80% | 1.365 | 1.213 |
| 75% | 1.260 | 1.157 |
| 70% | 1.172 | 1.109 |
| 65% | 1.094 | 1.067 |
| 60% | 1.026 | 1.029 |
| 55% | 0.962 | 0.994 |
| 50% | 0.902 | 0.960 |
| 45% | 0.846 | 0.929 |
| 40% | 0.792 | 0.897 |
| 35% | 0.738 | 0.866 |
| 30% | 0.685 | 0.835 |
| 25% | 0.632 | 0.801 |

To read table: For the above retention, there is a 90% chance that final loss settlements will be less than 1.671 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.

PLAN JPA - Liability Program (\$100K to \$1M Analysis)

Incurred Losses as of 12/31/21

| Accident Year (A) | Unlimited Incurred (B) | Additions to Losses (C) | Subtractions from Losses (D) | Adjusted Incurred (E) | Incurred Over SIR (F) | Incurred Over \$100,000 (G) | Incurred Capped at to SIR Layer (H) | Incurred \$100,000 to SIR Layer (I) | Incurred Capped at SIR (J) | Incurred Capped at SIR & Aggregate (K) |
|-------------------------|------------------------------|----------------------------------|---------------------------------------|-----------------------------|-----------------------------|--------------------------------------|--|--|-------------------------------------|--|
| 2000-2001 | \$3,911,857 | \$0 | \$0 | \$3,911,857 | \$0 | \$1,719,728 | \$2,192,130 | \$1,719,728 | \$3,911,857 | \$3,911,857 |
| 2001-2002 | 7,249,504 | 0 | 0 | 7,249,504 | 1,452,906 | 4,402,447 | 2,847,057 | 2,949,541 | 5,796,598 | 5,796,598 |
| 2002-2003 | 12,459,622 | 0 | 0 | 12,459,622 | 3,575,194 | 7,812,657 | 4,646,965 | 4,237,463 | 8,884,428 | 8,884,428 |
| 2003-2004 | 5,715,419 | 0 | 0 | 5,715,419 | 0 | 2,205,881 | 3,509,537 | 2,205,881 | 5,715,419 | 5,715,419 |
| 2004-2005 | 3,909,704 | 0 | 0 | 3,909,704 | 40,367 | 1,465,098 | 2,444,607 | 1,424,731 | 3,869,337 | 3,869,337 |
| 2005-2006 | 7,274,863 | 0 | 0 | 7,274,863 | 1,643,182 | 4,327,503 | 2,947,359 | 2,684,321 | 5,631,680 | 5,631,680 |
| 2006-2007 | 4,547,760 | 0 | 0 | 4,547,760 | 0 | 1,419,184 | 3,128,576 | 1,419,184 | 4,547,760 | 4,547,760 |
| 2007-2008 | 5,982,106 | 0 | 0 | 5,982,106 | 183,478 | 2,834,846 | 3,147,259 | 2,651,369 | 5,798,628 | 5,798,628 |
| 2008-2009 | 5,484,881 | 0 | 0 | 5,484,881 | 120,835 | 2,773,179 | 2,711,703 | 2,652,344 | 5,364,046 | 5,364,046 |
| 2009-2010 | 3,874,500 | 0 | 0 | 3,874,500 | 0 | 1,335,978 | 2,538,522 | 1,335,978 | 3,874,500 | 3,874,500 |
| 2010-2011 | 3,571,075 | 0 | 0 | 3,571,075 | 0 | 1,557,549 | 2,013,526 | 1,557,549 | 3,571,075 | 3,571,075 |
| 2011-2012 | 6,315,380 | 0 | 0 | 6,315,380 | 22,224 | 3,490,733 | 2,824,647 | 3,468,509 | 6,293,156 | 6,293,156 |
| 2012-2013 | 6,833,017 | 0 | 0 | 6,833,017 | 0 | 3,524,416 | 3,308,601 | 3,524,416 | 6,833,017 | 6,833,017 |
| 2013-2014 | 9,703,564 | 0 | 0 | 9,703,564 | 5,385,480 | 7,473,784 | 2,229,780 | 2,088,304 | 4,318,084 | 4,318,084 |
| 2014-2015 | 7,286,913 | 0 | 0 | 7,286,913 | 549,140 | 4,348,520 | 2,938,392 | 3,799,381 | 6,737,773 | 6,737,773 |
| 2015-2016 | 8,501,264 | 0 | 0 | 8,501,264 | 2,240,574 | 5,365,803 | 3,135,461 | 3,125,229 | 6,260,691 | 6,260,691 |
| 2016-2017 | 35,651,100 | 0 | 0 | 35,651,100 | 27,554,111 | 32,720,056 | 2,931,044 | 5,165,945 | 8,096,989 | 8,096,989 |
| 2017-2018 | 2,646,622 | 0 | 0 | 2,646,622 | 0 | 773,258 | 1,873,364 | 773,258 | 2,646,622 | 2,646,622 |
| 2018-2019 | 2,313,337 | 0 | 0 | 2,313,337 | 0 | 717,128 | 1,596,209 | 717,128 | 2,313,337 | 2,313,337 |
| 2019-2020 | 2,327,142 | 0 | 0 | 2,327,142 | 0 | 66,812 | 2,260,330 | 66,812 | 2,327,142 | 2,327,142 |
| 2020-2021 | 33,801,806 | 0 | 0 | 33,801,806 | 29,250,008 | 31,269,779 | 2,532,027 | 2,019,771 | 4,551,798 | 4,551,798 |
| 2021-2022 | 465,421 | 0 | 0 | 465,421 | 0 | 50,000 | 415,421 | 50,000 | 465,421 | 465,421 |
| Total | \$179,826,857 | \$0 | \$0 | \$179,826,857 | \$72,017,498 | \$121,654,340 | \$58,172,517 | \$49,636,841 | \$107,809,359 | \$107,809,359 |

Notes:

- (A) Years are 7/1 to 6/30.
- (B) Provided by the Authority.
- (C)
- (D)
- (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 \$100K to \$1M Rate Analysis Not Included.

PLAN JPA - Liability Program (\$100K to \$1M Analysis)

Paid Losses as of 12/31/21

| Accident Year (A) | Unlimited Paid (B) | Additions to 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) |
|-------------------|--------------------|-------------------------|------------------------------|-------------------|-------------------|-------------------------|------------------------------|---------------------------------|------------------------|------------------------------------|
| 2000-2001 | \$3,911,857 | \$0 | \$0 | \$3,911,857 | \$0 | \$1,719,728 | \$2,192,130 | \$1,719,728 | \$3,911,857 | \$3,911,857 |
| 2001-2002 | 7,249,504 | 0 | 0 | 7,249,504 | 1,452,906 | 4,402,447 | 2,847,057 | 2,949,541 | 5,796,598 | 5,796,598 |
| 2002-2003 | 12,459,622 | 0 | 0 | 12,459,622 | 3,575,194 | 7,812,657 | 4,646,965 | 4,237,463 | 8,884,428 | 8,884,428 |
| 2003-2004 | 5,715,419 | 0 | 0 | 5,715,419 | 0 | 2,205,881 | 3,509,537 | 2,205,881 | 5,715,419 | 5,715,419 |
| 2004-2005 | 3,909,704 | 0 | 0 | 3,909,704 | 40,367 | 1,465,098 | 2,444,607 | 1,424,731 | 3,869,337 | 3,869,337 |
| 2005-2006 | 7,274,863 | 0 | 0 | 7,274,863 | 1,643,182 | 4,327,503 | 2,947,359 | 2,684,321 | 5,631,680 | 5,631,680 |
| 2006-2007 | 4,547,760 | 0 | 0 | 4,547,760 | 0 | 1,419,184 | 3,128,576 | 1,419,184 | 4,547,760 | 4,547,760 |
| 2007-2008 | 5,982,106 | 0 | 0 | 5,982,106 | 183,478 | 2,834,846 | 3,147,259 | 2,651,369 | 5,798,628 | 5,798,628 |
| 2008-2009 | 5,484,881 | 0 | 0 | 5,484,881 | 120,835 | 2,773,179 | 2,711,703 | 2,652,344 | 5,364,046 | 5,364,046 |
| 2009-2010 | 3,874,500 | 0 | 0 | 3,874,500 | 0 | 1,335,978 | 2,538,522 | 1,335,978 | 3,874,500 | 3,874,500 |
| 2010-2011 | 3,571,075 | 0 | 0 | 3,571,075 | 0 | 1,557,549 | 2,013,526 | 1,557,549 | 3,571,075 | 3,571,075 |
| 2011-2012 | 6,251,455 | 0 | 0 | 6,251,455 | 22,224 | 3,426,808 | 2,824,647 | 3,404,584 | 6,229,231 | 6,229,231 |
| 2012-2013 | 6,415,654 | 0 | 0 | 6,415,654 | 0 | 3,107,052 | 3,308,601 | 3,107,052 | 6,415,654 | 6,415,654 |
| 2013-2014 | 9,703,564 | 0 | 0 | 9,703,564 | 5,385,480 | 7,473,784 | 2,229,780 | 2,088,304 | 4,318,084 | 4,318,084 |
| 2014-2015 | 7,286,913 | 0 | 0 | 7,286,913 | 549,140 | 4,348,520 | 2,938,392 | 3,799,381 | 6,737,773 | 6,737,773 |
| 2015-2016 | 8,367,272 | 0 | 0 | 8,367,272 | 2,240,574 | 5,231,811 | 3,135,461 | 2,991,237 | 6,126,699 | 6,126,699 |
| 2016-2017 | 34,479,534 | 0 | 0 | 34,479,534 | 27,178,799 | 31,645,510 | 2,834,023 | 4,466,711 | 7,300,734 | 7,300,734 |
| 2017-2018 | 2,520,086 | 0 | 0 | 2,520,086 | 0 | 719,295 | 1,800,791 | 719,295 | 2,520,086 | 2,520,086 |
| 2018-2019 | 1,852,726 | 0 | 0 | 1,852,726 | 0 | 515,432 | 1,337,293 | 515,432 | 1,852,726 | 1,852,726 |
| 2019-2020 | 1,128,779 | 0 | 0 | 1,128,779 | 0 | 0 | 1,128,779 | 0 | 1,128,779 | 1,128,779 |
| 2020-2021 | 10,740,183 | 0 | 0 | 10,740,183 | 9,000,000 | 9,947,057 | 793,126 | 947,057 | 1,740,183 | 1,740,183 |
| 2021-2022 | 40,902 | 0 | 0 | 40,902 | 0 | 0 | 40,902 | 0 | 40,902 | 40,902 |
| Total | \$152,768,357 | \$0 | \$0 | \$152,768,357 | \$51,392,178 | \$98,269,320 | \$54,499,037 | \$46,877,142 | \$101,376,178 | \$101,376,178 |

Notes:

- (A) Years are 7/1 to 6/30.
- (B) Provided by the Authority.
- (C)
- (D)
- (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 \$100K to \$1M Rate Analysis Not Included.

PLAN JPA - Liability Program (\$100K to \$1M Analysis)

Case Reserves as of 12/31/21

| Accident Year (A) | Unlimited Reserves (B) | Additions to Losses (C) | Subtractions from Losses (D) | Adjusted Reserves (E) | Reserves Over SIR (F) | Reserves Over \$100,000 (G) | Reserves Capped at to SIR Layer (H) | Reserves \$100,000 to SIR Layer (I) | Reserves Capped at SIR (J) | Reserves Capped at SIR & Aggregate (K) |
|-------------------|------------------------|-------------------------|------------------------------|-----------------------|-----------------------|-----------------------------|-------------------------------------|-------------------------------------|----------------------------|--|
| 2000-2001 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 2001-2002 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2002-2003 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2003-2004 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2004-2005 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2005-2006 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2006-2007 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2007-2008 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 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 | 63,925 | 0 | 0 | 63,925 | 0 | 63,925 | 0 | 63,925 | 63,925 | 63,925 |
| 2012-2013 | 417,364 | 0 | 0 | 417,364 | 0 | 417,364 | 0 | 417,364 | 417,364 | 417,364 |
| 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 | 133,992 | 0 | 0 | 133,992 | 0 | 133,992 | 0 | 133,992 | 133,992 | 133,992 |
| 2016-2017 | 1,171,566 | 0 | 0 | 1,171,566 | 375,312 | 1,074,546 | 97,020 | 699,234 | 796,254 | 796,254 |
| 2017-2018 | 126,536 | 0 | 0 | 126,536 | 0 | 53,963 | 72,573 | 53,963 | 126,536 | 126,536 |
| 2018-2019 | 460,612 | 0 | 0 | 460,612 | 0 | 201,696 | 258,916 | 201,696 | 460,612 | 460,612 |
| 2019-2020 | 1,198,363 | 0 | 0 | 1,198,363 | 0 | 66,812 | 1,131,551 | 66,812 | 1,198,363 | 1,198,363 |
| 2020-2021 | 23,061,623 | 0 | 0 | 23,061,623 | 20,250,008 | 21,322,722 | 1,738,901 | 1,072,714 | 2,811,615 | 2,811,615 |
| 2021-2022 | 424,519 | 0 | 0 | 424,519 | 0 | 50,000 | 374,519 | 50,000 | 424,519 | 424,519 |
| Total | \$27,058,500 | \$0 | \$0 | \$27,058,500 | \$20,625,320 | \$23,385,020 | \$3,673,480 | \$2,759,700 | \$6,433,180 | \$6,433,180 |

Notes:

- (A) Years are 7/1 to 6/30.
 (B) \$100K to \$1M Rate Analysis Appendix H, Page 1, Column (B) - \$100K to \$1M Rate Analysis Appendix H, Page 2, Column (B).
 (C) \$100K to \$1M Rate Analysis Appendix H, Page 1, Column (C) - \$100K to \$1M Rate Analysis Appendix H, Page 2, Column (C).
 (D) \$100K to \$1M Rate Analysis Appendix H, Page 1, Column (D) - \$100K to \$1M Rate Analysis Appendix H, 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 \$100K to \$1M Rate Analysis Not Included.

PLAN JPA - Liability Program (\$100K to \$1M Analysis)

Claim Counts as of 12/31/21 in Excess of \$100K

| 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) |
|-------------------------|---------------------------|--|---|---------------------------------------|-------------------------|--|---|-------------------------------------|-----------------------|-----------------------------------|
| 2000-2001 | 7 | 0 | 0 | 7 | 7 | 0 | 0 | 7 | 0 | 0 |
| 2001-2002 | 10 | 0 | 0 | 10 | 10 | 0 | 0 | 10 | 0 | 0 |
| 2002-2003 | 21 | 0 | 0 | 21 | 21 | 0 | 0 | 21 | 0 | 0 |
| 2003-2004 | 12 | 0 | 0 | 12 | 12 | 0 | 0 | 12 | 0 | 0 |
| 2004-2005 | 4 | 0 | 0 | 4 | 4 | 0 | 0 | 4 | 0 | 0 |
| 2005-2006 | 13 | 0 | 0 | 13 | 13 | 0 | 0 | 13 | 0 | 0 |
| 2006-2007 | 13 | 0 | 0 | 13 | 13 | 0 | 0 | 13 | 0 | 0 |
| 2007-2008 | 12 | 0 | 0 | 12 | 12 | 0 | 0 | 12 | 0 | 0 |
| 2008-2009 | 11 | 0 | 0 | 11 | 11 | 0 | 0 | 11 | 0 | 0 |
| 2009-2010 | 14 | 0 | 0 | 14 | 14 | 0 | 0 | 14 | 0 | 0 |
| 2010-2011 | 9 | 0 | 0 | 9 | 9 | 0 | 0 | 9 | 0 | 0 |
| 2011-2012 | 15 | 0 | 0 | 15 | 14 | 0 | 0 | 14 | 1 | 1 |
| 2012-2013 | 15 | 0 | 0 | 15 | 14 | 0 | 0 | 14 | 1 | 1 |
| 2013-2014 | 9 | 0 | 0 | 9 | 9 | 0 | 0 | 9 | 0 | 0 |
| 2014-2015 | 9 | 0 | 0 | 9 | 9 | 0 | 0 | 9 | 0 | 0 |
| 2015-2016 | 16 | 0 | 0 | 16 | 15 | 0 | 0 | 15 | 1 | 1 |
| 2016-2017 | 15 | 0 | 0 | 15 | 9 | 0 | 0 | 9 | 6 | 6 |
| 2017-2018 | 6 | 0 | 0 | 6 | 4 | 0 | 0 | 4 | 2 | 2 |
| 2018-2019 | 5 | 0 | 0 | 5 | 1 | 0 | 0 | 1 | 4 | 4 |
| 2019-2020 | 4 | 0 | 0 | 4 | 0 | 0 | 0 | 0 | 4 | 4 |
| 2020-2021 | 12 | 0 | 0 | 12 | 0 | 0 | 0 | 0 | 12 | 12 |
| 2021-2022 | 1 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 1 | 1 |
| Total | 233 | 0 | 0 | 233 | 201 | 0 | 0 | 201 | 32 | 32 |

Notes:

- (A) Years are 7/1 to 6/30.
- (B) Provided by the Authority.
- (C)
- (D)
- (E) (B) + (C) - (D).
- (F) Provided by the Authority.
- (G)
- (H)
- (I) (F) + (G) - (H).
- (J) (B) - (F).
- (K) (E) - (I).

PLAN JPA - Liability Program (\$100K to \$1M Analysis)

Exposure Measures

| Accident Year | Total Payroll (\$00) (A) | Inflation Trend Factor (B) | Trended Payroll (\$00) (C) |
|------------------|-----------------------------------|-------------------------------------|-------------------------------------|
| 2000-2001 | 2,636,685 | 1.679 | 4,426,994 |
| 2001-2002 | 2,926,632 | 1.638 | 4,793,823 |
| 2002-2003 | 3,255,273 | 1.598 | 5,201,926 |
| 2003-2004 | 3,401,137 | 1.559 | 5,302,373 |
| 2004-2005 | 3,500,006 | 1.521 | 5,323,509 |
| 2005-2006 | 3,557,514 | 1.484 | 5,279,351 |
| 2006-2007 | 3,705,140 | 1.448 | 5,365,043 |
| 2007-2008 | 3,909,370 | 1.413 | 5,523,940 |
| 2008-2009 | 4,049,436 | 1.379 | 5,584,172 |
| 2009-2010 | 3,940,725 | 1.345 | 5,300,275 |
| 2010-2011 | 3,534,443 | 1.312 | 4,637,189 |
| 2011-2012 | 3,457,490 | 1.280 | 4,425,587 |
| 2012-2013 | 3,480,180 | 1.249 | 4,346,745 |
| 2013-2014 | 3,430,028 | 1.219 | 4,181,204 |
| 2014-2015 | 3,550,523 | 1.189 | 4,221,572 |
| 2015-2016 | 3,697,212 | 1.160 | 4,288,766 |
| 2016-2017 | 3,936,364 | 1.132 | 4,455,964 |
| 2017-2018 | 4,135,396 | 1.104 | 4,565,477 |
| 2018-2019 | 4,265,647 | 1.077 | 4,594,102 |
| 2019-2020 | 4,346,148 | 1.051 | 4,567,802 |
| 2020-2021 | 4,396,808 | 1.025 | 4,506,728 |
| 2021-2022 | 4,622,980 | 1.000 | 4,622,980 |
| 2022-2023 | 4,761,670 | 1.000 | 4,761,670 |

Notes:

- (A) Provided by the Authority.
- (B) Based on industry factors.
- (C) (A) x (B).

PLAN JPA - Liability Program (\$100K and \$1M Analysis)

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

| Accident Year | Ultimate Limited Losses (A) | Trend Factor (B) | Trended Limited Losses (C) | Trended Payroll (\$00) (D) | Trended Limited Loss Rate (E) |
|-------------------------------|--------------------------------------|------------------------|-------------------------------------|-------------------------------------|--|
| 2000-2001 | 0 | 1.862 | 0 | 0 | 0.000 |
| 2001-2002 | 2,847,057 | 1.808 | 5,147,479 | 4,793,823 | 1.074 |
| 2002-2003 | 4,646,965 | 1.755 | 8,155,424 | 5,201,926 | 1.568 |
| 2003-2004 | 3,509,537 | 1.704 | 5,980,251 | 5,302,373 | 1.128 |
| 2004-2005 | 2,444,607 | 1.654 | 4,043,380 | 5,323,509 | 0.760 |
| 2005-2006 | 2,947,359 | 1.606 | 4,733,459 | 5,279,351 | 0.897 |
| 2006-2007 | 3,128,576 | 1.559 | 4,877,450 | 5,365,043 | 0.909 |
| 2007-2008 | 3,147,259 | 1.513 | 4,761,803 | 5,523,940 | 0.862 |
| 2008-2009 | 2,711,703 | 1.469 | 3,983,492 | 5,584,172 | 0.713 |
| 2009-2010 | 2,538,522 | 1.426 | 3,619,932 | 5,300,275 | 0.683 |
| 2010-2011 | 2,013,526 | 1.385 | 2,788,734 | 4,637,189 | 0.601 |
| 2011-2012 | 2,825,000 | 1.345 | 3,799,625 | 4,425,587 | 0.859 |
| 2012-2013 | 3,309,000 | 1.306 | 4,321,554 | 4,346,745 | 0.994 |
| 2013-2014 | 2,229,780 | 1.267 | 2,825,131 | 4,181,204 | 0.676 |
| 2014-2015 | 2,938,392 | 1.231 | 3,617,161 | 4,221,572 | 0.857 |
| 2015-2016 | 3,142,000 | 1.195 | 3,754,690 | 4,288,766 | 0.875 |
| 2016-2017 | 2,943,000 | 1.160 | 3,413,880 | 4,455,964 | 0.766 |
| 2017-2018 | 1,891,000 | 1.126 | 2,129,266 | 4,565,477 | 0.466 |
| 2018-2019 | 1,683,000 | 1.093 | 1,839,519 | 4,594,102 | 0.400 |
| 2019-2020 | 2,480,000 | 1.061 | 2,631,280 | 4,567,802 | 0.576 |
| 2020-2021 | 3,779,000 | 1.030 | 3,892,370 | 4,506,728 | 0.864 |
| Totals | \$57,155,283 | | \$80,315,880 | 96,465,548 | \$0.833 |
| 13/14-18/19 | 14,827,172 | | 17,579,647 | 26,307,085 | 0.668 |
| 14/15-19/20 | 15,077,392 | | 17,385,796 | 26,693,683 | 0.651 |
| (F) Selected Limited Rate: | | | | | \$0.800 |
| Prior \$100K: | | | | | \$0.825 |
| Prior \$100K to \$1M: | | | | | \$1.037 |
| | | | \$100,000 | \$1,000,000 | \$100K - \$1M |
| Program Year: | | | 2022-2023 | 2022-2023 | 2022-2023 |
| (G) Factor to SIR: | | | 1.000 | 2.281 | |
| (H) Trend Factor: | | | 1.030 | 1.030 | |
| (I) Program Rate: | | | \$0.824 | \$1.879 | \$1.055 |
| (J) Trended Payroll (\$00): | | | 4,622,980 | 4,761,670 | 4,761,670 |
| (K) Projected Program Losses: | | | 3,809,000 | 8,947,000 | 5,024,000 |
| (L) Projected ULAE: | | | 0 | 0 | 0 |
| (M) Projected Loss and ULAE: | | | \$3,809,000 | \$8,947,000 | \$5,024,000 |

Notes appear on the next page.

PLAN JPA - Liability Program (\$100K and \$1M Analysis)

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

Notes:

- (A) From \$100K and \$1M Rate Analysis Not Included, Page 2, Column (F).
For purposes of projecting future losses, losses are capped at \$100,000 per occurrence.
- (B) From \$100K and \$1M Rate Analysis Appendix E, Page 1, Column (B).
- (C) (A) x (B).
- (D) From \$100K and \$1M Rate Analysis Appendix I, Column (C).
- (E) (C) / (D).
- (F) Selected based on (E).
- (G) Based on a Burr distribution, a mathematical model of claim sizes.
- (H) From \$100K and \$1M Rate Analysis Appendix E.
- (I) (F) x (G) x (H).
- (J) From \$100K and \$1M Rate Analysis Appendix I, Column (C).
- (K) (I) x (J).
- (L) Based on an estimated claim closing pattern and the Authority'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.

PLAN JPA - Liability Program (\$100K and \$1M Analysis)

Reported Loss Development

| Accident Year (A) | Limited Reported Losses as of 12/31/21 (B) | Reported Loss Development Factor (C) | Ultimate Limited Losses (D) | Program Reported Losses of 12/31/21 (E) | Reported Loss Development Factor (F) | Ultimate Program Losses (G) |
|-------------------------|--|--|--------------------------------------|---|--|--------------------------------------|
| 2000-2001 | \$2,192,130 | 1.000 | \$2,192,130 | \$3,911,857 | 1.000 | \$3,911,857 |
| 2001-2002 | 2,847,057 | 1.000 | 2,847,057 | 5,796,598 | 1.000 | 5,796,598 |
| 2002-2003 | 4,646,965 | 1.000 | 4,646,965 | 8,884,428 | 1.000 | 8,884,428 |
| 2003-2004 | 3,509,537 | 1.000 | 3,509,537 | 5,715,419 | 1.000 | 5,715,419 |
| 2004-2005 | 2,444,607 | 1.000 | 2,444,607 | 3,869,337 | 1.000 | 3,869,337 |
| 2005-2006 | 2,947,359 | 1.000 | 2,947,359 | 5,631,680 | 1.000 | 5,631,680 |
| 2006-2007 | 3,128,576 | 1.000 | 3,128,576 | 4,547,760 | 1.000 | 4,547,760 |
| 2007-2008 | 3,147,259 | 1.000 | 3,147,259 | 5,798,628 | 1.000 | 5,798,628 |
| 2008-2009 | 2,711,703 | 1.000 | 2,711,703 | 5,364,046 | 1.000 | 5,364,046 |
| 2009-2010 | 2,538,522 | 1.000 | 2,538,522 | 3,874,500 | 1.001 | 3,878,375 |
| 2010-2011 | 2,013,526 | 1.000 | 2,013,526 | 3,571,075 | 1.003 | 3,581,788 |
| 2011-2012 | 2,824,647 | 1.000 | 2,824,647 | 6,293,156 | 1.004 | 6,318,329 |
| 2012-2013 | 3,308,601 | 1.000 | 3,308,601 | 6,833,017 | 1.007 | 6,880,848 |
| 2013-2014 | 2,229,780 | 1.000 | 2,229,780 | 4,318,084 | 1.012 | 4,369,901 |
| 2014-2015 | 2,938,392 | 1.001 | 2,941,330 | 6,737,773 | 1.019 | 6,865,791 |
| 2015-2016 | 3,135,461 | 1.002 | 3,141,732 | 6,260,691 | 1.026 | 6,423,469 |
| 2016-2017 | 2,931,044 | 1.004 | 2,942,768 | 8,096,989 | 1.033 | 8,364,190 |
| 2017-2018 | 1,873,364 | 1.007 | 1,886,478 | 2,646,622 | 1.052 | 2,784,246 |
| 2018-2019 | 1,596,209 | 1.017 | 1,623,345 | 2,313,337 | 1.133 | 2,621,011 |
| 2019-2020 | 2,260,330 | 1.037 | 2,343,962 | 2,327,142 | 1.329 | 3,092,772 |
| 2020-2021 | 2,532,027 | 1.616 | 4,091,756 | 4,551,798 | 2.408 | 9,552,730 |
| Totals | \$57,757,096 | | \$59,461,640 | \$107,343,937 | | \$114,253,203 |

Notes:

- (A) Years are 7/1 to 6/30.
- (B) Provided by the Authority. These losses exclude amounts over \$100,000 per occurrence.
- (C) From \$100K and \$1M Rate Analysis Appendix A, Page 2.
- (D) (B) x (C). These estimated losses exclude amounts over \$100,000 per occurrence.
- (E) Losses capped at the Authority's SIR. Amounts are provided by the Authority.
- (F) Derived from factors on \$100K and \$1M Rate Analysis Appendix A, Page 4.
- (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.

PLAN JPA - Liability Program (\$100K and \$1M Analysis)
Reported Loss Development

| Accident Year | Limited Losses Reported as of: | | | | | | | | | | |
|------------------|--------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|---------------|
| | 6 Months | 18 Months | 30 Months | 42 Months | 54 Months | 66 Months | 78 Months | 90 Months | 102 Months | 114 Months | 126 Months |
| 2000-2001 | | | 2,502,195 | 2,256,049 | 2,413,689 | 2,435,656 | 2,425,865 | 2,387,404 | 2,387,404 | 2,382,404 | 2,382,404 |
| 2001-2002 | | 2,356,125 | 2,422,293 | 2,794,437 | 2,851,519 | 2,940,724 | 2,987,766 | 2,939,481 | 2,956,981 | 2,951,981 | 3,039,481 |
| 2002-2003 | 1,341,283 | 3,829,893 | 4,293,424 | 4,604,949 | 4,740,657 | 4,821,491 | 4,811,984 | 4,901,984 | 4,966,984 | 5,011,984 | 4,977,421 |
| 2003-2004 | 702,623 | 2,248,188 | 2,863,892 | 3,229,117 | 3,366,140 | 3,528,698 | 3,560,692 | 3,460,542 | 3,560,542 | 3,560,542 | 3,560,542 |
| 2004-2005 | 909,032 | 2,172,504 | 3,103,889 | 2,811,093 | 3,026,321 | 2,861,424 | 2,893,524 | 2,858,702 | 2,866,202 | 2,866,202 | 2,866,155 |
| 2005-2006 | 584,388 | 2,569,384 | 3,328,173 | 3,524,433 | 3,669,875 | 3,689,497 | 3,765,682 | 3,770,624 | 3,795,674 | 3,789,394 | 3,789,394 |
| 2006-2007 | 776,086 | 2,403,595 | 2,905,504 | 3,039,627 | 3,179,650 | 3,297,534 | 3,391,424 | 3,394,986 | 3,394,936 | 3,394,936 | 3,394,936 |
| 2007-2008 | 1,054,492 | 2,921,920 | 3,743,710 | 4,332,780 | 4,420,360 | 4,381,184 | 4,358,070 | 4,259,056 | 4,259,284 | 4,259,284 | 4,259,284 |
| 2008-2009 | 543,401 | 2,839,064 | 3,484,984 | 3,288,639 | 3,398,037 | 3,430,417 | 3,345,621 | 3,347,708 | 3,346,029 | 3,347,708 | 3,336,906 |
| 2009-2010 | 763,697 | 3,371,740 | 3,848,137 | 3,115,304 | 3,131,959 | 3,127,921 | 3,127,921 | 3,127,921 | 3,127,921 | 3,127,921 | 3,127,921 |
| 2010-2011 | 510,509 | 2,770,955 | 2,742,484 | 2,650,741 | 2,519,762 | 2,455,668 | 2,409,001 | 2,409,001 | 2,396,051 | 2,396,051 | 2,396,051 |
| 2011-2012 | 602,255 | 3,518,281 | 3,631,019 | 3,415,805 | 3,302,356 | 3,237,194 | 3,127,725 | 3,127,725 | 3,127,725 | 3,127,725 | 3,127,725 |
| 2012-2013 | 465,105 | 4,254,395 | 3,881,185 | 3,547,144 | 3,502,651 | 3,489,052 | 3,450,659 | 3,459,906 | 3,559,906 | 3,559,906 | |
| 2013-2014 | 842,948 | 2,251,578 | 2,694,553 | 2,631,490 | 2,671,389 | 2,539,618 | 2,539,618 | 2,539,618 | 2,539,618 | | |
| 2014-2015 | 325,035 | 2,666,242 | 3,946,907 | 3,795,367 | 3,350,810 | 3,291,420 | 3,281,784 | | | | |
| 2015-2016 | 371,511 | 2,328,347 | 3,291,200 | 3,149,726 | 3,155,562 | 3,143,331 | 3,135,461 | | | | |
| 2016-2017 | 290,633 | 1,930,274 | 2,754,128 | 2,812,484 | 2,851,248 | 2,931,044 | | | | | |
| 2017-2018 | 199,803 | 1,368,867 | 1,871,566 | 1,908,433 | 1,873,364 | | | | | | |
| 2018-2019 | 65,888 | 691,395 | 1,364,408 | 1,596,209 | | | | | | | |
| 2019-2020 | 184,043 | 934,320 | 2,260,330 | | | | | | | | |
| 2020-2021 | 299,593 | 2,532,027 | | | | | | | | | |
| 2021-2022 | 415,421 | | | | | | | | | | |

Reported Loss 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 |
|-----------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|-------------------|-------------------|-------------------|
| 2000-2001 | | | 0.902 | 1.070 | 1.009 | 0.996 | 0.984 | 1.000 | 0.998 | 1.000 | 1.000 |
| 2001-2002 | | 1.028 | 1.154 | 1.020 | 1.031 | 1.016 | 0.984 | 1.006 | 0.998 | 1.030 | 0.987 |
| 2002-2003 | 2.855 | 1.121 | 1.073 | 1.029 | 1.017 | 0.998 | 1.019 | 1.013 | 1.009 | 0.993 | 1.000 |
| 2003-2004 | 3.200 | 1.274 | 1.128 | 1.042 | 1.048 | 1.009 | 0.972 | 1.029 | 1.000 | 1.000 | 1.000 |
| 2004-2005 | 2.390 | 1.429 | 0.906 | 1.077 | 0.946 | 1.011 | 0.988 | 1.003 | 1.000 | 1.000 | 1.001 |
| 2005-2006 | 4.397 | 1.295 | 1.059 | 1.041 | 1.005 | 1.021 | 1.001 | 1.007 | 0.998 | 1.000 | 1.000 |
| 2006-2007 | 3.097 | 1.209 | 1.046 | 1.046 | 1.037 | 1.028 | 1.001 | 1.000 | 1.000 | 1.000 | 1.000 |
| 2007-2008 | 2.771 | 1.281 | 1.157 | 1.020 | 0.991 | 0.995 | 0.977 | 1.000 | 1.000 | 1.000 | 0.977 |
| 2008-2009 | 5.225 | 1.228 | 0.944 | 1.033 | 1.010 | 0.975 | 1.001 | 0.999 | 1.001 | 0.997 | 1.003 |
| 2009-2010 | 4.415 | 1.141 | 0.810 | 1.005 | 0.999 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| 2010-2011 | 5.428 | 0.990 | 0.967 | 0.951 | 0.975 | 0.981 | 1.000 | 0.995 | 1.000 | 1.000 | 1.000 |
| 2011-2012 | 5.842 | 1.032 | 0.941 | 0.967 | 0.980 | 0.966 | 1.000 | 1.000 | 1.000 | 1.000 | |
| 2012-2013 | 9.147 | 0.912 | 0.914 | 0.987 | 0.996 | 0.989 | 1.003 | 1.029 | 1.000 | | |
| 2013-2014 | 2.671 | 1.197 | 0.977 | 1.015 | 0.951 | 1.000 | 1.000 | 1.000 | | | |
| 2014-2015 | 8.203 | 1.480 | 0.962 | 0.883 | 0.982 | 0.997 | 1.000 | | | | |
| 2015-2016 | 6.267 | 1.414 | 0.957 | 1.002 | 0.996 | 0.997 | | | | | |
| 2016-2017 | 6.642 | 1.427 | 1.021 | 1.014 | 1.028 | | | | | | |
| 2017-2018 | 6.851 | 1.367 | 1.020 | 0.982 | | | | | | | |
| 2018-2019 | 10.493 | 1.973 | 1.170 | | | | | | | | |
| 2019-2020 | 5.077 | 2.419 | | | | | | | | | |
| 2020-2021 | 8.452 | | | | | | | | | | |
| | | | | | | | | | | | |
| | 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 | 5.443 | 1.327 | 1.006 | 1.010 | 1.000 | 0.999 | 0.995 | 1.006 | 1.000 | 1.002 | 0.997 |
| Dollar-Weighted | | | | | | | | | | | |
| Averages | | | | | | | | | | | |
| 3-yr | 7.566 | 1.835 | 1.055 | 1.001 | 1.001 | 0.998 | 1.001 | 1.011 | 1.000 | 1.000 | 1.001 |
| 4-yr | 7.375 | 1.675 | 1.020 | 0.963 | 0.990 | 0.996 | 1.001 | 1.008 | 1.000 | 0.999 | 0.993 |
| Comparative | | | | | | | | | | | |
| Factors | 2.999 | 1.280 | 1.016 | 0.979 | 0.987 | 0.998 | 1.000 | 1.001 | 1.000 | 1.000 | 1.000 |
| Prior | 6.216 | 1.395 | 1.020 | 1.010 | 1.003 | 1.002 | 1.001 | 1.001 | 1.000 | 1.000 | 1.000 |
| Selected | 6.650 | 1.558 | 1.020 | 1.010 | 1.003 | 1.002 | 1.001 | 1.001 | 1.000 | 1.000 | 1.000 |
| Cumulated | 10.747 | 1.616 | 1.037 | 1.017 | 1.007 | 1.004 | 1.002 | 1.001 | 1.000 | 1.000 | 1.000 |

PLAN JPA - Liability Program (\$100K and \$1M Analysis)
Reported Loss Development

| Accident Year | <u>Limited Losses Reported as of:</u> | | | | | | | | | | |
|------------------|---------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 138 Months | 150 Months | 162 Months | 174 Months | 186 Months | 198 Months | 210 Months | 222 Months | 234 Months | 246 Months | 258 Months |
| 2000-2001 | 2,382,504 | 2,482,404 | 2,482,404 | 2,482,404 | 2,485,232 | 2,482,404 | 2,485,232 | 2,485,232 | 2,485,232 | 2,485,232 | 2,485,232 |
| 2001-2002 | 3,000,035 | 3,027,919 | 3,012,173 | 3,012,173 | 3,012,173 | 3,012,173 | 3,012,173 | 3,012,173 | 3,012,173 | 3,012,173 | |
| 2002-2003 | 4,977,421 | 4,977,421 | 4,977,421 | 4,977,421 | 4,977,421 | 4,977,421 | 4,977,421 | 4,977,421 | 4,977,421 | | |
| 2003-2004 | 3,560,542 | 3,560,542 | 3,560,542 | 3,560,542 | 3,560,542 | 3,560,542 | 3,560,542 | 3,560,542 | | | |
| 2004-2005 | 2,867,654 | 2,867,654 | 2,867,654 | 2,867,654 | 2,867,654 | 2,867,654 | 2,867,654 | | | | |
| 2005-2006 | 3,789,394 | 3,788,958 | 3,788,958 | 3,788,958 | 3,788,958 | 3,788,958 | | | | | |
| 2006-2007 | 3,394,936 | 3,400,836 | 3,400,836 | 3,425,837 | 3,408,506 | | | | | | |
| 2007-2008 | 4,159,284 | 4,259,284 | 4,259,284 | | | | | | | | |
| 2008-2009 | 3,347,708 | 3,347,708 | 3,347,708 | | | | | | | | |
| 2009-2010 | 3,127,921 | 3,127,921 | | | | | | | | | |
| 2010-2011 | 2,396,051 | | | | | | | | | | |
| 2011-2012 | | | | | | | | | | | |
| 2012-2013 | | | | | | | | | | | |
| 2013-2014 | | | | | | | | | | | |
| 2014-2015 | | | | | | | | | | | |
| 2015-2016 | | | | | | | | | | | |
| 2016-2017 | | | | | | | | | | | |
| 2017-2018 | | | | | | | | | | | |
| 2018-2019 | | | | | | | | | | | |
| 2019-2020 | | | | | | | | | | | |
| 2020-2021 | | | | | | | | | | | |
| 2021-2022 | | | | | | | | | | | |

Reported Loss Development Factors:

| | 138-150 Months | 150-162 Months | 162-174 Months | 174-186 Months | 186-198 Months | 198-210 Months | 210-222 Months | 222-234 Months | 234-246 Months | 246-258 Months | 258-Ult. Months |
|-----------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| 2000-2001 | 1.042 | 1.000 | 1.000 | 1.001 | 0.999 | 1.001 | 1.000 | 1.000 | 1.000 | 1.000 | |
| 2001-2002 | 1.009 | 0.995 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | | |
| 2002-2003 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | | | |
| 2003-2004 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | | | | |
| 2004-2005 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | | | | | |
| 2005-2006 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | | | | | | |
| 2006-2007 | 1.002 | 1.000 | 1.007 | 0.995 | | | | | | | |
| 2007-2008 | 1.024 | 1.000 | 1.000 | | | | | | | | |
| 2008-2009 | 1.000 | 1.000 | | | | | | | | | |
| 2009-2010 | 1.000 | | | | | | | | | | |
| 2010-2011 | | | | | | | | | | | |
| 2011-2012 | | | | | | | | | | | |
| 2012-2013 | | | | | | | | | | | |
| 2013-2014 | | | | | | | | | | | |
| 2014-2015 | | | | | | | | | | | |
| 2015-2016 | | | | | | | | | | | |
| 2016-2017 | | | | | | | | | | | |
| 2017-2018 | | | | | | | | | | | |
| 2018-2019 | | | | | | | | | | | |
| 2019-2020 | | | | | | | | | | | |
| 2020-2021 | | | | | | | | | | | |
| Average | 1.008 | 0.999 | 1.001 | 0.999 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | |
| Dollar-Weighted | | | | | | | | | | | |
| Averages | | | | | | | | | | | |
| 3-yr | 1.009 | 1.000 | 1.002 | 0.998 | 1.000 | 1.000 | 1.000 | 1.000 | | | |
| 4-yr | 1.008 | 1.000 | 1.002 | 0.999 | 1.000 | 1.000 | 1.000 | | | | |
| Comparative | | | | | | | | | | | |
| Factors | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| Prior | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| Selected | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| Cumulated | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |

PLAN JPA - Liability Program (\$100K and \$1M Analysis)

Paid Loss Development

| Accident Year (A) | Limited Paid Losses as of 12/31/21 (B) | Paid Loss Development Factor (C) | Ultimate Limited Losses (D) | Program Paid Losses of 12/31/21 (E) | Paid Loss Development Factor (F) | Ultimate Program Losses (G) |
|-------------------------|--|---|--------------------------------------|---|---|--------------------------------------|
| 2000-2001 | \$2,192,130 | 1.000 | \$2,192,130 | \$3,911,857 | 1.000 | \$3,911,857 |
| 2001-2002 | 2,847,057 | 1.000 | 2,847,057 | 5,796,598 | 1.000 | 5,796,598 |
| 2002-2003 | 4,646,965 | 1.000 | 4,646,965 | 8,884,428 | 1.000 | 8,884,428 |
| 2003-2004 | 3,509,537 | 1.000 | 3,509,537 | 5,715,419 | 1.000 | 5,715,419 |
| 2004-2005 | 2,444,607 | 1.000 | 2,444,607 | 3,869,337 | 1.000 | 3,869,337 |
| 2005-2006 | 2,947,359 | 1.000 | 2,947,359 | 5,631,680 | 1.000 | 5,631,680 |
| 2006-2007 | 3,128,576 | 1.000 | 3,128,576 | 4,547,760 | 1.000 | 4,547,760 |
| 2007-2008 | 3,147,259 | 1.000 | 3,147,259 | 5,798,628 | 1.000 | 5,798,628 |
| 2008-2009 | 2,711,703 | 1.000 | 2,711,703 | 5,364,046 | 1.000 | 5,364,046 |
| 2009-2010 | 2,538,522 | 1.000 | 2,538,522 | 3,874,500 | 1.001 | 3,878,375 |
| 2010-2011 | 2,013,526 | 1.001 | 2,015,540 | 3,571,075 | 1.003 | 3,581,788 |
| 2011-2012 | 2,824,647 | 1.002 | 2,830,296 | 6,229,231 | 1.006 | 6,266,606 |
| 2012-2013 | 3,308,601 | 1.004 | 3,321,835 | 6,415,654 | 1.009 | 6,473,395 |
| 2013-2014 | 2,229,780 | 1.007 | 2,245,388 | 4,318,084 | 1.015 | 4,382,855 |
| 2014-2015 | 2,938,392 | 1.011 | 2,970,714 | 6,737,773 | 1.030 | 6,939,906 |
| 2015-2016 | 3,135,461 | 1.019 | 3,195,035 | 6,126,699 | 1.059 | 6,488,174 |
| 2016-2017 | 2,834,023 | 1.031 | 2,921,878 | 7,300,734 | 1.125 | 8,213,326 |
| 2017-2018 | 1,800,791 | 1.057 | 1,903,436 | 2,520,086 | 1.215 | 3,061,904 |
| 2018-2019 | 1,337,293 | 1.137 | 1,520,502 | 1,852,726 | 1.464 | 2,712,391 |
| 2019-2020 | 1,128,779 | 1.561 | 1,762,024 | 1,128,779 | 2.462 | 2,779,054 |
| 2020-2021 | 793,126 | 3.174 | 2,517,382 | 1,740,183 | 5.943 | 5,398,908 |
| Totals | \$54,458,134 | | \$57,317,745 | \$101,335,277 | | \$109,696,435 |

Notes:

- (A) Years are 7/1 to 6/30.
- (B) Provided by the Authority. These losses exclude amounts over \$100,000 per occurrence.
- (C) From \$100K and \$1M Rate Analysis Appendix B, Page 2.
- (D) (B) x (C). These estimated losses exclude amounts over \$100,000 per occurrence.
- (E) Losses capped at the Authority's SIR. Amounts are provided by the Authority.
- (F) Derived from factors on \$100K and \$1M Rate Analysis Appendix B, Page 4.
- (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.

PLAN JPA - Liability Program (\$100K and \$1M Analysis)

Paid Loss Development

| Accident Year | Limited Losses Paid as of: | | | | | | | | | | |
|------------------|----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|---------------|
| | 6 Months | 18 Months | 30 Months | 42 Months | 54 Months | 66 Months | 78 Months | 90 Months | 102 Months | 114 Months | 126 Months |
| 2000-2001 | | | 1,691,549 | 2,066,275 | 2,230,962 | 2,324,934 | 2,376,109 | 2,382,404 | 2,382,404 | 2,382,404 | 2,382,404 |
| 2001-2002 | | 1,331,577 | 1,898,744 | 2,493,146 | 2,814,747 | 2,835,674 | 2,838,647 | 2,939,481 | 2,939,481 | 2,939,481 | 2,998,047 |
| 2002-2003 | 368,341 | 1,921,924 | 3,419,382 | 4,159,574 | 4,572,735 | 4,708,622 | 4,811,984 | 4,820,255 | 4,893,323 | 4,930,307 | 4,962,508 |
| 2003-2004 | 173,413 | 1,278,587 | 2,112,645 | 2,806,518 | 3,216,963 | 3,398,305 | 3,452,557 | 3,460,542 | 3,560,542 | 3,560,542 | 3,560,542 |
| 2004-2005 | 92,583 | 901,463 | 2,122,845 | 2,612,734 | 2,848,049 | 2,845,394 | 2,853,463 | 2,858,654 | 2,866,154 | 2,866,154 | 2,866,154 |
| 2005-2006 | 91,777 | 1,099,067 | 1,733,718 | 3,299,822 | 3,599,286 | 3,654,071 | 3,764,224 | 3,766,533 | 3,780,292 | 3,789,394 | 3,789,394 |
| 2006-2007 | 178,735 | 1,234,100 | 2,253,938 | 2,920,430 | 3,103,547 | 3,253,555 | 3,391,424 | 3,394,936 | 3,394,936 | 3,394,936 | 3,394,936 |
| 2007-2008 | 149,993 | 1,300,794 | 2,635,467 | 3,650,448 | 4,101,554 | 4,208,833 | 4,228,474 | 4,256,077 | 4,259,284 | 4,259,284 | 4,259,284 |
| 2008-2009 | 161,539 | 1,020,079 | 2,186,680 | 2,792,089 | 3,110,459 | 3,338,980 | 3,345,621 | 3,347,708 | 3,346,029 | 3,347,708 | 3,336,906 |
| 2009-2010 | 301,727 | 1,046,459 | 2,274,617 | 2,817,091 | 2,998,274 | 3,072,132 | 3,115,424 | 3,127,921 | 3,127,921 | 3,127,921 | 3,127,921 |
| 2010-2011 | 106,645 | 872,432 | 1,692,195 | 2,287,500 | 2,319,013 | 2,395,143 | 2,396,051 | 2,396,051 | 2,396,051 | 2,396,051 | 2,396,051 |
| 2011-2012 | 114,916 | 832,713 | 2,112,380 | 2,750,332 | 3,122,242 | 3,118,744 | 3,127,725 | 3,127,725 | 3,127,725 | 3,127,725 | 3,127,725 |
| 2012-2013 | 98,607 | 934,308 | 2,290,004 | 3,124,392 | 3,371,990 | 3,450,380 | 3,450,659 | 3,459,906 | 3,559,906 | 3,559,906 | |
| 2013-2014 | 130,461 | 888,140 | 1,780,866 | 2,316,155 | 2,654,568 | 2,539,618 | 2,539,618 | 2,539,618 | 2,539,618 | | |
| 2014-2015 | 91,368 | 1,387,749 | 2,717,926 | 3,379,346 | 3,268,352 | 3,281,784 | 3,281,784 | 3,281,784 | | | |
| 2015-2016 | 98,110 | 679,755 | 1,782,598 | 2,795,127 | 2,999,838 | 3,135,716 | 3,135,461 | | | | |
| 2016-2017 | 30,679 | 920,995 | 1,975,490 | 2,421,836 | 2,773,661 | 2,834,023 | | | | | |
| 2017-2018 | 31,268 | 758,485 | 1,188,193 | 1,713,864 | 1,800,791 | | | | | | |
| 2018-2019 | 16,322 | 417,918 | 867,701 | 1,337,293 | | | | | | | |
| 2019-2020 | 65,521 | 413,661 | 1,128,779 | | | | | | | | |
| 2020-2021 | 54,421 | 793,126 | | | | | | | | | |
| 2021-2022 | 40,902 | | | | | | | | | | |

Paid Loss 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 |
|----------------------------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|-------------------|-------------------|-------------------|
| 2000-2001 | | | 1.222 | 1.080 | 1.042 | 1.022 | 1.003 | 1.000 | 1.000 | 1.000 | 1.000 |
| 2001-2002 | | 1.426 | 1.313 | 1.129 | 1.007 | 1.001 | 1.036 | 1.000 | 1.000 | 1.020 | 1.001 |
| 2002-2003 | 5.218 | 1.779 | 1.216 | 1.099 | 1.030 | 1.022 | 1.002 | 1.015 | 1.008 | 1.007 | 1.003 |
| 2003-2004 | 7.373 | 1.652 | 1.328 | 1.146 | 1.056 | 1.016 | 1.002 | 1.029 | 1.000 | 1.000 | 1.000 |
| 2004-2005 | 9.737 | 2.355 | 1.231 | 1.090 | 0.999 | 1.003 | 1.002 | 1.003 | 1.000 | 1.000 | 1.001 |
| 2005-2006 | 11.975 | 1.577 | 1.903 | 1.091 | 1.015 | 1.030 | 1.001 | 1.004 | 1.002 | 1.000 | 1.000 |
| 2006-2007 | 6.905 | 1.826 | 1.296 | 1.063 | 1.048 | 1.042 | 1.001 | 1.000 | 1.000 | 1.000 | 1.000 |
| 2007-2008 | 8.672 | 2.026 | 1.385 | 1.124 | 1.026 | 1.005 | 1.007 | 1.001 | 1.000 | 1.000 | 0.977 |
| 2008-2009 | 6.315 | 2.144 | 1.277 | 1.114 | 1.073 | 1.002 | 1.001 | 0.999 | 1.001 | 0.997 | 1.003 |
| 2009-2010 | 3.468 | 2.174 | 1.238 | 1.064 | 1.025 | 1.014 | 1.004 | 1.000 | 1.000 | 1.000 | 1.000 |
| 2010-2011 | 8.181 | 1.940 | 1.352 | 1.014 | 1.033 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| 2011-2012 | 7.246 | 2.537 | 1.302 | 1.135 | 0.999 | 1.003 | 1.000 | 1.000 | 1.000 | 1.000 | |
| 2012-2013 | 9.475 | 2.451 | 1.364 | 1.079 | 1.023 | 1.000 | 1.003 | 1.029 | 1.000 | | |
| 2013-2014 | 6.808 | 2.005 | 1.301 | 1.146 | 0.957 | 1.000 | 1.000 | 1.000 | | | |
| 2014-2015 | 15.189 | 1.959 | 1.243 | 0.967 | 1.004 | 1.000 | 1.000 | | | | |
| 2015-2016 | 6.928 | 2.622 | 1.568 | 1.073 | 1.045 | 1.000 | | | | | |
| 2016-2017 | 30.020 | 2.145 | 1.226 | 1.145 | 1.022 | | | | | | |
| 2017-2018 | 24.258 | 1.567 | 1.442 | 1.051 | | | | | | | |
| 2018-2019 | 25.605 | 2.076 | 1.541 | | | | | | | | |
| 2019-2020 | 6.313 | 2.729 | | | | | | | | | |
| 2020-2021 | 14.574 | | | | | | | | | | |
| Average Dollar-Weighted Averages | 11.277 | 2.052 | 1.355 | 1.089 | 1.024 | 1.010 | 1.004 | 1.006 | 1.001 | 1.002 | 0.999 |
| 3-yr | 11.923 | 2.003 | 1.358 | 1.093 | 1.023 | 1.000 | 1.001 | 1.011 | 1.000 | 1.000 | 1.001 |
| 4-yr | 14.225 | 2.055 | 1.422 | 1.052 | 1.008 | 1.000 | 1.001 | 1.009 | 1.000 | 0.999 | 0.993 |
| Comparative Factors | 4.341 | 2.135 | 1.445 | 1.148 | 1.053 | 1.029 | 1.016 | 1.010 | 1.009 | 1.007 | 1.007 |
| Prior | 16.544 | 2.024 | 1.356 | 1.076 | 1.025 | 1.012 | 1.008 | 1.004 | 1.003 | 1.002 | 1.001 |
| Selected | 16.544 | 2.033 | 1.373 | 1.076 | 1.025 | 1.012 | 1.008 | 1.004 | 1.003 | 1.002 | 1.001 |
| Cumulated | 52.510 | 3.174 | 1.561 | 1.137 | 1.057 | 1.031 | 1.019 | 1.011 | 1.007 | 1.004 | 1.002 |

PLAN JPA - Liability Program (\$100K and \$1M Analysis)

Paid Loss Development

| Accident Year | Limited Losses Paid as of: | | | | | | | | | | |
|------------------|----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 138 Months | 150 Months | 162 Months | 174 Months | 186 Months | 198 Months | 210 Months | 222 Months | 234 Months | 246 Months | 258 Months |
| 2000-2001 | 2,382,404 | 2,482,404 | 2,482,404 | 2,482,404 | 2,485,232 | 2,482,404 | 2,485,232 | 2,485,232 | 2,485,232 | 2,485,232 | 2,485,232 |
| 2001-2002 | 3,000,035 | 3,000,611 | 3,012,173 | 3,012,173 | 3,012,173 | 3,012,173 | 3,012,173 | 3,012,173 | 3,012,173 | 3,012,173 | |
| 2002-2003 | 4,977,421 | 4,977,421 | 4,977,421 | 4,977,421 | 4,977,421 | 4,977,421 | 4,977,421 | 4,977,421 | 4,977,421 | | |
| 2003-2004 | 3,560,542 | 3,560,542 | 3,560,542 | 3,560,542 | 3,560,542 | 3,560,542 | 3,560,542 | 3,560,542 | | | |
| 2004-2005 | 2,867,654 | 2,867,654 | 2,867,654 | 2,867,654 | 2,867,654 | 2,867,654 | 2,867,654 | | | | |
| 2005-2006 | 3,789,394 | 3,788,958 | 3,788,958 | 3,788,958 | 3,788,958 | 3,788,958 | | | | | |
| 2006-2007 | 3,394,936 | 3,400,836 | 3,400,836 | 3,403,249 | 3,408,506 | | | | | | |
| 2007-2008 | 4,159,284 | 4,259,284 | 4,259,284 | | | | | | | | |
| 2008-2009 | 3,347,708 | 3,347,708 | 3,347,708 | | | | | | | | |
| 2009-2010 | 3,127,921 | 3,127,921 | | | | | | | | | |
| 2010-2011 | 2,396,051 | | | | | | | | | | |
| 2011-2012 | | | | | | | | | | | |
| 2012-2013 | | | | | | | | | | | |
| 2013-2014 | | | | | | | | | | | |
| 2014-2015 | | | | | | | | | | | |
| 2015-2016 | | | | | | | | | | | |
| 2016-2017 | | | | | | | | | | | |
| 2017-2018 | | | | | | | | | | | |
| 2018-2019 | | | | | | | | | | | |
| 2019-2020 | | | | | | | | | | | |
| 2020-2021 | | | | | | | | | | | |
| 2021-2022 | | | | | | | | | | | |

Paid Loss Development Factors:

| | 138-150 Months | 150-162 Months | 162-174 Months | 174-186 Months | 186-198 Months | 198-210 Months | 210-222 Months | 222-234 Months | 234-246 Months | 246-258 Months | 258-Ult. Months |
|-----------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| 2000-2001 | 1.042 | 1.000 | 1.000 | 1.001 | 0.999 | 1.001 | 1.000 | 1.000 | 1.000 | 1.000 | |
| 2001-2002 | 1.000 | 1.004 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | | |
| 2002-2003 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | | | |
| 2003-2004 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | | | | |
| 2004-2005 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | | | | | |
| 2005-2006 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | | | | | | |
| 2006-2007 | 1.002 | 1.000 | 1.001 | 1.002 | | | | | | | |
| 2007-2008 | 1.024 | 1.000 | 1.000 | | | | | | | | |
| 2008-2009 | 1.000 | 1.000 | | | | | | | | | |
| 2009-2010 | 1.000 | | | | | | | | | | |
| 2010-2011 | | | | | | | | | | | |
| 2011-2012 | | | | | | | | | | | |
| 2012-2013 | | | | | | | | | | | |
| 2013-2014 | | | | | | | | | | | |
| 2014-2015 | | | | | | | | | | | |
| 2015-2016 | | | | | | | | | | | |
| 2016-2017 | | | | | | | | | | | |
| 2017-2018 | | | | | | | | | | | |
| 2018-2019 | | | | | | | | | | | |
| 2019-2020 | | | | | | | | | | | |
| 2020-2021 | | | | | | | | | | | |
| Average | 1.007 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | |
| Dollar-Weighted | | | | | | | | | | | |
| Averages | | | | | | | | | | | |
| 3-yr | 1.009 | 1.000 | 1.000 | 1.001 | 1.000 | 1.000 | 1.000 | 1.000 | | | |
| 4-yr | 1.008 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | | | | |
| Comparative | | | | | | | | | | | |
| Factors | 1.006 | 1.005 | 1.004 | 1.003 | 1.001 | 1.002 | 1.001 | 1.001 | 1.001 | 1.000 | 1.001 |
| Prior | 1.001 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| Selected | 1.001 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| Cumulated | 1.001 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |

PLAN JPA - Liability Program (\$100K and \$1M Analysis)

Exposure and Development Method
Based on Reported Losses

| Accident Year | Trended Payroll (\$00) (A) | Reported Losses as of 12/31/21 (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) |
|---------------|----------------------------|------------------------------------|-----------------------------|---|------------------|--------------------------------------|-----------------------------|
| 2000-2001 | 0 | | 1.000 | 0.000 | 0.599 | 0 | |
| 2001-2002 | 4,793,823 | 5,796,598 | 1.000 | 0.000 | 0.897 | 0 | 5,796,598 |
| 2002-2003 | 5,201,926 | 8,884,428 | 1.000 | 0.000 | 1.371 | 0 | 8,884,428 |
| 2003-2004 | 5,302,373 | 5,715,419 | 1.000 | 0.000 | 1.034 | 0 | 5,715,419 |
| 2004-2005 | 5,323,509 | 3,869,337 | 1.000 | 0.000 | 0.730 | 0 | 3,869,337 |
| 2005-2006 | 5,279,351 | 5,631,680 | 1.000 | 0.000 | 0.904 | 0 | 5,631,680 |
| 2006-2007 | 5,365,043 | 4,547,760 | 1.000 | 0.000 | 0.963 | 0 | 4,547,760 |
| 2007-2008 | 5,523,940 | 5,798,628 | 1.000 | 0.000 | 0.959 | 0 | 5,798,628 |
| 2008-2009 | 5,584,172 | 5,364,046 | 1.000 | 0.000 | 0.834 | 0 | 5,364,046 |
| 2009-2010 | 5,300,275 | 3,874,500 | 1.001 | 0.001 | 0.839 | 4,447 | 3,878,947 |
| 2010-2011 | 4,637,189 | 3,571,075 | 1.003 | 0.003 | 0.774 | 10,768 | 3,581,843 |
| 2011-2012 | 4,425,587 | 6,293,156 | 1.004 | 0.004 | 1.162 | 20,570 | 6,313,726 |
| 2012-2013 | 4,346,745 | 6,833,017 | 1.007 | 0.007 | 1.415 | 43,055 | 6,876,072 |
| 2013-2014 | 4,181,204 | 4,318,084 | 1.012 | 0.012 | 1.011 | 50,726 | 4,368,810 |
| 2014-2015 | 4,221,572 | 6,737,773 | 1.019 | 0.019 | 1.347 | 108,043 | 6,845,816 |
| 2015-2016 | 4,288,766 | 6,260,691 | 1.026 | 0.025 | 1.449 | 155,361 | 6,416,052 |
| 2016-2017 | 4,455,964 | 8,096,989 | 1.033 | 0.032 | 1.305 | 186,081 | 8,283,070 |
| 2017-2018 | 4,565,477 | 2,646,622 | 1.052 | 0.049 | 1.371 | 306,704 | 2,953,326 |
| 2018-2019 | 4,594,102 | 2,313,337 | 1.133 | 0.117 | 1.442 | 775,089 | 3,088,426 |
| 2019-2020 | 4,567,802 | 2,327,142 | 1.329 | 0.248 | 1.517 | 1,718,480 | 4,045,622 |
| 2020-2021 | 4,506,728 | 4,551,798 | 2.408 | 0.585 | 1.594 | 4,202,479 | 8,754,277 |
| Totals | 96,465,548 | \$103,432,080 | | | | \$7,581,803 | \$111,013,883 |

Notes:

- (A) From \$100K and \$1M Rate Analysis Appendix I, Column (C).
- (B) Provided by the Authority. These losses exclude amounts incurred above the Authority's SIR for each year.
- (C) From \$100K and \$1M Rate Analysis Appendix A, Page 1, Column (F).
- (D) $1 - 1/(C)$.
- (E) From \$100K and \$1M Rate Analysis Appendix C, 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.

PLAN JPA - Liability Program (\$100K and \$1M Analysis)

Exposure and Development Method
Based on Paid Losses

| Accident Year | Trended Payroll (\$00) (A) | Paid Losses as of 12/31/21 (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) |
|---------------|----------------------------|--------------------------------|-----------------------------|---|------------------|---------------------------|-----------------------------|
| 2000-2001 | 0 | | 1.000 | 0.000 | 0.599 | 0 | |
| 2001-2002 | 4,793,823 | 5,796,598 | 1.000 | 0.000 | 0.897 | 0 | 5,796,598 |
| 2002-2003 | 5,201,926 | 8,884,428 | 1.000 | 0.000 | 1.371 | 0 | 8,884,428 |
| 2003-2004 | 5,302,373 | 5,715,419 | 1.000 | 0.000 | 1.034 | 0 | 5,715,419 |
| 2004-2005 | 5,323,509 | 3,869,337 | 1.000 | 0.000 | 0.730 | 0 | 3,869,337 |
| 2005-2006 | 5,279,351 | 5,631,680 | 1.000 | 0.000 | 0.904 | 0 | 5,631,680 |
| 2006-2007 | 5,365,043 | 4,547,760 | 1.000 | 0.000 | 0.963 | 0 | 4,547,760 |
| 2007-2008 | 5,523,940 | 5,798,628 | 1.000 | 0.000 | 0.959 | 0 | 5,798,628 |
| 2008-2009 | 5,584,172 | 5,364,046 | 1.000 | 0.000 | 0.834 | 0 | 5,364,046 |
| 2009-2010 | 5,300,275 | 3,874,500 | 1.001 | 0.001 | 0.839 | 4,447 | 3,878,947 |
| 2010-2011 | 4,637,189 | 3,571,075 | 1.003 | 0.003 | 0.774 | 10,768 | 3,581,843 |
| 2011-2012 | 4,425,587 | 6,229,231 | 1.006 | 0.006 | 1.162 | 30,855 | 6,260,086 |
| 2012-2013 | 4,346,745 | 6,415,654 | 1.009 | 0.009 | 1.415 | 55,356 | 6,471,010 |
| 2013-2014 | 4,181,204 | 4,318,084 | 1.015 | 0.015 | 1.011 | 63,408 | 4,381,492 |
| 2014-2015 | 4,221,572 | 6,737,773 | 1.030 | 0.029 | 1.347 | 164,907 | 6,902,680 |
| 2015-2016 | 4,288,766 | 6,126,699 | 1.059 | 0.056 | 1.449 | 348,008 | 6,474,707 |
| 2016-2017 | 4,455,964 | 7,300,734 | 1.125 | 0.111 | 1.305 | 645,469 | 7,946,203 |
| 2017-2018 | 4,565,477 | 2,520,086 | 1.215 | 0.177 | 1.371 | 1,107,891 | 3,627,977 |
| 2018-2019 | 4,594,102 | 1,852,726 | 1.464 | 0.317 | 1.442 | 2,100,028 | 3,952,754 |
| 2019-2020 | 4,567,802 | 1,128,779 | 2.462 | 0.594 | 1.517 | 4,116,037 | 5,244,816 |
| 2020-2021 | 4,506,728 | 1,740,183 | 5.943 | 0.832 | 1.594 | 5,976,859 | 7,717,042 |
| Totals | 96,465,548 | \$97,423,420 | | | | \$14,624,033 | \$112,047,453 |

Notes:

- (A) From \$100K and \$1M Rate Analysis Appendix I, Column (C).
- (B) Provided by the Authority. These losses exclude amounts paid above the Authority's SIR for each year.
- (C) From \$100K and \$1M Rate Analysis Appendix B, Page 1, Column (F).
- (D) $1 - 1/(C)$.
- (E) From \$100K and \$1M Rate Analysis Appendix C, 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.

PLAN JPA - Liability Program (\$100K and \$1M Analysis)

Exposure and Development Method

| Accident Year | Trended Payroll (\$00) (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) |
|------------------------|----------------------------|-----------------------------|------------------|----------------------------|-------------------------------|-----------------------|-------------------|-----------------------|
| 2000-2001 | 0 | | 1.862 | | | 0.403 | 1.485 | 0.599 |
| 2001-2002 | 4,793,823 | 2,847,057 | 1.808 | 5,147,479 | 1.074 | 0.594 | 1.510 | 0.897 |
| 2002-2003 | 5,201,926 | 4,646,965 | 1.755 | 8,155,424 | 1.568 | 0.893 | 1.536 | 1.371 |
| 2003-2004 | 5,302,373 | 3,509,537 | 1.704 | 5,980,251 | 1.128 | 0.662 | 1.562 | 1.034 |
| 2004-2005 | 5,323,509 | 2,444,607 | 1.654 | 4,043,380 | 0.760 | 0.459 | 1.590 | 0.730 |
| 2005-2006 | 5,279,351 | 2,947,359 | 1.606 | 4,733,459 | 0.897 | 0.558 | 1.620 | 0.904 |
| 2006-2007 | 5,365,043 | 3,128,576 | 1.559 | 4,877,450 | 0.909 | 0.583 | 1.652 | 0.963 |
| 2007-2008 | 5,523,940 | 3,147,259 | 1.513 | 4,761,803 | 0.862 | 0.570 | 1.683 | 0.959 |
| 2008-2009 | 5,584,172 | 2,711,703 | 1.469 | 3,983,492 | 0.713 | 0.486 | 1.715 | 0.834 |
| 2009-2010 | 5,300,275 | 2,538,522 | 1.426 | 3,619,932 | 0.683 | 0.479 | 1.751 | 0.839 |
| 2010-2011 | 4,637,189 | 2,013,526 | 1.385 | 2,788,734 | 0.601 | 0.434 | 1.784 | 0.774 |
| 2011-2012 | 4,425,587 | 2,825,000 | 1.345 | 3,799,625 | 0.859 | 0.638 | 1.821 | 1.162 |
| 2012-2013 | 4,346,745 | 3,309,000 | 1.306 | 4,321,554 | 0.994 | 0.761 | 1.859 | 1.415 |
| 2013-2014 | 4,181,204 | 2,229,780 | 1.267 | 2,825,131 | 0.676 | 0.533 | 1.896 | 1.011 |
| 2014-2015 | 4,221,572 | 2,938,392 | 1.231 | 3,617,161 | 0.857 | 0.696 | 1.935 | 1.347 |
| 2015-2016 | 4,288,766 | 3,142,000 | 1.195 | 3,754,690 | 0.875 | 0.733 | 1.976 | 1.449 |
| 2016-2017 | 4,455,964 | 2,943,000 | 1.160 | 3,413,880 | 0.766 | 0.647 | 2.018 | 1.305 |
| 2017-2018 | 4,565,477 | 1,886,000 | 1.126 | 2,123,636 | 0.465 | 0.666 | 2.059 | 1.371 |
| 2018-2019 | 4,594,102 | 1,623,000 | 1.093 | 1,773,939 | 0.386 | 0.686 | 2.102 | 1.442 |
| 2019-2020 | 4,567,802 | 2,344,000 | 1.061 | 2,486,984 | 0.544 | 0.707 | 2.146 | 1.517 |
| 2020-2021 | 4,506,728 | 3,698,000 | 1.030 | 3,808,940 | 0.845 | 0.728 | 2.189 | 1.594 |
| Total/Avg | 96,465,548 | \$56,873,283 | | \$80,016,944 | \$0.829 | | | |
| 14/15-18/19 | 22,125,881 | 12,532,392 | | 14,683,306 | 0.664 | | | |
| 16/17-20/21 | 22,690,073 | 12,494,000 | | 13,607,379 | 0.600 | | | |
| Selected Limited Rate: | | | | | \$0.750 | | | |
| Prior: | | | | | \$0.800 | | | |

Notes:

- (A) From \$100K and \$1M Rate Analysis Appendix I, Column (C).
- (B) Selected average of results from Appendices and .
- (C) From \$100K and \$1M Rate Analysis Appendix E, Page 1, Column (B).
- (D) (B) x (C).
- (E) (D) / (A).
- (F) Selected Limited Rate / (C). For 2015-2016 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.

PLAN JPA - Liability Program (\$100K and \$1M Analysis)

Frequency and Severity Method

| Accident Year | Ultimate Program Severity (A) | Adjusted Ultimate Claims (B) | Ultimate Program Losses (C) |
|------------------|--|---------------------------------------|--------------------------------------|
| 2000-2001 | \$5,753 | 566 | \$3,256,198 |
| 2001-2002 | 6,339 | 678 | 4,297,842 |
| 2002-2003 | 9,453 | 755 | 7,137,015 |
| 2003-2004 | 8,742 | 627 | 5,481,234 |
| 2004-2005 | 6,867 | 566 | 3,886,722 |
| 2005-2006 | 8,494 | 562 | 4,773,628 |
| 2006-2007 | 8,971 | 576 | 5,167,296 |
| 2007-2008 | 8,003 | 662 | 5,297,986 |
| 2008-2009 | 7,882 | 590 | 4,650,380 |
| 2009-2010 | 8,579 | 518 | 4,443,922 |
| 2010-2011 | 8,594 | 418 | 3,592,292 |
| 2011-2012 | 11,883 | 433 | 5,145,339 |
| 2012-2013 | 12,400 | 496 | 6,150,400 |
| 2013-2014 | 9,502 | 445 | 4,228,390 |
| 2014-2015 | 11,726 | 485 | 5,687,110 |
| 2015-2016 | 12,521 | 496 | 6,210,416 |
| 2016-2017 | 11,050 | 514 | 5,679,700 |
| 2017-2018 | 11,561 | 492 | 5,688,012 |
| 2018-2019 | 12,099 | 434 | 5,250,966 |
| 2019-2020 | 12,661 | 438 | 5,545,518 |
| 2020-2021 | 13,243 | 373 | 4,939,639 |
| Total | | 11,124 | \$106,510,005 |

Notes:

- (A) From \$100K and \$1M Rate Analysis Appendix D, Page 2, Colu
 (B) From \$100K and \$1M Rate Analysis Appendix D, Page 2, Colu
 (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.

PLAN JPA - Liability Program (\$100K and \$1M Analysis)

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) |
|------------------|--------------------------------------|---------------------------------------|--|------------------------|---------------------------------------|----------------------------|-------------------------|----------------------------|
| 2000-2001 | \$2,192,130 | 566 | \$3,873 | 1.679 | \$6,503 | \$3,873 | 1.485 | \$5,753 |
| 2001-2002 | 2,847,057 | 678 | 4,199 | 1.638 | 6,878 | 4,199 | 1.510 | 6,339 |
| 2002-2003 | 4,646,965 | 755 | 6,155 | 1.598 | 9,836 | 6,155 | 1.536 | 9,453 |
| 2003-2004 | 3,509,537 | 627 | 5,597 | 1.559 | 8,726 | 5,597 | 1.562 | 8,742 |
| 2004-2005 | 2,444,607 | 566 | 4,319 | 1.521 | 6,569 | 4,319 | 1.590 | 6,867 |
| 2005-2006 | 2,947,359 | 562 | 5,244 | 1.484 | 7,782 | 5,244 | 1.620 | 8,494 |
| 2006-2007 | 3,128,576 | 576 | 5,432 | 1.448 | 7,866 | 5,432 | 1.652 | 8,971 |
| 2007-2008 | 3,147,259 | 662 | 4,754 | 1.412 | 6,713 | 4,754 | 1.683 | 8,003 |
| 2008-2009 | 2,711,703 | 590 | 4,596 | 1.378 | 6,333 | 4,596 | 1.715 | 7,882 |
| 2009-2010 | 2,538,522 | 518 | 4,901 | 1.344 | 6,587 | 4,901 | 1.751 | 8,579 |
| 2010-2011 | 2,013,526 | 418 | 4,817 | 1.312 | 6,320 | 4,817 | 1.784 | 8,594 |
| 2011-2012 | 2,825,000 | 433 | 6,524 | 1.280 | 8,351 | 6,524 | 1.821 | 11,883 |
| 2012-2013 | 3,309,000 | 496 | 6,671 | 1.249 | 8,332 | 6,671 | 1.859 | 12,400 |
| 2013-2014 | 2,229,780 | 445 | 5,011 | 1.218 | 6,103 | 5,011 | 1.896 | 9,502 |
| 2014-2015 | 2,938,392 | 485 | 6,059 | 1.188 | 7,198 | 6,059 | 1.935 | 11,726 |
| 2015-2016 | 3,142,000 | 496 | 6,335 | 1.160 | 7,349 | 6,335 | 1.976 | 12,521 |
| 2016-2017 | 2,943,000 | 514 | 5,726 | 1.132 | 6,482 | 5,477 | 2.018 | 11,050 |
| 2017-2018 | 1,891,000 | 492 | 3,843 | 1.104 | 4,243 | 5,616 | 2.059 | 11,561 |
| 2018-2019 | 1,683,000 | 434 | 3,878 | 1.077 | 4,177 | 5,757 | 2.102 | 12,099 |
| 2019-2020 | 2,360,000 | 438 | 5,388 | 1.051 | 5,663 | 5,899 | 2.146 | 12,661 |
| 2020-2021 | 3,779,000 | 373 | 10,131 | 1.025 | 10,384 | 6,049 | 2.189 | 13,243 |

Average Limited Severity: \$7,066
Average 15/16-18/19 Limited Severity: 5,563
Average 17/18-20/21 Limited Severity: 6,117

Selected Limited Severity: \$6,200
Prior: \$6,200

Notes:

- (A) Selected average of results from Appendices , , and .
- (B) \$100K and \$1M Rate Analysis Appendix D, Page 3, Column (C).
- (C) (A) / (B).
- (D) From \$100K and \$1M Rate Analysis Appendix E, 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.

PLAN JPA - Liability Program (\$100K and \$1M Analysis)

Frequency and Severity Method
Projection of Ultimate Claims

| Accident Year | Reported Claim Development (A) | Closed Claim Development (B) | Selected Ultimate Claims (C) | Trended Payroll (\$000,000) (D) | Claim Frequency (E) | Trend Factor (F) | Trended Claim Frequency (G) |
|-----------------------------------|---|---------------------------------------|---------------------------------------|--|---------------------------|------------------------|--------------------------------------|
| 2000-2001 | 566 | 566 | 566 | 0.0 | | 1.107 | |
| 2001-2002 | 678 | 678 | 678 | 479.4 | 1.414 | 1.101 | 1.557 |
| 2002-2003 | 755 | 755 | 755 | 520.2 | 1.451 | 1.096 | 1.590 |
| 2003-2004 | 627 | 627 | 627 | 530.2 | 1.182 | 1.090 | 1.288 |
| 2004-2005 | 566 | 566 | 566 | 532.4 | 1.063 | 1.084 | 1.152 |
| 2005-2006 | 562 | 562 | 562 | 527.9 | 1.065 | 1.079 | 1.149 |
| 2006-2007 | 576 | 576 | 576 | 536.5 | 1.074 | 1.074 | 1.153 |
| 2007-2008 | 662 | 662 | 662 | 552.4 | 1.198 | 1.069 | 1.281 |
| 2008-2009 | 590 | 591 | 590 | 558.4 | 1.057 | 1.064 | 1.125 |
| 2009-2010 | 518 | 519 | 518 | 530.0 | 0.977 | 1.059 | 1.035 |
| 2010-2011 | 418 | 419 | 418 | 463.7 | 0.901 | 1.054 | 0.950 |
| 2011-2012 | 433 | 434 | 433 | 442.6 | 0.978 | 1.049 | 1.026 |
| 2012-2013 | 496 | 497 | 496 | 434.7 | 1.141 | 1.044 | 1.191 |
| 2013-2014 | 445 | 448 | 445 | 418.1 | 1.064 | 1.039 | 1.105 |
| 2014-2015 | 485 | 490 | 485 | 422.2 | 1.149 | 1.034 | 1.188 |
| 2015-2016 | 496 | 502 | 496 | 428.9 | 1.157 | 1.030 | 1.192 |
| 2016-2017 | 514 | 516 | 514 | 445.6 | 1.154 | 1.025 | 1.183 |
| 2017-2018 | 492 | 499 | 492 | 456.5 | 1.078 | 1.020 | 1.100 |
| 2018-2019 | 434 | 429 | 434 | 459.4 | 0.945 | 1.015 | 0.959 |
| 2019-2020 | 438 | 405 | 438 | 456.8 | 0.959 | 1.010 | 0.969 |
| 2020-2021 | 373 | 342 | 373 | 450.7 | 0.828 | 1.005 | 0.832 |
| Total | 11,124 | 11,083 | 11,124 | 9,646.6 | | | 1.156 |
| 15/16-19/20 | 2,374 | 2,351 | 2,374 | 2,247.2 | | | 1.078 |
| (H) Selected Frequency: Prior: | | | | | | | 1.100 1.200 |
| Program Year: | | | | 2021-2022 | 2022-2023 | | |
| (I) Trend Factor: | | | | 1.000 | 1.005 | | |
| (J) Selected Frequency: | | | | 1.100 | 1.106 | | |
| (K) Est. Payroll (\$000,000): | | | | 462.3 | 476.2 | | |
| (L) Ultimate Claims: | | | | 509 | 527 | | |

Notes:

- (A) From \$100K and \$1M Rate Analysis Appendix D, Page 4, (C).
 (B) From \$100K and \$1M Rate Analysis Appendix D, Page 5, (C).
 (C) Selected from (A) and (B).
 (D) From \$100K and \$1M Rate Analysis Appendix I, Column (C) / 10,000.
 (E) (C) / (D).
 (F) From \$100K and \$1M Rate Analysis Appendix E, Page 1, Column (H).

- (G) (E) x (F).
 (H) The selected frequency of 1.100 is based on (G).
 (I) From \$100K and \$1M Rate Analysis Appendix E, Page 1
 (J) (H) x (I).
 (K) From \$100K and \$1M Rate Analysis Appendix I, Column
 (L) (J) x (K).

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

PLAN JPA - Liability Program (\$100K and \$1M Analysis)

Frequency and Severity Method
Reported Claim Count Development

| Accident Year | Claims Reported as of 12/31/2021 (A) | Reported Claim Development Factor (B) | Ultimate Claims (C) | Trended Claim Frequency (D) |
|------------------|--|---|---------------------------|--------------------------------------|
| 2000-2001 | 566 | 1.000 | 566 | |
| 2001-2002 | 678 | 1.000 | 678 | 1.557 |
| 2002-2003 | 755 | 1.000 | 755 | 1.591 |
| 2003-2004 | 627 | 1.000 | 627 | 1.289 |
| 2004-2005 | 566 | 1.000 | 566 | 1.153 |
| 2005-2006 | 562 | 1.000 | 562 | 1.149 |
| 2006-2007 | 576 | 1.000 | 576 | 1.153 |
| 2007-2008 | 662 | 1.000 | 662 | 1.281 |
| 2008-2009 | 590 | 1.000 | 590 | 1.124 |
| 2009-2010 | 518 | 1.000 | 518 | 1.035 |
| 2010-2011 | 418 | 1.000 | 418 | 0.950 |
| 2011-2012 | 433 | 1.000 | 433 | 1.026 |
| 2012-2013 | 496 | 1.000 | 496 | 1.191 |
| 2013-2014 | 445 | 1.000 | 445 | 1.106 |
| 2014-2015 | 485 | 1.000 | 485 | 1.188 |
| 2015-2016 | 496 | 1.001 | 496 | 1.191 |
| 2016-2017 | 512 | 1.003 | 514 | 1.182 |
| 2017-2018 | 489 | 1.006 | 492 | 1.099 |
| 2018-2019 | 430 | 1.010 | 434 | 0.959 |
| 2019-2020 | 431 | 1.017 | 438 | 0.968 |
| 2020-2021 | 353 | 1.057 | 373 | 0.832 |
| Total | 11,088 | | 11,124 | 1.156 |

Notes:

(A) Provided by the Authority.

(B) From \$100K and \$1M Rate Analysis Appendix D, Page 6.

(C) (A) x (B).

(D) (C) / [\$100K and \$1M Rate Analysis Appendix D, Page 3, (D)] x [\$100K and \$1M Rate Analysis Appendix D, Page 3, (F)].

This exhibit shows the calculation of estimated ultimate claims for each year based on reported claims as provided by the Authority. 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.

PLAN JPA - Liability Program (\$100K and \$1M Analysis)

Frequency and Severity Method
Closed Claim Count Development

| Accident Year | Claims Closed as of 12/31/2021 (A) | Closed Claim Development Factor (B) | Ultimate Claims (C) | Trended Claim Frequency (D) |
|---------------|------------------------------------|-------------------------------------|---------------------|-----------------------------|
| 2000-2001 | 566 | 1.000 | 566 | |
| 2001-2002 | 678 | 1.000 | 678 | 1.557 |
| 2002-2003 | 755 | 1.000 | 755 | 1.591 |
| 2003-2004 | 627 | 1.000 | 627 | 1.289 |
| 2004-2005 | 566 | 1.000 | 566 | 1.153 |
| 2005-2006 | 562 | 1.000 | 562 | 1.149 |
| 2006-2007 | 576 | 1.000 | 576 | 1.153 |
| 2007-2008 | 662 | 1.000 | 662 | 1.281 |
| 2008-2009 | 590 | 1.001 | 591 | 1.126 |
| 2009-2010 | 518 | 1.002 | 519 | 1.037 |
| 2010-2011 | 418 | 1.003 | 419 | 0.952 |
| 2011-2012 | 432 | 1.004 | 434 | 1.029 |
| 2012-2013 | 495 | 1.005 | 497 | 1.194 |
| 2013-2014 | 445 | 1.007 | 448 | 1.113 |
| 2014-2015 | 485 | 1.010 | 490 | 1.200 |
| 2015-2016 | 495 | 1.014 | 502 | 1.206 |
| 2016-2017 | 506 | 1.019 | 516 | 1.187 |
| 2017-2018 | 486 | 1.026 | 499 | 1.115 |
| 2018-2019 | 411 | 1.044 | 429 | 0.948 |
| 2019-2020 | 363 | 1.115 | 405 | 0.896 |
| 2020-2021 | 209 | 1.635 | 342 | 0.763 |
| Total | 10,845 | | 11,083 | 1.152 |

Notes:

- (A) Provided by the Authority.
- (B) From \$100K and \$1M Rate Analysis Appendix D, Page 7.
- (C) (A) x (B).
- (D) (C) / [\$100K and \$1M Rate Analysis Appendix D, Page 3, (D)] x [\$100K and \$1M Rate Ar

This exhibit shows the calculation of estimated ultimate claims for each year based on closed claims as provided by the Authority. 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.

PLAN JPA - Liability Program (\$100K and \$1M Analysis)
Reported Claim Count Development

| Accident Year | Claims Reported as of: | | | | | | | | | | | | | |
|------------------|------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 6 Months | 18 Months | 30 Months | 42 Months | 54 Months | 66 Months | 78 Months | 90 Months | 102 Months | 114 Months | 126 Months | 138 Months | 150 Months | 162 Months |
| 2000-2001 | | | 594 | 597 | 605 | 589 | 589 | 590 | 590 | 607 | 607 | 608 | 608 | 608 |
| 2001-2002 | | 686 | 717 | 719 | 707 | 709 | 710 | 710 | 722 | 722 | 723 | 723 | 723 | 723 |
| 2002-2003 | 253 | 775 | 796 | 790 | 791 | 792 | 792 | 806 | 807 | 807 | 807 | 807 | 807 | 807 |
| 2003-2004 | 206 | 637 | 631 | 652 | 656 | 656 | 668 | 667 | 668 | 666 | 667 | 667 | 667 | 667 |
| 2004-2005 | 244 | 619 | 720 | 721 | 723 | 728 | 729 | 730 | 730 | 730 | 731 | 731 | 731 | 731 |
| 2005-2006 | 192 | 669 | 695 | 697 | 706 | 708 | 710 | 710 | 711 | 711 | 711 | 711 | 711 | 711 |
| 2006-2007 | 234 | 660 | 677 | 696 | 696 | 700 | 701 | 702 | 702 | 702 | 702 | 702 | 703 | 703 |
| 2007-2008 | 242 | 659 | 803 | 809 | 814 | 814 | 814 | 814 | 814 | 814 | 814 | 810 | 814 | 814 |
| 2008-2009 | 243 | 693 | 716 | 721 | 724 | 724 | 724 | 724 | 724 | 724 | 709 | 724 | 724 | 724 |
| 2009-2010 | 238 | 632 | 647 | 646 | 646 | 646 | 646 | 646 | 647 | 647 | 647 | 647 | 647 | |
| 2010-2011 | 168 | 494 | 505 | 506 | 508 | 509 | 510 | 510 | 510 | 510 | 513 | 514 | | |
| 2011-2012 | 129 | 452 | 465 | 467 | 470 | 471 | 471 | 470 | 470 | 470 | 470 | | | |
| 2012-2013 | 169 | 499 | 520 | 523 | 523 | 524 | 525 | 527 | 528 | 528 | | | | |
| 2013-2014 | 144 | 455 | 467 | 471 | 473 | 466 | 466 | 466 | 467 | | | | | |
| 2014-2015 | 161 | 489 | 510 | 514 | 502 | 503 | 504 | 512 | | | | | | |
| 2015-2016 | 170 | 487 | 502 | 490 | 492 | 492 | 497 | | | | | | | |
| 2016-2017 | 108 | 501 | 508 | 511 | 512 | 512 | | | | | | | | |
| 2017-2018 | 152 | 473 | 481 | 483 | 489 | | | | | | | | | |
| 2018-2019 | 123 | 394 | 421 | 430 | | | | | | | | | | |
| 2019-2020 | 144 | 413 | 431 | | | | | | | | | | | |
| 2020-2021 | 124 | 353 | | | | | | | | | | | | |
| 2021-2022 | 151 | | | | | | | | | | | | | |

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 | 138-150 Months | 150-162 Months | 162-174 Months |
|---------------------------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| 2000-2001 | | | 1.005 | 1.013 | 0.974 | 1.000 | 1.002 | 1.000 | 1.029 | 1.000 | 1.002 | 1.000 | 1.000 | 1.000 |
| 2001-2002 | | 1.045 | 1.003 | 0.983 | 1.003 | 1.001 | 1.000 | 1.017 | 1.000 | 1.001 | 1.000 | 1.000 | 1.000 | 1.000 |
| 2002-2003 | 3.063 | 1.027 | 0.992 | 1.001 | 1.001 | 1.000 | 1.018 | 1.001 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| 2003-2004 | 3.092 | 0.991 | 1.033 | 1.006 | 1.000 | 1.018 | 0.999 | 1.001 | 0.997 | 1.002 | 1.000 | 1.000 | 1.000 | 1.000 |
| 2004-2005 | 2.537 | 1.163 | 1.001 | 1.003 | 1.007 | 1.001 | 1.001 | 1.000 | 1.000 | 1.001 | 1.000 | 1.000 | 1.000 | 1.000 |
| 2005-2006 | 3.484 | 1.039 | 1.003 | 1.013 | 1.003 | 1.003 | 1.000 | 1.001 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| 2006-2007 | 2.821 | 1.026 | 1.028 | 1.000 | 1.006 | 1.001 | 1.001 | 1.000 | 1.000 | 1.000 | 1.000 | 1.001 | 1.000 | 1.001 |
| 2007-2008 | 2.723 | 1.219 | 1.007 | 1.006 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 0.995 | 1.005 | 1.000 | 1.000 |
| 2008-2009 | 2.852 | 1.033 | 1.007 | 1.004 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 0.979 | 1.021 | 1.000 | 1.000 | |
| 2009-2010 | 2.655 | 1.024 | 0.998 | 1.000 | 1.000 | 1.000 | 1.000 | 1.002 | 1.000 | 1.000 | 1.000 | 1.000 | | |
| 2010-2011 | 2.940 | 1.022 | 1.002 | 1.004 | 1.002 | 1.002 | 1.000 | 1.000 | 1.000 | 1.006 | 1.002 | | | |
| 2011-2012 | 3.504 | 1.029 | 1.004 | 1.006 | 1.002 | 1.000 | 0.998 | 1.000 | 1.000 | 1.000 | | | | |
| 2012-2013 | 2.953 | 1.042 | 1.006 | 1.000 | 1.002 | 1.002 | 1.004 | 1.002 | 1.000 | | | | | |
| 2013-2014 | 3.160 | 1.026 | 1.009 | 1.004 | 0.985 | 1.000 | 1.000 | 1.002 | | | | | | |
| 2014-2015 | 3.037 | 1.043 | 1.008 | 0.977 | 1.002 | 1.002 | 1.016 | | | | | | | |
| 2015-2016 | 2.865 | 1.031 | 0.976 | 1.004 | 1.000 | 1.010 | | | | | | | | |
| 2016-2017 | 4.639 | 1.014 | 1.006 | 1.002 | 1.000 | | | | | | | | | |
| 2017-2018 | 3.112 | 1.017 | 1.004 | 1.012 | | | | | | | | | | |
| 2018-2019 | 3.203 | 1.069 | 1.021 | | | | | | | | | | | |
| 2019-2020 | 2.868 | 1.044 | | | | | | | | | | | | |
| 2020-2021 | 2.847 | | | | | | | | | | | | | |
| Average Claim-Weighted Averages | | | | | | | | | | | | | | |
| 3-yr | 2.967 | 1.041 | 1.010 | 1.006 | 1.001 | 1.004 | 1.007 | 1.001 | 1.000 | 1.002 | 1.009 | 1.002 | 1.000 | 1.000 |
| 4-yr | 3.007 | 1.034 | 1.001 | 0.998 | 0.997 | 1.004 | 1.005 | 1.001 | 1.000 | 0.995 | 1.004 | 1.002 | 1.000 | 1.000 |
| Comparative Factors Prior | | | | | | | | | | | | | | |
| 2.644 | 1.140 | 1.018 | 1.007 | 1.006 | 1.004 | 1.004 | 1.004 | 1.003 | 1.002 | 1.001 | 1.000 | 1.001 | 1.000 | 1.000 |
| 3.207 | 1.035 | 1.007 | 1.004 | 1.003 | 1.002 | 1.001 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| Selected | 3.063 | 1.040 | 1.007 | 1.004 | 1.003 | 1.002 | 1.001 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| Cumulated | 3.238 | 1.057 | 1.017 | 1.010 | 1.006 | 1.003 | 1.001 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |

PLAN JPA - Liability Program (\$100K and \$1M Analysis)

Closed Claim Development

Claims Closed 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 | 150 Months | 162 Months |
|---------------|----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------|------------|------------|------------|------------|
| 2000-2001 | | | 544 | 583 | 593 | 582 | 587 | 589 | 589 | 607 | 607 | 607 | 607 | 608 |
| 2001-2002 | | 474 | 664 | 700 | 698 | 705 | 707 | 709 | 721 | 721 | 722 | 723 | 722 | 723 |
| 2002-2003 | 44 | 536 | 734 | 766 | 783 | 789 | 791 | 805 | 805 | 805 | 806 | 806 | 806 | 806 |
| 2003-2004 | 36 | 465 | 585 | 636 | 648 | 649 | 662 | 663 | 666 | 666 | 667 | 667 | 667 | 667 |
| 2004-2005 | 54 | 414 | 668 | 706 | 712 | 726 | 727 | 730 | 730 | 730 | 730 | 731 | 731 | 731 |
| 2005-2006 | 50 | 487 | 637 | 672 | 692 | 701 | 707 | 707 | 707 | 710 | 711 | 711 | 711 | 711 |
| 2006-2007 | 83 | 518 | 632 | 681 | 687 | 692 | 699 | 701 | 702 | 702 | 702 | 702 | 703 | 702 |
| 2007-2008 | 94 | 480 | 742 | 786 | 800 | 808 | 811 | 813 | 814 | 814 | 814 | 810 | 814 | 814 |
| 2008-2009 | 89 | 509 | 664 | 704 | 712 | 718 | 723 | 724 | 724 | 724 | 709 | 724 | 724 | 724 |
| 2009-2010 | 45 | 464 | 599 | 631 | 643 | 644 | 645 | 645 | 647 | 647 | 647 | 647 | 647 | |
| 2010-2011 | 46 | 331 | 470 | 497 | 503 | 507 | 509 | 509 | 510 | 510 | 513 | 514 | | |
| 2011-2012 | 27 | 285 | 421 | 451 | 459 | 467 | 470 | 469 | 469 | 469 | 469 | | | |
| 2012-2013 | 36 | 332 | 471 | 506 | 515 | 518 | 524 | 526 | 527 | 527 | | | | |
| 2013-2014 | 28 | 304 | 430 | 456 | 467 | 464 | 465 | 466 | 467 | | | | | |
| 2014-2015 | 23 | 354 | 457 | 491 | 492 | 501 | 504 | 512 | | | | | | |
| 2015-2016 | 43 | 336 | 450 | 470 | 481 | 488 | 496 | | | | | | | |
| 2016-2017 | 19 | 316 | 465 | 491 | 499 | 506 | | | | | | | | |
| 2017-2018 | 22 | 310 | 445 | 473 | 486 | | | | | | | | | |
| 2018-2019 | 19 | 234 | 366 | 411 | | | | | | | | | | |
| 2019-2020 | 36 | 227 | 363 | | | | | | | | | | | |
| 2020-2021 | 18 | 209 | | | | | | | | | | | | |
| 2021-2022 | 41 | | | | | | | | | | | | | |

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 | 138-150 Months | 150-162 Months | 162-174 Months |
|---------------------------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|
| 2000-2001 | | | 1.072 | 1.017 | 0.981 | 1.009 | 1.003 | 1.000 | 1.031 | 1.000 | 1.000 | 1.000 | 1.002 | 1.000 |
| 2001-2002 | | 1.401 | 1.054 | 0.997 | 1.010 | 1.003 | 1.003 | 1.017 | 1.000 | 1.001 | 1.001 | 0.999 | 1.001 | 1.000 |
| 2002-2003 | 12.182 | 1.369 | 1.044 | 1.022 | 1.008 | 1.003 | 1.018 | 1.000 | 1.000 | 1.001 | 1.000 | 1.000 | 1.000 | 1.000 |
| 2003-2004 | 12.917 | 1.258 | 1.087 | 1.019 | 1.002 | 1.020 | 1.002 | 1.005 | 1.000 | 1.002 | 1.000 | 1.000 | 1.000 | 1.000 |
| 2004-2005 | 7.667 | 1.614 | 1.057 | 1.008 | 1.020 | 1.001 | 1.004 | 1.000 | 1.000 | 1.000 | 1.001 | 1.000 | 1.000 | 1.000 |
| 2005-2006 | 9.740 | 1.308 | 1.055 | 1.030 | 1.013 | 1.009 | 1.000 | 1.000 | 1.004 | 1.001 | 1.000 | 1.000 | 1.000 | 1.000 |
| 2006-2007 | 6.241 | 1.220 | 1.078 | 1.009 | 1.007 | 1.010 | 1.003 | 1.001 | 1.000 | 1.000 | 1.000 | 1.001 | 0.999 | 1.001 |
| 2007-2008 | 5.106 | 1.546 | 1.059 | 1.018 | 1.010 | 1.004 | 1.002 | 1.001 | 1.000 | 1.000 | 0.995 | 1.005 | 1.000 | 1.000 |
| 2008-2009 | 5.719 | 1.305 | 1.060 | 1.011 | 1.008 | 1.007 | 1.001 | 1.000 | 1.000 | 0.979 | 1.021 | 1.000 | 1.000 | |
| 2009-2010 | 10.311 | 1.291 | 1.053 | 1.019 | 1.002 | 1.002 | 1.000 | 1.003 | 1.000 | 1.000 | 1.000 | 1.000 | | |
| 2010-2011 | 7.196 | 1.420 | 1.057 | 1.012 | 1.008 | 1.004 | 1.000 | 1.002 | 1.000 | 1.006 | 1.002 | | | |
| 2011-2012 | 10.556 | 1.477 | 1.071 | 1.018 | 1.017 | 1.006 | 0.998 | 1.000 | 1.000 | 1.000 | | | | |
| 2012-2013 | 9.222 | 1.419 | 1.074 | 1.018 | 1.006 | 1.012 | 1.004 | 1.002 | 1.000 | | | | | |
| 2013-2014 | 10.857 | 1.414 | 1.060 | 1.024 | 0.994 | 1.002 | 1.002 | 1.002 | | | | | | |
| 2014-2015 | 15.391 | 1.291 | 1.074 | 1.002 | 1.018 | 1.006 | 1.016 | | | | | | | |
| 2015-2016 | 7.814 | 1.339 | 1.044 | 1.023 | 1.015 | 1.016 | | | | | | | | |
| 2016-2017 | 16.632 | 1.472 | 1.056 | 1.016 | 1.014 | | | | | | | | | |
| 2017-2018 | 14.091 | 1.435 | 1.063 | 1.027 | | | | | | | | | | |
| 2018-2019 | 12.316 | 1.564 | 1.123 | | | | | | | | | | | |
| 2019-2020 | 6.306 | 1.599 | | | | | | | | | | | | |
| 2020-2021 | 11.611 | | | | | | | | | | | | | |
| Average Claim-Weighted Averages | 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 | 138-150 Months | 150-162 Months | 162-174 Months |
| Average Claim-Weighted Averages | 10.099 | 1.407 | 1.065 | 1.016 | 1.008 | 1.007 | 1.004 | 1.002 | 1.003 | 0.999 | 1.002 | 1.001 | 1.000 | 1.000 |
| 3-yr | 9.178 | 1.523 | 1.078 | 1.022 | 1.016 | 1.008 | 1.007 | 1.001 | 1.000 | 1.002 | 1.009 | 1.002 | 1.000 | 1.000 |
| 4-yr | 10.316 | 1.508 | 1.069 | 1.017 | 1.010 | 1.009 | 1.005 | 1.002 | 1.000 | 0.995 | 1.004 | 1.002 | 1.000 | 1.000 |
| Comparative Factors Prior | 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 | 138-150 Months | 150-162 Months | 162-174 Months |
| Comparative Factors Prior | 3.502 | 1.514 | 1.119 | 1.051 | 1.032 | 1.022 | 1.017 | 1.014 | 1.012 | 1.009 | 1.009 | 1.006 | 1.005 | 1.003 |
| Prior | 10.781 | 1.428 | 1.059 | 1.015 | 1.007 | 1.005 | 1.004 | 1.003 | 1.002 | 1.001 | 1.001 | 1.001 | 1.001 | 1.001 |
| Selected | 10.093 | 1.466 | 1.068 | 1.018 | 1.007 | 1.005 | 1.004 | 1.003 | 1.002 | 1.001 | 1.001 | 1.001 | 1.001 | 1.001 |
| Cumulated | 16.503 | 1.635 | 1.115 | 1.044 | 1.026 | 1.019 | 1.014 | 1.010 | 1.007 | 1.005 | 1.004 | 1.003 | 1.002 | 1.001 |

PLAN JPA - Liability Program (\$100K and \$1M Analysis)

Loss Trend Factors

| Accident Year | Benefit Level Factor (A) | Factor to 2021-2022 Loss Rate Level (B) | Factor to 2022-2023 Loss Rate Level (C) | Factor to 2023-2024 Loss Rate Level (D) | Factor to 2024-2025 Loss Rate Level (E) | Factor to 2021-2022 Frequency Level (F) | Factor to 2022-2023 Frequency Level (G) | Factor to 2023-2024 Frequency Level (H) | Factor to 2024-2025 Frequency Level (I) | Factor to 2021-2022 Severity Level (J) |
|---------------|--------------------------|---|---|---|---|---|---|---|---|--|
| 2000-2001 | 1.000 | 1.862 | 1.918 | 1.976 | 2.035 | 1.107 | 1.113 | 1.118 | 1.124 | 1.679 |
| 2001-2002 | 1.000 | 1.808 | 1.862 | 1.918 | 1.976 | 1.101 | 1.107 | 1.112 | 1.118 | 1.638 |
| 2002-2003 | 1.000 | 1.755 | 1.808 | 1.862 | 1.918 | 1.096 | 1.101 | 1.106 | 1.112 | 1.598 |
| 2003-2004 | 1.000 | 1.704 | 1.755 | 1.808 | 1.862 | 1.090 | 1.095 | 1.100 | 1.106 | 1.559 |
| 2004-2005 | 1.000 | 1.654 | 1.704 | 1.755 | 1.808 | 1.084 | 1.089 | 1.095 | 1.100 | 1.521 |
| 2005-2006 | 1.000 | 1.606 | 1.654 | 1.704 | 1.755 | 1.079 | 1.084 | 1.090 | 1.095 | 1.484 |
| 2006-2007 | 1.000 | 1.559 | 1.606 | 1.654 | 1.704 | 1.074 | 1.079 | 1.085 | 1.090 | 1.448 |
| 2007-2008 | 1.000 | 1.513 | 1.559 | 1.606 | 1.654 | 1.069 | 1.074 | 1.080 | 1.085 | 1.412 |
| 2008-2009 | 1.000 | 1.469 | 1.514 | 1.559 | 1.606 | 1.064 | 1.069 | 1.075 | 1.080 | 1.378 |
| 2009-2010 | 1.000 | 1.426 | 1.469 | 1.514 | 1.559 | 1.059 | 1.064 | 1.070 | 1.075 | 1.344 |
| 2010-2011 | 1.000 | 1.385 | 1.427 | 1.470 | 1.514 | 1.054 | 1.059 | 1.065 | 1.070 | 1.312 |
| 2011-2012 | 1.000 | 1.345 | 1.385 | 1.427 | 1.470 | 1.049 | 1.054 | 1.060 | 1.065 | 1.280 |
| 2012-2013 | 1.000 | 1.306 | 1.345 | 1.385 | 1.427 | 1.044 | 1.050 | 1.055 | 1.060 | 1.249 |
| 2013-2014 | 1.000 | 1.267 | 1.305 | 1.345 | 1.385 | 1.039 | 1.045 | 1.050 | 1.055 | 1.218 |
| 2014-2015 | 1.000 | 1.231 | 1.268 | 1.306 | 1.345 | 1.034 | 1.040 | 1.045 | 1.050 | 1.188 |
| 2015-2016 | 1.000 | 1.195 | 1.231 | 1.268 | 1.306 | 1.030 | 1.035 | 1.040 | 1.045 | 1.160 |
| 2016-2017 | 1.000 | 1.160 | 1.195 | 1.231 | 1.268 | 1.025 | 1.030 | 1.035 | 1.040 | 1.132 |
| 2017-2018 | 1.000 | 1.126 | 1.160 | 1.195 | 1.231 | 1.020 | 1.025 | 1.030 | 1.035 | 1.104 |
| 2018-2019 | 1.000 | 1.093 | 1.126 | 1.160 | 1.195 | 1.015 | 1.020 | 1.025 | 1.030 | 1.077 |
| 2019-2020 | 1.000 | 1.061 | 1.093 | 1.126 | 1.160 | 1.010 | 1.015 | 1.020 | 1.025 | 1.051 |
| 2020-2021 | 1.000 | 1.030 | 1.061 | 1.093 | 1.126 | 1.005 | 1.010 | 1.015 | 1.020 | 1.025 |
| 2021-2022 | 1.000 | 1.000 | 1.030 | 1.061 | 1.093 | 1.000 | 1.005 | 1.010 | 1.015 | 1.000 |
| 2022-2023 | 1.000 | -- | 1.000 | 1.030 | 1.061 | -- | 1.000 | 1.005 | 1.010 | -- |
| 2023-2024 | 1.000 | -- | -- | 1.000 | 1.030 | -- | -- | 1.000 | 1.005 | -- |
| 2024-2025 | 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 0.5% annual frequency trend.
 (J) (A) adjusted for a 2.5% 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.

PLAN JPA - Liability Program (\$100K and \$1M Analysis)

Residual Trend Factors

| Accident Year | Initial Estimate of Ultimate Limited Losses (A) | Ultimate Reported Claims (B) | BLF (C) | Adjusted Limited Severity (D) | Trended Payroll (\$00) (E) | Ultimate Frequency (F) |
|---------------|---|------------------------------|---------|-------------------------------|----------------------------|------------------------|
| 2000-2001 | \$2,192,130 | 566 | 1.000 | 3,873 | | |
| 2001-2002 | 2,847,057 | 678 | 1.000 | 4,199 | 4,793,823 | 1.414 |
| 2002-2003 | 4,646,965 | 755 | 1.000 | 6,155 | 5,201,926 | 1.451 |
| 2003-2004 | 3,509,537 | 627 | 1.000 | 5,597 | 5,302,373 | 1.182 |
| 2004-2005 | 2,444,607 | 566 | 1.000 | 4,319 | 5,323,509 | 1.063 |
| 2005-2006 | 2,947,359 | 562 | 1.000 | 5,244 | 5,279,351 | 1.065 |
| 2006-2007 | 3,128,576 | 576 | 1.000 | 5,432 | 5,365,043 | 1.074 |
| 2007-2008 | 3,147,259 | 662 | 1.000 | 4,754 | 5,523,940 | 1.198 |
| 2008-2009 | 2,711,703 | 590 | 1.000 | 4,596 | 5,584,172 | 1.057 |
| 2009-2010 | 2,538,522 | 518 | 1.000 | 4,901 | 5,300,275 | 0.977 |
| 2010-2011 | 2,013,526 | 418 | 1.000 | 4,817 | 4,637,189 | 0.901 |
| 2011-2012 | 2,825,000 | 433 | 1.000 | 6,524 | 4,425,587 | 0.978 |
| 2012-2013 | 3,309,000 | 496 | 1.000 | 6,671 | 4,346,745 | 1.141 |
| 2013-2014 | 2,229,780 | 445 | 1.000 | 5,011 | 4,181,204 | 1.064 |
| 2014-2015 | 2,938,392 | 485 | 1.000 | 6,059 | 4,221,572 | 1.149 |
| 2015-2016 | 3,142,000 | 496 | 1.000 | 6,335 | 4,288,766 | 1.157 |
| 2016-2017 | 2,943,000 | 514 | 1.000 | 5,726 | 4,455,964 | 1.154 |
| 2017-2018 | 1,886,000 | 492 | 1.000 | 3,833 | 4,565,477 | 1.078 |
| 2018-2019 | 1,623,000 | 434 | 1.000 | 3,740 | 4,594,102 | 0.945 |
| 2019-2020 | 2,344,000 | 438 | 1.000 | 5,352 | 4,567,802 | 0.959 |
| 2020-2021 | 3,698,000 | 373 | 1.000 | 9,914 | 4,506,728 | 0.828 |

Severity Trend FactorsFrequency Trend Factors

| | | |
|-----------------------------|-------|-------|
| 2009-2010 through 2018-2019 | 0.972 | 1.011 |
| 2010-2011 through 2019-2020 | 0.969 | 1.002 |
| 2015-2016 through 2019-2020 | 0.927 | 0.944 |
| Prior | 1.030 | 1.005 |
| Default | 1.030 | 0.975 |

| | | |
|-------------------------|-------|-------|
| Selected Residual Trend | 1.025 | 1.005 |
|-------------------------|-------|-------|

Notes:

- (A) Selected average of results from \$100K and \$1M Rate Analysis Appendix A and \$100K
 (B) \$100K and \$1M Rate Analysis Appendix D, Page 3, Column (C).
 (C) \$100K and \$1M Rate Analysis Appendix E, Page 1, (A).
 (D) $(A) \times (C) / (B)$.
 (E) From \$100K and \$1M Rate Analysis Appendix I, Column (C).
 (F) $(B) / (E) \times 10,000$.

PLAN JPA - Liability Program (\$100K and \$1M Analysis)

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 | 0.1% | 2.0% | 0.001 | 0.001 | 0.990 |
| 13 | 0.2% | 2.0% | 0.003 | 0.003 | 0.984 |
| 12 | 0.2% | 2.0% | 0.005 | 0.005 | 0.975 |
| 11 | 0.3% | 2.0% | 0.008 | 0.008 | 0.968 |
| 10 | 0.5% | 2.0% | 0.012 | 0.013 | 0.965 |
| 9 | 1.2% | 2.0% | 0.024 | 0.024 | 0.967 |
| 8 | 2.2% | 2.0% | 0.045 | 0.047 | 0.968 |
| 7 | 4.4% | 2.0% | 0.088 | 0.091 | 0.969 |
| 6 | 6.4% | 2.0% | 0.150 | 0.155 | 0.967 |
| 5 | 10.5% | 2.0% | 0.251 | 0.260 | 0.965 |
| 4 | 20.9% | 2.0% | 0.452 | 0.468 | 0.966 |
| 3 | 25.3% | 2.0% | 0.694 | 0.721 | 0.962 |
| 2 | 19.1% | 2.0% | 0.870 | 0.913 | 0.953 |
| 1 | 8.7% | 2.0% | 0.939 | 1.000 | 0.939 |

| | | |
|---|-----------|-------|
| (G) Discount Factor for Future Funding: | 2021-2022 | 0.948 |
| | 2022-2023 | 0.948 |

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 \$100K and \$1M Rate Analysis Appendix B, 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, $87.0\% = [69.4\% / 1.020] + [19.1\% / (1.010)]$.
- (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 0.95, on a discounted basis, \$0.95 must be budgeted for every \$1 that will actually be paid on claims that will be incurred in the next fiscal year.

PLAN JPA - Liability Program (\$100K and \$1M Analysis)

Confidence Level Table

| Probability | Projected Losses | Outstanding Losses |
|-------------|------------------|--------------------|
| 95% | 1.827 | 1.547 |
| 90% | 1.581 | 1.385 |
| 85% | 1.433 | 1.290 |
| 80% | 1.322 | 1.218 |
| 75% | 1.234 | 1.161 |
| 70% | 1.159 | 1.112 |
| 65% | 1.093 | 1.069 |
| 60% | 1.033 | 1.030 |
| 55% | 0.979 | 0.994 |
| 50% | 0.926 | 0.960 |
| 45% | 0.877 | 0.927 |
| 40% | 0.829 | 0.895 |
| 35% | 0.782 | 0.864 |
| 30% | 0.734 | 0.832 |
| 25% | 0.684 | 0.798 |

To read table: For the above retention, there is a 90% chance that final loss settlements will be less than 1.581 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.

PLAN JPA - Liability Program (\$100K and \$1M Analysis)

Incurred Losses as of 12/31/21

| Accident Year (A) | Unlimited Incurred (B) | Additions to 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) |
|-------------------------|------------------------------|----------------------------------|---------------------------------------|-----------------------------|-----------------------------|--------------------------------------|---|--|-------------------------------------|--|
| 2000-2001 | \$3,911,857 | \$0 | \$0 | \$3,911,857 | \$0 | \$1,719,728 | \$2,192,130 | \$1,719,728 | \$3,911,857 | \$3,911,857 |
| 2001-2002 | 7,249,504 | 0 | 0 | 7,249,504 | 1,452,906 | 4,402,447 | 2,847,057 | 2,949,541 | 5,796,598 | 5,796,598 |
| 2002-2003 | 12,459,622 | 0 | 0 | 12,459,622 | 3,575,194 | 7,812,657 | 4,646,965 | 4,237,463 | 8,884,428 | 8,884,428 |
| 2003-2004 | 5,715,419 | 0 | 0 | 5,715,419 | 0 | 2,205,881 | 3,509,537 | 2,205,881 | 5,715,419 | 5,715,419 |
| 2004-2005 | 3,909,704 | 0 | 0 | 3,909,704 | 40,367 | 1,465,098 | 2,444,607 | 1,424,731 | 3,869,337 | 3,869,337 |
| 2005-2006 | 7,274,863 | 0 | 0 | 7,274,863 | 1,643,182 | 4,327,503 | 2,947,359 | 2,684,321 | 5,631,680 | 5,631,680 |
| 2006-2007 | 4,547,760 | 0 | 0 | 4,547,760 | 0 | 1,419,184 | 3,128,576 | 1,419,184 | 4,547,760 | 4,547,760 |
| 2007-2008 | 5,982,106 | 0 | 0 | 5,982,106 | 183,478 | 2,834,846 | 3,147,259 | 2,651,369 | 5,798,628 | 5,798,628 |
| 2008-2009 | 5,484,881 | 0 | 0 | 5,484,881 | 120,835 | 2,773,179 | 2,711,703 | 2,652,344 | 5,364,046 | 5,364,046 |
| 2009-2010 | 3,874,500 | 0 | 0 | 3,874,500 | 0 | 1,335,978 | 2,538,522 | 1,335,978 | 3,874,500 | 3,874,500 |
| 2010-2011 | 3,571,075 | 0 | 0 | 3,571,075 | 0 | 1,557,549 | 2,013,526 | 1,557,549 | 3,571,075 | 3,571,075 |
| 2011-2012 | 6,315,380 | 0 | 0 | 6,315,380 | 22,224 | 3,490,733 | 2,824,647 | 3,468,509 | 6,293,156 | 6,293,156 |
| 2012-2013 | 6,833,017 | 0 | 0 | 6,833,017 | 0 | 3,524,416 | 3,308,601 | 3,524,416 | 6,833,017 | 6,833,017 |
| 2013-2014 | 9,703,564 | 0 | 0 | 9,703,564 | 5,385,480 | 7,473,784 | 2,229,780 | 2,088,304 | 4,318,084 | 4,318,084 |
| 2014-2015 | 7,286,913 | 0 | 0 | 7,286,913 | 549,140 | 4,348,520 | 2,938,392 | 3,799,381 | 6,737,773 | 6,737,773 |
| 2015-2016 | 8,501,264 | 0 | 0 | 8,501,264 | 2,240,574 | 5,365,803 | 3,135,461 | 3,125,229 | 6,260,691 | 6,260,691 |
| 2016-2017 | 35,651,100 | 0 | 0 | 35,651,100 | 27,554,111 | 32,720,056 | 2,931,044 | 5,165,945 | 8,096,989 | 8,096,989 |
| 2017-2018 | 2,646,622 | 0 | 0 | 2,646,622 | 0 | 773,258 | 1,873,364 | 773,258 | 2,646,622 | 2,646,622 |
| 2018-2019 | 2,313,337 | 0 | 0 | 2,313,337 | 0 | 717,128 | 1,596,209 | 717,128 | 2,313,337 | 2,313,337 |
| 2019-2020 | 2,327,142 | 0 | 0 | 2,327,142 | 0 | 66,812 | 2,260,330 | 66,812 | 2,327,142 | 2,327,142 |
| 2020-2021 | 33,801,806 | 0 | 0 | 33,801,806 | 29,250,008 | 31,269,779 | 2,532,027 | 2,019,771 | 4,551,798 | 4,551,798 |
| 2021-2022 | 465,421 | 0 | 0 | 465,421 | 0 | 50,000 | 415,421 | 50,000 | 465,421 | 465,421 |
| Total | \$179,826,857 | \$0 | \$0 | \$179,826,857 | \$72,017,498 | \$121,654,340 | \$58,172,517 | \$49,636,841 | \$107,809,359 | \$107,809,359 |

Notes:

- (A) Years are 7/1 to 6/30.
- (B) Provided by the Authority.
- (C)
- (D)
- (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 \$100K and \$1M Rate Analysis Not Included.

PLAN JPA - Liability Program (\$100K and \$1M Analysis)

Paid Losses as of 12/31/21

| Accident Year (A) | Unlimited Paid (B) | Additions to 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) |
|-------------------------|--------------------------|----------------------------------|---------------------------------------|-------------------------|-------------------------|----------------------------------|---------------------------------------|--|---------------------------------|--|
| 2000-2001 | \$3,911,857 | \$0 | \$0 | \$3,911,857 | \$0 | \$1,719,728 | \$2,192,130 | \$1,719,728 | \$3,911,857 | \$3,911,857 |
| 2001-2002 | 7,249,504 | 0 | 0 | 7,249,504 | 1,452,906 | 4,402,447 | 2,847,057 | 2,949,541 | 5,796,598 | 5,796,598 |
| 2002-2003 | 12,459,622 | 0 | 0 | 12,459,622 | 3,575,194 | 7,812,657 | 4,646,965 | 4,237,463 | 8,884,428 | 8,884,428 |
| 2003-2004 | 5,715,419 | 0 | 0 | 5,715,419 | 0 | 2,205,881 | 3,509,537 | 2,205,881 | 5,715,419 | 5,715,419 |
| 2004-2005 | 3,909,704 | 0 | 0 | 3,909,704 | 40,367 | 1,465,098 | 2,444,607 | 1,424,731 | 3,869,337 | 3,869,337 |
| 2005-2006 | 7,274,863 | 0 | 0 | 7,274,863 | 1,643,182 | 4,327,503 | 2,947,359 | 2,684,321 | 5,631,680 | 5,631,680 |
| 2006-2007 | 4,547,760 | 0 | 0 | 4,547,760 | 0 | 1,419,184 | 3,128,576 | 1,419,184 | 4,547,760 | 4,547,760 |
| 2007-2008 | 5,982,106 | 0 | 0 | 5,982,106 | 183,478 | 2,834,846 | 3,147,259 | 2,651,369 | 5,798,628 | 5,798,628 |
| 2008-2009 | 5,484,881 | 0 | 0 | 5,484,881 | 120,835 | 2,773,179 | 2,711,703 | 2,652,344 | 5,364,046 | 5,364,046 |
| 2009-2010 | 3,874,500 | 0 | 0 | 3,874,500 | 0 | 1,335,978 | 2,538,522 | 1,335,978 | 3,874,500 | 3,874,500 |
| 2010-2011 | 3,571,075 | 0 | 0 | 3,571,075 | 0 | 1,557,549 | 2,013,526 | 1,557,549 | 3,571,075 | 3,571,075 |
| 2011-2012 | 6,251,455 | 0 | 0 | 6,251,455 | 22,224 | 3,426,808 | 2,824,647 | 3,404,584 | 6,229,231 | 6,229,231 |
| 2012-2013 | 6,415,654 | 0 | 0 | 6,415,654 | 0 | 3,107,052 | 3,308,601 | 3,107,052 | 6,415,654 | 6,415,654 |
| 2013-2014 | 9,703,564 | 0 | 0 | 9,703,564 | 5,385,480 | 7,473,784 | 2,229,780 | 2,088,304 | 4,318,084 | 4,318,084 |
| 2014-2015 | 7,286,913 | 0 | 0 | 7,286,913 | 549,140 | 4,348,520 | 2,938,392 | 3,799,381 | 6,737,773 | 6,737,773 |
| 2015-2016 | 8,367,272 | 0 | 0 | 8,367,272 | 2,240,574 | 5,231,811 | 3,135,461 | 2,991,237 | 6,126,699 | 6,126,699 |
| 2016-2017 | 34,479,534 | 0 | 0 | 34,479,534 | 27,178,799 | 31,645,510 | 2,834,023 | 4,466,711 | 7,300,734 | 7,300,734 |
| 2017-2018 | 2,520,086 | 0 | 0 | 2,520,086 | 0 | 719,295 | 1,800,791 | 719,295 | 2,520,086 | 2,520,086 |
| 2018-2019 | 1,852,726 | 0 | 0 | 1,852,726 | 0 | 515,432 | 1,337,293 | 515,432 | 1,852,726 | 1,852,726 |
| 2019-2020 | 1,128,779 | 0 | 0 | 1,128,779 | 0 | 0 | 1,128,779 | 0 | 1,128,779 | 1,128,779 |
| 2020-2021 | 10,740,183 | 0 | 0 | 10,740,183 | 9,000,000 | 9,947,057 | 793,126 | 947,057 | 1,740,183 | 1,740,183 |
| 2021-2022 | 40,902 | 0 | 0 | 40,902 | 0 | 0 | 40,902 | 0 | 40,902 | 40,902 |
| Total | \$152,768,357 | \$0 | \$0 | \$152,768,357 | \$51,392,178 | \$98,269,320 | \$54,499,037 | \$46,877,142 | \$101,376,178 | \$101,376,178 |

Notes:

- (A) Years are 7/1 to 6/30.
- (B) Provided by the Authority.
- (C)
- (D)
- (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 \$100K and \$1M Rate Analysis Not Included.

PLAN JPA - Liability Program (\$100K and \$1M Analysis)

Case Reserves as of 12/31/21

| Accident Year (A) | Unlimited Reserves (B) | Additions to 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) |
|-------------------------|------------------------------|----------------------------------|---------------------------------------|-----------------------------|-----------------------------|--------------------------------------|---|--|-------------------------------------|--|
| 2000-2001 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 2001-2002 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2002-2003 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2003-2004 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2004-2005 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2005-2006 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2006-2007 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2007-2008 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 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 | 63,925 | 0 | 0 | 63,925 | 0 | 63,925 | 0 | 63,925 | 63,925 | 63,925 |
| 2012-2013 | 417,364 | 0 | 0 | 417,364 | 0 | 417,364 | 0 | 417,364 | 417,364 | 417,364 |
| 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 | 133,992 | 0 | 0 | 133,992 | 0 | 133,992 | 0 | 133,992 | 133,992 | 133,992 |
| 2016-2017 | 1,171,566 | 0 | 0 | 1,171,566 | 375,312 | 1,074,546 | 97,020 | 699,234 | 796,254 | 796,254 |
| 2017-2018 | 126,536 | 0 | 0 | 126,536 | 0 | 53,963 | 72,573 | 53,963 | 126,536 | 126,536 |
| 2018-2019 | 460,612 | 0 | 0 | 460,612 | 0 | 201,696 | 258,916 | 201,696 | 460,612 | 460,612 |
| 2019-2020 | 1,198,363 | 0 | 0 | 1,198,363 | 0 | 66,812 | 1,131,551 | 66,812 | 1,198,363 | 1,198,363 |
| 2020-2021 | 23,061,623 | 0 | 0 | 23,061,623 | 20,250,008 | 21,322,722 | 1,738,901 | 1,072,714 | 2,811,615 | 2,811,615 |
| 2021-2022 | 424,519 | 0 | 0 | 424,519 | 0 | 50,000 | 374,519 | 50,000 | 424,519 | 424,519 |
| Total | \$27,058,500 | \$0 | \$0 | \$27,058,500 | \$20,625,320 | \$23,385,020 | \$3,673,480 | \$2,759,700 | \$6,433,180 | \$6,433,180 |

Notes:

- (A) Years are 7/1 to 6/30.
 (B) \$100K and \$1M Rate Analysis Appendix H, Page 1, Column (B) - \$100K and \$1M Rate Analysis Appendix H, Page 2, Column (B).
 (C) \$100K and \$1M Rate Analysis Appendix H, Page 1, Column (C) - \$100K and \$1M Rate Analysis Appendix H, Page 2, Column (C).
 (D) \$100K and \$1M Rate Analysis Appendix H, Page 1, Column (D) - \$100K and \$1M Rate Analysis Appendix H, 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 \$100K and \$1M Rate Analysis Not Included.

PLAN JPA - Liability Program (\$100K and \$1M Analysis)

Claim Counts as of 12/31/21

| 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) |
|-------------------------|---------------------------|--|---|---------------------------------------|-------------------------|--|---|-------------------------------------|-----------------------|-----------------------------------|
| 2000-2001 | 566 | 0 | 0 | 566 | 566 | 0 | 0 | 566 | 0 | 0 |
| 2001-2002 | 678 | 0 | 0 | 678 | 678 | 0 | 0 | 678 | 0 | 0 |
| 2002-2003 | 755 | 0 | 0 | 755 | 755 | 0 | 0 | 755 | 0 | 0 |
| 2003-2004 | 627 | 0 | 0 | 627 | 627 | 0 | 0 | 627 | 0 | 0 |
| 2004-2005 | 566 | 0 | 0 | 566 | 566 | 0 | 0 | 566 | 0 | 0 |
| 2005-2006 | 562 | 0 | 0 | 562 | 562 | 0 | 0 | 562 | 0 | 0 |
| 2006-2007 | 576 | 0 | 0 | 576 | 576 | 0 | 0 | 576 | 0 | 0 |
| 2007-2008 | 662 | 0 | 0 | 662 | 662 | 0 | 0 | 662 | 0 | 0 |
| 2008-2009 | 590 | 0 | 0 | 590 | 590 | 0 | 0 | 590 | 0 | 0 |
| 2009-2010 | 518 | 0 | 0 | 518 | 518 | 0 | 0 | 518 | 0 | 0 |
| 2010-2011 | 418 | 0 | 0 | 418 | 418 | 0 | 0 | 418 | 0 | 0 |
| 2011-2012 | 433 | 0 | 0 | 433 | 432 | 0 | 0 | 432 | 1 | 1 |
| 2012-2013 | 496 | 0 | 0 | 496 | 495 | 0 | 0 | 495 | 1 | 1 |
| 2013-2014 | 445 | 0 | 0 | 445 | 445 | 0 | 0 | 445 | 0 | 0 |
| 2014-2015 | 485 | 0 | 0 | 485 | 485 | 0 | 0 | 485 | 0 | 0 |
| 2015-2016 | 496 | 0 | 0 | 496 | 495 | 0 | 0 | 495 | 1 | 1 |
| 2016-2017 | 512 | 0 | 0 | 512 | 506 | 0 | 0 | 506 | 6 | 6 |
| 2017-2018 | 489 | 0 | 0 | 489 | 486 | 0 | 0 | 486 | 3 | 3 |
| 2018-2019 | 430 | 0 | 0 | 430 | 411 | 0 | 0 | 411 | 19 | 19 |
| 2019-2020 | 431 | 0 | 0 | 431 | 363 | 0 | 0 | 363 | 68 | 68 |
| 2020-2021 | 353 | 0 | 0 | 353 | 209 | 0 | 0 | 209 | 144 | 144 |
| 2021-2022 | 151 | 0 | 0 | 151 | 41 | 0 | 0 | 41 | 110 | 110 |
| Total | 11,239 | 0 | 0 | 11,239 | 10,886 | 0 | 0 | 10,886 | 353 | 353 |

Notes:

- (A) Years are 7/1 to 6/30.
- (B) Provided by the Authority.
- (C)
- (D)
- (E) (B) + (C) - (D).
- (F) Provided by the Authority.
- (G)
- (H)
- (I) (F) + (G) - (H).
- (J) (B) - (F).
- (K) (E) - (I).

PLAN JPA - Liability Program (\$100K and \$1M Analysis)

Exposure Measures

| Accident Year | Total Payroll (\$00) (A) | Inflation Trend Factor (B) | Trended Payroll (\$00) (C) |
|------------------|-----------------------------------|-------------------------------------|-------------------------------------|
| 2000-2001 | | | |
| 2001-2002 | 2,926,632 | 1.638 | 4,793,823 |
| 2002-2003 | 3,255,273 | 1.598 | 5,201,926 |
| 2003-2004 | 3,401,137 | 1.559 | 5,302,373 |
| 2004-2005 | 3,500,006 | 1.521 | 5,323,509 |
| 2005-2006 | 3,557,514 | 1.484 | 5,279,351 |
| 2006-2007 | 3,705,140 | 1.448 | 5,365,043 |
| 2007-2008 | 3,909,370 | 1.413 | 5,523,940 |
| 2008-2009 | 4,049,436 | 1.379 | 5,584,172 |
| 2009-2010 | 3,940,725 | 1.345 | 5,300,275 |
| 2010-2011 | 3,534,443 | 1.312 | 4,637,189 |
| 2011-2012 | 3,457,490 | 1.280 | 4,425,587 |
| 2012-2013 | 3,480,180 | 1.249 | 4,346,745 |
| 2013-2014 | 3,430,028 | 1.219 | 4,181,204 |
| 2014-2015 | 3,550,523 | 1.189 | 4,221,572 |
| 2015-2016 | 3,697,212 | 1.160 | 4,288,766 |
| 2016-2017 | 3,936,364 | 1.132 | 4,455,964 |
| 2017-2018 | 4,135,396 | 1.104 | 4,565,477 |
| 2018-2019 | 4,265,647 | 1.077 | 4,594,102 |
| 2019-2020 | 4,346,148 | 1.051 | 4,567,802 |
| 2020-2021 | 4,396,808 | 1.025 | 4,506,728 |
| 2021-2022 | 4,622,980 | 1.000 | 4,622,980 |
| 2022-2023 | 4,761,670 | 1.000 | 4,761,670 |

Notes:

- (A) Provided by the Authority.
- (B) Based on industry factors.
- (C) (A) x (B).

PLAN JPA - Liability

Funding Guidelines for Outstanding Liabilities at
June 30, 2022

| | |
|--|---------------------|
| (A) Estimated Ultimate Losses Incurred through 6/30/22: (From Reserve Appendix F) | \$124,887,000 |
| (B) Estimated Paid Losses through 6/30/22: (From Reserve Appendix F) | 106,464,000 |
| (C) Estimated Liability for Claims Outstanding at 6/30/22: (From Reserve Appendix F) | <u>\$18,423,000</u> |
| (D) Estimated Liability for Outstanding Claims Administration Fees at 6/30/22: (From Reserve Not Included) | 2,303,000 |
| (E) Total Outstanding Liability for Claims at 6/30/22: ((C) + (D)) | <u>\$20,726,000</u> |
| (F) Reserve Discount Factor (Based on a Discount Rate of 2.0%.): (Reserve Appendix H, Page 1, (H)) | 0.956 |
| (G) Discounted Outstanding Liability for Claims at 6/30/22: ((E) x (F)) | <u>\$19,808,000</u> |

| Confidence Level of Adequacy: | Marginally Acceptable 70% | 75% | Recommended 80% | 85% | Conservative 90% |
|--|---------------------------------|---------------------|---------------------|---------------------|---------------------|
| (H) Confidence Level Factor: (From Reserve Appendix I) | 1.109 | 1.155 | 1.210 | 1.278 | 1.370 |
| (I) Margin for Adverse Experience: ((G) x [(H) - 1]) | 2,159,000 | 3,070,000 | 4,160,000 | 5,507,000 | 7,329,000 |
| (J) Total Required Assets at 6/30/22: ((G) + (I)) | <u>\$21,967,000</u> | <u>\$22,878,000</u> | <u>\$23,968,000</u> | <u>\$25,315,000</u> | <u>\$27,137,000</u> |
| (K) Estimated Total Assets at 6/30/22: (From Reserve Appendix K) | 48,829,000 | 48,829,000 | 48,829,000 | 48,829,000 | 48,829,000 |
| (L) Indicated Funding Redundancy/ (Deficiency): ((K) - (J)) | <u>\$26,862,000</u> | <u>\$25,951,000</u> | <u>\$24,861,000</u> | <u>\$23,514,000</u> | <u>\$21,692,000</u> |

PLAN JPA - Liability

IBNR as of 6/30/22 at Expected Claims Level

| Accident Year | Estimated Ultimate (A) | Reported as of 12/31/21 (B) | Estimated IBNR as of 12/31/21 (C) | Estimated Percent of IBNR Reported Between 1/1/22 and 6/30/22 (D) | Estimated IBNR Reported (E) | Estimated IBNR as of 6/30/22 (F) |
|---------------|------------------------|-----------------------------|-----------------------------------|---|-----------------------------|----------------------------------|
| 1986-2001 | \$30,004,000 | \$30,003,175 | \$825 | 100.0% | \$825 | \$0 |
| 2001-2002 | 4,627,263 | 4,627,263 | 0 | 100.0% | 0 | 0 |
| 2002-2003 | 8,812,482 | 8,812,482 | 0 | 100.0% | 0 | 0 |
| 2003-2004 | 2,574,481 | 2,574,481 | 0 | 100.0% | 0 | 0 |
| 2004-2005 | 1,874,487 | 1,874,487 | 0 | 100.0% | 0 | 0 |
| 2005-2006 | 4,756,022 | 4,756,022 | 0 | 100.0% | 0 | 0 |
| 2006-2007 | 1,662,124 | 1,662,124 | 0 | 100.0% | 0 | 0 |
| 2007-2008 | 6,755,660 | 6,755,660 | 0 | 100.0% | 0 | 0 |
| 2008-2009 | 3,471,639 | 3,471,639 | 0 | 100.0% | 0 | 0 |
| 2009-2010 | 2,352,952 | 2,352,952 | 0 | 33.3% | 0 | 0 |
| 2010-2011 | 2,076,846 | 2,076,846 | 0 | 33.2% | 0 | 0 |
| 2011-2012 | 3,917,000 | 3,878,185 | 38,815 | 19.8% | 8,000 | 30,815 |
| 2012-2013 | 3,845,000 | 3,788,438 | 56,562 | 19.8% | 11,000 | 45,562 |
| 2013-2014 | 6,959,081 | 6,959,081 | 0 | 19.6% | 0 | 0 |
| 2014-2015 | 5,644,000 | 5,429,951 | 214,049 | 19.4% | 42,000 | 172,049 |
| 2015-2016 | 5,216,000 | 4,948,195 | 267,805 | 11.0% | 29,000 | 238,805 |
| 2016-2017 | 8,049,000 | 7,845,241 | 203,759 | 9.0% | 18,000 | 185,759 |
| 2017-2018 | 1,146,000 | 868,680 | 277,320 | 17.0% | 47,000 | 230,320 |
| 2018-2019 | 2,871,000 | 1,002,487 | 1,868,513 | 28.6% | 534,000 | 1,334,513 |
| 2019-2020 | 4,018,000 | 367,323 | 3,650,677 | 25.7% | 938,000 | 2,712,677 |
| 2020-2021 | 8,808,000 | 4,118,968 | 4,689,032 | 21.4% | 1,003,000 | 3,686,032 |
| 2021-2022 | 5,446,000 | 60,000 | 2,663,000 | 10.4% | 560,000 | 4,826,000 |
| Totals | \$124,887,037 | \$108,233,680 | \$13,930,357 | | \$3,190,825 | \$13,462,532 |

Notes:

- (A) From Reserve Exhibit 3, Page 1.
- (B) Provided by the Authority. These losses exclude amounts incurred above the Authority's SIR for each year.
- (C) (A) - (B).
- (D) Percentage of incurred but not reported (IBNR) expected to be reported between 1/1/22 and 6/30/22. The percentage is based on the development pattern selected in Reserve Appendix A.
- (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 6/30/22. This amount is dependent on both the strength of the case reserves and the average frequency and severity of the losses incurred.

PLAN JPA - 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) |
|---|--------------------------------------|----------------------------------|--|--|-------------------------------|--|
| 1986-2001 | \$30,003,175 | \$30,002,392 | \$30,003,175 | \$30,002,392 | \$30,003,978 | \$30,004,000 |
| 2001-2002 | 4,627,263 | 4,627,263 | 4,627,263 | 4,627,263 | 4,627,260 | 4,627,263 |
| 2002-2003 | 8,812,482 | 8,812,482 | 8,812,482 | 8,812,482 | 8,812,496 | 8,812,482 |
| 2003-2004 | 2,574,481 | 2,574,481 | 2,574,481 | 2,574,481 | 2,574,480 | 2,574,481 |
| 2004-2005 | 1,874,487 | 1,874,487 | 1,874,487 | 1,874,487 | 1,874,484 | 1,874,487 |
| 2005-2006 | 4,756,022 | 4,756,022 | 4,756,022 | 4,756,022 | 4,756,022 | 4,756,022 |
| 2006-2007 | 1,662,124 | 1,662,124 | 1,662,124 | 1,662,124 | 1,662,122 | 1,662,124 |
| 2007-2008 | 6,755,660 | 6,755,660 | 6,755,660 | 6,755,660 | 6,755,664 | 6,755,660 |
| 2008-2009 | 3,475,111 | 3,475,111 | 3,475,112 | 3,475,112 | 3,471,638 | 3,471,639 |
| 2009-2010 | 2,360,011 | 2,360,011 | 2,360,001 | 2,360,001 | 2,352,960 | 2,352,952 |
| 2010-2011 | 2,089,307 | 2,089,307 | 2,089,295 | 2,089,295 | 2,076,841 | 2,076,846 |
| 2011-2012 | 3,916,967 | 3,852,403 | 3,917,351 | 3,853,426 | 3,917,000 | 3,917,000 |
| 2012-2013 | 3,845,265 | 3,421,640 | 3,846,103 | 3,428,739 | 3,844,995 | 3,845,000 |
| 2013-2014 | 7,133,058 | 7,133,058 | 7,126,126 | 7,126,126 | 6,959,085 | 6,959,081 |
| 2014-2015 | 5,647,149 | 5,706,879 | 5,636,206 | 5,695,911 | 5,429,952 | 5,644,000 |
| 2015-2016 | 5,205,501 | 5,314,880 | 5,203,296 | 5,303,580 | 5,206,000 | 5,216,000 |
| 2016-2017 | 8,339,491 | 8,254,815 | 8,129,171 | 7,597,815 | 8,400,000 | 8,049,000 |
| 2017-2018 | 953,811 | 1,152,825 | 1,337,953 | 2,359,627 | 2,800,000 | 1,146,000 |
| 2018-2019 | 1,268,146 | 1,402,392 | 2,161,253 | 3,452,368 | 4,000,000 | 2,871,000 |
| 2019-2020 | 647,223 | 278,777 | 2,974,041 | 4,871,427 | 5,200,000 | 4,018,000 |
| 2020-2021 | 16,875,412 | 54,232,020 | 9,076,279 | 8,693,377 | 5,600,000 | 8,808,000 |
| Totals | | | | | | \$119,441,037 |
| Projected Losses for the Year 2021-2022 (G) | | | | | | \$5,446,000 |
| Projected Losses for the Year 2022-2023 (H) | | | | | | \$6,000,000 |

Notes:

- (A) From Reserve Appendix A, Page 1, Column (G).
- (B) From Reserve Appendix B, Page 1, Column (G).
- (C) From Reserve Appendix C, Page 1, Column (G).
- (D) From Reserve Appendix C, Page 2, Column (G).
- (E) From Reserve Appendix D, Page 1, Column (C).
- (F) Selected averages of (A), (B), (C), (D), and (E).
- (G) From Reserve Not Included, Page 1, Line (K).
- (H) From Reserve Not Included, 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.

PLAN JPA - 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) |
|---|--------------------------------------|----------------------------------|--|--|-------------------------------|--------------------------------------|
| 1986-2001 | \$30,003,175 | \$30,002,392 | \$30,003,175 | \$30,002,392 | \$30,003,978 | \$30,004,000 |
| 2001-2002 | 4,627,263 | 4,627,263 | 4,627,263 | 4,627,263 | 4,627,260 | 4,627,263 |
| 2002-2003 | 8,812,482 | 8,812,482 | 8,812,482 | 8,812,482 | 8,812,496 | 8,812,482 |
| 2003-2004 | 2,574,481 | 2,574,481 | 2,574,481 | 2,574,481 | 2,574,480 | 2,574,481 |
| 2004-2005 | 1,874,487 | 1,874,487 | 1,874,487 | 1,874,487 | 1,874,484 | 1,874,487 |
| 2005-2006 | 4,756,022 | 4,756,022 | 4,756,022 | 4,756,022 | 4,756,022 | 4,756,022 |
| 2006-2007 | 1,662,124 | 1,662,124 | 1,662,124 | 1,662,124 | 1,662,122 | 1,662,124 |
| 2007-2008 | 6,755,660 | 6,755,660 | 6,755,660 | 6,755,660 | 6,755,664 | 6,755,660 |
| 2008-2009 | 3,475,111 | 3,475,111 | 3,475,112 | 3,475,112 | 3,471,638 | 3,471,639 |
| 2009-2010 | 2,360,011 | 2,360,011 | 2,360,001 | 2,360,001 | 2,352,960 | 2,352,952 |
| 2010-2011 | 2,089,307 | 2,089,307 | 2,089,295 | 2,089,295 | 2,076,841 | 2,076,846 |
| 2011-2012 | 3,916,967 | 3,852,403 | 3,917,351 | 3,853,426 | 3,917,000 | 3,917,000 |
| 2012-2013 | 3,845,265 | 3,421,640 | 3,846,103 | 3,428,739 | 3,844,995 | 3,845,000 |
| 2013-2014 | 7,133,058 | 7,133,058 | 7,126,126 | 7,126,126 | 6,959,085 | 6,959,081 |
| 2014-2015 | 5,647,149 | 5,706,879 | 5,636,206 | 5,695,911 | 5,429,952 | 5,644,000 |
| 2015-2016 | 5,205,501 | 5,314,880 | 5,203,296 | 5,303,580 | 5,206,000 | 5,216,000 |
| 2016-2017 | 8,339,491 | 8,254,815 | 8,129,171 | 7,597,815 | 8,400,000 | 8,049,000 |
| 2017-2018 | 953,811 | 1,152,825 | 1,337,953 | 2,359,627 | 2,800,000 | 1,146,000 |
| 2018-2019 | 1,268,146 | 1,402,392 | 2,161,253 | 3,452,368 | 4,000,000 | 2,871,000 |
| 2019-2020 | 647,223 | 278,777 | 2,974,041 | 4,871,427 | 5,200,000 | 4,018,000 |
| 2020-2021 | 16,875,412 | 54,232,020 | 9,076,279 | 8,693,377 | 5,600,000 | 8,808,000 |
| Totals | | | | | | \$119,441,037 |
| Projected Losses for the Year 2021-2022 (G) | | | | | | \$7,032,000 |
| Projected Losses for the Year 2022-2023 (H) | | | | | | \$7,748,000 |

Notes:

- (A) From Reserve Appendix A, Page 1, Column (D).
- (B) From Reserve Appendix B, Page 1, Column (D).
- (C) Based on results in Reserve Appendix C, Page 1.
- (D) Based on results in Reserve Appendix C, Page 2.
- (E) Based on results in Reserve Appendix D, Page 1.
- (F) Selected averages of (A), (B), (C), (D), and (E).
- (G) From Reserve Not Included, Page 1, Line (K) / Line (G1).
- (H) From Reserve Not Included, Page 1, Line (K) / Line (G1).

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.

PLAN JPA - Liability

Reported Loss Development

| Accident Year (A) | Program Reported Losses as of 12/31/21 (B) | Reported Loss Development Factor (C) | Ultimate Program Losses (D) | Program Reported Losses of 12/31/21 (E) | Reported Loss Development Factor (F) | Ultimate Program Losses (G) |
|-------------------------|--|--|--------------------------------------|---|--|--------------------------------------|
| 1986-2001 | \$30,003,175 | 1.000 | \$30,003,175 | \$30,003,175 | 1.000 | \$30,003,175 |
| 2001-2002 | 4,627,263 | 1.000 | 4,627,263 | 4,627,263 | 1.000 | 4,627,263 |
| 2002-2003 | 8,812,482 | 1.000 | 8,812,482 | 8,812,482 | 1.000 | 8,812,482 |
| 2003-2004 | 2,574,481 | 1.000 | 2,574,481 | 2,574,481 | 1.000 | 2,574,481 |
| 2004-2005 | 1,874,487 | 1.000 | 1,874,487 | 1,874,487 | 1.000 | 1,874,487 |
| 2005-2006 | 4,756,022 | 1.000 | 4,756,022 | 4,756,022 | 1.000 | 4,756,022 |
| 2006-2007 | 1,662,124 | 1.000 | 1,662,124 | 1,662,124 | 1.000 | 1,662,124 |
| 2007-2008 | 6,755,660 | 1.000 | 6,755,660 | 6,755,660 | 1.000 | 6,755,660 |
| 2008-2009 | 3,471,639 | 1.001 | 3,475,111 | 3,471,639 | 1.001 | 3,475,111 |
| 2009-2010 | 2,352,952 | 1.003 | 2,360,011 | 2,352,952 | 1.003 | 2,360,011 |
| 2010-2011 | 2,076,846 | 1.006 | 2,089,307 | 2,076,846 | 1.006 | 2,089,307 |
| 2011-2012 | 3,878,185 | 1.010 | 3,916,967 | 3,878,185 | 1.010 | 3,916,967 |
| 2012-2013 | 3,788,438 | 1.015 | 3,845,265 | 3,788,438 | 1.015 | 3,845,265 |
| 2013-2014 | 6,959,081 | 1.025 | 7,133,058 | 6,959,081 | 1.025 | 7,133,058 |
| 2014-2015 | 5,429,951 | 1.040 | 5,647,149 | 5,429,951 | 1.040 | 5,647,149 |
| 2015-2016 | 4,948,195 | 1.052 | 5,205,501 | 4,948,195 | 1.052 | 5,205,501 |
| 2016-2017 | 7,845,241 | 1.063 | 8,339,491 | 7,845,241 | 1.063 | 8,339,491 |
| 2017-2018 | 868,680 | 1.098 | 953,811 | 868,680 | 1.098 | 953,811 |
| 2018-2019 | 1,002,487 | 1.265 | 1,268,146 | 1,002,487 | 1.265 | 1,268,146 |
| 2019-2020 | 367,323 | 1.762 | 647,223 | 367,323 | 1.762 | 647,223 |
| 2020-2021 | 4,118,968 | 4.097 | 16,875,412 | 4,118,968 | 4.097 | 16,875,412 |
| Totals | \$108,173,680 | | \$122,822,146 | \$108,173,680 | | \$122,822,146 |

Notes:

- (A) Years are 7/1 to 6/30.
- (B) Provided by the Authority. These losses exclude amounts over the SIR.
- (C) From Reserve Appendix A, Page 2.
- (D) (B) x (C). These estimated losses exclude amounts over the SIR.
- (E) Losses capped at the Authority's SIR. Amounts are provided by the Authority.
- (F) From Reserve Appendix A, Page 2.
- (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.

PLAN JPA - Liability
Reported Loss Development

| Accident Year | Program Losses Reported as of: | | | | | | | | | | |
|------------------|--------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|---------------|
| | 6 Months | 18 Months | 30 Months | 42 Months | 54 Months | 66 Months | 78 Months | 90 Months | 102 Months | 114 Months | 126 Months |
| 2000-2001 | | | 1,029,802 | 1,075,802 | 1,110,538 | 1,151,880 | 1,736,208 | 1,709,846 | 1,709,846 | 1,709,846 | 1,709,846 |
| 2001-2002 | | 486,199 | 2,720,670 | 2,906,359 | 3,303,530 | 4,806,236 | 6,530,242 | 4,585,777 | 4,573,678 | 4,573,678 | 4,664,570 |
| 2002-2003 | 567,543 | 1,906,336 | 4,062,177 | 8,370,243 | 9,217,066 | 8,542,877 | 8,721,640 | 8,719,727 | 8,808,032 | 8,850,963 | 8,792,658 |
| 2003-2004 | 4,001 | 184,321 | 558,456 | 670,955 | 1,173,162 | 1,318,511 | 1,591,251 | 1,881,919 | 2,790,812 | 2,568,802 | 2,569,681 |
| 2004-2005 | | 671,598 | 1,275,449 | 1,852,243 | 1,904,110 | 1,876,140 | 1,884,486 | 1,876,140 | 1,876,140 | 1,876,140 | 1,876,140 |
| 2005-2006 | 25,000 | 422,143 | 1,922,276 | 2,886,625 | 3,514,764 | 4,881,587 | 4,993,818 | 5,096,734 | 5,171,734 | 4,812,387 | 4,775,006 |
| 2006-2007 | 250,000 | 429,839 | 388,247 | 544,541 | 885,717 | 1,181,310 | 1,717,627 | 1,656,699 | 1,656,563 | 1,656,563 | 1,656,563 |
| 2007-2008 | 228,140 | 748,802 | 1,944,679 | 3,425,750 | 4,743,123 | 7,031,234 | 6,805,660 | 6,755,660 | 6,755,660 | 6,755,660 | 6,755,660 |
| 2008-2009 | 40,000 | 593,853 | 2,272,388 | 4,424,148 | 5,587,036 | 5,819,751 | 3,573,895 | 3,528,864 | 3,528,864 | 3,528,864 | 3,528,864 |
| 2009-2010 | 588,210 | 3,130,545 | 3,852,129 | 3,616,630 | 3,528,002 | 3,528,002 | 2,483,987 | 2,463,987 | 2,441,417 | 2,441,417 | 2,441,417 |
| 2010-2011 | | 3,235,361 | 13,599,043 | 6,660,508 | 1,961,674 | 2,096,846 | 2,046,846 | 2,046,846 | 2,076,846 | 2,076,846 | 2,076,846 |
| 2011-2012 | 25,000 | 6,136,433 | 10,300,736 | 3,657,810 | 3,711,615 | 3,660,880 | 3,809,185 | 3,878,185 | 3,878,185 | 3,878,185 | 3,878,185 |
| 2012-2013 | 25,000 | 4,721,268 | 2,820,517 | 2,142,134 | 2,006,231 | 2,383,230 | 2,320,228 | 2,449,510 | 3,788,438 | 3,788,438 | |
| 2013-2014 | 357,000 | 1,085,300 | 1,453,782 | 6,394,575 | 6,948,858 | 7,070,156 | 7,046,618 | 6,959,081 | 6,959,081 | | |
| 2014-2015 | | 2,581,639 | 3,391,765 | 4,496,980 | 5,649,691 | 5,428,532 | 5,429,951 | 5,429,951 | | | |
| 2015-2016 | | 816,550 | 4,031,962 | 4,652,451 | 5,078,739 | 5,077,844 | 4,948,195 | | | | |
| 2016-2017 | 10,002 | 1,838,105 | 4,617,897 | 6,101,188 | 7,084,535 | 7,845,241 | | | | | |
| 2017-2018 | | 213,377 | 680,850 | 921,662 | 868,680 | | | | | | |
| 2018-2019 | | 5,000 | 568,156 | 1,002,487 | | | | | | | |
| 2019-2020 | | 63,500 | 367,323 | | | | | | | | |
| 2020-2021 | 2,330,000 | 4,118,968 | | | | | | | | | |
| 2021-2022 | 60,000 | | | | | | | | | | |

| | Reported Loss 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 |
| 2000-2001 | | | 1.045 | 1.032 | 1.037 | 1.507 | 0.985 | 1.000 | 1.000 | 1.000 | 1.000 |
| 2001-2002 | | 5.596 | 1.068 | 1.137 | 1.455 | 1.359 | 0.702 | 0.997 | 1.000 | 1.020 | 0.989 |
| 2002-2003 | 3.359 | 2.131 | 2.061 | 1.101 | 0.927 | 1.021 | 1.000 | 1.010 | 1.005 | 0.993 | 1.008 |
| 2003-2004 | 46.069 | 3.030 | 1.201 | 1.748 | 1.124 | 1.207 | 1.183 | 1.483 | 0.920 | 1.000 | 1.000 |
| 2004-2005 | | 1.899 | 1.452 | 1.028 | 0.985 | 1.004 | 0.996 | 1.000 | 1.000 | 1.000 | 1.000 |
| 2005-2006 | 16.886 | 4.554 | 1.502 | 1.218 | 1.389 | 1.023 | 1.021 | 1.015 | 0.931 | 0.992 | 1.000 |
| 2006-2007 | 1.719 | 0.903 | 1.403 | 1.627 | 1.334 | 1.454 | 0.965 | 1.000 | 1.000 | 1.000 | 1.000 |
| 2007-2008 | 3.282 | 2.597 | 1.762 | 1.385 | 1.482 | 0.968 | 0.993 | 1.000 | 1.000 | 1.000 | 0.965 |
| 2008-2009 | 14.846 | 3.827 | 1.947 | 1.263 | 1.042 | 0.614 | 0.987 | 1.000 | 1.000 | 1.000 | 1.000 |
| 2009-2010 | 5.322 | 1.230 | 0.939 | 0.975 | 1.000 | 0.704 | 0.992 | 0.991 | 1.000 | 1.000 | 1.000 |
| 2010-2011 | | 4.203 | 0.490 | 0.295 | 1.069 | 0.976 | 1.000 | 1.015 | 1.000 | 1.000 | 1.000 |
| 2011-2012 | 245.457 | 1.679 | 0.355 | 1.015 | 0.986 | 1.041 | 1.018 | 1.000 | 1.000 | 1.000 | |
| 2012-2013 | 188.851 | 0.597 | 0.759 | 0.937 | 1.188 | 0.974 | 1.056 | 1.547 | 1.000 | | |
| 2013-2014 | 3.040 | 1.340 | 4.399 | 1.087 | 1.017 | 0.997 | 0.988 | 1.000 | | | |
| 2014-2015 | | 1.314 | 1.326 | 1.256 | 0.961 | 1.000 | 1.000 | | | | |
| 2015-2016 | | 4.938 | 1.154 | 1.092 | 1.000 | 0.974 | | | | | |
| 2016-2017 | 183.774 | 2.512 | 1.321 | 1.161 | 1.107 | | | | | | |
| 2017-2018 | | 3.191 | 1.354 | 0.943 | | | | | | | |
| 2018-2019 | | 113.631 | 1.764 | | | | | | | | |
| 2019-2020 | | 5.785 | | | | | | | | | |
| 2020-2021 | 1.768 | | | | | | | | | | |

| | 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 | 59.531 | 8.682 | 1.437 | 1.128 | 1.124 | 1.051 | 0.992 | 1.076 | 0.989 | 1.000 | 0.997 |
| 3-yr | | 5.734 | 1.368 | 1.116 | 1.030 | 0.991 | 1.003 | 1.101 | 1.000 | 1.000 | 1.000 |
| 4-yr | | 2.941 | 1.281 | 1.155 | 1.027 | 0.989 | 1.006 | 1.089 | 1.000 | 1.000 | 0.984 |
| 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 | 5.500 | 2.325 | 1.334 | 1.166 | 1.053 | 1.018 | 1.016 | 1.015 | 1.010 | 1.005 | 1.004 |
| Selected | 5.500 | 2.325 | 1.393 | 1.152 | 1.033 | 1.010 | 1.011 | 1.015 | 1.010 | 1.005 | 1.004 |
| Cumulated | 22.534 | 4.097 | 1.762 | 1.265 | 1.098 | 1.063 | 1.052 | 1.040 | 1.025 | 1.015 | 1.010 |

PLAN JPA - Liability
Reported Loss Development

| Accident Year | Program Losses Reported as of: | | | | | | | | | | |
|------------------|--------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 138 Months | 150 Months | 162 Months | 174 Months | 186 Months | 198 Months | 210 Months | 222 Months | 234 Months | 246 Months | 258 Months |
| 2000-2001 | 1,709,846 | 1,874,146 | 1,860,684 | 1,860,684 | 1,860,684 | 1,860,684 | 1,860,684 | 1,860,684 | 1,860,684 | 1,860,684 | 2,876,099 |
| 2001-2002 | 4,615,125 | 4,643,008 | 4,627,263 | 4,627,263 | 4,627,263 | 4,627,263 | 4,627,263 | 4,627,263 | 4,627,263 | 4,627,263 | |
| 2002-2003 | 8,866,771 | 8,864,201 | 8,864,200 | 8,864,200 | 8,864,200 | 8,832,841 | 8,832,841 | 8,832,841 | 8,832,841 | | |
| 2003-2004 | 2,569,681 | 2,569,681 | 2,569,681 | 2,569,681 | 2,569,681 | 2,569,681 | 2,569,681 | 2,569,681 | | | |
| 2004-2005 | 1,876,140 | 1,876,140 | 1,876,140 | 1,876,140 | 1,876,140 | 1,876,140 | 1,876,140 | | | | |
| 2005-2006 | 4,775,006 | 4,775,006 | 4,775,006 | 4,775,006 | 4,775,006 | 4,775,006 | | | | | |
| 2006-2007 | 1,656,563 | 1,656,563 | 1,679,200 | 1,662,124 | 1,662,124 | | | | | | |
| 2007-2008 | 6,517,383 | 6,755,660 | 6,755,660 | 6,755,660 | | | | | | | |
| 2008-2009 | 3,528,864 | 3,528,864 | 3,527,823 | | | | | | | | |
| 2009-2010 | 2,441,417 | 2,441,417 | | | | | | | | | |
| 2010-2011 | 2,076,846 | | | | | | | | | | |
| 2011-2012 | | | | | | | | | | | |
| 2012-2013 | | | | | | | | | | | |
| 2013-2014 | | | | | | | | | | | |
| 2014-2015 | | | | | | | | | | | |
| 2015-2016 | | | | | | | | | | | |
| 2016-2017 | | | | | | | | | | | |
| 2017-2018 | | | | | | | | | | | |
| 2018-2019 | | | | | | | | | | | |
| 2019-2020 | | | | | | | | | | | |
| 2020-2021 | | | | | | | | | | | |
| 2021-2022 | | | | | | | | | | | |

Reported Loss Development Factors:

| | 138-150 Months | 150-162 Months | 162-174 Months | 174-186 Months | 186-198 Months | 198-210 Months | 210-222 Months | 222-234 Months | 234-246 Months | 246-258 Months | 258-Ult. Months |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| 2000-2001 | 1.096 | 0.993 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.546 | |
| 2001-2002 | 1.006 | 0.997 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | | |
| 2002-2003 | 1.000 | 1.000 | 1.000 | 1.000 | 0.996 | 1.000 | 1.000 | 1.000 | | | |
| 2003-2004 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | | | | |
| 2004-2005 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | | | | | |
| 2005-2006 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | | | | | | |
| 2006-2007 | 1.000 | 1.014 | 0.990 | 1.000 | | | | | | | |
| 2007-2008 | 1.037 | 1.000 | 1.000 | | | | | | | | |
| 2008-2009 | 1.000 | 1.000 | | | | | | | | | |
| 2009-2010 | 1.000 | | | | | | | | | | |
| 2010-2011 | | | | | | | | | | | |
| 2011-2012 | | | | | | | | | | | |
| 2012-2013 | | | | | | | | | | | |
| 2013-2014 | | | | | | | | | | | |
| 2014-2015 | | | | | | | | | | | |
| 2015-2016 | | | | | | | | | | | |
| 2016-2017 | | | | | | | | | | | |
| 2017-2018 | | | | | | | | | | | |
| 2018-2019 | | | | | | | | | | | |
| 2019-2020 | | | | | | | | | | | |
| 2020-2021 | | | | | | | | | | | |
| Average Dollar-Weighted Averages | 1.014 | 1.000 | 0.999 | 1.000 | 0.999 | 1.000 | 1.000 | 1.000 | 1.000 | 1.546 | |
| 3-yr | 1.019 | 1.002 | 0.999 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | | | |
| 4-yr | 1.017 | 1.001 | 0.999 | 1.000 | 0.998 | 1.000 | 1.000 | | | | |
| Comparative Factors | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| Prior | 1.003 | 1.002 | 1.001 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| Selected | 1.003 | 1.002 | 1.001 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| Cumulated | 1.006 | 1.003 | 1.001 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |

PLAN JPA - Liability

Paid Loss Development

| Accident Year (A) | Program Paid Losses as of 12/31/21 (B) | Paid Loss Development Factor (C) | Ultimate Program Losses (D) | Program Paid Losses of 12/31/21 (E) | Paid Loss Development Factor (F) | Ultimate Program Losses (G) |
|-------------------------|--|---|--------------------------------------|---|---|--------------------------------------|
| 1986-2001 | \$30,002,392 | 1.000 | \$30,002,392 | \$30,002,392 | 1.000 | \$30,002,392 |
| 2001-2002 | 4,627,263 | 1.000 | 4,627,263 | 4,627,263 | 1.000 | 4,627,263 |
| 2002-2003 | 8,812,482 | 1.000 | 8,812,482 | 8,812,482 | 1.000 | 8,812,482 |
| 2003-2004 | 2,574,481 | 1.000 | 2,574,481 | 2,574,481 | 1.000 | 2,574,481 |
| 2004-2005 | 1,874,487 | 1.000 | 1,874,487 | 1,874,487 | 1.000 | 1,874,487 |
| 2005-2006 | 4,756,022 | 1.000 | 4,756,022 | 4,756,022 | 1.000 | 4,756,022 |
| 2006-2007 | 1,662,124 | 1.000 | 1,662,124 | 1,662,124 | 1.000 | 1,662,124 |
| 2007-2008 | 6,755,660 | 1.000 | 6,755,660 | 6,755,660 | 1.000 | 6,755,660 |
| 2008-2009 | 3,471,639 | 1.001 | 3,475,111 | 3,471,639 | 1.001 | 3,475,111 |
| 2009-2010 | 2,352,952 | 1.003 | 2,360,011 | 2,352,952 | 1.003 | 2,360,011 |
| 2010-2011 | 2,076,846 | 1.006 | 2,089,307 | 2,076,846 | 1.006 | 2,089,307 |
| 2011-2012 | 3,814,260 | 1.010 | 3,852,403 | 3,814,260 | 1.010 | 3,852,403 |
| 2012-2013 | 3,371,074 | 1.015 | 3,421,640 | 3,371,074 | 1.015 | 3,421,640 |
| 2013-2014 | 6,959,081 | 1.025 | 7,133,058 | 6,959,081 | 1.025 | 7,133,058 |
| 2014-2015 | 5,429,951 | 1.051 | 5,706,879 | 5,429,951 | 1.051 | 5,706,879 |
| 2015-2016 | 4,814,203 | 1.104 | 5,314,880 | 4,814,203 | 1.104 | 5,314,880 |
| 2016-2017 | 6,678,653 | 1.236 | 8,254,815 | 6,678,653 | 1.236 | 8,254,815 |
| 2017-2018 | 814,717 | 1.415 | 1,152,825 | 814,717 | 1.415 | 1,152,825 |
| 2018-2019 | 707,921 | 1.981 | 1,402,392 | 707,921 | 1.981 | 1,402,392 |
| 2019-2020 | 56,239 | 4.957 | 278,777 | 56,239 | 4.957 | 278,777 |
| 2020-2021 | 2,431,166 | 22.307 | 54,232,020 | 2,431,166 | 22.307 | 54,232,020 |
| Totals | \$104,043,613 | | \$159,739,029 | \$104,043,613 | | \$159,739,029 |

Notes:

- (A) Years are 7/1 to 6/30.
- (B) Provided by the Authority. These losses exclude amounts over the SIR.
- (C) From Reserve Appendix B, Page 2.
- (D) (B) x (C). These estimated losses exclude amounts over the SIR.
- (E) Losses capped at the Authority's SIR. Amounts are provided by the Authority.
- (F) From Reserve Appendix B, Page 2.
- (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.

PLAN JPA - Liability
Paid Loss DevelopmentProgram Losses Paid 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 |
|---------------|----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------|------------|
| 2000-2001 | | | 917,795 | 1,045,181 | 1,051,918 | 1,061,561 | 1,705,561 | 1,709,846 | 1,709,846 | 1,709,846 | 1,709,846 |
| 2001-2002 | | 309,735 | 1,134,971 | 2,673,383 | 3,181,741 | 3,268,324 | 3,280,242 | 4,573,678 | 4,573,678 | 4,573,678 | 4,613,136 |
| 2002-2003 | 150,543 | 1,228,821 | 1,665,669 | 6,933,745 | 8,246,287 | 8,190,377 | 8,708,241 | 8,719,727 | 8,719,727 | 8,742,645 | 8,772,745 |
| 2003-2004 | 4,000 | 77,051 | 495,103 | 608,305 | 921,312 | 1,087,642 | 1,376,804 | 1,647,154 | 2,608,353 | 2,568,802 | 2,569,681 |
| 2004-2005 | | 81,598 | 417,717 | 1,814,469 | 1,878,960 | 1,876,140 | 1,876,140 | 1,876,140 | 1,876,140 | 1,876,140 | 1,876,140 |
| 2005-2006 | | 247,187 | 294,551 | 1,141,504 | 2,514,423 | 3,122,718 | 4,717,976 | 4,734,927 | 4,753,612 | 4,756,021 | 4,775,006 |
| 2006-2007 | 6,182 | 16,629 | 124,634 | 476,923 | 689,869 | 1,110,840 | 1,669,292 | 1,656,563 | 1,656,563 | 1,656,563 | 1,656,563 |
| 2007-2008 | | 73,131 | 687,414 | 1,833,480 | 3,126,455 | 5,793,113 | 6,755,660 | 6,755,660 | 6,755,660 | 6,755,660 | 6,755,660 |
| 2008-2009 | 20,033 | 75,913 | 531,423 | 2,267,616 | 2,681,095 | 3,030,640 | 3,494,736 | 3,528,864 | 3,528,864 | 3,528,864 | 3,528,864 |
| 2009-2010 | 219,495 | 304,644 | 724,295 | 2,093,891 | 2,352,952 | 2,372,163 | 2,421,490 | 2,438,686 | 2,441,417 | 2,441,417 | 2,441,417 |
| 2010-2011 | | 249,199 | 684,682 | 1,176,359 | 1,846,866 | 2,046,846 | 2,046,846 | 2,046,846 | 2,076,846 | 2,076,846 | 2,076,846 |
| 2011-2012 | 14,083 | 197,650 | 1,183,434 | 2,859,227 | 3,523,538 | 3,619,018 | 3,764,045 | 3,787,597 | 3,797,983 | 3,811,937 | 3,814,260 |
| 2012-2013 | | 550,184 | 901,080 | 1,725,493 | 1,819,616 | 2,017,440 | 2,270,574 | 2,351,992 | 3,352,812 | 3,371,074 | |
| 2013-2014 | | 128,965 | 746,799 | 5,850,808 | 6,724,237 | 6,722,157 | 6,932,649 | 6,959,081 | 6,959,081 | | |
| 2014-2015 | | 1,676,100 | 2,183,993 | 2,667,604 | 5,339,202 | 5,428,532 | 5,429,951 | | | | |
| 2015-2016 | | 16,532 | 226,123 | 3,422,237 | 4,335,681 | 4,610,479 | 4,814,203 | | | | |
| 2016-2017 | | 900 | 1,406,078 | 4,536,037 | 4,970,143 | 6,678,653 | | | | | |
| 2017-2018 | | 56,752 | 356,919 | 777,179 | 814,717 | | | | | | |
| 2018-2019 | | | 167,664 | 707,921 | | | | | | | |
| 2019-2020 | | | 56,239 | | | | | | | | |
| 2020-2021 | | 2,431,166 | | | | | | | | | |
| 2021-2022 | | | | | | | | | | | |

Paid Loss 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 |
|-----------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|----------------|----------------|----------------|
| 2000-2001 | | | 1.139 | 1.006 | 1.009 | 1.607 | 1.003 | 1.000 | 1.000 | 1.000 | 1.000 |
| 2001-2002 | | 3.664 | 2.355 | 1.190 | 1.027 | 1.004 | 1.394 | 1.000 | 1.000 | 1.009 | 1.000 |
| 2002-2003 | 8.163 | 1.356 | 4.163 | 1.189 | 0.993 | 1.063 | 1.001 | 1.000 | 1.003 | 1.003 | 1.004 |
| 2003-2004 | 19.263 | 6.426 | 1.229 | 1.515 | 1.181 | 1.266 | 1.196 | 1.584 | 0.985 | 1.000 | 1.000 |
| 2004-2005 | | 5.119 | 4.344 | 1.036 | 0.998 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| 2005-2006 | | 1.192 | 3.875 | 2.203 | 1.242 | 1.511 | 1.004 | 1.004 | 1.001 | 1.004 | 1.000 |
| 2006-2007 | 2.690 | 7.495 | 3.827 | 1.446 | 1.610 | 1.503 | 0.992 | 1.000 | 1.000 | 1.000 | 1.000 |
| 2007-2008 | | 9.400 | 2.667 | 1.705 | 1.853 | 1.166 | 1.000 | 1.000 | 1.000 | 1.000 | 0.965 |
| 2008-2009 | 3.789 | 7.000 | 4.267 | 1.182 | 1.130 | 1.153 | 1.010 | 1.000 | 1.000 | 1.000 | 1.000 |
| 2009-2010 | 1.388 | 2.378 | 2.891 | 1.124 | 1.008 | 1.021 | 1.007 | 1.001 | 1.000 | 1.000 | 1.000 |
| 2010-2011 | | 2.748 | 1.718 | 1.570 | 1.108 | 1.000 | 1.000 | 1.015 | 1.000 | 1.000 | 1.000 |
| 2011-2012 | 14.035 | 5.988 | 2.416 | 1.232 | 1.027 | 1.040 | 1.006 | 1.003 | 1.004 | 1.001 | |
| 2012-2013 | | 1.638 | 1.915 | 1.055 | 1.109 | 1.125 | 1.036 | 1.426 | 1.005 | | |
| 2013-2014 | | 5.791 | 7.835 | 1.149 | 1.000 | 1.031 | 1.004 | 1.000 | | | |
| 2014-2015 | | 1.303 | 1.221 | 2.001 | 1.017 | 1.000 | 1.000 | | | | |
| 2015-2016 | | 13.678 | 15.134 | 1.267 | 1.063 | 1.044 | | | | | |
| 2016-2017 | | 1,562.309 | 3.226 | 1.096 | 1.344 | | | | | | |
| 2017-2018 | | 6.289 | 2.177 | 1.048 | | | | | | | |
| 2018-2019 | | | 4.222 | | | | | | | | |
| 2019-2020 | | | | | | | | | | | |
| 2020-2021 | | | | | | | | | | | |

| | 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 | 8.221 | 96.693 | 3.717 | 1.334 | 1.160 | 1.158 | 1.044 | 1.074 | 1.000 | 1.001 | 0.997 |
| 3-yr | | | 3.119 | 1.159 | 1.142 | 1.025 | 1.007 | 1.077 | 1.003 | 1.000 | 1.000 |
| 4-yr | | | 4.378 | 1.356 | 1.097 | 1.036 | 1.007 | 1.069 | 1.003 | 1.000 | 0.984 |
| 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 | 9.100 | 4.500 | 2.521 | 1.400 | 1.145 | 1.120 | 1.050 | 1.025 | 1.010 | 1.005 | 1.004 |
| Selected | 9.100 | 4.500 | 2.502 | 1.400 | 1.145 | 1.120 | 1.050 | 1.025 | 1.010 | 1.005 | 1.004 |
| Cumulated | 202.994 | 22.307 | 4.957 | 1.981 | 1.415 | 1.236 | 1.104 | 1.051 | 1.025 | 1.015 | 1.010 |

PLAN JPA - Liability
Paid Loss Development

| Accident Year | Program Losses Paid as of: | | | | | | | | | | |
|------------------|----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 138 Months | 150 Months | 162 Months | 174 Months | 186 Months | 198 Months | 210 Months | 222 Months | 234 Months | 246 Months | 258 Months |
| 2000-2001 | 1,709,846 | 1,804,869 | 1,860,684 | 1,860,684 | 1,860,684 | 1,860,684 | 1,860,684 | 1,860,684 | 1,860,684 | 1,860,684 | 2,876,099 |
| 2001-2002 | 4,615,125 | 4,615,701 | 4,627,263 | 4,627,263 | 4,627,263 | 4,627,263 | 4,627,263 | 4,627,263 | 4,627,263 | 4,627,263 | |
| 2002-2003 | 8,809,636 | 8,825,154 | 8,832,114 | 8,832,841 | 8,832,841 | 8,832,841 | 8,832,841 | 8,832,841 | 8,832,841 | | |
| 2003-2004 | 2,569,681 | 2,569,681 | 2,569,681 | 2,569,681 | 2,569,681 | 2,569,681 | 2,569,681 | 2,569,681 | | | |
| 2004-2005 | 1,876,140 | 1,876,140 | 1,876,140 | 1,876,140 | 1,876,140 | 1,876,140 | 1,876,140 | | | | |
| 2005-2006 | 4,775,006 | 4,775,006 | 4,775,006 | 4,775,006 | 4,775,006 | 4,775,006 | | | | | |
| 2006-2007 | 1,656,563 | 1,656,563 | 1,656,563 | 1,662,124 | 1,662,124 | | | | | | |
| 2007-2008 | 6,517,383 | 6,755,660 | 6,755,660 | 6,755,660 | | | | | | | |
| 2008-2009 | 3,528,864 | 3,528,864 | 3,527,823 | | | | | | | | |
| 2009-2010 | 2,441,417 | 2,441,417 | | | | | | | | | |
| 2010-2011 | 2,076,846 | | | | | | | | | | |
| 2011-2012 | | | | | | | | | | | |
| 2012-2013 | | | | | | | | | | | |
| 2013-2014 | | | | | | | | | | | |
| 2014-2015 | | | | | | | | | | | |
| 2015-2016 | | | | | | | | | | | |
| 2016-2017 | | | | | | | | | | | |
| 2017-2018 | | | | | | | | | | | |
| 2018-2019 | | | | | | | | | | | |
| 2019-2020 | | | | | | | | | | | |
| 2020-2021 | | | | | | | | | | | |
| 2021-2022 | | | | | | | | | | | |

Paid Loss Development Factors:

| | 138-150 Months | 150-162 Months | 162-174 Months | 174-186 Months | 186-198 Months | 198-210 Months | 210-222 Months | 222-234 Months | 234-246 Months | 246-258 Months | 258-Ult. Months |
|-----------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| | | | | | | | | | | | |
| 2000-2001 | 1.056 | 1.031 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.546 | |
| 2001-2002 | 1.000 | 1.003 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | | |
| 2002-2003 | 1.002 | 1.001 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | | | |
| 2003-2004 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | | | | |
| 2004-2005 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | | | | | |
| 2005-2006 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | | | | | | |
| 2006-2007 | 1.000 | 1.000 | 1.003 | 1.000 | | | | | | | |
| 2007-2008 | 1.037 | 1.000 | 1.000 | | | | | | | | |
| 2008-2009 | 1.000 | 1.000 | | | | | | | | | |
| 2009-2010 | 1.000 | | | | | | | | | | |
| 2010-2011 | | | | | | | | | | | |
| 2011-2012 | | | | | | | | | | | |
| 2012-2013 | | | | | | | | | | | |
| 2013-2014 | | | | | | | | | | | |
| 2014-2015 | | | | | | | | | | | |
| 2015-2016 | | | | | | | | | | | |
| 2016-2017 | | | | | | | | | | | |
| 2017-2018 | | | | | | | | | | | |
| 2018-2019 | | | | | | | | | | | |
| 2019-2020 | | | | | | | | | | | |
| 2020-2021 | | | | | | | | | | | |
| | 138-150 Months | 150-162 Months | 162-174 Months | 174-186 Months | 186-198 Months | 198-210 Months | 210-222 Months | 222-234 Months | 234-246 Months | 246-258 Months | 258-Ult. Months |
| Average | 1.010 | 1.004 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.546 | |
| Dollar-Weighted | | | | | | | | | | | |
| Averages | | | | | | | | | | | |
| 3-yr | 1.019 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | | | |
| 4-yr | 1.017 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | | | | |
| Comparative | | | | | | | | | | | |
| Factors | 1.006 | 1.004 | 1.004 | 1.002 | 1.002 | 1.001 | 1.001 | 1.001 | 1.001 | 1.001 | 1.000 |
| Prior | 1.003 | 1.002 | 1.001 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| Selected | 1.003 | 1.002 | 1.001 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| Cumulated | 1.006 | 1.003 | 1.001 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |

PLAN JPA - Liability
Exposure and Development Method
Based on Reported Losses

| Accident Year | Trended Payroll (\$00) (A) | Reported Losses as of 12/31/21 (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) |
|---------------|----------------------------|------------------------------------|-----------------------------|---|------------------|--------------------------------------|-----------------------------|
| 1986-2001 | 4,660,711 | 30,003,175 | 1.000 | 0.000 | 6.438 | 0 | 30,003,175 |
| 2001-2002 | 5,056,647 | 4,627,263 | 1.000 | 0.000 | 0.915 | 0 | 4,627,263 |
| 2002-2003 | 5,498,758 | 8,812,482 | 1.000 | 0.000 | 1.603 | 0 | 8,812,482 |
| 2003-2004 | 5,606,805 | 2,574,481 | 1.000 | 0.000 | 0.459 | 0 | 2,574,481 |
| 2004-2005 | 6,401,988 | 1,874,487 | 1.000 | 0.000 | 0.293 | 0 | 1,874,487 |
| 2005-2006 | 6,377,662 | 4,756,022 | 1.000 | 0.000 | 0.746 | 0 | 4,756,022 |
| 2006-2007 | 6,522,170 | 1,662,124 | 1.000 | 0.000 | 0.255 | 0 | 1,662,124 |
| 2007-2008 | 6,739,631 | 6,755,660 | 1.000 | 0.000 | 1.002 | 0 | 6,755,660 |
| 2008-2009 | 6,797,113 | 3,471,639 | 1.001 | 0.001 | 0.511 | 3,473 | 3,475,112 |
| 2009-2010 | 6,402,621 | 2,352,952 | 1.003 | 0.003 | 0.367 | 7,049 | 2,360,001 |
| 2010-2011 | 5,763,632 | 2,076,846 | 1.006 | 0.006 | 0.360 | 12,449 | 2,089,295 |
| 2011-2012 | 4,805,609 | 3,878,185 | 1.010 | 0.010 | 0.815 | 39,166 | 3,917,351 |
| 2012-2013 | 4,582,006 | 3,788,438 | 1.015 | 0.015 | 0.839 | 57,665 | 3,846,103 |
| 2013-2014 | 4,441,748 | 6,959,081 | 1.025 | 0.024 | 1.567 | 167,045 | 7,126,126 |
| 2014-2015 | 4,504,358 | 5,429,951 | 1.040 | 0.038 | 1.205 | 206,255 | 5,636,206 |
| 2015-2016 | 4,232,637 | 4,948,195 | 1.052 | 0.049 | 1.230 | 255,101 | 5,203,296 |
| 2016-2017 | 4,254,965 | 7,845,241 | 1.063 | 0.059 | 1.131 | 283,930 | 8,129,171 |
| 2017-2018 | 4,379,345 | 868,680 | 1.098 | 0.089 | 1.204 | 469,273 | 1,337,953 |
| 2018-2019 | 4,324,756 | 1,002,487 | 1.265 | 0.209 | 1.282 | 1,158,766 | 2,161,253 |
| 2019-2020 | 4,417,328 | 367,323 | 1.762 | 0.432 | 1.366 | 2,606,718 | 2,974,041 |
| 2020-2021 | 4,506,728 | 4,118,968 | 4.097 | 0.756 | 1.455 | 4,957,311 | 9,076,279 |
| Totals | 110,277,218 | \$108,173,680 | | | | \$10,224,201 | \$118,397,881 |

Notes:

- (A) From Reserve Appendix M, Column (C).
- (B) Provided by the Authority. These losses exclude amounts incurred above the Authority's SIR for each year.
- (C) From Reserve Appendix A, Page 1, Column (F).
- (D) $1 - 1/(C)$.
- (E) From Reserve Appendix C, 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.

PLAN JPA - Liability
Exposure and Development Method
Based on Paid Losses

| Accident Year | Trended Payroll (\$00) (A) | Paid Losses as of 12/31/21 (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) |
|---------------|----------------------------|--------------------------------|-----------------------------|---|------------------|---------------------------|-----------------------------|
| 1986-2001 | 4,660,711 | 30,002,392 | 1.000 | 0.000 | 6.438 | 0 | 30,002,392 |
| 2001-2002 | 5,056,647 | 4,627,263 | 1.000 | 0.000 | 0.915 | 0 | 4,627,263 |
| 2002-2003 | 5,498,758 | 8,812,482 | 1.000 | 0.000 | 1.603 | 0 | 8,812,482 |
| 2003-2004 | 5,606,805 | 2,574,481 | 1.000 | 0.000 | 0.459 | 0 | 2,574,481 |
| 2004-2005 | 6,401,988 | 1,874,487 | 1.000 | 0.000 | 0.293 | 0 | 1,874,487 |
| 2005-2006 | 6,377,662 | 4,756,022 | 1.000 | 0.000 | 0.746 | 0 | 4,756,022 |
| 2006-2007 | 6,522,170 | 1,662,124 | 1.000 | 0.000 | 0.255 | 0 | 1,662,124 |
| 2007-2008 | 6,739,631 | 6,755,660 | 1.000 | 0.000 | 1.002 | 0 | 6,755,660 |
| 2008-2009 | 6,797,113 | 3,471,639 | 1.001 | 0.001 | 0.511 | 3,473 | 3,475,112 |
| 2009-2010 | 6,402,621 | 2,352,952 | 1.003 | 0.003 | 0.367 | 7,049 | 2,360,001 |
| 2010-2011 | 5,763,632 | 2,076,846 | 1.006 | 0.006 | 0.360 | 12,449 | 2,089,295 |
| 2011-2012 | 4,805,609 | 3,814,260 | 1.010 | 0.010 | 0.815 | 39,166 | 3,853,426 |
| 2012-2013 | 4,582,006 | 3,371,074 | 1.015 | 0.015 | 0.839 | 57,665 | 3,428,739 |
| 2013-2014 | 4,441,748 | 6,959,081 | 1.025 | 0.024 | 1.567 | 167,045 | 7,126,126 |
| 2014-2015 | 4,504,358 | 5,429,951 | 1.051 | 0.049 | 1.205 | 265,960 | 5,695,911 |
| 2015-2016 | 4,232,637 | 4,814,203 | 1.104 | 0.094 | 1.230 | 489,377 | 5,303,580 |
| 2016-2017 | 4,254,965 | 6,678,653 | 1.236 | 0.191 | 1.131 | 919,162 | 7,597,815 |
| 2017-2018 | 4,379,345 | 814,717 | 1.415 | 0.293 | 1.204 | 1,544,910 | 2,359,627 |
| 2018-2019 | 4,324,756 | 707,921 | 1.981 | 0.495 | 1.282 | 2,744,447 | 3,452,368 |
| 2019-2020 | 4,417,328 | 56,239 | 4.957 | 0.798 | 1.366 | 4,815,188 | 4,871,427 |
| 2020-2021 | 4,506,728 | 2,431,166 | 22.307 | 0.955 | 1.455 | 6,262,211 | 8,693,377 |
| Totals | 110,277,218 | \$104,043,613 | | | | \$17,328,102 | \$121,371,715 |

Notes:

- (A) From Reserve Appendix M, Column (C).
- (B) Provided by the Authority. These losses exclude amounts paid above the Authority's SIR for each year.
- (C) From Reserve Appendix B, Page 1, Column (F).
- (D) $1 - 1/(C)$.
- (E) From Reserve Appendix C, 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.

PLAN JPA - Liability
Exposure and Development Method

| Accident Year | Trended Payroll (\$00) (A) | Ultimate Program Losses (B) | Trend Factor (C) | Trended Program Losses (D) | Trended Program Loss Rate (E) | Program Loss Rate (F) | Factor to SIR (G) | Program Loss Rate (H) |
|------------------------|----------------------------|-----------------------------|------------------|----------------------------|-------------------------------|-----------------------|-------------------|-----------------------|
| 1986-2001 | 4,660,711 | 30,004,000 | 3.756 | 112,695,024 | 24.180 | 6.438 | 1.000 | 6.438 |
| 2001-2002 | 5,056,647 | 4,627,263 | 3.526 | 16,315,729 | 3.227 | 0.915 | 1.000 | 0.915 |
| 2002-2003 | 5,498,758 | 8,812,482 | 3.311 | 29,178,128 | 5.306 | 1.603 | 1.000 | 1.603 |
| 2003-2004 | 5,606,805 | 2,574,481 | 3.109 | 8,004,061 | 1.428 | 0.459 | 1.000 | 0.459 |
| 2004-2005 | 6,401,988 | 1,874,487 | 2.920 | 5,473,502 | 0.855 | 0.293 | 1.000 | 0.293 |
| 2005-2006 | 6,377,662 | 4,756,022 | 2.742 | 13,041,012 | 2.045 | 0.746 | 1.000 | 0.746 |
| 2006-2007 | 6,522,170 | 1,662,124 | 2.575 | 4,279,969 | 0.656 | 0.255 | 1.000 | 0.255 |
| 2007-2008 | 6,739,631 | 6,755,660 | 2.417 | 16,328,430 | 2.423 | 1.002 | 1.000 | 1.002 |
| 2008-2009 | 6,797,113 | 3,471,639 | 2.270 | 7,880,621 | 1.159 | 0.511 | 1.000 | 0.511 |
| 2009-2010 | 6,402,621 | 2,352,952 | 2.132 | 5,016,494 | 0.784 | 0.367 | 1.000 | 0.367 |
| 2010-2011 | 5,763,632 | 2,076,846 | 2.002 | 4,157,846 | 0.721 | 0.360 | 1.000 | 0.360 |
| 2011-2012 | 4,805,609 | 3,917,000 | 1.879 | 7,360,043 | 1.532 | 0.815 | 1.000 | 0.815 |
| 2012-2013 | 4,582,006 | 3,845,000 | 1.764 | 6,782,580 | 1.480 | 0.839 | 1.000 | 0.839 |
| 2013-2014 | 4,441,748 | 6,959,081 | 1.656 | 11,524,238 | 2.595 | 1.567 | 1.000 | 1.567 |
| 2014-2015 | 4,504,358 | 5,429,951 | 1.555 | 8,443,574 | 1.875 | 1.205 | 1.000 | 1.205 |
| 2015-2016 | 4,232,637 | 5,206,000 | 1.460 | 7,600,760 | 1.796 | 1.230 | 1.000 | 1.230 |
| 2016-2017 | 4,254,965 | 8,339,000 | 1.371 | 11,432,769 | 2.687 | 1.131 | 1.000 | 1.131 |
| 2017-2018 | 4,379,345 | 1,103,000 | 1.287 | 1,419,561 | 0.324 | 1.204 | 1.000 | 1.204 |
| 2018-2019 | 4,324,756 | 1,335,000 | 1.209 | 1,614,015 | 0.373 | 1.282 | 1.000 | 1.282 |
| 2019-2020 | 4,417,328 | 647,000 | 1.135 | 734,345 | 0.166 | 1.366 | 1.000 | 1.366 |
| 2020-2021 | 4,506,728 | 4,729,000 | 1.065 | 5,036,385 | 1.118 | 1.455 | 1.000 | 1.455 |
| Total/Avg | 110,277,218 | \$110,477,988 | | \$284,319,086 | \$2.578 | | | |
| 13/14-18/19 | 26,137,809 | 28,372,032 | | 42,034,917 | 1.608 | | | |
| 14/15-19/20 | 26,113,389 | 22,059,951 | | 31,245,024 | 1.197 | | | |
| Selected Program Rate: | | | | | \$1.550 | | | |
| Prior: | | | | | \$1.611 | | | |

Notes:

- (A) From Reserve Appendix M, Column (C).
- (B) Selected average of results from Appendices p and p.
- (C) From Reserve Appendix E, Page 1, Column (B).
- (D) (B) x (C).
- (E) (D) / (A).
- (F) Selected Program Rate / (C). For 2015-2016 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.

PLAN JPA - Liability

Frequency and Severity Method

| Accident Year | Ultimate Program Severity (A) | Adjusted Ultimate Claims (B) | Ultimate Program Losses (C) |
|------------------|--|---------------------------------------|--------------------------------------|
| 1986-2001 | \$169,514 | 177 | \$30,003,978 |
| 2001-2002 | 308,484 | 15 | 4,627,260 |
| 2002-2003 | 314,732 | 28 | 8,812,496 |
| 2003-2004 | 128,724 | 20 | 2,574,480 |
| 2004-2005 | 208,276 | 9 | 1,874,484 |
| 2005-2006 | 279,766 | 17 | 4,756,022 |
| 2006-2007 | 118,723 | 14 | 1,662,122 |
| 2007-2008 | 281,486 | 24 | 6,755,664 |
| 2008-2009 | 204,214 | 17 | 3,471,638 |
| 2009-2010 | 117,648 | 20 | 2,352,960 |
| 2010-2011 | 159,757 | 13 | 2,076,841 |
| 2011-2012 | 195,850 | 20 | 3,917,000 |
| 2012-2013 | 183,095 | 21 | 3,844,995 |
| 2013-2014 | 463,939 | 15 | 6,959,085 |
| 2014-2015 | 301,664 | 18 | 5,429,952 |
| 2015-2016 | 260,300 | 20 | 5,206,000 |
| 2016-2017 | 400,000 | 21 | 8,400,000 |
| 2017-2018 | 400,000 | 7 | 2,800,000 |
| 2018-2019 | 400,000 | 10 | 4,000,000 |
| 2019-2020 | 400,000 | 13 | 5,200,000 |
| 2020-2021 | 400,000 | 14 | 5,600,000 |
| Total | | 513 | \$120,324,977 |

Notes:

- (A) From Reserve Appendix D, Page 2, Column (H).
 (B) From Reserve Appendix D, 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.

PLAN JPA - Liability

Frequency and Severity Method

| Accident Year | Ultimate Program Losses (A) | Adjusted Ultimate Claims (B) | Ultimate Program Severity (C) | Trend Factor (D) | Trended Program Severity (E) | Program Severity (F) | Factor to SIR (G) | Program Severity (H) |
|---------------|-----------------------------|------------------------------|-------------------------------|------------------|------------------------------|----------------------|-------------------|----------------------|
| 1986-2001 | \$30,004,000 | 177 | \$169,514 | 1.000 | \$169,514 | \$169,514 | 1.000 | \$169,514 |
| 2001-2002 | 4,627,263 | 15 | 308,484 | 1.000 | 308,484 | 308,484 | 1.000 | 308,484 |
| 2002-2003 | 8,812,482 | 28 | 314,732 | 1.000 | 314,732 | 314,732 | 1.000 | 314,732 |
| 2003-2004 | 2,574,481 | 20 | 128,724 | 1.000 | 128,724 | 128,724 | 1.000 | 128,724 |
| 2004-2005 | 1,874,487 | 9 | 208,276 | 1.000 | 208,276 | 208,276 | 1.000 | 208,276 |
| 2005-2006 | 4,756,022 | 17 | 279,766 | 1.000 | 279,766 | 279,766 | 1.000 | 279,766 |
| 2006-2007 | 1,662,124 | 14 | 118,723 | 1.000 | 118,723 | 118,723 | 1.000 | 118,723 |
| 2007-2008 | 6,755,660 | 24 | 281,486 | 1.000 | 281,486 | 281,486 | 1.000 | 281,486 |
| 2008-2009 | 3,471,639 | 17 | 204,214 | 1.000 | 204,214 | 204,214 | 1.000 | 204,214 |
| 2009-2010 | 2,352,952 | 20 | 117,648 | 1.000 | 117,648 | 117,648 | 1.000 | 117,648 |
| 2010-2011 | 2,076,846 | 13 | 159,757 | 1.000 | 159,757 | 159,757 | 1.000 | 159,757 |
| 2011-2012 | 3,917,000 | 20 | 195,850 | 1.000 | 195,850 | 195,850 | 1.000 | 195,850 |
| 2012-2013 | 3,845,000 | 21 | 183,095 | 1.000 | 183,095 | 183,095 | 1.000 | 183,095 |
| 2013-2014 | 6,959,081 | 15 | 463,939 | 1.000 | 463,939 | 463,939 | 1.000 | 463,939 |
| 2014-2015 | 5,429,951 | 18 | 301,664 | 1.000 | 301,664 | 301,664 | 1.000 | 301,664 |
| 2015-2016 | 5,206,000 | 20 | 260,300 | 1.000 | 260,300 | 260,300 | 1.000 | 260,300 |
| 2016-2017 | 8,339,000 | 21 | 397,095 | 1.000 | 397,095 | 400,000 | 1.000 | 400,000 |
| 2017-2018 | 1,103,000 | 7 | 157,571 | 1.000 | 157,571 | 400,000 | 1.000 | 400,000 |
| 2018-2019 | 2,807,000 | 10 | 280,700 | 1.000 | 280,700 | 400,000 | 1.000 | 400,000 |
| 2019-2020 | 3,923,000 | 13 | 301,769 | 1.000 | 301,769 | 400,000 | 1.000 | 400,000 |
| 2020-2021 | 8,885,000 | 14 | 634,643 | 1.000 | 634,643 | 400,000 | 1.000 | 400,000 |

Average Program Severity: \$260,379
Average 15/16-20/21 Program Severity: 338,680

Selected Program Severity: \$400,000
Prior: \$445,000

Notes:

- (A) Selected average of results from Appendices p, p, and p.
- (B) Reserve Appendix D, Page 3, Column (C).
- (C) (A) / (B).
- (D) From Reserve Appendix E, 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.

PLAN JPA - Liability

Frequency and Severity Method
Projection of Ultimate Claims

| Accident Year | Reported Claim Development (A) | Closed Claim Development (B) | Selected Ultimate Claims (C) | Trended Payroll (\$000,000) (D) | Claim Frequency (E) | Trend Factor (F) | Trended Claim Frequency (G) |
|-------------------------------|--------------------------------|------------------------------|------------------------------|---------------------------------|---------------------|------------------|-----------------------------|
| 1986-2001 | 177 | 176 | 177 | 466.1 | 0.380 | 3.756 | 1.427 |
| 2001-2002 | 15 | 15 | 15 | 505.7 | 0.030 | 3.526 | 0.106 |
| 2002-2003 | 28 | 28 | 28 | 549.9 | 0.051 | 3.311 | 0.169 |
| 2003-2004 | 20 | 20 | 20 | 560.7 | 0.036 | 3.109 | 0.112 |
| 2004-2005 | 9 | 9 | 9 | 640.2 | 0.014 | 2.920 | 0.041 |
| 2005-2006 | 17 | 17 | 17 | 637.8 | 0.027 | 2.742 | 0.074 |
| 2006-2007 | 14 | 14 | 14 | 652.2 | 0.021 | 2.575 | 0.054 |
| 2007-2008 | 24 | 24 | 24 | 674.0 | 0.036 | 2.417 | 0.087 |
| 2008-2009 | 17 | 17 | 17 | 679.7 | 0.025 | 2.270 | 0.057 |
| 2009-2010 | 20 | 20 | 20 | 640.3 | 0.031 | 2.132 | 0.066 |
| 2010-2011 | 13 | 13 | 13 | 576.4 | 0.023 | 2.002 | 0.046 |
| 2011-2012 | 20 | 19 | 20 | 480.6 | 0.042 | 1.879 | 0.079 |
| 2012-2013 | 21 | 20 | 21 | 458.2 | 0.046 | 1.764 | 0.081 |
| 2013-2014 | 15 | 15 | 15 | 444.2 | 0.034 | 1.656 | 0.056 |
| 2014-2015 | 18 | 18 | 18 | 450.4 | 0.040 | 1.555 | 0.062 |
| 2015-2016 | 20 | 19 | 20 | 423.3 | 0.047 | 1.460 | 0.069 |
| 2016-2017 | 21 | 15 | 21 | 425.5 | 0.049 | 1.371 | 0.067 |
| 2017-2018 | 7 | 5 | 7 | 437.9 | 0.016 | 1.287 | 0.021 |
| 2018-2019 | 10 | 3 | 10 | 432.5 | 0.023 | 1.209 | 0.028 |
| 2019-2020 | 13 | 0 | 13 | 441.7 | 0.029 | 1.135 | 0.033 |
| 2020-2021 | 51 | 0 | 14 | 450.7 | 0.031 | 1.065 | 0.033 |
| Total | 550 | 467 | 513 | 11,027.7 | | | 0.125 |
| 15/16-19/20 | 71 | 42 | 71 | 2,160.9 | | | 0.043 |
| (H) Selected Frequency: | | | | | | | 0.035 |
| Prior: | | | | | | | 0.035 |
| Program Year: | | | | 2021-2022 | 2022-2023 | | |
| (I) Trend Factor: | | | | 1.000 | 1.065 | | |
| (J) Selected Frequency: | | | | 0.035 | 0.037 | | |
| (K) Est. Payroll (\$000,000): | | | | 462.3 | 476.2 | | |
| (L) Ultimate Claims: | | | | 16 | 18 | | |

Notes:

- (A) From Reserve Appendix D, Page 4, (C).
 (B) From Reserve Appendix D, Page 5, (C).
 (C) Selected from (A) and (B).
 (D) From Reserve Appendix M, Column (C) / 10,000.
 (E) (C) / (D).
 (F) From Reserve Appendix E, Page 1, Column (H).
 (G) (E) x (F).
 (H) The selected frequency of 0.035 is based on (G).
 (I) From Reserve Appendix E, Page 1, Column (H).
 (J) (H) x (I).
 (K) From Reserve Appendix M, Column (C) / 10,000.
 (L) (J) x (K).

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

PLAN JPA - Liability

Frequency and Severity Method
Reported Claim Count Development

| Accident Year | Claims Reported as of 12/31/2021 (A) | Reported Claim Development Factor (B) | Ultimate Claims (C) | Trended Claim Frequency (D) |
|---------------|--------------------------------------|---------------------------------------|---------------------|-----------------------------|
| 1986-2001 | 177 | 1.000 | 177 | 1.426 |
| 2001-2002 | 15 | 1.000 | 15 | 0.105 |
| 2002-2003 | 28 | 1.000 | 28 | 0.169 |
| 2003-2004 | 20 | 1.000 | 20 | 0.111 |
| 2004-2005 | 9 | 1.000 | 9 | 0.041 |
| 2005-2006 | 17 | 1.000 | 17 | 0.073 |
| 2006-2007 | 14 | 1.000 | 14 | 0.055 |
| 2007-2008 | 24 | 1.000 | 24 | 0.086 |
| 2008-2009 | 17 | 1.000 | 17 | 0.057 |
| 2009-2010 | 20 | 1.001 | 20 | 0.067 |
| 2010-2011 | 13 | 1.001 | 13 | 0.045 |
| 2011-2012 | 20 | 1.001 | 20 | 0.078 |
| 2012-2013 | 21 | 1.002 | 21 | 0.081 |
| 2013-2014 | 15 | 1.003 | 15 | 0.056 |
| 2014-2015 | 18 | 1.004 | 18 | 0.062 |
| 2015-2016 | 20 | 1.005 | 20 | 0.069 |
| 2016-2017 | 21 | 1.015 | 21 | 0.068 |
| 2017-2018 | 7 | 1.040 | 7 | 0.021 |
| 2018-2019 | 8 | 1.196 | 10 | 0.028 |
| 2019-2020 | 9 | 1.435 | 13 | 0.033 |
| 2020-2021 | 21 | 2.440 | 51 | 0.121 |
| Total | 514 | | 550 | 0.129 |

Notes:

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

This exhibit shows the calculation of estimated ultimate claims for each year based on reported claims as provided by the Authority. 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.

PLAN JPA - Liability

Frequency and Severity Method
Closed Claim Count Development

| Accident Year | Claims Closed as of 12/31/2021 (A) | Closed Claim Development Factor (B) | Ultimate Claims (C) | Trended Claim Frequency (D) |
|------------------|--|---|---------------------------|--------------------------------------|
| 1986-2001 | 176 | 1.000 | 176 | 1.418 |
| 2001-2002 | 15 | 1.000 | 15 | 0.105 |
| 2002-2003 | 28 | 1.000 | 28 | 0.169 |
| 2003-2004 | 20 | 1.000 | 20 | 0.111 |
| 2004-2005 | 9 | 1.000 | 9 | 0.041 |
| 2005-2006 | 17 | 1.000 | 17 | 0.073 |
| 2006-2007 | 14 | 1.000 | 14 | 0.055 |
| 2007-2008 | 24 | 1.000 | 24 | 0.086 |
| 2008-2009 | 17 | 1.001 | 17 | 0.057 |
| 2009-2010 | 20 | 1.002 | 20 | 0.067 |
| 2010-2011 | 13 | 1.003 | 13 | 0.045 |
| 2011-2012 | 19 | 1.004 | 19 | 0.074 |
| 2012-2013 | 20 | 1.005 | 20 | 0.077 |
| 2013-2014 | 15 | 1.006 | 15 | 0.056 |
| 2014-2015 | 18 | 1.007 | 18 | 0.062 |
| 2015-2016 | 19 | 1.008 | 19 | 0.066 |
| 2016-2017 | 15 | 1.009 | 15 | 0.048 |
| 2017-2018 | 5 | 1.010 | 5 | 0.015 |
| 2018-2019 | 3 | 1.011 | 3 | 0.008 |
| 2019-2020 | 0 | 3.033 | 0 | |
| 2020-2021 | 0 | 10.616 | 0 | |
| Total | 467 | | 467 | 0.120 |

Notes:

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

This exhibit shows the calculation of estimated ultimate claims for each year based on closed claims as provided by the Authority. 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.

PLAN JPA - Liability
Reported Claim Count Development

| Claims Reported as of: | | | | | | | | | | | | | | |
|------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------|------------|------------|------------|------------|--|
| Accident Year | 18 Months | 30 Months | 42 Months | 54 Months | 66 Months | 78 Months | 90 Months | 102 Months | 114 Months | 126 Months | 138 Months | 150 Months | 162 Months | |
| 2000-2001 | | | | | 13 | 12 | 12 | 12 | 12 | 12 | 12 | 13 | 13 | |
| 2001-2002 | | | | 13 | 13 | 14 | 14 | 14 | 14 | 15 | 15 | 15 | 15 | |
| 2002-2003 | | | 26 | 25 | 27 | 27 | 27 | 29 | 29 | 28 | 28 | 28 | 28 | |
| 2003-2004 | | 11 | 12 | 18 | 19 | 19 | 19 | 20 | 20 | 20 | 20 | 20 | 20 | |
| 2004-2005 | 4 | 5 | 9 | 10 | 9 | 10 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | |
| 2005-2006 | 4 | 13 | 13 | 14 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | |
| 2006-2007 | 9 | 11 | 10 | 11 | 12 | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 | |
| 2007-2008 | 7 | 16 | 23 | 25 | 25 | 25 | 24 | 24 | 24 | 24 | 23 | 24 | 24 | |
| 2008-2009 | 12 | 16 | 17 | 17 | 17 | 17 | 17 | 17 | 17 | 17 | 17 | 17 | 17 | |
| 2009-2010 | 18 | 25 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | |
| 2010-2011 | 15 | 18 | 16 | 14 | 14 | 13 | 13 | 13 | 13 | 13 | 13 | | | |
| 2011-2012 | 19 | 19 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | | | | |
| 2012-2013 | 23 | 23 | 22 | 22 | 21 | 20 | 20 | 21 | 21 | | | | | |
| 2013-2014 | 7 | 14 | 15 | 16 | 15 | 15 | 15 | 15 | | | | | | |
| 2014-2015 | 11 | 21 | 21 | 18 | 18 | 18 | 18 | | | | | | | |
| 2015-2016 | 10 | 18 | 20 | 20 | 20 | 20 | | | | | | | | |
| 2016-2017 | 6 | 19 | 19 | 21 | 21 | | | | | | | | | |
| 2017-2018 | 4 | 8 | 7 | 7 | | | | | | | | | | |
| 2018-2019 | 1 | 5 | 8 | | | | | | | | | | | |
| 2019-2020 | 2 | 9 | | | | | | | | | | | | |
| 2020-2021 | 21 | | | | | | | | | | | | | |

Reported Claim Count Development Factors:

| | 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 | 138-150 Months | 150-162 Months | 162-174 Months | |
|---------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|--|
| 2000-2001 | | | | | 0.923 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.083 | 1.000 | 1.000 | |
| 2001-2002 | | | | 1.000 | 1.077 | 1.000 | 1.000 | 1.000 | 1.071 | 1.000 | 1.000 | 1.000 | 1.000 | |
| 2002-2003 | | | 0.962 | 1.080 | 1.000 | 1.000 | 1.074 | 1.000 | 0.966 | 1.000 | 1.000 | 1.000 | 1.000 | |
| 2003-2004 | | 1.091 | 1.500 | 1.056 | 1.000 | 1.000 | 1.053 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | |
| 2004-2005 | 1.250 | 1.800 | 1.111 | 0.900 | 1.111 | 0.900 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | |
| 2005-2006 | 3.250 | 1.000 | 1.077 | 1.143 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | |
| 2006-2007 | 1.222 | 0.909 | 1.100 | 1.091 | 1.167 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | |
| 2007-2008 | 2.286 | 1.438 | 1.087 | 1.000 | 1.000 | 0.960 | 1.000 | 1.000 | 1.000 | 0.958 | 1.043 | 1.000 | 1.000 | |
| 2008-2009 | 1.333 | 1.063 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | | |
| 2009-2010 | 1.389 | 0.800 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | | | |
| 2010-2011 | 1.200 | 0.889 | 0.875 | 1.000 | 0.929 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | | | | |
| 2011-2012 | 1.000 | 1.053 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | | | | | |
| 2012-2013 | 1.000 | 0.957 | 1.000 | 0.955 | 0.952 | 1.000 | 1.050 | 1.000 | | | | | | |
| 2013-2014 | 2.000 | 1.071 | 1.067 | 0.938 | 1.000 | 1.000 | 1.000 | | | | | | | |
| 2014-2015 | 1.909 | 1.000 | 0.857 | 1.000 | 1.000 | 1.000 | | | | | | | | |
| 2015-2016 | 1.800 | 1.111 | 1.000 | 1.000 | 1.000 | | | | | | | | | |
| 2016-2017 | 3.167 | 1.000 | 1.105 | 1.000 | | | | | | | | | | |
| 2017-2018 | 2.000 | 0.875 | 1.000 | | | | | | | | | | | |
| 2018-2019 | 5.000 | 1.600 | | | | | | | | | | | | |
| 2019-2020 | 4.500 | | | | | | | | | | | | | |
| Average Claim-Weighted Averages | | | | | | | | | | | | | | |
| 3-yr | 3.143 | 1.063 | 1.043 | 1.000 | 1.000 | 1.000 | 1.018 | 1.000 | 1.000 | 1.000 | 1.017 | 1.000 | 1.000 | |
| 4-yr | 3.154 | 1.080 | 0.985 | 0.987 | 0.986 | 1.000 | 1.015 | 1.000 | 1.000 | 0.986 | 1.014 | 1.000 | 1.000 | |
| Comparative Factors Prior | | | | | | | | | | | | | | |
| 1.136 | 1.018 | 1.005 | 1.005 | 1.004 | 1.004 | 1.004 | 1.002 | 1.002 | 1.001 | 1.000 | 1.000 | 1.000 | 1.000 | |
| 1.700 | 1.200 | 1.150 | 1.025 | 1.010 | 1.001 | 1.001 | 1.001 | 1.001 | 1.001 | 1.000 | 1.000 | 1.001 | 1.000 | |
| Selected | | | | | | | | | | | | | | |
| 1.700 | 1.200 | 1.150 | 1.025 | 1.010 | 1.001 | 1.001 | 1.001 | 1.001 | 1.001 | 1.000 | 1.000 | 1.001 | 1.000 | |
| Cumulated | | | | | | | | | | | | | | |
| 2.440 | 1.435 | 1.196 | 1.040 | 1.015 | 1.005 | 1.004 | 1.003 | 1.002 | 1.001 | 1.001 | 1.001 | 1.001 | 1.000 | |

PLAN JPA - Liability
Closed Claim Development

| Accident Year | Claims Closed as of: | | | | | | | | | | | | |
|------------------|----------------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 18 Months | 30 Months | 42 Months | 54 Months | 66 Months | 78 Months | 90 Months | 102 Months | 114 Months | 126 Months | 138 Months | 150 Months | 162 Months |
| 2000-2001 | | | | | 11 | 11 | 12 | 12 | 12 | 12 | 12 | 12 | 13 |
| 2001-2002 | | | | 8 | 11 | 12 | 14 | 14 | 14 | 14 | 15 | 14 | 15 |
| 2002-2003 | | | 15 | 23 | 25 | 26 | 27 | 27 | 27 | 27 | 27 | 27 | 27 |
| 2003-2004 | | 9 | 11 | 13 | 13 | 14 | 15 | 18 | 20 | 20 | 20 | 20 | 20 |
| 2004-2005 | 1 | 1 | 7 | 7 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 |
| 2005-2006 | 2 | 3 | 9 | 11 | 12 | 14 | 14 | 14 | 15 | 16 | 16 | 16 | 16 |
| 2006-2007 | 1 | 3 | 7 | 8 | 9 | 12 | 14 | 14 | 14 | 14 | 14 | 14 | 13 |
| 2007-2008 | | 2 | 11 | 17 | 22 | 24 | 24 | 24 | 24 | 24 | 23 | 24 | 24 |
| 2008-2009 | 1 | 5 | 9 | 11 | 13 | 16 | 17 | 17 | 17 | 17 | 17 | 17 | 17 |
| 2009-2010 | 2 | 6 | 13 | 18 | 18 | 19 | 19 | 20 | 20 | 20 | 20 | 20 | |
| 2010-2011 | | 4 | 9 | 11 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | | |
| 2011-2012 | 1 | 3 | 11 | 13 | 18 | 19 | 20 | 19 | 19 | 19 | | | |
| 2012-2013 | 1 | 5 | 15 | 17 | 17 | 20 | 19 | 20 | 20 | | | | |
| 2013-2014 | 1 | 6 | 9 | 12 | 15 | 14 | 15 | 15 | | | | | |
| 2014-2015 | 3 | 7 | 8 | 18 | 18 | 18 | 18 | | | | | | |
| 2015-2016 | 1 | 3 | 20 | 14 | 17 | 19 | | | | | | | |
| 2016-2017 | 1 | 19 | 10 | 11 | 15 | | | | | | | | |
| 2017-2018 | 4 | 1 | 2 | 5 | | | | | | | | | |
| 2018-2019 | | 1 | 3 | | | | | | | | | | |
| 2019-2020 | | | | | | | | | | | | | |
| 2020-2021 | | | | | | | | | | | | | |

Closed Claim Count Development Factors:

| | 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 | 138-150 Months | 150-162 Months | 162-174 Months |
|---------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| 2000-2001 | | | | | 1.000 | 1.091 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.083 | 1.000 |
| 2001-2002 | | | | 1.375 | 1.091 | 1.167 | 1.000 | 1.000 | 1.000 | 1.071 | 0.933 | 1.071 | 1.000 |
| 2002-2003 | | | 1.533 | 1.087 | 1.040 | 1.038 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| 2003-2004 | | 1.222 | 1.182 | 1.000 | 1.077 | 1.071 | 1.200 | 1.111 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| 2004-2005 | 1.000 | 7.000 | 1.000 | 1.286 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| 2005-2006 | 1.500 | 3.000 | 1.222 | 1.091 | 1.167 | 1.000 | 1.000 | 1.071 | 1.067 | 1.000 | 1.000 | 1.000 | 1.000 |
| 2006-2007 | 3.000 | 2.333 | 1.143 | 1.125 | 1.333 | 1.167 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 0.929 | 1.077 |
| 2007-2008 | | 5.500 | 1.545 | 1.294 | 1.091 | 1.000 | 1.000 | 1.000 | 1.000 | 0.958 | 1.043 | 1.000 | 1.000 |
| 2008-2009 | 5.000 | 1.800 | 1.222 | 1.182 | 1.231 | 1.063 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | |
| 2009-2010 | 3.000 | 2.167 | 1.385 | 1.000 | 1.056 | 1.000 | 1.053 | 1.000 | 1.000 | 1.000 | 1.000 | | |
| 2010-2011 | | 2.250 | 1.222 | 1.182 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | | | |
| 2011-2012 | 3.000 | 3.667 | 1.182 | 1.385 | 1.056 | 1.053 | 0.950 | 1.000 | 1.000 | | | | |
| 2012-2013 | 5.000 | 3.000 | 1.133 | 1.000 | 1.176 | 0.950 | 1.053 | 1.000 | | | | | |
| 2013-2014 | 6.000 | 1.500 | 1.333 | 1.250 | 0.933 | 1.071 | 1.000 | | | | | | |
| 2014-2015 | 2.333 | 1.143 | 2.250 | 1.000 | 1.000 | 1.000 | | | | | | | |
| 2015-2016 | 3.000 | 6.667 | 0.700 | 1.214 | 1.118 | | | | | | | | |
| 2016-2017 | 19.000 | 0.526 | 1.100 | 1.364 | | | | | | | | | |
| 2017-2018 | 0.250 | 2.000 | 2.500 | | | | | | | | | | |
| 2018-2019 | | 3.000 | | | | | | | | | | | |
| 2019-2020 | | | | | | | | | | | | | |
| Average Claim-Weighted Averages | | | | | | | | | | | | | |
| 3-yr | | 0.714 | 0.938 | 1.163 | 1.020 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.017 | 0.982 | 1.019 |
| 4-yr | | 1.458 | 1.200 | 1.182 | 1.060 | 1.014 | 1.000 | 1.000 | 1.000 | 0.986 | 1.014 | 0.986 | 1.016 |
| Comparative Factors | | | | | | | | | | | | | |
| Prior | 1.495 | 1.122 | 1.051 | 1.033 | 1.020 | 1.012 | 1.010 | 1.007 | 1.005 | 1.005 | 1.003 | 1.003 | 1.001 |
| Selected | 3.500 | 3.000 | 1.001 | 1.001 | 1.001 | 1.001 | 1.001 | 1.001 | 1.001 | 1.001 | 1.001 | 1.001 | 1.001 |
| Cumulated | 10.616 | 3.033 | 1.011 | 1.010 | 1.009 | 1.008 | 1.007 | 1.006 | 1.005 | 1.004 | 1.003 | 1.002 | 1.001 |

PLAN JPA - Liability

Loss Trend Factors

| Accident Year | Benefit Level Factor (A) | Factor to 2021-2022 Loss Rate Level (B) | Factor to 2022-2023 Loss Rate Level (C) | Factor to 2023-2024 Loss Rate Level (D) | Factor to 2024-2025 Loss Rate Level (E) | Factor to 2021-2022 Frequency Level (F) | Factor to 2022-2023 Frequency Level (G) | Factor to 2023-2024 Frequency Level (H) | Factor to 2024-2025 Frequency Level (I) | Factor to 2021-2022 Severity Level (J) |
|---------------|--------------------------|---|---|---|---|---|---|---|---|--|
| 1986-2001 | 1.000 | 3.756 | 4.001 | 4.260 | 4.537 | 3.756 | 4.001 | 4.260 | 4.537 | 1.000 |
| 2001-2002 | 1.000 | 3.526 | 3.757 | 4.000 | 4.260 | 3.526 | 3.757 | 4.000 | 4.260 | 1.000 |
| 2002-2003 | 1.000 | 3.311 | 3.527 | 3.756 | 4.000 | 3.311 | 3.527 | 3.756 | 4.000 | 1.000 |
| 2003-2004 | 1.000 | 3.109 | 3.312 | 3.527 | 3.756 | 3.109 | 3.312 | 3.527 | 3.756 | 1.000 |
| 2004-2005 | 1.000 | 2.920 | 3.110 | 3.312 | 3.527 | 2.920 | 3.110 | 3.312 | 3.527 | 1.000 |
| 2005-2006 | 1.000 | 2.742 | 2.921 | 3.110 | 3.312 | 2.742 | 2.921 | 3.110 | 3.312 | 1.000 |
| 2006-2007 | 1.000 | 2.575 | 2.743 | 2.920 | 3.110 | 2.575 | 2.743 | 2.920 | 3.110 | 1.000 |
| 2007-2008 | 1.000 | 2.417 | 2.575 | 2.742 | 2.920 | 2.417 | 2.575 | 2.742 | 2.920 | 1.000 |
| 2008-2009 | 1.000 | 2.270 | 2.418 | 2.575 | 2.742 | 2.270 | 2.418 | 2.575 | 2.742 | 1.000 |
| 2009-2010 | 1.000 | 2.132 | 2.271 | 2.418 | 2.575 | 2.132 | 2.271 | 2.418 | 2.575 | 1.000 |
| 2010-2011 | 1.000 | 2.002 | 2.132 | 2.270 | 2.418 | 2.002 | 2.132 | 2.270 | 2.418 | 1.000 |
| 2011-2012 | 1.000 | 1.879 | 2.002 | 2.131 | 2.270 | 1.879 | 2.002 | 2.131 | 2.270 | 1.000 |
| 2012-2013 | 1.000 | 1.764 | 1.879 | 2.001 | 2.131 | 1.764 | 1.879 | 2.001 | 2.131 | 1.000 |
| 2013-2014 | 1.000 | 1.656 | 1.765 | 1.879 | 2.001 | 1.656 | 1.765 | 1.879 | 2.001 | 1.000 |
| 2014-2015 | 1.000 | 1.555 | 1.657 | 1.764 | 1.879 | 1.555 | 1.657 | 1.764 | 1.879 | 1.000 |
| 2015-2016 | 1.000 | 1.460 | 1.556 | 1.656 | 1.764 | 1.460 | 1.556 | 1.656 | 1.764 | 1.000 |
| 2016-2017 | 1.000 | 1.371 | 1.460 | 1.555 | 1.656 | 1.371 | 1.460 | 1.555 | 1.656 | 1.000 |
| 2017-2018 | 1.000 | 1.287 | 1.371 | 1.460 | 1.555 | 1.287 | 1.371 | 1.460 | 1.555 | 1.000 |
| 2018-2019 | 1.000 | 1.209 | 1.287 | 1.371 | 1.460 | 1.209 | 1.287 | 1.371 | 1.460 | 1.000 |
| 2019-2020 | 1.000 | 1.135 | 1.209 | 1.287 | 1.371 | 1.135 | 1.209 | 1.287 | 1.371 | 1.000 |
| 2020-2021 | 1.000 | 1.065 | 1.135 | 1.208 | 1.287 | 1.065 | 1.135 | 1.208 | 1.287 | 1.000 |
| 2021-2022 | 1.000 | 1.000 | 1.065 | 1.134 | 1.208 | 1.000 | 1.065 | 1.134 | 1.208 | 1.000 |
| 2022-2023 | 1.000 | -- | 1.000 | 1.065 | 1.134 | -- | 1.000 | 1.065 | 1.134 | -- |
| 2023-2024 | 1.000 | -- | -- | 1.000 | 1.065 | -- | -- | 1.000 | 1.065 | -- |
| 2024-2025 | 1.000 | -- | -- | -- | 1.000 | -- | -- | -- | 1.000 | -- |

Notes:

- (A) No benefit level adjustment applied.
 (B) - (E) (A) adjusted for a 6.5% annual loss rate trend.
 (F) - (I) (A) adjusted for a 6.5% annual frequency trend.
 (J) (A) adjusted for a 0.0% 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.

PLAN JPA - Liability

Residual Trend Factors

| Accident Year | Initial Estimate of Ultimate Limited Losses (A) | Ultimate Reported Claims (B) | BLF (C) | Adjusted Limited Severity (D) | Trended Payroll (\$00) (E) | Ultimate Frequency (F) |
|------------------|--|---------------------------------------|------------|--|-------------------------------------|------------------------------|
| 1986-2001 | \$30,004,000 | 177 | 1.000 | 169,514 | 4,660,711 | 0.380 |
| 2001-2002 | 4,627,263 | 15 | 1.000 | 308,484 | 5,056,647 | 0.030 |
| 2002-2003 | 8,812,482 | 28 | 1.000 | 314,732 | 5,498,758 | 0.051 |
| 2003-2004 | 2,574,481 | 20 | 1.000 | 128,724 | 5,606,805 | 0.036 |
| 2004-2005 | 1,874,487 | 9 | 1.000 | 208,276 | 6,401,988 | 0.014 |
| 2005-2006 | 4,756,022 | 17 | 1.000 | 279,766 | 6,377,662 | 0.027 |
| 2006-2007 | 1,662,124 | 14 | 1.000 | 118,723 | 6,522,170 | 0.021 |
| 2007-2008 | 6,755,660 | 24 | 1.000 | 281,486 | 6,739,631 | 0.036 |
| 2008-2009 | 3,471,639 | 17 | 1.000 | 204,214 | 6,797,113 | 0.025 |
| 2009-2010 | 2,352,952 | 20 | 1.000 | 117,648 | 6,402,621 | 0.031 |
| 2010-2011 | 2,076,846 | 13 | 1.000 | 159,757 | 5,763,632 | 0.023 |
| 2011-2012 | 3,917,000 | 20 | 1.000 | 195,850 | 4,805,609 | 0.042 |
| 2012-2013 | 3,845,000 | 21 | 1.000 | 183,095 | 4,582,006 | 0.046 |
| 2013-2014 | 6,959,081 | 15 | 1.000 | 463,939 | 4,441,748 | 0.034 |
| 2014-2015 | 5,429,951 | 18 | 1.000 | 301,664 | 4,504,358 | 0.040 |
| 2015-2016 | 5,206,000 | 20 | 1.000 | 260,300 | 4,232,637 | 0.047 |
| 2016-2017 | 8,339,000 | 21 | 1.000 | 397,095 | 4,254,965 | 0.049 |
| 2017-2018 | 1,103,000 | 7 | 1.000 | 157,571 | 4,379,345 | 0.016 |
| 2018-2019 | 1,335,000 | 10 | 1.000 | 133,500 | 4,324,756 | 0.023 |
| 2019-2020 | 647,000 | 13 | 1.000 | 49,769 | 4,417,328 | 0.029 |
| 2020-2021 | 4,729,000 | 14 | 1.000 | 337,786 | 4,506,728 | 0.031 |

Severity Trend FactorsFrequency Trend Factors

| | | |
|-----------------------------|-------|-------|
| 2007-2008 through 2016-2017 | 1.080 | 1.062 |
| 2008-2009 through 2017-2018 | 1.068 | 1.015 |
| 2009-2010 through 2018-2019 | 1.032 | 0.976 |
| Prior | 1.000 | 1.065 |
| Default | 1.030 | 0.975 |

| | | |
|-------------------------|-------|-------|
| Selected Residual Trend | 1.000 | 1.065 |
|-------------------------|-------|-------|

Notes:

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

PLAN JPA - Liability
Payment and Reserve Forecast

| <u>Accident Year</u> | <u>As of 12/31/2021</u> | <u>Calendar Period</u> | |
|-------------------------|-----------------------------|--------------------------------------|--------------------------------------|
| | | <u>1/1/2022 to 6/30/2022</u> | <u>7/1/2022 to 6/30/2023</u> |
| Prior | | | |
| Ultimate Loss | \$47,892,713 | \$47,892,713 | \$47,892,713 |
| Paid in Calendar Period | - | 1,608 | |
| Paid to Date | 47,891,105 | 47,892,713 | 47,892,713 |
| Outstanding Liability | 1,608 | | |
| 2005-2006 | | | |
| Ultimate Loss | \$4,756,022 | \$4,756,022 | \$4,756,022 |
| Paid in Calendar Period | - | | |
| Paid to Date | 4,756,022 | 4,756,022 | 4,756,022 |
| Outstanding Liability | | | |
| 2006-2007 | | | |
| Ultimate Loss | \$1,662,124 | \$1,662,124 | \$1,662,124 |
| Paid in Calendar Period | - | | |
| Paid to Date | 1,662,124 | 1,662,124 | 1,662,124 |
| Outstanding Liability | | | |
| 2007-2008 | | | |
| Ultimate Loss | \$6,755,660 | \$6,755,660 | \$6,755,660 |
| Paid in Calendar Period | - | | |
| Paid to Date | 6,755,660 | 6,755,660 | 6,755,660 |
| Outstanding Liability | | | |
| 2008-2009 | | | |
| Ultimate Loss | \$3,471,639 | \$3,471,639 | \$3,471,639 |
| Paid in Calendar Period | - | | |
| Paid to Date | 3,471,639 | 3,471,639 | 3,471,639 |
| Outstanding Liability | | | |
| 2009-2010 | | | |
| Ultimate Loss | \$2,352,952 | \$2,352,952 | \$2,352,952 |
| Paid in Calendar Period | - | | |
| Paid to Date | 2,352,952 | 2,352,952 | 2,352,952 |
| Outstanding Liability | | | |
| 2010-2011 | | | |
| Ultimate Loss | \$2,076,846 | \$2,076,846 | \$2,076,846 |
| Paid in Calendar Period | - | | |
| Paid to Date | 2,076,846 | 2,076,846 | 2,076,846 |
| Outstanding Liability | | | |
| 2011-2012 | | | |
| Ultimate Loss | \$3,917,000 | \$3,917,000 | \$3,917,000 |
| Paid in Calendar Period | - | 20,343 | 41,034 |
| Paid to Date | 3,814,260 | 3,834,603 | 3,875,637 |
| Outstanding Liability | 102,740 | 82,397 | 41,363 |

PLAN JPA - Liability

Payment and Reserve Forecast

| <u>Accident Year</u> | <u>As of 12/31/2021</u> | <u>Calendar Period</u> | |
|-------------------------|-----------------------------|--------------------------------------|--------------------------------------|
| | | <u>1/1/2022 to 6/30/2022</u> | <u>7/1/2022 to 6/30/2023</u> |
| 2012-2013 | | | |
| Ultimate Loss | \$3,845,000 | \$3,845,000 | \$3,845,000 |
| Paid in Calendar Period | - | 93,837 | 125,809 |
| Paid to Date | 3,371,074 | 3,464,911 | 3,590,720 |
| Outstanding Liability | 473,926 | 380,089 | 254,280 |
| 2013-2014 | | | |
| Ultimate Loss | \$6,959,081 | \$6,959,081 | \$6,959,081 |
| Paid in Calendar Period | - | | |
| Paid to Date | 6,959,081 | 6,959,081 | 6,959,081 |
| Outstanding Liability | | | |
| 2014-2015 | | | |
| Ultimate Loss | \$5,644,000 | \$5,644,000 | \$5,644,000 |
| Paid in Calendar Period | - | 32,107 | 84,421 |
| Paid to Date | 5,429,951 | 5,462,058 | 5,546,479 |
| Outstanding Liability | 214,049 | 181,942 | 97,521 |
| 2015-2016 | | | |
| Ultimate Loss | \$5,216,000 | \$5,216,000 | \$5,216,000 |
| Paid in Calendar Period | - | 40,180 | 176,469 |
| Paid to Date | 4,814,203 | 4,854,383 | 5,030,852 |
| Outstanding Liability | 401,797 | 361,617 | 185,148 |
| 2016-2017 | | | |
| Ultimate Loss | \$8,049,000 | \$8,049,000 | \$8,049,000 |
| Paid in Calendar Period | - | 348,068 | 509,095 |
| Paid to Date | 6,678,653 | 7,026,721 | 7,535,816 |
| Outstanding Liability | 1,370,347 | 1,022,279 | 513,184 |
| 2017-2018 | | | |
| Ultimate Loss | \$1,146,000 | \$1,146,000 | \$1,146,000 |
| Paid in Calendar Period | - | 57,975 | 112,330 |
| Paid to Date | 814,717 | 872,692 | 985,022 |
| Outstanding Liability | 331,283 | 273,308 | 160,978 |
| 2018-2019 | | | |
| Ultimate Loss | \$2,871,000 | \$2,871,000 | \$2,871,000 |
| Paid in Calendar Period | - | 441,268 | 666,341 |
| Paid to Date | 707,921 | 1,149,189 | 1,815,530 |
| Outstanding Liability | 2,163,079 | 1,721,811 | 1,055,470 |
| 2019-2020 | | | |
| Ultimate Loss | \$4,018,000 | \$4,018,000 | \$4,018,000 |
| Paid in Calendar Period | - | 752,735 | 1,251,520 |
| Paid to Date | 56,239 | 808,974 | 2,060,494 |
| Outstanding Liability | 3,961,761 | 3,209,026 | 1,957,506 |

PLAN JPA - Liability

Payment and Reserve Forecast

| <u>Accident Year</u> | <u>As of</u> <u>12/31/2021</u> | <u>Calendar Period</u> | |
|------------------------------------|-----------------------------------|--|--|
| | | <u>1/1/2022</u> <u>to</u> <u>6/30/2022</u> | <u>7/1/2022</u> <u>to</u> <u>6/30/2023</u> |
| 2020-2021 | | | |
| Ultimate Loss | \$8,808,000 | \$8,808,000 | \$8,808,000 |
| Paid in Calendar Period | - | 522,900 | 1,533,731 |
| Paid to Date | 2,431,166 | 2,954,066 | 4,487,797 |
| Outstanding Liability | 6,376,834 | 5,853,934 | 4,320,203 |
| 2021-2022 | | | |
| Ultimate Loss | \$2,723,000 | \$5,446,000 | \$5,446,000 |
| Paid in Calendar Period | - | 108,920 | 539,045 |
| Paid to Date | - | 108,920 | 647,965 |
| Outstanding Liability | 2,723,000 | 5,337,080 | 4,798,035 |
| 2022-2023 | | | |
| Ultimate Loss | - | - | \$6,000,000 |
| Paid in Calendar Period | - | - | 150,000 |
| Paid to Date | - | - | 150,000 |
| Outstanding Liability | - | - | 5,850,000 |
| Totals | | | |
| Ultimate Loss | \$122,164,037 | \$124,887,037 | \$130,887,037 |
| Paid in Calendar Period | - | 2,419,941 | 5,189,795 |
| Paid to Date | 104,043,613 | 106,463,554 | 111,653,349 |
| Outstanding Liability | 18,120,424 | 18,423,483 | 19,233,688 |
| Total Outstanding ULAE | 2,265,053 | 2,302,935 | 2,404,211 |
| Outstanding Liability plus ULAE | 20,385,477 | 20,726,418 | 21,637,899 |

Notes appear on the next page.

PLAN JPA - 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 2019-2020, \$752,735 is expected to be paid between 1/1/22 and 6/30/22, \$808,974 will have been paid by 6/30/22, and the reserve for remaining payments on these claims should be \$3,209,026.
- Ultimate Losses for each accident year are from Reserve Exhibit 3, 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, $\$1,251,520 = \$3,209,026 \times 39.0\%$.
- Paid to Date is Paid in Calendar Period plus Paid to Date from previous calendar period. For example, $\$2,060,494 = \$1,251,520 + \$808,974$.
- Outstanding Liability is Ultimate Loss minus Paid to Date. For example, $\$3,209,026 = \$4,018,000 - \$808,974$.

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.

PLAN JPA - Liability

Short- and Long-Term Liabilities

| <u>Liabilities as of 12/31/21:</u> | | <u>Expected</u> | <u>Discounted</u> |
|------------------------------------|--------------------------|-----------------|-------------------|
| <u>Current (Short Term)</u> | Loss and ALAE: | \$4,750,617 | \$4,703,812 |
| | ULAE: | 0 | 0 |
| | Short-Term Loss and LAE: | \$4,750,617 | \$4,703,812 |
| <u>Non-Current (Long Term)</u> | Loss and ALAE: | \$13,369,807 | \$12,582,059 |
| | ULAE: | 2,265,053 | 2,160,734 |
| | Long-Term Loss and LAE: | \$15,634,860 | \$14,742,793 |
| <u>Total Liability</u> | Loss and ALAE: | \$18,120,424 | \$17,285,871 |
| | ULAE: | 2,265,053 | 2,160,734 |
| | Total Loss and LAE: | \$20,385,477 | \$19,446,605 |
| <u>Liabilities as of 6/30/22:</u> | | | |
| <u>Current (Short Term)</u> | Loss and ALAE: | \$5,039,795 | \$4,990,141 |
| | ULAE: | 0 | 0 |
| | Short-Term Loss and LAE: | \$5,039,795 | \$4,990,141 |
| <u>Non-Current (Long Term)</u> | Loss and ALAE: | \$13,383,688 | \$12,617,505 |
| | ULAE: | 2,302,935 | 2,200,955 |
| | Long-Term Loss and LAE: | \$15,686,623 | \$14,818,460 |
| <u>Total Liability</u> | Loss and ALAE: | \$18,423,483 | \$17,607,646 |
| | ULAE: | 2,302,935 | 2,200,955 |
| | Total Loss and LAE: | \$20,726,418 | \$19,808,601 |

| | | <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 12/31/21:</u> | | | | | | |
| <u>Current (Short Term)</u> | Loss and ALAE: | \$5,216,528 | \$5,432,903 | \$5,691,613 | \$6,011,472 | \$6,444,222 |
| | ULAE: | 0 | 0 | 0 | 0 | 0 |
| | Short-Term Loss and LAE: | \$5,216,528 | \$5,432,903 | \$5,691,613 | \$6,011,472 | \$6,444,222 |
| <u>Non-Current (Long Term)</u> | Loss and ALAE: | \$13,953,503 | \$14,532,278 | \$15,224,291 | \$16,079,871 | \$17,237,421 |
| | ULAE: | 2,396,254 | 2,495,648 | 2,614,488 | 2,761,418 | 2,960,206 |
| | Long-Term Loss and LAE: | \$16,349,757 | \$17,027,926 | \$17,838,779 | \$18,841,289 | \$20,197,627 |
| <u>Total Liability</u> | Loss and ALAE: | \$19,170,031 | \$19,965,181 | \$20,915,904 | \$22,091,343 | \$23,681,643 |
| | ULAE: | 2,396,254 | 2,495,648 | 2,614,488 | 2,761,418 | 2,960,206 |
| | Total Loss and LAE: | \$21,566,285 | \$22,460,829 | \$23,530,392 | \$24,852,761 | \$26,641,849 |
| <u>Liabilities as of 6/30/22:</u> | | | | | | |
| <u>Current (Short Term)</u> | Loss and ALAE: | \$5,534,066 | \$5,763,613 | \$6,038,071 | \$6,377,400 | \$6,836,493 |
| | ULAE: | 0 | 0 | 0 | 0 | 0 |
| | Short-Term Loss and LAE: | \$5,534,066 | \$5,763,613 | \$6,038,071 | \$6,377,400 | \$6,836,493 |
| <u>Non-Current (Long Term)</u> | Loss and ALAE: | \$13,992,813 | \$14,573,218 | \$15,267,181 | \$16,125,172 | \$17,285,982 |
| | ULAE: | 2,440,860 | 2,542,103 | 2,663,155 | 2,812,820 | 3,015,308 |
| | Long-Term Loss and LAE: | \$16,433,673 | \$17,115,321 | \$17,930,336 | \$18,937,992 | \$20,301,290 |
| <u>Total Liability</u> | Loss and ALAE: | \$19,526,879 | \$20,336,831 | \$21,305,252 | \$22,502,572 | \$24,122,475 |
| | ULAE: | 2,440,860 | 2,542,103 | 2,663,155 | 2,812,820 | 3,015,308 |
| | Total Loss and LAE: | \$21,967,739 | \$22,878,934 | \$23,968,407 | \$25,315,392 | \$27,137,783 |

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

PLAN JPA - Liability

Discount Factors to be Applied to Overall Reserves

| Accident Year | Full Value of Reserve at 12/31/21 (A) | Discount Factor (B) | Discounted Reserve at 12/31/21 (C) | Full Value of Reserve at 6/30/22 (D) | Discount Factor (E) | Discounted Reserve at 6/30/22 (F) |
|---------------|---------------------------------------|---------------------|------------------------------------|--------------------------------------|---------------------|-----------------------------------|
| 1986-2001 | \$1,608 | 1.000 | \$1,608 | \$0 | 1.000 | \$0 |
| 2001-2002 | 0 | 1.000 | 0 | 0 | 1.000 | 0 |
| 2002-2003 | 0 | 1.000 | 0 | 0 | 1.000 | 0 |
| 2003-2004 | 0 | 1.000 | 0 | 0 | 1.000 | 0 |
| 2004-2005 | 0 | 1.000 | 0 | 0 | 1.000 | 0 |
| 2005-2006 | 0 | 1.000 | 0 | 0 | 1.000 | 0 |
| 2006-2007 | 0 | 1.000 | 0 | 0 | 1.000 | 0 |
| 2007-2008 | 0 | 1.000 | 0 | 0 | 1.000 | 0 |
| 2008-2009 | 0 | 0.995 | 0 | 0 | 1.000 | 0 |
| 2009-2010 | 0 | 0.985 | 0 | 0 | 0.990 | 0 |
| 2010-2011 | 0 | 0.978 | 0 | 0 | 0.980 | 0 |
| 2011-2012 | 102,740 | 0.972 | 99,824 | 82,397 | 0.976 | 80,388 |
| 2012-2013 | 473,926 | 0.966 | 457,970 | 380,089 | 0.968 | 367,780 |
| 2013-2014 | 0 | 0.966 | 0 | 0 | 0.965 | 0 |
| 2014-2015 | 214,049 | 0.967 | 207,086 | 181,942 | 0.967 | 175,860 |
| 2015-2016 | 401,797 | 0.969 | 389,350 | 361,617 | 0.968 | 350,179 |
| 2016-2017 | 1,370,347 | 0.968 | 1,326,893 | 1,022,279 | 0.970 | 991,279 |
| 2017-2018 | 331,283 | 0.966 | 319,881 | 273,308 | 0.967 | 264,263 |
| 2018-2019 | 2,163,079 | 0.964 | 2,084,237 | 1,721,811 | 0.964 | 1,660,278 |
| 2019-2020 | 3,961,761 | 0.959 | 3,801,140 | 3,209,026 | 0.963 | 3,089,778 |
| 2020-2021 | 6,376,834 | 0.949 | 6,053,953 | 5,853,934 | 0.956 | 5,596,797 |
| 2021-2022 | 2,723,000 | 0.934 | 2,543,929 | 5,337,080 | 0.943 | 5,031,044 |
| Totals | \$18,120,424 | | \$17,285,871 | \$18,423,483 | | \$17,607,646 |

(G) Discount Factor at 12/31/21 for Overall Reserve: 0.954
 (H) Discount Factor at 6/30/22 for Overall Reserve: 0.956

Notes:

- (A) From Reserve Appendix F, Outstanding Liability at 12/31/21.
- (B) Based on Reserve Appendix H, Page 2, Column (E).
- (C) (A) x (B).
- (D) From Reserve Appendix F, Outstanding Liability at 6/30/22.
- (E) Based on Reserve Appendix H, 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 0.954, the discounted liability for outstanding claims is 95.4% of the full value.

PLAN JPA - Liability

Confidence Level Table

| Probability | Projected Losses | Outstanding Losses |
|-------------|------------------|--------------------|
| 95% | 1.864 | 1.532 |
| 90% | 1.606 | 1.370 |
| 85% | 1.451 | 1.278 |
| 80% | 1.335 | 1.210 |
| 75% | 1.243 | 1.155 |
| 70% | 1.165 | 1.109 |
| 65% | 1.096 | 1.069 |
| 60% | 1.033 | 1.032 |
| 55% | 0.976 | 0.998 |
| 50% | 0.922 | 0.966 |
| 45% | 0.871 | 0.936 |
| 40% | 0.820 | 0.906 |
| 35% | 0.771 | 0.876 |
| 30% | 0.721 | 0.846 |
| 25% | 0.670 | 0.814 |

To read table: For the above retention, there is a 90% chance that final loss settlements will be less than 1.606 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.

PLAN JPA - Liability

Program History

| Policy Year Start Date | Policy Year End Date | Policy Year | Self-Insured Retention | |
|--|----------------------------|----------------|------------------------|-------------|
| | | | Per Occurrence | Aggregate |
| 7/1/1986 | 6/30/2001 | 1986-2001 | \$7,000,000 | (none) |
| 7/1/2001 | 6/30/2002 | 2001-2002 | 5,000,000 | (none) |
| 7/1/2002 | 6/30/2003 | 2002-2003 | 5,000,000 | (none) |
| 7/1/2003 | 6/30/2004 | 2003-2004 | 5,000,000 | (none) |
| 7/1/2004 | 6/30/2005 | 2004-2005 | 5,000,000 | (none) |
| 7/1/2005 | 6/30/2006 | 2005-2006 | 5,000,000 | (none) |
| 7/1/2006 | 6/30/2007 | 2006-2007 | 5,000,000 | (none) |
| 7/1/2007 | 6/30/2008 | 2007-2008 | 5,000,000 | (none) |
| 7/1/2008 | 6/30/2009 | 2008-2009 | 5,000,000 | (none) |
| 7/1/2009 | 6/30/2010 | 2009-2010 | 5,000,000 | (none) |
| 7/1/2010 | 6/30/2011 | 2010-2011 | 5,000,000 | (none) |
| 7/1/2011 | 6/30/2012 | 2011-2012 | 5,000,000 | (none) |
| 7/1/2012 | 6/30/2013 | 2012-2013 | 5,000,000 | (none) |
| 7/1/2013 | 6/30/2014 | 2013-2014 | 5,000,000 | (none) |
| 7/1/2014 | 6/30/2015 | 2014-2015 | 5,000,000 | (none) |
| 7/1/2015 | 6/30/2016 | 2015-2016 | 2,500,000 | (none) |
| 7/1/2016 | 6/30/2017 | 2016-2017 | 2,500,000 | (none) |
| 7/1/2017 | 6/30/2018 | 2017-2018 | 2,500,000 | (none) |
| 7/1/2018 | 6/30/2019 | 2018-2019 | 2,500,000 | (none) |
| 7/1/2019 | 6/30/2020 | 2019-2020 | 2,500,000 | (none) |
| 7/1/2020 | 6/30/2021 | 2020-2021 | 2,500,000 | (none) |
| 7/1/2021 | 6/30/2022 | 2021-2022 | 1,000,000 | (none) |
| 7/1/2022 | 6/30/2023 | 2022-2023 | 1,000,000 | (none) |
| Third Party Claims Administrator | | | Begin Date | End Date |
| Sedgwick | | | | Current |

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

PLAN JPA - Liability

Estimated Total Assets as of 6/30/22

| | |
|--|---------------------|
| (A) Estimated Total Assets as of 6/30/21: | \$49,957,000 |
| (B) <u>Total Income to Fund during 2021-2022</u> | |
| Premiums: | \$16,725,000 |
| Interest: | 0 |
| Total Income: | <u>\$16,725,000</u> |
| (C) <u>Total Payments from Fund during 2021-2022</u> | |
| Loss Payments: | \$5,857,000 |
| Excess Insurance: | 9,768,000 |
| Other: | <u>2,228,000</u> |
| Total Payments: | <u>\$17,853,000</u> |
| (D) <u>Estimated Total Assets as of 6/30/22:</u> | \$48,829,000 |

Notes:

- (A) Provided by the Authority.
- (B) Provided by the Authority.
- (C) Provided by the Authority.
- (D) (A) + (B) - (C).

PLAN JPA - Liability

Incurred Losses as of 12/31/21

| Accident Year (A) | Unlimited Incurred (B) | Additions to 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) |
|-------------------------|------------------------------|----------------------------------|---------------------------------------|-----------------------------|-----------------------------|--------------------------------------|---|--|-------------------------------------|--|
| 1986-2001 | \$29,856,449 | \$146,726 | \$0 | \$30,003,175 | \$0 | \$0 | \$30,003,175 | \$0 | \$30,003,175 | \$30,003,175 |
| 2001-2002 | 4,627,263 | 0 | 0 | 4,627,263 | 0 | 0 | 4,627,263 | 0 | 4,627,263 | 4,627,263 |
| 2002-2003 | 8,832,841 | (20,359) | 0 | 8,812,482 | 0 | 0 | 8,812,482 | 0 | 8,812,482 | 8,812,482 |
| 2003-2004 | 2,569,681 | 4,800 | 0 | 2,574,481 | 0 | 0 | 2,574,481 | 0 | 2,574,481 | 2,574,481 |
| 2004-2005 | 1,876,140 | (1,653) | 0 | 1,874,487 | 0 | 0 | 1,874,487 | 0 | 1,874,487 | 1,874,487 |
| 2005-2006 | 4,775,006 | (18,984) | 0 | 4,756,022 | 0 | 0 | 4,756,022 | 0 | 4,756,022 | 4,756,022 |
| 2006-2007 | 1,662,124 | 0 | 0 | 1,662,124 | 0 | 0 | 1,662,124 | 0 | 1,662,124 | 1,662,124 |
| 2007-2008 | 6,755,660 | 0 | 0 | 6,755,660 | 0 | 0 | 6,755,660 | 0 | 6,755,660 | 6,755,660 |
| 2008-2009 | 3,527,823 | (56,184) | 0 | 3,471,639 | 0 | 0 | 3,471,639 | 0 | 3,471,639 | 3,471,639 |
| 2009-2010 | 2,441,417 | (88,465) | 0 | 2,352,952 | 0 | 0 | 2,352,952 | 0 | 2,352,952 | 2,352,952 |
| 2010-2011 | 2,076,846 | 0 | 0 | 2,076,846 | 0 | 0 | 2,076,846 | 0 | 2,076,846 | 2,076,846 |
| 2011-2012 | 3,878,185 | 0 | 0 | 3,878,185 | 0 | 0 | 3,878,185 | 0 | 3,878,185 | 3,878,185 |
| 2012-2013 | 3,788,438 | 0 | 0 | 3,788,438 | 0 | 0 | 3,788,438 | 0 | 3,788,438 | 3,788,438 |
| 2013-2014 | 6,959,081 | 0 | 0 | 6,959,081 | 0 | 0 | 6,959,081 | 0 | 6,959,081 | 6,959,081 |
| 2014-2015 | 5,429,951 | 0 | 0 | 5,429,951 | 0 | 0 | 5,429,951 | 0 | 5,429,951 | 5,429,951 |
| 2015-2016 | 4,948,195 | 0 | 0 | 4,948,195 | 0 | 0 | 4,948,195 | 0 | 4,948,195 | 4,948,195 |
| 2016-2017 | 7,845,241 | 0 | 0 | 7,845,241 | 0 | 0 | 7,845,241 | 0 | 7,845,241 | 7,845,241 |
| 2017-2018 | 868,680 | 0 | 0 | 868,680 | 0 | 0 | 868,680 | 0 | 868,680 | 868,680 |
| 2018-2019 | 1,002,487 | 0 | 0 | 1,002,487 | 0 | 0 | 1,002,487 | 0 | 1,002,487 | 1,002,487 |
| 2019-2020 | 367,323 | 0 | 0 | 367,323 | 0 | 0 | 367,323 | 0 | 367,323 | 367,323 |
| 2020-2021 | 4,118,968 | 0 | 0 | 4,118,968 | 0 | 0 | 4,118,968 | 0 | 4,118,968 | 4,118,968 |
| 2021-2022 | 60,000 | 0 | 0 | 60,000 | 0 | 0 | 60,000 | 0 | 60,000 | 60,000 |
| Total | \$108,267,798 | -\$34,120 | \$0 | \$108,233,678 | \$0 | \$0 | \$108,233,678 | \$0 | \$108,233,678 | \$108,233,678 |

Notes:

- (A) Years are 7/1 to 6/30.
- (B) Provided by the Authority.
- (C) Adjustments to Accounting
- (D)
- (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 Reserve Appendix J.

PLAN JPA - Liability

Paid Losses as of 12/31/21

| Accident Year (A) | Unlimited Paid (B) | Additions to 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) |
|-------------------------|--------------------------|----------------------------------|---------------------------------------|-------------------------|-------------------------|----------------------------------|---------------------------------------|--|---------------------------------|--|
| 1986-2001 | \$29,855,666 | \$146,726 | \$0 | \$30,002,392 | \$0 | \$0 | \$30,002,392 | \$0 | \$30,002,392 | \$30,002,392 |
| 2001-2002 | 4,627,263 | 0 | 0 | 4,627,263 | 0 | 0 | 4,627,263 | 0 | 4,627,263 | 4,627,263 |
| 2002-2003 | 8,832,841 | (20,359) | 0 | 8,812,482 | 0 | 0 | 8,812,482 | 0 | 8,812,482 | 8,812,482 |
| 2003-2004 | 2,569,681 | 4,800 | 0 | 2,574,481 | 0 | 0 | 2,574,481 | 0 | 2,574,481 | 2,574,481 |
| 2004-2005 | 1,876,140 | (1,653) | 0 | 1,874,487 | 0 | 0 | 1,874,487 | 0 | 1,874,487 | 1,874,487 |
| 2005-2006 | 4,775,006 | (18,984) | 0 | 4,756,022 | 0 | 0 | 4,756,022 | 0 | 4,756,022 | 4,756,022 |
| 2006-2007 | 1,662,124 | 0 | 0 | 1,662,124 | 0 | 0 | 1,662,124 | 0 | 1,662,124 | 1,662,124 |
| 2007-2008 | 6,755,660 | 0 | 0 | 6,755,660 | 0 | 0 | 6,755,660 | 0 | 6,755,660 | 6,755,660 |
| 2008-2009 | 3,527,823 | (56,184) | 0 | 3,471,639 | 0 | 0 | 3,471,639 | 0 | 3,471,639 | 3,471,639 |
| 2009-2010 | 2,441,417 | (88,465) | 0 | 2,352,952 | 0 | 0 | 2,352,952 | 0 | 2,352,952 | 2,352,952 |
| 2010-2011 | 2,076,846 | 0 | 0 | 2,076,846 | 0 | 0 | 2,076,846 | 0 | 2,076,846 | 2,076,846 |
| 2011-2012 | 3,814,260 | 0 | 0 | 3,814,260 | 0 | 0 | 3,814,260 | 0 | 3,814,260 | 3,814,260 |
| 2012-2013 | 3,371,074 | 0 | 0 | 3,371,074 | 0 | 0 | 3,371,074 | 0 | 3,371,074 | 3,371,074 |
| 2013-2014 | 6,959,081 | 0 | 0 | 6,959,081 | 0 | 0 | 6,959,081 | 0 | 6,959,081 | 6,959,081 |
| 2014-2015 | 5,429,951 | 0 | 0 | 5,429,951 | 0 | 0 | 5,429,951 | 0 | 5,429,951 | 5,429,951 |
| 2015-2016 | 4,814,203 | 0 | 0 | 4,814,203 | 0 | 0 | 4,814,203 | 0 | 4,814,203 | 4,814,203 |
| 2016-2017 | 6,678,653 | 0 | 0 | 6,678,653 | 0 | 0 | 6,678,653 | 0 | 6,678,653 | 6,678,653 |
| 2017-2018 | 814,717 | 0 | 0 | 814,717 | 0 | 0 | 814,717 | 0 | 814,717 | 814,717 |
| 2018-2019 | 707,921 | 0 | 0 | 707,921 | 0 | 0 | 707,921 | 0 | 707,921 | 707,921 |
| 2019-2020 | 56,239 | 0 | 0 | 56,239 | 0 | 0 | 56,239 | 0 | 56,239 | 56,239 |
| 2020-2021 | 2,431,166 | 0 | 0 | 2,431,166 | 0 | 0 | 2,431,166 | 0 | 2,431,166 | 2,431,166 |
| 2021-2022 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | \$104,077,734 | -\$34,120 | \$0 | \$104,043,614 | \$0 | \$0 | \$104,043,614 | \$0 | \$104,043,614 | \$104,043,614 |

Notes:

- (A) Years are 7/1 to 6/30.
- (B) Provided by the Authority.
- (C) Adjustments to Accounting
- (D)
- (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 Reserve Appendix J.

PLAN JPA - Liability

Case Reserves as of 12/31/21

| Accident Year (A) | Unlimited Reserves (B) | Additions to 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) |
|-------------------------|------------------------------|----------------------------------|---------------------------------------|-----------------------------|-----------------------------|--------------------------------------|---|--|-------------------------------------|--|
| 1986-2001 | \$783 | \$0 | \$0 | \$783 | \$0 | \$0 | \$783 | \$0 | \$783 | \$783 |
| 2001-2002 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2002-2003 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2003-2004 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2004-2005 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2005-2006 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2006-2007 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2007-2008 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 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 | 63,925 | 0 | 0 | 63,925 | 0 | 0 | 63,925 | 0 | 63,925 | 63,925 |
| 2012-2013 | 417,364 | 0 | 0 | 417,364 | 0 | 0 | 417,364 | 0 | 417,364 | 417,364 |
| 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 | 133,992 | 0 | 0 | 133,992 | 0 | 0 | 133,992 | 0 | 133,992 | 133,992 |
| 2016-2017 | 1,166,588 | 0 | 0 | 1,166,588 | 0 | 0 | 1,166,588 | 0 | 1,166,588 | 1,166,588 |
| 2017-2018 | 53,963 | 0 | 0 | 53,963 | 0 | 0 | 53,963 | 0 | 53,963 | 53,963 |
| 2018-2019 | 294,565 | 0 | 0 | 294,565 | 0 | 0 | 294,565 | 0 | 294,565 | 294,565 |
| 2019-2020 | 311,084 | 0 | 0 | 311,084 | 0 | 0 | 311,084 | 0 | 311,084 | 311,084 |
| 2020-2021 | 1,687,802 | 0 | 0 | 1,687,802 | 0 | 0 | 1,687,802 | 0 | 1,687,802 | 1,687,802 |
| 2021-2022 | 60,000 | 0 | 0 | 60,000 | 0 | 0 | 60,000 | 0 | 60,000 | 60,000 |
| Total | \$4,190,065 | \$0 | \$0 | \$4,190,065 | \$0 | \$0 | \$4,190,065 | \$0 | \$4,190,065 | \$4,190,065 |

Notes:

- (A) Years are 7/1 to 6/30.
 (B) Reserve Appendix L, Page 1, Column (B) - Reserve Appendix L, Page 2, Column (B).
 (C) Reserve Appendix L, Page 1, Column (C) - Reserve Appendix L, Page 2, Column (C).
 (D) Reserve Appendix L, Page 1, Column (D) - Reserve Appendix L, 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 Reserve Appendix J.

PLAN JPA - Liability

Claim Counts as of 12/31/21

| 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) |
|-------------------------|---------------------------|--|---|---------------------------------------|-------------------------|--|---|-------------------------------------|-----------------------|-----------------------------------|
| 1986-2001 | 177 | 0 | 0 | 177 | 176 | 0 | 0 | 176 | 1 | 1 |
| 2001-2002 | 15 | 0 | 0 | 15 | 15 | 0 | 0 | 15 | 0 | 0 |
| 2002-2003 | 28 | 0 | 0 | 28 | 28 | 0 | 0 | 28 | 0 | 0 |
| 2003-2004 | 20 | 0 | 0 | 20 | 20 | 0 | 0 | 20 | 0 | 0 |
| 2004-2005 | 9 | 0 | 0 | 9 | 9 | 0 | 0 | 9 | 0 | 0 |
| 2005-2006 | 17 | 0 | 0 | 17 | 17 | 0 | 0 | 17 | 0 | 0 |
| 2006-2007 | 14 | 0 | 0 | 14 | 14 | 0 | 0 | 14 | 0 | 0 |
| 2007-2008 | 24 | 0 | 0 | 24 | 24 | 0 | 0 | 24 | 0 | 0 |
| 2008-2009 | 17 | 0 | 0 | 17 | 17 | 0 | 0 | 17 | 0 | 0 |
| 2009-2010 | 20 | 0 | 0 | 20 | 20 | 0 | 0 | 20 | 0 | 0 |
| 2010-2011 | 13 | 0 | 0 | 13 | 13 | 0 | 0 | 13 | 0 | 0 |
| 2011-2012 | 20 | 0 | 0 | 20 | 19 | 0 | 0 | 19 | 1 | 1 |
| 2012-2013 | 21 | 0 | 0 | 21 | 20 | 0 | 0 | 20 | 1 | 1 |
| 2013-2014 | 15 | 0 | 0 | 15 | 15 | 0 | 0 | 15 | 0 | 0 |
| 2014-2015 | 18 | 0 | 0 | 18 | 18 | 0 | 0 | 18 | 0 | 0 |
| 2015-2016 | 20 | 0 | 0 | 20 | 19 | 0 | 0 | 19 | 1 | 1 |
| 2016-2017 | 21 | 0 | 0 | 21 | 15 | 0 | 0 | 15 | 6 | 6 |
| 2017-2018 | 7 | 0 | 0 | 7 | 5 | 0 | 0 | 5 | 2 | 2 |
| 2018-2019 | 8 | 0 | 0 | 8 | 3 | 0 | 0 | 3 | 5 | 5 |
| 2019-2020 | 9 | 0 | 0 | 9 | 0 | 0 | 0 | 0 | 9 | 9 |
| 2020-2021 | 21 | 0 | 0 | 21 | 0 | 0 | 0 | 0 | 21 | 21 |
| 2021-2022 | 2 | 0 | 0 | 2 | 0 | 0 | 0 | 0 | 2 | 2 |
| Total | 516 | 0 | 0 | 516 | 467 | 0 | 0 | 467 | 49 | 49 |

Notes:

- (A) Years are 7/1 to 6/30.
- (B) Provided by the Authority.
- (C)
- (D)
- (E) (B) + (C) - (D).
- (F) Provided by the Authority.
- (G)
- (H)
- (I) (F) + (G) - (H).
- (J) (B) - (F).
- (K) (E) - (I).

PLAN JPA - Liability

Exposure Measures

| Accident Year | Total Payroll (\$00) (A) | Inflation Trend Factor (B) | Trended Payroll (\$00) (C) |
|------------------|-----------------------------------|-------------------------------------|-------------------------------------|
| 1986-2001 | 2,775,885 | 1.679 | 4,660,711 |
| 2001-2002 | 3,087,086 | 1.638 | 5,056,647 |
| 2002-2003 | 3,441,025 | 1.598 | 5,498,758 |
| 2003-2004 | 3,596,411 | 1.559 | 5,606,805 |
| 2004-2005 | 4,209,065 | 1.521 | 6,401,988 |
| 2005-2006 | 4,297,616 | 1.484 | 6,377,662 |
| 2006-2007 | 4,504,261 | 1.448 | 6,522,170 |
| 2007-2008 | 4,769,732 | 1.413 | 6,739,631 |
| 2008-2009 | 4,929,016 | 1.379 | 6,797,113 |
| 2009-2010 | 4,760,313 | 1.345 | 6,402,621 |
| 2010-2011 | 4,393,012 | 1.312 | 5,763,632 |
| 2011-2012 | 3,754,382 | 1.280 | 4,805,609 |
| 2012-2013 | 3,668,540 | 1.249 | 4,582,006 |
| 2013-2014 | 3,643,764 | 1.219 | 4,441,748 |
| 2014-2015 | 3,788,358 | 1.189 | 4,504,358 |
| 2015-2016 | 3,648,825 | 1.160 | 4,232,637 |
| 2016-2017 | 3,758,803 | 1.132 | 4,254,965 |
| 2017-2018 | 3,966,798 | 1.104 | 4,379,345 |
| 2018-2019 | 4,015,558 | 1.077 | 4,324,756 |
| 2019-2020 | 4,202,976 | 1.051 | 4,417,328 |
| 2020-2021 | 4,396,808 | 1.025 | 4,506,728 |
| 2021-2022 | 4,622,980 | 1.000 | 4,622,980 |
| 2022-2023 | 4,761,670 | 1.000 | 4,761,670 |

Notes:

- (A) Provided by the Authority.
- (B) Based on industry factors.
- (C) (A) x (B).

March 22, 2022

Agenda Item 7.B.

LIABILITY PROGRAM

SUBJECT: State of the Market - Liability

BACKGROUND AND HISTORY:

Seth Cole, Alliant Insurance Services Inc., will provide the Board of Directors with an update on the state of the insurance market as regards to liability.

RECOMMENDATION:

None. Information only.

REFERENCE MATERIALS ATTACHED:

None

LIABILITY PROGRAM

SUBJECT: PLAN JPA 2022/23 Projections - Liability

BACKGROUND AND HISTORY:

The primary pool layer funding has a slight increase, while the reinsurance & excess layer is projected to increase by 20%. Staff has taken a conservative approach in estimating costs for the 2022/23 year. Broken down as follows:

| <u>Liability</u> | <u>Layers</u> | <u>2021-22</u> | <u>Carrier</u> | <u>2022-23</u> | <u>Variance</u> |
|------------------|---------------|---------------------|----------------|---------------------|-----------------|
| PLAN - 60% CL | \$1M | \$4,729,000 | | \$5,102,000 | 7.9% |
| CARMA - 80% CL | \$9M | 6,043,223 | | 7,251,867 | 20.0% |
| Safety National | \$5M | 1,751,613 | Excess | 2,101,936 | 20.0% |
| Everest | \$5M | 1,240,009 | Excess | 1,488,011 | 20.0% |
| Hallmark | \$5M | 718,701 | Excess | 862,441 | 20.0% |
| Allied World | \$5M | 567,875 | Excess | 681,450 | 20.0% |
| | \$30M | <u>\$15,050,421</u> | | <u>\$17,487,704</u> | 16.2% |

Overall, staff estimates a 16.2% increase for PLAN's pooled layer, reinsurance, and excess coverage. The administration cost is not included for this discussion.

RECOMMENDATION:

None. Information only.

REFERENCE MATERIALS ATTACHED:

None

PROPERTY PROGRAM AND GROUP PURCHASE PROGRAMS

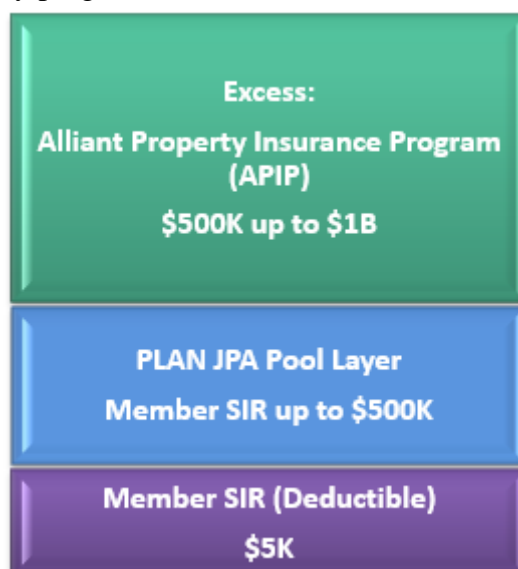
SUBJECT: Actuarial Update for the Property Program

BACKGROUND AND HISTORY:

The preliminary actuarial report provides the funding information for the 2022/23 year. The actuary was able to compile the report using December 31, 2021, loss run and estimated insured property values.

Property Program

PLAN JPA's current Property program structure is:



In the past year, the property program has been funded at the 70% confidence level. The preliminary actuarial report provides funding analysis for the 2022/23 year.

| Property Program | Discount Factor | Expected | 70% | 75% |
|------------------|-----------------|--------------|--------------|--------------|
| 2022/23 | 2.0% | \$ 1,079,000 | \$ 1,294,000 | \$ 1,404,000 |
| 2021/22 | 2.0% | 860,000 | 1,023,000 | 1,103,000 |
| | Change | 219,000 | 271,000 | 301,000 |
| | % Change | 25.5% | 26.5% | 27.3% |

March 22, 2022

**Agenda Item 8.A.
Page 2**

In 2022/23, PLAN's Property Program pooled layer is experiencing an increase of \$271,000, or 26.5%, over 2021/22, at the 70% confidence level. This is due to an increase in Total Insured Values (TIV) of 9.4% over prior year's insured values. However, TIV information is still being collected by Alliant. In addition, the actuary report may need to be modified if the coverage structure of PLAN's participation in Alliant Property Insurance Program (APIP) changes. The current Property Program is \$500K per occurrence with no pool aggregate deductible.

Becky Richard, Bickmore Actuarial, will be present to discuss the funding report.

RECOMMENDATION:

None. Information only.

REFERENCE MATERIALS ATTACHED:

- Draft Property Program Actuarial Report as of March 4, 2022



Bickmore — Actuarial

Actuarial Review of the Self-Insured Property Program

Forecast for Program Year 2022-23

Presented to
PLAN JPA

March 4, 2022 - DRAFT

Friday, March 4, 2022

Mr. Jon Paulsen
Pool Administrator
Pooled Liability Assurance Network Joint Powers Authority
1750 Creekside Oaks Drive, Suite 200
Sacramento, CA 95833

Re: Actuarial Review of the Self-Insured Property Program

Dear Mr. Paulsen:

As you requested, we have completed our review of the Authority's self-insured property program (the PLAN JPA). Assuming a pool deductible of \$500,000 and a member deductible of \$5,000, we estimate the ultimate cost of claims and expenses for claims incurred during the 2022-23 program year to be \$1,079,000 including allocated loss adjustment expenses (ALAE) and a discount for anticipated investment income. ALAE is basically the direct cost associated with the defense of individual claims. The discount for investment income is calculated based on the likely payout pattern of your claims, assuming a 2.0% return on investments per year. For budgeting purposes, the expected cost of 2022-23 claims translates to a rate of \$0.035 per \$100 TIV.

The table below shows our funding recommendations for PLAN JPA for the 2022-23 fiscal year.

| PLAN JPA Self-Insured Property Program Loss and ALAE Funding Guidelines for 2022-23 PLAN JPA Deductible of \$500,000, Member Deductible of \$5,000 | | | | | | |
|---|-------------|------------------------------------|-------------------|------------------|----------------|------------------------|
| | Expected | Marginally Acceptable 70% CL | Recommended Range | | | Conservative 90% CL |
| | | | Low 75% CL | Target 80% CL | High 85% CL | |
| Loss and ALAE | \$1,101,000 | | | | | |
| Investment Income Offset | (22,000) | | | | | |
| Discounted Loss and ALAE | \$1,079,000 | \$1,294,000 | \$1,404,000 | \$1,534,000 | \$1,697,000 | \$1,917,000 |
| Excess Insurance | 5,572,000 | 5,572,000 | 5,572,000 | 5,572,000 | 5,572,000 | 5,572,000 |
| Total Funding | \$6,651,000 | \$6,866,000 | \$6,976,000 | \$7,106,000 | \$7,269,000 | \$7,489,000 |
| Rate per \$100 of 2022-23 TIV | \$0.213 | \$0.220 | \$0.223 | \$0.227 | \$0.232 | \$0.240 |

DRAFT

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 PLAN JPA's internal use. It is not intended for general circulation.

We appreciate the opportunity to be of service to PLAN JPA in preparing this report. Please feel free to call Becky Richard at (916) 244-1183, Mike Harrington at (916) 244-1162 or David Kim at (916) 244-1166 with any questions you may have concerning this report.

Sincerely,

Bickmore Actuarial

DRAFT

Becky Richard, ACAS, MAAA
Senior Actuarial Manager, Bickmore Actuarial
Associate, Casualty Actuarial Society
Member, American Academy of Actuaries

DRAFT

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

DRAFT

David Kim, MA
Senior Actuarial Analyst, Bickmore Actuarial

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I. BACKGROUND

Effective July 1, 2017, PLAN JPA property deductible was \$225K per occurrence, subject to a \$1M annual aggregate. Once the annual aggregate was met, the PLAN JPA deductible decreased to a \$10K maintenance deductible per occurrence.

Effective July 1, 2021, PLAN JPA property deductible will increase to \$500K per occurrence, with no annual aggregate.

PLAN JPA purchases excess insurance up to \$1 billion per occurrence.

The purpose of this review is to provide a guide to PLAN JPA to determine reasonable funding levels for its self-insurance program according to the funding policy PLAN JPA has adopted to comply with Governmental Accounting Standards Board Statements #10 and #30. The specific objectives of the study are to estimate PLAN JPA's ultimate loss cost for 2022-23 and provide funding guidelines to meet these future costs.

II. CONCLUSIONS AND RECOMMENDATIONS

A. COSTS OF 2022-23 CLAIMS

The following chart shows our funding recommendations for the PLAN JPA property program for the 2022-23 fiscal year assuming a \$500K PLAN JPA deductible and member deductibles of \$5,000.

| PLAN JPA Self-Insured Property Program Loss and ALAE Funding Guidelines for 2022-23 PLAN JPA Deductible of \$500,000, Member Deductible of \$5,000 | | | | | | |
|---|-------------|------------------------------------|-------------------|------------------|----------------|------------------------|
| | Expected | Marginally Acceptable 70% CL | Recommended Range | | | Conservative 90% CL |
| | | | Low 75% CL | Target 80% CL | High 85% CL | |
| Loss and ALAE | \$1,101,000 | | | | | |
| Investment Income Offset | (22,000) | | | | | |
| Discounted Loss and ALAE | \$1,079,000 | \$1,294,000 | \$1,404,000 | \$1,534,000 | \$1,697,000 | \$1,917,000 |
| Excess Insurance | 5,572,000 | 5,572,000 | 5,572,000 | 5,572,000 | 5,572,000 | 5,572,000 |
| Total Funding | \$6,651,000 | \$6,866,000 | \$6,976,000 | \$7,106,000 | \$7,269,000 | \$7,489,000 |
| Rate per \$100 of 2022-23 TIV | \$0.213 | \$0.220 | \$0.223 | \$0.227 | \$0.232 | \$0.240 |

The funding recommendations above are for losses and allocated loss adjustment expense only. They do not include any provision for claims administration, excess insurance, loss control, overhead, and other expenses associated with the program.

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.

GASB #10 and #30 do not address funding requirements. They do, however, allow a range of funded amounts to be recognized for accounting purposes, specifically GASB #10 and #30 allow recognition of a funding margin for unexpectedly adverse loss experience.

As you know, the amount of such a margin should be a question of long-term funding policy. We recommend that the margin be determined by thinking in terms of the probability that a given level of funding will prove to be adequate. If you elect to fund at a low confidence level, the chances are much greater that future events will prove that additional contributions should have been made for current claims.

We generally recommend maintaining program funding 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 funding will be sufficient to meet claim liabilities, yet the required 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 pretty much offsets the required margin, which means that it is also reasonable to think of the liabilities as being stated on an undiscounted basis.

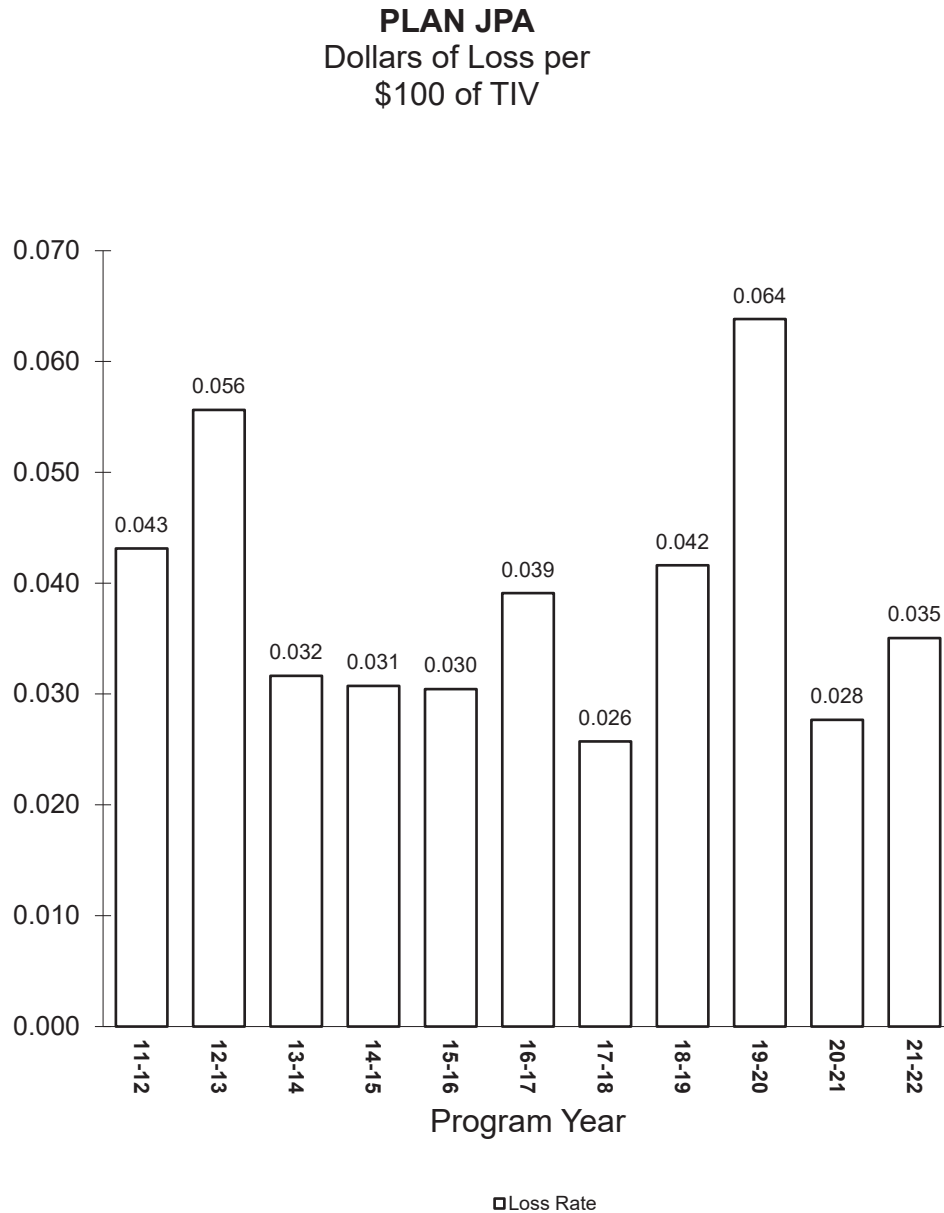
We also strongly believe, however, that the confidence level to which any future year is funded should be evaluated in light of the relative certainty of the

assumptions underlying the actuarial analysis, PLAN JPA'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 that you fund each year's claims costs in that year. When surpluses or deficiencies have developed 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 surplus funding more slowly than you would accumulate funding to make up a deficiency.

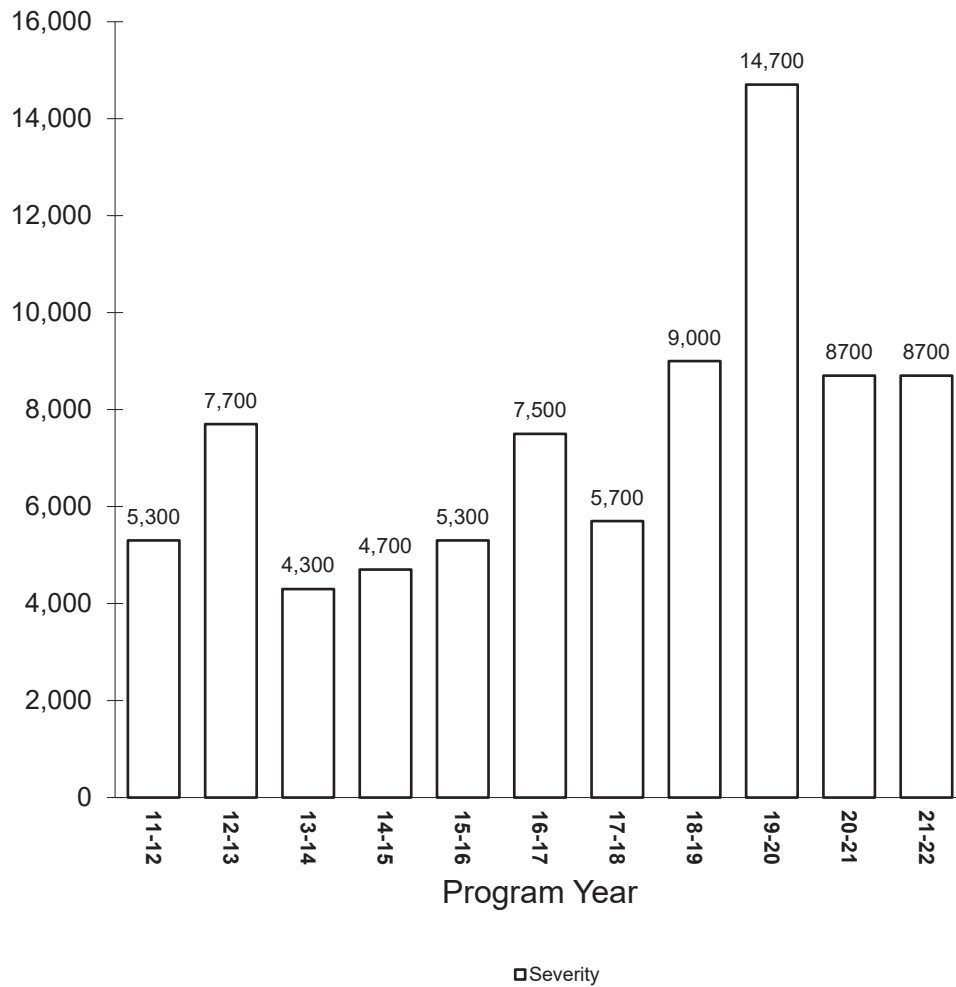
C. HISTORICAL TRENDS

PLAN JPA's loss rate (dollars of loss per \$100 of TIV) has remained relatively stable over the past eight years, with the exception of 2019-20. The projected 2021-22 loss rate of \$0.035 is based on the most recent eight years.



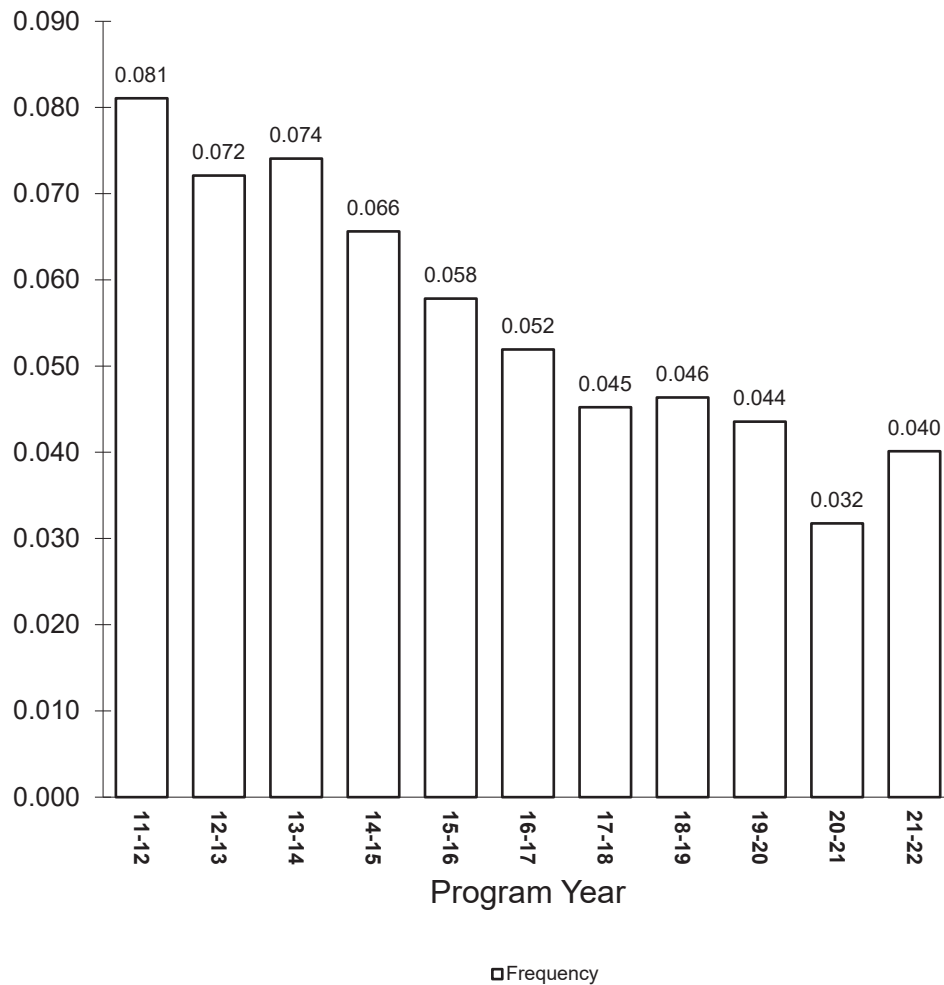
The program's cost per claim has generally increased since 2013-14. The projected 2021-22 severity of \$8,700 is based on this increasing trend.

PLAN JPA
Dollars of Loss per Claim



PLAN JPA's claims frequency per \$1 million of TIV has generally decreased over the past ten years. The projected 2021-22 frequency of 0.040 is based on the decreasing trend.

PLAN JPA
Number of Claims per
\$1 Million of TIV



D. COMPARISON WITH OUR PREVIOUS RESULTS

The prior report for the Authority was dated August 4, 2021.. In the table below we display actual versus expected development of incurred losses and ALAE by accident year between the December 31, 2020 evaluation date of the prior report and the December 31, 2021 evaluation date of the current report.

Actual Versus Expected Incurred Loss and ALAE Development

| Accident Year | Expected Incurred Development | Actual Incurred Development | Actual Minus Expected |
|---------------|-------------------------------|-----------------------------|-----------------------|
| 2000-01 | \$0 | \$0 | \$0 |
| 2001-02 | 0 | 0 | 0 |
| 2002-03 | 0 | 0 | 0 |
| 2003-04 | 0 | 0 | 0 |
| 2004-05 | 0 | 0 | 0 |
| 2005-06 | 0 | 0 | 0 |
| 2006-07 | 0 | 0 | 0 |
| 2007-08 | 0 | 0 | 0 |
| 2008-09 | 0 | 0 | 0 |
| 2009-10 | 0 | 0 | 0 |
| 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 | 1,000 | 0 | (1,000) |
| 2016-17 | 1,000 | 320,000 | 319,000 |
| 2017-18 | 1,000 | 15,000 | 14,000 |
| 2018-19 | 11,000 | 31,000 | 20,000 |
| 2019-20 | 29,000 | 864,000 | 835,000 |
| 2020-21 | 614,000 | 339,000 | (275,000) |
| Total | \$657,000 | \$1,569,000 | \$912,000 |

As shown, actual incurred development was more than anticipated since the prior report. Based on the assumptions from the prior report, it was expected that incurred losses through accident year 2020-21 would increase by \$657,000 between the two evaluation dates. However, actual development was approximately \$1,569,000; or about \$912,000 more than expected.

In the table below we display actual versus expected development of paid losses and ALAE by accident year between the December 31, 2020 evaluation date of the prior report and the December 31, 2021 evaluation date of the current report.

Actual Versus Expected Paid Loss and ALAE Development

| Accident Year | Expected Paid Development | Actual Paid Development | Actual Minus Expected |
|---------------|---------------------------|-------------------------|-----------------------|
| 2000-01 | \$0 | \$0 | \$0 |
| 2001-02 | 0 | 0 | 0 |
| 2002-03 | 0 | 0 | 0 |
| 2003-04 | 0 | 0 | 0 |
| 2004-05 | 0 | 0 | 0 |
| 2005-06 | 0 | 0 | 0 |
| 2006-07 | 0 | 0 | 0 |
| 2007-08 | 0 | 0 | 0 |
| 2008-09 | 0 | 0 | 0 |
| 2009-10 | 0 | 0 | 0 |
| 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 | 61,000 | 17,000 | (44,000) |
| 2016-17 | 1,000 | 95,000 | 94,000 |
| 2017-18 | 15,000 | 35,000 | 20,000 |
| 2018-19 | 51,000 | 59,000 | 8,000 |
| 2019-20 | 180,000 | 1,006,000 | 826,000 |
| 2020-21 | 627,000 | 501,000 | (126,000) |
| Total | \$935,000 | \$1,713,000 | \$778,000 |

As shown, actual paid development was more than anticipated since the prior report. Based on the assumptions from the prior report, it was expected that paid losses through accident year 2020-21 would increase by \$935,000 between the two evaluation dates. However, actual development was approximately \$1,713,000; or about \$778,000 more than expected.

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 Loss and ALAE Ultimate Losses

| Accident Year | Prior Report | Current Report | Change |
|---------------|--------------|----------------|-----------|
| 2000-01 | \$0 | \$0 | \$0 |
| 2001-02 | 0 | 0 | 0 |
| 2002-03 | 0 | 0 | 0 |
| 2003-04 | 0 | 0 | 0 |
| 2004-05 | 0 | 0 | 0 |
| 2005-06 | 0 | 0 | 0 |
| 2006-07 | 0 | 0 | 0 |
| 2007-08 | 0 | 0 | 0 |
| 2008-09 | 0 | 0 | 0 |
| 2009-10 | 0 | 0 | 0 |
| 2010-11 | 0 | 0 | 0 |
| 2011-12 | 878,000 | 878,000 | 0 |
| 2012-13 | 1,212,000 | 1,212,000 | 0 |
| 2013-14 | 769,000 | 769,000 | 0 |
| 2014-15 | 768,000 | 768,000 | 0 |
| 2015-16 | 695,000 | 695,000 | 0 |
| 2016-17 | 591,000 | 911,000 | 320,000 |
| 2017-18 | 606,000 | 620,000 | 14,000 |
| 2018-19 | 1,020,000 | 1,041,000 | 21,000 |
| 2019-20 | 846,000 | 1,700,000 | 854,000 |
| 2020-21 | 1,014,000 | 758,000 | (256,000) |
| Total | \$8,399,000 | \$9,352,000 | \$953,000 |

As shown, overall we have increased our estimated ultimate losses by \$953,000 since our prior report. The changes in our estimates of ultimate losses take into account both the incurred and paid development listed on the previous two pages.

At the time of the prior report, our funding estimate for the 2021-22 year was \$860,000 at the discounted, expected level. That amount included allocated loss adjustment expenses (ALAE), and a discount for anticipated investment income, but excluded unallocated loss adjustment expenses (ULAE). Our current estimate for the 2022-23 year is \$1,079,000 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

| | Prior Report 2021-22 Deductible = \$500,000 | Current Report 2022-23 Deductible = \$500,000 | Change |
|-----------------------------------|---|---|-----------|
| (A) Ultimate Loss and ALAE: | 870,000 | \$1,101,000 | \$231,000 |
| (B) Offset for Investment Income: | (10,000) | (22,000) | (12,000) |
| (C) Total Recommended Funding: | 860,000 | \$1,079,000 | \$219,000 |
| (D) Funding per \$100 of TIV: | 0.0303 | \$0.0350 | \$0.005 |

As you can see, our funding recommendations at the discounted, expected level have increased between 2020-21 and 2022-23, as shown in our prior and current reports respectively.

Our estimates of ultimate loss and ALAE have increased by \$231,000 primarily due an increase in our projected rate. Investment income is expected to be higher. The net change due to the above factors is an overall increase of \$219,000 in our annual funding estimate for loss and ALAE.

E. DATA ISSUES

Overall, the data utilized in preparing this report appears to be accurate as of the date of the current evaluation. We received loss data evaluated as of December 31, 2021.

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 PLAN JPA. 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 other California public entities with self-insured excess property program.
- We were not able to obtain sufficient historical data to produce PLAN JPA property specific loss development factors. As a result, we have had to rely, in part, on statistics and historic loss development patterns derived from the loss history of the other California public entities with self-insured excess property program. This increases the uncertainty associated with the conclusions of this report, in that any individual entities' experience can be significantly different from that of other California public entities with self-insured excess property programs.
- We have made use of cost relationships for claims of various sizes derived from the most recent actuarial reviews of other California public entities.
- 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 cost of property 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.

- We have assumed that the costs associated with property claims are increasing at 0.5% per year. We have assumed that the average claim size increases at 2.5% per year and that the average number of claims per \$1 million decreases at 2.0% per year.
- We have assumed that TIV increase 5% annually due to inflation.
- We have assumed that assets held for investment will generate an annual return of 2%.
- Our funding recommendations do not include provision for catastrophic events not in the PLAN JPA'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 PLAN JPA's excess coverage.

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.)

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 \$1 million TIV.

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 \$100 TIV.

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 deductible 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.

Deductible - The level at which an excess insurance policy is triggered to begin payments on a claim.

Severity - Average claim cost.

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.)

PLAN JPA - Property

Funding Options for Program Year 2022-2023 (Pool Layer: \$5,000 - \$500,000)
One-Year Funding Plan

| | | | Dollar Amount | TIV Rate | | |
|-----|--|--------------------------|------------------|-------------|--------------|-------------|
| (A) | Estimated Ultimate Losses Incurred in Accident Year 2022-2023: (From Not Included) | | \$1,101,000 | \$0.035 | | |
| (B) | Estimated Claims Administration Fees Incurred in Accident Year 2022-2023: (From Exhibit 3, Page 1, item (L)) | | 0 | 0.000 | | |
| (C) | Total Claims Costs Incurred in Accident Year 2022-2023: ((A) + (B)) | | \$1,101,000 | \$0.035 | | |
| (D) | Loss Discount Factor (Based on a Discount Rate of 2.0%.): (Appendix F, , (G)) | | 0.980 | | | |
| (E) | Discounted Total Claims Costs Incurred in Accident Year 2022-2023: ((C) x (D)) | | \$1,079,000 | \$0.035 | | |
| | | Marginally Acceptable | Recommended | | Conservative | |
| | | 70% | 75% | 80% | 85% | 90% |
| (F) | Confidence Level Factor: (From Appendix G) | 1.199 | 1.301 | 1.422 | 1.573 | 1.777 |
| (G) | Margin for Adverse Experience: ((E) x [(F) - 1]) | 215,000 | 325,000 | 455,000 | 618,000 | 838,000 |
| (H) | Recommended Funding in 2022-2023 for Claims Costs: ((E) + (G)) | \$1,294,000 | \$1,404,000 | \$1,534,000 | \$1,697,000 | \$1,917,000 |
| (I) | Budgeted Excess Costs: (Provided by the Pool) | 5,572,000 | 5,572,000 | 5,572,000 | 5,572,000 | 5,572,000 |
| (J) | Recommended Funding in 2022-2023 for Claims Costs, Other Expenses, and Non Claims Related Expenses: ((H) + (I)) | \$6,866,000 | \$6,976,000 | \$7,106,000 | \$7,269,000 | \$7,489,000 |
| (I) | Rate per \$100 of TIV: ((H) / \$31,265,001) | \$0.220 | \$0.223 | \$0.227 | \$0.233 | \$0.240 |

TIV rates are per hundred dollars of 2022-2023 TIV of \$3,126,500,100.

PLAN JPA - 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) |
|---|--------------------------------------|----------------------------------|--|--|-------------------------------|--|
| 2012-2013 | 1,211,570 | 1,217,628 | 1,211,570 | 1,218,506 | 1,360,562 | 1,211,570 |
| 2013-2014 | 768,874 | 775,794 | 768,874 | 776,607 | 867,060 | 768,874 |
| 2014-2015 | 768,041 | 778,794 | 768,041 | 780,105 | 870,348 | 768,041 |
| 2015-2016 | 731,198 | 700,999 | 731,328 | 703,265 | 790,812 | 695,000 |
| 2016-2017 | 1,191,307 | 706,627 | 1,190,523 | 716,240 | 989,175 | 911,000 |
| 2017-2018 | 626,084 | 650,877 | 630,264 | 669,701 | 918,216 | 620,000 |
| 2018-2019 | 1,067,285 | 1,088,659 | 1,066,512 | 1,085,218 | 1,006,648 | 1,041,000 |
| 2019-2020 | 2,579,725 | 2,491,309 | 2,493,425 | 2,318,202 | 1,035,648 | 1,700,000 |
| 2020-2021 | 959,581 | 945,732 | 988,208 | 1,021,077 | 800,226 | 758,000 |
| Totals | | | | | | \$9,351,339 |
| Projected Losses for the Year 2021-2022 (G) | | | | | | \$1,165,000 |
| Projected Losses for the Year 2022-2023 (H) | | | | | | \$1,282,000 |

Notes:

- (A) From Appendix A, Column (G).
- (B) From Appendix B, Column (G).
- (C) From Appendix C, Page 1, Column (G).
- (D) From Appendix C, Page 2, Column (G).
- (E) From Appendix D, Page 1, Column (C).
- (F) Selected averages of (A), (B), (C), (D), and (E).
- (G) From Exhibit 3, Page 1, Line (K).
- (H) From Exhibit 3, 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.

PLAN JPA - Property

Estimated Ultimate Limited Losses Capped at \$225,000 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) |
|---|--------------------------------------|----------------------------------|--|--|-------------------------------|--------------------------------------|
| 2012-2013 | 1,211,570 | 1,211,570 | 1,211,570 | 1,211,570 | 1,211,569 | 1,211,570 |
| 2013-2014 | 768,874 | 768,874 | 768,874 | 768,874 | 768,960 | 768,874 |
| 2014-2015 | 768,041 | 768,041 | 768,041 | 768,041 | 768,012 | 768,041 |
| 2015-2016 | 694,403 | 651,245 | 694,403 | 651,245 | 694,980 | 695,000 |
| 2016-2017 | 910,380 | 685,380 | 910,380 | 685,380 | 865,755 | 911,000 |
| 2017-2018 | 619,885 | 621,743 | 619,885 | 622,597 | 799,733 | 620,000 |
| 2018-2019 | 1,040,239 | 1,015,345 | 1,040,239 | 1,014,376 | 872,436 | 1,041,000 |
| 2019-2020 | 1,692,974 | 1,706,427 | 1,685,333 | 1,681,425 | 894,012 | 1,700,000 |
| 2020-2021 | 713,332 | 745,763 | 730,548 | 811,679 | 687,474 | 758,000 |
| Totals | | | | | | \$9,351,339 |
| Projected Losses for the Year 2021-2022 (G) | | | | | | \$996,000 |
| Projected Losses for the Year 2022-2023 (H) | | | | | | \$1,091,000 |

Notes:

- (A) From Appendix A, Column (D).
- (B) From Appendix B, Column (D).
- (C) Based on results in Appendix C, Page 1.
- (D) Based on results in Appendix C, Page 2.
- (E) Based on results in Appendix D, Page 1.
- (F) Selected averages of (A), (B), (C), (D), and (E).
- (G) From Exhibit 3, Page 1, Line (K) / Line (G).
- (H) From Exhibit 3, 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.

PLAN JPA - Property

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

| Accident Year | Ultimate Limited Losses (A) | Trend Factor (B) | Trended Limited Losses (C) | Trended TIV (\$00) (D) | Trended Limited Loss Rate (E) |
|-------------------------------|-----------------------------|-------------------|----------------------------|------------------------|-------------------------------|
| 2012-2013 | 1,211,570 | 1.044 | 1,264,879 | 27,201,491 | 0.047 |
| 2013-2014 | 768,874 | 1.039 | 798,860 | 29,628,198 | 0.027 |
| 2014-2015 | 768,041 | 1.034 | 794,154 | 29,715,314 | 0.027 |
| 2015-2016 | 695,000 | 1.030 | 715,850 | 26,482,176 | 0.027 |
| 2016-2017 | 911,000 | 1.025 | 933,775 | 26,375,931 | 0.035 |
| 2017-2018 | 620,000 | 1.020 | 632,400 | 26,612,275 | 0.024 |
| 2018-2019 | 1,041,000 | 1.015 | 1,056,615 | 26,946,252 | 0.039 |
| 2019-2020 | 1,700,000 | 1.010 | 1,717,000 | 27,996,278 | 0.061 |
| 2020-2021 | 758,000 | 1.005 | 761,790 | 28,080,356 | 0.027 |
| Totals | \$9,351,339 | | \$9,596,192 | 275,091,195 | \$0.035 |
| 16/17-19/20 | 4,272,000 | | 4,339,790 | 107,930,736 | 0.040 |
| 17/18-20/21 | 4,119,000 | | 4,167,805 | 109,635,161 | 0.038 |
| (F) Selected Limited Rate: | | | | | \$0.035 |
| Prior \$250K Rate: | | | | | \$0.031 |
| Program Year: | | 2021-2022 | 2022-2023 | | |
| (G) Factor to SIR: | | 1.170 | 1.175 | | |
| (H) Trend Factor: | | 1.000 | 1.005 | | |
| (I) Program Rate: | | \$0.041 | \$0.041 | | |
| (J) Trended TIV (\$00): | | 28,416,607 | 31,265,001 | | |
| (K) Projected Program Losses: | | 1,165,000 | 1,282,000 | | |
| (L) Projected ULAE: | | 0 | 0 | | |
| (M) Projected Loss and ULAE: | | \$1,165,000 | \$1,282,000 | | |
| Member Ded | Ded Fact | 2021-2022 Funding | 2022-2023 Funding | | |
| 0 | 1.00 | 1,165,000 | 1,282,000 | | |
| 5,000 | 0.86 | 1,000,000 | 1,101,000 | | |
| 10,000 | 0.76 | 890,000 | 980,000 | | |
| 15,000 | 0.69 | 809,000 | 890,000 | | |
| 25,000 | 0.59 | 692,000 | 762,000 | | |

PLAN JPA - Property

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

Notes:

- (A) From Exhibit 2, page 2, Column (F).
For purposes of projecting future losses, losses are capped at \$225,000 per occurrence.
- (B) From Appendix E, Column (B).
- (C) $(A) \times (B)$.
- (D) From Appendix I, 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.
- (I) $(F) \times (G) \times (H)$.
- (J) From Appendix I, Column (C).
- (K) $(I) \times (J)$.
- (L) Based on an estimated claim closing pattern and the Pool'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.

PLAN JPA - Property
Reported Loss Development

| Accident Year (A) | Limited Reported Losses as of 12/31/21 (B) | Reported Loss Development Factor (C) | Ultimate Limited Losses (D) | Program Reported Losses of 12/31/21 (E) | Reported Loss Development Factor (F) | Ultimate Program Losses (G) |
|-------------------------|--|--|--------------------------------------|---|--|--------------------------------------|
| 2012-2013 | 1,211,570 | 1.000 | 1,211,570 | 1,211,570 | 1.000 | 1,211,570 |
| 2013-2014 | 768,874 | 1.000 | 768,874 | 768,874 | 1.000 | 768,874 |
| 2014-2015 | 768,041 | 1.000 | 768,041 | 768,041 | 1.000 | 768,041 |
| 2015-2016 | 694,403 | 1.000 | 694,403 | 729,739 | 1.002 | 731,198 |
| 2016-2017 | 910,380 | 1.000 | 910,380 | 1,185,380 | 1.005 | 1,191,307 |
| 2017-2018 | 619,885 | 1.000 | 619,885 | 619,885 | 1.010 | 626,084 |
| 2018-2019 | 1,040,239 | 1.000 | 1,040,239 | 1,040,239 | 1.026 | 1,067,285 |
| 2019-2020 | 1,674,554 | 1.011 | 1,692,974 | 2,424,554 | 1.064 | 2,579,725 |
| 2020-2021 | 666,665 | 1.070 | 713,332 | 816,665 | 1.175 | 959,581 |
| Totals | \$9,232,465 | | \$9,297,552 | \$10,442,801 | | \$10,781,519 |

Notes:

- (A) Years are 7/1 to 6/30.
- (B) Provided by the Pool. These losses exclude amounts over \$225,000 per occurrence.
- (C) From Appendix A, Page 2. Interpolated to apply to data as of 12/31/21.
- (D) (B) x (C). These estimated losses exclude amounts over \$225,000 per occurrence.
- (E) Losses capped at the Pool's SIR. Amounts are provided by the Pool.
- (F) Derived from factors on Appendix A, Page 3. Interpolated to apply to data as of 12/31/21.
- (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.

PLAN JPA - Property
Paid Loss Development

| Accident Year (A) | Limited Paid Losses as of 12/31/21 (B) | Paid Loss Development Factor (C) | Ultimate Limited Losses (D) | Program Paid Losses of 12/31/21 (E) | Paid Loss Development Factor (F) | Ultimate Program Losses (G) |
|-------------------------|--|---|--------------------------------------|---|---|--------------------------------------|
| 2012-2013 | 1,211,570 | 1.000 | 1,211,570 | 1,211,570 | 1.005 | 1,217,628 |
| 2013-2014 | 768,874 | 1.000 | 768,874 | 768,874 | 1.009 | 775,794 |
| 2014-2015 | 768,041 | 1.000 | 768,041 | 768,041 | 1.014 | 778,794 |
| 2015-2016 | 651,245 | 1.000 | 651,245 | 686,581 | 1.021 | 700,999 |
| 2016-2017 | 685,380 | 1.000 | 685,380 | 685,380 | 1.031 | 706,627 |
| 2017-2018 | 619,883 | 1.003 | 621,743 | 619,883 | 1.050 | 650,877 |
| 2018-2019 | 1,004,298 | 1.011 | 1,015,345 | 1,004,298 | 1.084 | 1,088,659 |
| 2019-2020 | 1,647,130 | 1.036 | 1,706,427 | 2,170,130 | 1.148 | 2,491,309 |
| 2020-2021 | 538,457 | 1.385 | 745,763 | 599,703 | 1.577 | 945,732 |
| Totals | \$8,772,732 | | \$9,052,242 | \$9,392,314 | | \$10,236,907 |

Notes:

- (A) Years are 7/1 to 6/30.
- (B) Provided by the Pool. These losses exclude amounts over \$225,000 per occurrence.
- (C) From Appendix B, Page 2. Interpolated to apply to data as of 12/31/21.
- (D) (B) x (C). These estimated losses exclude amounts over \$225,000 per occurrence.
- (E) Losses capped at the Pool's SIR. Amounts are provided by the Pool.
- (F) Derived from factors on Appendix B, Page 3. Interpolated to apply to data as of 12/31/21.
- (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.

PLAN JPA - Property
Exposure and Development Method
Based on Reported Losses

| Accident Year | Trended TIV (\$00) (A) | Reported Losses as of 12/31/21 (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) |
|---------------|------------------------|------------------------------------|-----------------------------|---|------------------|--------------------------------------|-----------------------------|
| 2012-2013 | 27,201,491 | 1,211,570 | 1.000 | 0.000 | 0.051 | 0 | 1,211,570 |
| 2013-2014 | 29,628,198 | 768,874 | 1.000 | 0.000 | 0.029 | 0 | 768,874 |
| 2014-2015 | 29,715,314 | 768,041 | 1.000 | 0.000 | 0.029 | 0 | 768,041 |
| 2015-2016 | 26,482,176 | 729,739 | 1.002 | 0.002 | 0.030 | 1,589 | 731,328 |
| 2016-2017 | 26,375,931 | 1,185,380 | 1.005 | 0.005 | 0.039 | 5,143 | 1,190,523 |
| 2017-2018 | 26,612,275 | 619,885 | 1.010 | 0.010 | 0.039 | 10,379 | 630,264 |
| 2018-2019 | 26,946,252 | 1,040,239 | 1.026 | 0.025 | 0.039 | 26,273 | 1,066,512 |
| 2019-2020 | 27,996,278 | 2,424,554 | 1.064 | 0.060 | 0.041 | 68,871 | 2,493,425 |
| 2020-2021 | 28,080,356 | 816,665 | 1.175 | 0.149 | 0.041 | 171,543 | 988,208 |
| Totals | 275,091,195 | \$10,442,801 | | | | \$283,798 | \$10,726,599 |

Notes:

- (A) From Appendix I, Column (C).
- (B) Provided by the Pool. These losses exclude amounts incurred above the Pool's SIR for each year.
- (C) From Appendix A, Column (F).
- (D) $1 - 1/(C)$.
- (E) From Appendix C, 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.

PLAN JPA - Property
Exposure and Development Method
Based on Paid Losses

| Accident Year | Trended TIV (\$00) (A) | Paid Losses as of 12/31/21 (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) |
|---------------|------------------------|--------------------------------|-----------------------------|---|------------------|---------------------------|-----------------------------|
| 2012-2013 | 27,201,491 | 1,211,570 | 1.005 | 0.005 | 0.051 | 6,936 | 1,218,506 |
| 2013-2014 | 29,628,198 | 768,874 | 1.009 | 0.009 | 0.029 | 7,733 | 776,607 |
| 2014-2015 | 29,715,314 | 768,041 | 1.014 | 0.014 | 0.029 | 12,064 | 780,105 |
| 2015-2016 | 26,482,176 | 686,581 | 1.021 | 0.021 | 0.030 | 16,684 | 703,265 |
| 2016-2017 | 26,375,931 | 685,380 | 1.031 | 0.030 | 0.039 | 30,860 | 716,240 |
| 2017-2018 | 26,612,275 | 619,883 | 1.050 | 0.048 | 0.039 | 49,818 | 669,701 |
| 2018-2019 | 26,946,252 | 1,004,298 | 1.084 | 0.077 | 0.039 | 80,920 | 1,085,218 |
| 2019-2020 | 27,996,278 | 2,170,130 | 1.148 | 0.129 | 0.041 | 148,072 | 2,318,202 |
| 2020-2021 | 28,080,356 | 599,703 | 1.577 | 0.366 | 0.041 | 421,374 | 1,021,077 |
| Totals | 275,091,195 | \$9,392,314 | | | | \$777,431 | \$10,169,745 |

Notes:

- (A) From Appendix I, Column (C).
- (B) Provided by the Pool. These losses exclude amounts paid above the Pool's SIR for each year.
- (C) From Appendix B, Column (F).
- (D) $1 - 1/(C)$.
- (E) From Appendix C, 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.

PLAN JPA - Property
Exposure and Development Method

| Accident Year | Trended TIV (\$00) (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) |
|------------------------|------------------------|-----------------------------|------------------|----------------------------|-------------------------------|-----------------------|-------------------|-----------------------|
| 2012-2013 | 27,201,491 | 1,211,570 | 1.044 | 1,264,879 | 0.047 | 0.045 | 1.123 | 0.051 |
| 2013-2014 | 29,628,198 | 768,874 | 1.039 | 798,860 | 0.027 | 0.026 | 1.128 | 0.029 |
| 2014-2015 | 29,715,314 | 768,041 | 1.034 | 794,154 | 0.027 | 0.026 | 1.133 | 0.029 |
| 2015-2016 | 26,482,176 | 695,000 | 1.030 | 715,850 | 0.027 | 0.026 | 1.138 | 0.030 |
| 2016-2017 | 26,375,931 | 911,000 | 1.025 | 933,775 | 0.035 | 0.034 | 1.143 | 0.039 |
| 2017-2018 | 26,612,275 | 620,000 | 1.020 | 632,400 | 0.024 | 0.034 | 1.148 | 0.039 |
| 2018-2019 | 26,946,252 | 1,041,000 | 1.015 | 1,056,615 | 0.039 | 0.034 | 1.154 | 0.039 |
| 2019-2020 | 27,996,278 | 1,700,000 | 1.010 | 1,717,000 | 0.061 | 0.035 | 1.158 | 0.041 |
| 2020-2021 | 28,080,356 | 730,000 | 1.005 | 733,650 | 0.026 | 0.035 | 1.164 | 0.041 |
| Total/Avg | 275,091,195 | \$9,323,339 | | \$9,568,052 | \$0.035 | | | |
| 15/16-19/20 | 134,412,912 | 4,967,000 | | 5,055,640 | 0.038 | | | |
| 16/17-20/21 | 136,011,092 | 5,002,000 | | 5,073,440 | 0.037 | | | |
| Selected Limited Rate: | | | | | \$0.035 | | | |
| Prior: | | | | | \$0.030 | | | |

Notes:

- (A) From Appendix I, Column (C).
- (B) Selected average of results from Appendices A and B.
- (C) From Appendix E, Column (B).
- (D) (B) x (C).
- (E) (D) / (A).
- (F) Selected Limited Rate / (C). For 2015-2016 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.

PLAN JPA - Property

Frequency and Severity Method

| Accident Year | Ultimate Program Severity (A) | Adjusted Ultimate Claims (B) | Ultimate Program Losses (C) |
|------------------|--|---------------------------------------|--------------------------------------|
| 2012-2013 | 8,666 | 157 | 1,360,562 |
| 2013-2014 | 4,817 | 180 | 867,060 |
| 2014-2015 | 5,307 | 164 | 870,348 |
| 2015-2016 | 5,991 | 132 | 790,812 |
| 2016-2017 | 8,175 | 121 | 989,175 |
| 2017-2018 | 8,424 | 109 | 918,216 |
| 2018-2019 | 8,678 | 116 | 1,006,648 |
| 2019-2020 | 8,928 | 116 | 1,035,648 |
| 2020-2021 | 9,198 | 87 | 800,226 |
| Total | | 1,347 | \$9,620,445 |

Notes:

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

PLAN JPA - 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) |
|---------------------------------------|--------------------------------------|---------------------------------------|--|------------------------|---------------------------------------|----------------------------|-------------------------|----------------------------|
| 2012-2013 | 1,211,570 | 157 | 7,717 | 1.249 | 9,639 | 7,717 | 1.123 | 8,666 |
| 2013-2014 | 768,874 | 180 | 4,272 | 1.218 | 5,203 | 4,272 | 1.128 | 4,817 |
| 2014-2015 | 768,041 | 164 | 4,683 | 1.188 | 5,563 | 4,683 | 1.133 | 5,307 |
| 2015-2016 | 695,000 | 132 | 5,265 | 1.160 | 6,107 | 5,265 | 1.138 | 5,991 |
| 2016-2017 | 911,000 | 121 | 7,529 | 1.132 | 8,523 | 7,155 | 1.143 | 8,175 |
| 2017-2018 | 620,000 | 109 | 5,688 | 1.104 | 6,280 | 7,337 | 1.148 | 8,424 |
| 2018-2019 | 1,041,000 | 116 | 8,974 | 1.077 | 9,665 | 7,521 | 1.154 | 8,678 |
| 2019-2020 | 1,700,000 | 116 | 14,655 | 1.051 | 15,402 | 7,707 | 1.158 | 8,928 |
| 2020-2021 | 771,000 | 87 | 8,862 | 1.025 | 9,084 | 7,902 | 1.164 | 9,198 |
| Average Limited Severity: | | | | | \$8,228 | | | |
| Average 15/16-19/20 Limited Severity: | | | | | 9,195 | | | |
| Average 16/17-20/21 Limited Severity: | | | | | 9,791 | | | |
| Selected Limited Severity: | | | | | \$8,100 | | | |
| Prior: | | | | | \$7,000 | | | |

Notes:

- (A) Selected average of results from Appendices A, B, and C.
- (B) Appendix D, Page 3, Column (C).
- (C) (A) / (B).
- (D) From Appendix E, 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.

PLAN JPA - 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) |
|---------------|--------------------------------|------------------------------|------------------------------|-----------------------------|---------------------|------------------|-----------------------------|
| 2012-2013 | 157 | 159 | 157 | 2,720.1 | 0.058 | 0.834 | 0.048 |
| 2013-2014 | 180 | 182 | 180 | 2,962.8 | 0.061 | 0.851 | 0.052 |
| 2014-2015 | 164 | 166 | 164 | 2,971.5 | 0.055 | 0.868 | 0.048 |
| 2015-2016 | 132 | 133 | 132 | 2,648.2 | 0.050 | 0.886 | 0.044 |
| 2016-2017 | 121 | 123 | 121 | 2,637.6 | 0.046 | 0.904 | 0.042 |
| 2017-2018 | 109 | 109 | 109 | 2,661.2 | 0.041 | 0.922 | 0.038 |
| 2018-2019 | 116 | 113 | 116 | 2,694.6 | 0.043 | 0.942 | 0.041 |
| 2019-2020 | 116 | 96 | 116 | 2,799.6 | 0.041 | 0.961 | 0.039 |
| 2020-2021 | 87 | 71 | 87 | 2,808.0 | 0.031 | 0.980 | 0.030 |
| Total | 1,347 | 1,319 | 1,347 | 27,509.1 | | | 0.043 |
| 15/16-19/20 | 594 | 574 | 594 | 13,441.3 | | | 0.041 |

(H) Selected Frequency: 0.040
Prior: 0.044

| | | |
|---------------------------|-----------|-----------|
| Program Year: | 2021-2022 | 2022-2023 |
| (I) Trend Factor: | 1.000 | 0.980 |
| (J) Selected Frequency: | 0.040 | 0.039 |
| (K) Est. TIV (\$000,000): | 2,841.7 | 3,126.5 |
| (L) Ultimate Claims: | 114 | 122 |

Notes:

- (A) From Appendix D, Page 4, (C).
 (B) From Appendix D, Page 5, (C).
 (C) Selected from (A) and (B).
 (D) From Appendix I, Column (C) / 10,000.
 (E) (C) / (D).
 (F) From Appendix E, Column (H).
 (G) (E) x (F).
 (H) The selected frequency of .040 is based on (G).
 (I) From Appendix E, Column (H).
 (J) (H) x (I).
 (K) From Appendix I, Column (C) / 10,000.
 (L) (J) x (K).

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

PLAN JPA - Property
Frequency and Severity Method
Reported Claim Count Development

| Accident Year | Claims Reported as of 12/31/2021 (A) | Reported Claim Development Factor (B) | Ultimate Claims (C) | Trended Claim Frequency (D) |
|------------------|--|---|---------------------------|--------------------------------------|
| 2012-2013 | 157 | 1.000 | 157 | 0.048 |
| 2013-2014 | 180 | 1.000 | 180 | 0.052 |
| 2014-2015 | 164 | 1.000 | 164 | 0.048 |
| 2015-2016 | 132 | 1.000 | 132 | 0.044 |
| 2016-2017 | 121 | 1.000 | 121 | 0.041 |
| 2017-2018 | 109 | 1.000 | 109 | 0.038 |
| 2018-2019 | 116 | 1.000 | 116 | 0.041 |
| 2019-2020 | 114 | 1.017 | 116 | 0.040 |
| 2020-2021 | 76 | 1.145 | 87 | 0.030 |
| Total | 1,334 | | 1,347 | 0.043 |

Notes:

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

This exhibit shows the calculation of estimated ultimate claims for each year based on reported claims as provided by the Pool. 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.

PLAN JPA - Property
Frequency and Severity Method
Closed Claim Count Development

| Accident Year | Claims Closed as of 12/31/2021 (A) | Closed Claim Development Factor (B) | Ultimate Claims (C) | Trended Claim Frequency (D) |
|------------------|--|---|---------------------------|--------------------------------------|
| 2012-2013 | 157 | 1.012 | 159 | 0.049 |
| 2013-2014 | 180 | 1.013 | 182 | 0.052 |
| 2014-2015 | 164 | 1.014 | 166 | 0.048 |
| 2015-2016 | 131 | 1.015 | 133 | 0.044 |
| 2016-2017 | 120 | 1.021 | 123 | 0.042 |
| 2017-2018 | 106 | 1.033 | 109 | 0.038 |
| 2018-2019 | 107 | 1.054 | 113 | 0.040 |
| 2019-2020 | 86 | 1.118 | 96 | 0.033 |
| 2020-2021 | 47 | 1.509 | 71 | 0.025 |
| Total | 1,263 | | 1,319 | 0.042 |

Notes:

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

This exhibit shows the calculation of estimated ultimate claims for each year based on closed claims as provided by the Pool. 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.

PLAN JPA - Property

Loss Trend Factors

| Accident Year | Benefit Level Factor (A) | Factor to 2021-2022 Loss Rate Level (B) | Factor to 2022-2023 Loss Rate Level (C) | Factor to 2023-2024 Loss Rate Level (D) | Factor to 2024-2025 Loss Rate Level (E) | Factor to 2021-2022 Frequency Level (F) | Factor to 2022-2023 Frequency Level (G) | Factor to 2023-2024 Frequency Level (H) | Factor to 2024-2025 Frequency Level (I) | Factor to 2021-2022 Severity Level (J) |
|---------------|--------------------------|---|---|---|---|---|---|---|---|--|
| 2000-2001 | 1.000 | 1.107 | 1.113 | 1.118 | 1.124 | 0.655 | 0.642 | 0.629 | 0.616 | 1.679 |
| 2001-2002 | 1.000 | 1.101 | 1.107 | 1.112 | 1.118 | 0.668 | 0.655 | 0.642 | 0.629 | 1.638 |
| 2002-2003 | 1.000 | 1.096 | 1.101 | 1.106 | 1.112 | 0.682 | 0.669 | 0.655 | 0.642 | 1.598 |
| 2003-2004 | 1.000 | 1.090 | 1.095 | 1.100 | 1.106 | 0.696 | 0.682 | 0.668 | 0.655 | 1.559 |
| 2004-2005 | 1.000 | 1.084 | 1.089 | 1.095 | 1.100 | 0.710 | 0.696 | 0.682 | 0.668 | 1.521 |
| 2005-2006 | 1.000 | 1.079 | 1.084 | 1.090 | 1.095 | 0.725 | 0.710 | 0.696 | 0.682 | 1.484 |
| 2006-2007 | 1.000 | 1.074 | 1.079 | 1.085 | 1.090 | 0.740 | 0.725 | 0.710 | 0.696 | 1.448 |
| 2007-2008 | 1.000 | 1.069 | 1.074 | 1.080 | 1.085 | 0.755 | 0.740 | 0.724 | 0.710 | 1.412 |
| 2008-2009 | 1.000 | 1.064 | 1.069 | 1.075 | 1.080 | 0.769 | 0.754 | 0.739 | 0.724 | 1.378 |
| 2009-2010 | 1.000 | 1.059 | 1.064 | 1.070 | 1.075 | 0.785 | 0.770 | 0.754 | 0.739 | 1.344 |
| 2010-2011 | 1.000 | 1.054 | 1.059 | 1.065 | 1.070 | 0.801 | 0.785 | 0.769 | 0.754 | 1.312 |
| 2011-2012 | 1.000 | 1.049 | 1.054 | 1.060 | 1.065 | 0.817 | 0.801 | 0.785 | 0.769 | 1.280 |
| 2012-2013 | 1.000 | 1.044 | 1.050 | 1.055 | 1.060 | 0.834 | 0.818 | 0.801 | 0.785 | 1.249 |
| 2013-2014 | 1.000 | 1.039 | 1.045 | 1.050 | 1.055 | 0.851 | 0.834 | 0.817 | 0.801 | 1.218 |
| 2014-2015 | 1.000 | 1.034 | 1.040 | 1.045 | 1.050 | 0.868 | 0.851 | 0.834 | 0.817 | 1.188 |
| 2015-2016 | 1.000 | 1.030 | 1.035 | 1.040 | 1.045 | 0.886 | 0.869 | 0.851 | 0.834 | 1.160 |
| 2016-2017 | 1.000 | 1.025 | 1.030 | 1.035 | 1.040 | 0.904 | 0.886 | 0.868 | 0.851 | 1.132 |
| 2017-2018 | 1.000 | 1.020 | 1.025 | 1.030 | 1.035 | 0.922 | 0.904 | 0.886 | 0.868 | 1.104 |
| 2018-2019 | 1.000 | 1.015 | 1.020 | 1.025 | 1.030 | 0.942 | 0.923 | 0.904 | 0.886 | 1.077 |
| 2019-2020 | 1.000 | 1.010 | 1.015 | 1.020 | 1.025 | 0.961 | 0.942 | 0.922 | 0.904 | 1.051 |
| 2020-2021 | 1.000 | 1.005 | 1.010 | 1.015 | 1.020 | 0.980 | 0.960 | 0.941 | 0.922 | 1.025 |
| 2021-2022 | 1.000 | 1.000 | 1.005 | 1.010 | 1.015 | 1.000 | 0.980 | 0.960 | 0.941 | 1.000 |
| 2022-2023 | 1.000 | -- | 1.000 | 1.005 | 1.010 | -- | 1.000 | 0.980 | 0.960 | -- |
| 2023-2024 | 1.000 | -- | -- | 1.000 | 1.005 | -- | -- | 1.000 | 0.980 | -- |
| 2024-2025 | 1.000 | -- | -- | -- | 1.000 | -- | -- | -- | 1.000 | -- |

Notes:

- (A) No benefit level adjustment applied.
 (B) - (E) (A) adjusted for a 0.5% annual loss rate trend.
 (F) - (I) (A) adjusted for a -2.0% annual frequency trend.
 (J) (A) adjusted for a 2.5% 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.

PLAN JPA - 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 | 0.1% | 2.0% | 0.001 | 0.001 | 0.990 |
| 15 | 0.0% | 2.0% | 0.001 | 0.001 | 0.971 |
| 14 | 0.1% | 2.0% | 0.002 | 0.002 | 0.971 |
| 13 | 0.1% | 2.0% | 0.003 | 0.003 | 0.965 |
| 12 | 0.2% | 2.0% | 0.005 | 0.005 | 0.963 |
| 11 | 0.1% | 2.0% | 0.006 | 0.006 | 0.952 |
| 10 | 0.3% | 2.0% | 0.008 | 0.009 | 0.952 |
| 9 | 0.5% | 2.0% | 0.013 | 0.014 | 0.954 |
| 8 | 0.7% | 2.0% | 0.020 | 0.021 | 0.953 |
| 7 | 0.9% | 2.0% | 0.029 | 0.030 | 0.952 |
| 6 | 1.2% | 2.0% | 0.040 | 0.042 | 0.950 |
| 5 | 2.6% | 2.0% | 0.065 | 0.068 | 0.953 |
| 4 | 3.7% | 2.0% | 0.100 | 0.105 | 0.954 |
| 3 | 6.7% | 2.0% | 0.165 | 0.172 | 0.957 |
| 2 | 40.1% | 2.0% | 0.559 | 0.573 | 0.975 |
| 1 | 42.7% | 2.0% | 0.970 | 1.000 | 0.970 |

| | | |
|---|-----------|-------|
| (G) Discount Factor for Future Funding: | 2021-2022 | 0.980 |
| | 2022-2023 | 0.980 |

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, 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, $55.9\% = [16.5\% / 1.020] + [40.1\% / (1.010)]$.
- (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.

PLAN JPA - Property

Confidence Level Table

| Probability | Projected Losses | Outstanding Losses |
|-------------|------------------|--------------------|
| 95% | 2.118 | 2.202 |
| 90% | 1.777 | 1.831 |
| 85% | 1.573 | 1.610 |
| 80% | 1.422 | 1.445 |
| 75% | 1.301 | 1.313 |
| 70% | 1.199 | 1.202 |
| 65% | 1.109 | 1.103 |
| 60% | 1.029 | 1.016 |
| 55% | 0.955 | 0.934 |
| 50% | 0.886 | 0.860 |
| 45% | 0.821 | 0.789 |
| 40% | 0.758 | 0.721 |
| 35% | 0.696 | 0.658 |
| 30% | 0.635 | 0.597 |
| 25% | 0.573 | 0.538 |

To read table: For the above retention, there is a 90% chance that final loss settlements will be less than 1.777 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.

PLAN JPA - Property

Incurred Losses as of 12/31/21

| Accident Year (A) | Unlimited Incurred (B) | Additions to Losses (C) | Subtractions from Losses (D) | Adjusted Incurred (E) | Incurred Over SIR (F) | Incurred Over \$225,000 (G) | Incurred Capped at \$225,000 (H) | Incurred \$225,000 to SIR Layer (I) | Incurred Capped at SIR (J) | Incurred Capped at SIR & Aggregate (K) |
|-------------------------|------------------------------|----------------------------------|---------------------------------------|-----------------------------|-----------------------------|--------------------------------------|---|--|-------------------------------------|--|
| 2012-2013 | 1,211,570 | 0 | 0 | 1,211,570 | 0 | 0 | 1,211,570 | 0 | 1,211,570 | 1,211,570 |
| 2013-2014 | 768,874 | 0 | 0 | 768,874 | 0 | 0 | 768,874 | 0 | 768,874 | 768,874 |
| 2014-2015 | 768,041 | 0 | 0 | 768,041 | 0 | 0 | 768,041 | 0 | 768,041 | 768,041 |
| 2015-2016 | 729,739 | 0 | 0 | 729,739 | 0 | 35,337 | 694,403 | 35,337 | 729,739 | 729,739 |
| 2016-2017 | 1,585,380 | 0 | 0 | 1,585,380 | 400,000 | 675,000 | 910,380 | 275,000 | 1,185,380 | 1,185,380 |
| 2017-2018 | 619,885 | 0 | 0 | 619,885 | 0 | 0 | 619,885 | 0 | 619,885 | 619,885 |
| 2018-2019 | 1,040,239 | 0 | 0 | 1,040,239 | 0 | 0 | 1,040,239 | 0 | 1,040,239 | 1,040,239 |
| 2019-2020 | 3,944,554 | 0 | 0 | 3,944,554 | 1,520,000 | 2,270,000 | 1,674,554 | 750,000 | 2,424,554 | 2,424,554 |
| 2020-2021 | 816,665 | 0 | 0 | 816,665 | 0 | 150,000 | 666,665 | 150,000 | 816,665 | 816,665 |
| 2021-2022 | 533,239 | 0 | 0 | 533,239 | 0 | 110,400 | 422,839 | 110,400 | 533,239 | 533,239 |
| Total | \$12,896,039 | \$0 | \$0 | \$12,896,039 | \$1,920,000 | \$3,240,737 | \$9,655,303 | \$1,320,737 | \$10,976,039 | \$10,976,039 |

Notes:

- (A) Years are 7/1 to 6/30.
- (B) Provided by the Pool.
- (C)
- (D)
- (E) (B) + (C) - (D).
- (F) Sum of incurred losses in excess of SIR.
- (G) Sum of incurred losses in excess of \$225,000.
- (H) (E) - (G).
- (I) (G) - (F).
- (J) (E) - (F).
- (K) Minimum of (J) and the aggregate stop loss. See Not Included.

PLAN JPA - Property

Paid Losses as of 12/31/21

| Accident Year (A) | Unlimited Paid (B) | Additions to Losses (C) | Subtractions from Losses (D) | Adjusted Paid (E) | Paid Over SIR (F) | Paid Over \$225,000 (G) | Paid Capped at \$225,000 (H) | Paid \$225,000 to SIR Layer (I) | Paid Capped at SIR (J) | Paid Capped at SIR & Aggregate (K) |
|-------------------------|--------------------------|----------------------------------|---------------------------------------|-------------------------|-------------------------|----------------------------------|---------------------------------------|--|---------------------------------|--|
| 2012-2013 | 1,211,570 | 0 | 0 | 1,211,570 | 0 | 0 | 1,211,570 | 0 | 1,211,570 | 1,211,570 |
| 2013-2014 | 768,874 | 0 | 0 | 768,874 | 0 | 0 | 768,874 | 0 | 768,874 | 768,874 |
| 2014-2015 | 768,041 | 0 | 0 | 768,041 | 0 | 0 | 768,041 | 0 | 768,041 | 768,041 |
| 2015-2016 | 686,581 | 0 | 0 | 686,581 | 0 | 35,337 | 651,245 | 35,337 | 686,581 | 686,581 |
| 2016-2017 | 685,380 | 0 | 0 | 685,380 | 0 | 0 | 685,380 | 0 | 685,380 | 685,380 |
| 2017-2018 | 619,883 | 0 | 0 | 619,883 | 0 | 0 | 619,883 | 0 | 619,883 | 619,883 |
| 2018-2019 | 1,004,298 | 0 | 0 | 1,004,298 | 0 | 0 | 1,004,298 | 0 | 1,004,298 | 1,004,298 |
| 2019-2020 | 2,465,130 | 0 | 0 | 2,465,130 | 295,000 | 818,000 | 1,647,130 | 523,000 | 2,170,130 | 2,170,130 |
| 2020-2021 | 599,703 | 0 | 0 | 599,703 | 0 | 61,245 | 538,457 | 61,245 | 599,703 | 599,703 |
| 2021-2022 | 1,369 | 0 | 0 | 1,369 | 0 | 0 | 1,369 | 0 | 1,369 | 1,369 |
| Total | \$9,688,682 | \$0 | \$0 | \$9,688,682 | \$295,000 | \$914,582 | \$8,774,100 | \$619,582 | \$9,393,682 | \$9,393,682 |

Notes:

- (A) Years are 7/1 to 6/30.
- (B) Provided by the Pool.
- (C)
- (D)
- (E) (B) + (C) - (D).
- (F) Sum of paid losses in excess of SIR.
- (G) Sum of paid losses in excess of \$225,000.
- (H) (E) - (G).
- (I) (G) - (F).
- (J) (E) - (F).
- (K) Minimum of (J) and the aggregate stop loss. See Not Included.

PLAN JPA - Property

Case Reserves as of 12/31/21

| Accident Year (A) | Unlimited Reserves (B) | Additions to Losses (C) | Subtractions from Losses (D) | Adjusted Reserves (E) | Reserves Over SIR (F) | Reserves Over \$225,000 (G) | Reserves Capped at \$225,000 (H) | Reserves \$225,000 to SIR Layer (I) | Reserves Capped at SIR (J) | Reserves Capped at SIR & Aggregate (K) |
|-------------------------|------------------------------|----------------------------------|---------------------------------------|-----------------------------|--------------------------------|--------------------------------------|---|--|-------------------------------------|--|
| 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 | 43,158 | 0 | 0 | 43,158 | 0 | 0 | 43,158 | 0 | 43,158 | 43,158 |
| 2016-2017 | 900,000 | 0 | 0 | 900,000 | 400,000 | 675,000 | 225,000 | 275,000 | 500,000 | 500,000 |
| 2017-2018 | 2 | 0 | 0 | 2 | 0 | 0 | 2 | 0 | 2 | 2 |
| 2018-2019 | 35,941 | 0 | 0 | 35,941 | 0 | 0 | 35,941 | 0 | 35,941 | 35,941 |
| 2019-2020 | 1,479,424 | 0 | 0 | 1,479,424 | 1,225,000 | 1,452,000 | 27,424 | 227,000 | 254,424 | 254,424 |
| 2020-2021 | 216,962 | 0 | 0 | 216,962 | 0 | 88,755 | 128,208 | 88,755 | 216,962 | 216,962 |
| 2021-2022 | 531,871 | 0 | 0 | 531,871 | 0 | 110,400 | 421,471 | 110,400 | 531,871 | 531,871 |
| Total | \$3,207,357 | \$0 | \$0 | \$3,207,357 | \$1,625,000 | \$2,326,155 | \$881,203 | \$701,155 | \$1,582,357 | \$1,582,357 |

Notes:

- (A) Years are 7/1 to 6/30.
- (B) Appendix H, Page 1, Column (B) - Appendix H, Page 2, Column (B).
- (C) Appendix H, Page 1, Column (C) - Appendix H, Page 2, Column (C).
- (D) Appendix H, Page 1, Column (D) - Appendix H, 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 \$225,000.
- (H) (E) - (G).
- (I) (G) - (F).
- (J) (E) - (F).
- (K) Minimum of (J) and the aggregate stop loss. See Not Included.

PLAN JPA - Property

Claim Counts as of 12/31/21

| 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) |
|-------------------------|---------------------------|--|---|---------------------------------------|-------------------------|--|---|-------------------------------------|-----------------------|-----------------------------------|
| 2012-2013 | 157 | 0 | 0 | 157 | 157 | 0 | 0 | 157 | 0 | 0 |
| 2013-2014 | 180 | 0 | 0 | 180 | 180 | 0 | 0 | 180 | 0 | 0 |
| 2014-2015 | 164 | 0 | 0 | 164 | 164 | 0 | 0 | 164 | 0 | 0 |
| 2015-2016 | 132 | 0 | 0 | 132 | 131 | 0 | 0 | 131 | 1 | 1 |
| 2016-2017 | 121 | 0 | 0 | 121 | 120 | 0 | 0 | 120 | 1 | 1 |
| 2017-2018 | 109 | 0 | 0 | 109 | 106 | 0 | 0 | 106 | 3 | 3 |
| 2018-2019 | 116 | 0 | 0 | 116 | 107 | 0 | 0 | 107 | 9 | 9 |
| 2019-2020 | 114 | 0 | 0 | 114 | 86 | 0 | 0 | 86 | 28 | 28 |
| 2020-2021 | 76 | 0 | 0 | 76 | 47 | 0 | 0 | 47 | 29 | 29 |
| 2021-2022 | 34 | 0 | 0 | 34 | 9 | 0 | 0 | 9 | 25 | 25 |
| Total | 1,368 | 0 | 0 | 1,368 | 1,272 | 0 | 0 | 1,272 | 96 | 96 |

Notes:

- (A) Years are 7/1 to 6/30.
- (B) Provided by the Pool.
- (C)
- (D)
- (E) (B) + (C) - (D).
- (F) Provided by the Pool.
- (G)
- (H)
- (I) (F) + (G) - (H).
- (J) (B) - (F).
- (K) (E) - (I).

PLAN JPA - Property

Exposure Measures

| Accident Year | Total TIV (\$00) (A) | Inflation Trend Factor (B) | Trended TIV (\$00) (C) |
|------------------|-------------------------------|-------------------------------------|---------------------------------|
| 2014-2015 | 24,991,854 | 1.189 | 29,715,314 |
| 2015-2016 | 22,829,462 | 1.160 | 26,482,176 |
| 2016-2017 | 23,300,292 | 1.132 | 26,375,931 |
| 2017-2018 | 24,105,322 | 1.104 | 26,612,275 |
| 2018-2019 | 25,019,733 | 1.077 | 26,946,252 |
| 2019-2020 | 26,637,753 | 1.051 | 27,996,278 |
| 2020-2021 | 27,395,469 | 1.025 | 28,080,356 |
| 2021-2022 | 28,416,607 | 1.000 | 28,416,607 |
| 2022-2023 | 31,265,001 | 1.000 | 31,265,001 |

Notes:

- (A) Provided by the Pool.
- (B) Based on 2.5%.
- (C) (A) x (B).

March 22, 2022

Agenda Item 8.B.

PROPERTY PROGRAM AND GROUP PURCHASE PROGRAMS

SUBJECT: State of the Market – Property and Group Purchase Programs

BACKGROUND AND HISTORY:

Seth Cole, Alliant Insurance Services Inc., will provide the Board of Directors with an update on the state of the insurance market as regards to property.

RECOMMENDATION:

None. Information only.

REFERENCE MATERIALS ATTACHED:

None

March 22, 2022

Agenda Item 8.C.

PROPERTY PROGRAM AND GROUP PURCHASE PROGRAMS

SUBJECT: PLAN JPA 2022/23 Projections – Property and Group Purchase Programs

BACKGROUND AND HISTORY:

The primary pool layer SIR for the property program is projected to remain at \$500K per occurrence. Additionally, the excess coverage cost is expected to increase as well. Staff has taken a conservative approach in estimating cost for the 2022/23 year. Below is a breakdown:

| <u>Property</u> | <u>Layers</u> | <u>2021-22</u> | <u>Carrier</u> | <u>2022-23</u> | <u>Variance</u> |
|-------------------------|---------------|--------------------|----------------|--------------------|-----------------|
| PLAN - 70% | \$500K | \$1,023,000 | | \$1,294,000 | 26.5% |
| Excess Property & Flood | Above \$500K | 3,817,119 | | 4,839,157 | 26.8% |
| Excess Cyber Coverage | | 309,750 | | 732,376 | 136.4% |
| | | <u>\$5,149,869</u> | | <u>\$6,865,533</u> | 33.3% |

RECOMMENDATION:

None. Information only.

REFERENCE MATERIALS ATTACHED:

None

FINANCIAL MATTERS

SUBJECT: Review of the PLAN JPA 2022/23 Preliminary Operating Budget

BACKGROUND AND HISTORY:

Enclosed is Preliminary Operating Budget (Budget) for PLAN JPA for the 2022/23 Fiscal Year. The funding model is similar to what PLAN has approved in the past, contributions are capped at 50% for 2022/23, whereas the cap in 2021/22 was limited to a 40% change year over year. Funding rates were compiled by PLAN's actuary. Pages two and three detail the Budget as follows:

- For the Liability Program, member contributions are presented at the 60% confidence level (CL) with a 2% discount. PLAN's Self-Insured Retention (SIR) is up to \$1 million above each member's SIR, currently \$25K, \$50K, \$100K, and \$250K. PLAN JPA joined California Affiliated Risk Management Authority (CARMA) JPA in 2021/22 at the \$9 million excess of \$1 million layer. Above CARMA's pooled layer, PLAN purchases Reinsurance and Excess above \$10 million; these coverage layers are the same as the prior year.
- For the Property Program, member contributions are presented at the 70% CL with a 2% discount factor. Similar structure as prior year, the proposed coverage is losses pooled from member's SIR (currently \$5K) up to \$500K per occurrence with zero aggregate deductible, and excess coverage purchased up to \$1 billion through Alliant Property Insurance Program (APIP).

The major components of the Budget are outlined below:

1. Overall Rates for Coverage

With an increase in estimated payroll of 6.4% and 9.4% increase in Total Insured Values, combined with 20% CARMA and Reinsurance/Excess estimations, and excess Property premiums of 27% over prior year, the budgeted contributions are projected to increase from \$22 million to \$26.8 million for 2022/23. An increase of 22% over the prior year. Below is a summary by program.

Liability Program (Page 2)

The Liability program is projecting a 19% increase in contribution over the 2021/22 Approved Budget. Three members are capped at the 50% change in 2022/23, compared to fifteen members capped at 40% in 2021/22. The underlying assumption used in compiling the preliminary budget include:

- *Payroll* – overall, is estimated to increase by 6.4% from prior year, with twenty-four members of the twenty-eight, experiencing a 15.2% average increase. The 2022/23

**Agenda Item 9.A.
Page 2**

estimated payroll is based upon the actual payroll collected on a quarterly basis-annualized, with a conservative 3% trend increase.

- *Primary Funding Layer* – increase of \$373K, or 7.9% from prior year mainly due to estimated payroll increasing in 2022/23.
- *Insurance cost* – The insurance cost is projected to increase by 20% over the prior year.
 - a. CARMA is projected to increase by 20%.
 - b. Reinsurance and Excess are projected to increase by 20%.
- *Administrative Expenses* – budgeted to increase of 5.1% in administration expenses. See note 5 below which outlines the estimated changes.

Experience Modification (ex-mod) Factors:

PLAN's actuary developed the ex-mod factors by using the loss experience and payroll from 2016/17 through 2020/21. The losses were limited to \$250,000 per occurrence. Creditability was given to payroll, limited to a minimum of 10% and maximum of 90%. Ex-mod change, from year over year, has been capped at 30%.

Allocation of Administrative Cost:

Administrative costs are split between fixed and variable costs. The fixed costs (33%) are allocated among the members evenly. The remaining variable costs (67%) are allocated based upon the following: a) one-third of the costs are allocated based upon reported claims greater than \$1 and b) two-thirds of the costs are allocated based upon paid losses in the period of 2016/17 to 2020/21. The allocation of administrative costs is same as it has been in the past years.

Property Program (Page 3)

The Property program is projected to increase 33.3% in 2022/23, over the 2021/22 Approved Budget. The proposed budget includes:

1. Funding the 2022/2 program year at the **70% CL**, similar to prior year;
2. Increasing the Total Insured Value (TIV) by 9.4%; these are preliminary numbers as Alliant is still gathering the data;
3. Excess premium includes a 27% rate increase. The proposed rate increase takes into the account the same property coverage as 2021/22 of \$500K per occurrence, with no aggregate deductible;
4. Excess Cyber liability is projected to increase 150%; and
5. Actuarial Report, dated on March 4, 2022, was used to compile the proposed contributions for 2022/23.

2. Claims Expense

The overall claims expenses for program year 2022/23 is budgeted at the expected CL and expected to increase by 10.6% over 2021/22. The Liability Program is projected to increase by 7.8% due to payroll, and the Property Program is projected to increase 25.5% due to both increases in TIV and claims activity.

3. Insurance Expense

Total insurance expense is projected to increase by 25.5% over the prior year budget. Liability insurance expense is projected to increase 22% as the liability market continues ever slightly to harden, while the Property Program is also projected to increase 27% as the property market is continuing an upward trend. Excess Cyber Coverage is projected to increase by 136.4% due to high dollar payouts in the cyber market, while employment liability is estimated to decrease 12.9% over prior year actuals. These are conservative estimates and will be revised once we get more information from Alliant.

4. Risk Management Grants

Risk Management Grants, which are being funded out of equity, is budgeted at \$500,000, similar to prior year budget.

5. Administration Expenses

Administrative expenses are projected to increase by 5.1% over the prior year. The 2022/23 proposed budget includes the following line item variances from the prior year:

- Program Administration: contractual 3% increase from prior year;
- Financial Audit: contractual 5% increase from the prior year;
- Actuarial Studies: 3.5% increase for additional studies;
- Claims Admin & Audit: contractual 3% increase for claims administration, management of APD claims of \$30K, and claims audit cost of \$6K budgeted for in 2022/23;
- Legal Counsel: proposing a 36.7% or \$15K increase from prior year budget for increase in legal services of claims activity and coverage opinions;
- Risk Control Services: projected 5% increase over prior year, actual will be brought forward to PLAN Board meeting in June;
- Other Insurance: projected 3% increase for Deadly Weapon Response, E&O and Crime coverage;
- Meetings & Conferences: in anticipation of in-person meetings for the 2022/23 program year, proposing an increase of \$15K due to rising costs of meetings/conferences in Bay Area cities.
- Allowance for Contingencies: in 2021/22 PLAN JPA agreed to subsize portion of cyber assessments, which was an unexpected cost not originally budgeted for; continue with \$10K for 2022/23, similar to prior year.

RECOMMENDATION:

None. Information Only.

REFERENCE MATERIALS ATTACHED:

- 2022/23 PLAN Preliminary Operating Budget

PLAN JPA

Preliminary Contribution Worksheet for 2022/2023

Summary of Contributions by Program

| Member | Liability | Property | Employment | 2022/23 Total Contributions | Prior Year Comparison | | | Payroll Comparison | | | Ex-mod Comparison | | |
|---------------------|----------------------|---------------------|-------------------|-----------------------------------|-----------------------------------|-------------------------|-------------------|---------------------------------|---------------------------------|-------------|-------------------|---------|--------|
| | Program | Program | Liability | | 2021/22 Total Contributions | Increase/ (Decrease) | Percent Change | Estimated Payroll 2022/23 | Estimated Payroll 2021/22 | % Change | 2022/23 | 2021/22 | Change |
| | Page 2 | Page 3 | | | | | | | | | | | |
| American Canyon | \$ 447,943 | \$ 175,848 | \$ 56,662 | \$ 680,452 | \$ 550,928 | \$ 129,524 | 24% | \$ 8,503,800 | \$ 6,738,943 | 26.2% | 58% | 61% | -4.8% |
| Atherton | 307,997 | 42,370 | 31,594 | 381,961 | 296,677 | 85,284 | 29% | 7,486,700 | 5,103,982 | 46.7% | 140% | 130% | 7.4% |
| Benicia | 919,457 | 539,255 | - | 1,458,712 | 1,186,508 | 272,204 | 23% | 23,954,000 | 22,887,654 | 4.7% | 114% | 87% | 30.6% |
| Burlingame | 889,644 | 454,601 | - | 1,344,245 | 1,026,832 | 317,414 | 31% | 27,115,100 | 22,895,189 | 18.4% | 107% | 82% | 30.3% |
| Campbell | 891,874 | 234,113 | - | 1,125,987 | 990,012 | 135,975 | 14% | 23,557,700 | 22,756,074 | 3.5% | 73% | 82% | -11.1% |
| Colma | 122,297 | 62,798 | - | 185,095 | 155,780 | 29,315 | 19% | 4,065,300 | 3,973,521 | 2.3% | 100% | 77% | 30.2% |
| Cupertino | 1,005,972 | 272,776 | - | 1,278,748 | 914,250 | 364,497 | 40% | 25,593,400 | 23,860,889 | 7.3% | 44% | 39% | 13.7% |
| Dublin | 1,062,626 | 545,393 | - | 1,608,019 | 1,138,084 | 469,935 | 41% | 10,171,800 | 9,733,186 | 4.5% | 109% | 84% | 30.1% |
| East Palo Alto | 742,159 | 80,009 | - | 822,168 | 551,587 | 270,581 | 49% | 14,354,600 | 9,453,047 | 51.9% | 132% | 117% | 12.8% |
| Foster City | 672,428 | 370,005 | - | 1,042,433 | 707,592 | 334,841 | 47% | 24,874,900 | 19,827,337 | 25.5% | 40% | 31% | 29.4% |
| Half Moon Bay | 273,687 | 72,816 | - | 346,503 | 293,662 | 52,841 | 18% | 4,748,600 | 4,089,523 | 16.1% | 82% | 76% | 7.9% |
| Hillsborough | 384,386 | 189,682 | - | 574,068 | 507,590 | 66,478 | 13% | 12,861,200 | 11,138,285 | 15.5% | 83% | 91% | -8.9% |
| Los Altos Hills | 211,161 | 40,212 | - | 251,373 | 264,370 | (12,997) | -5% | 2,817,400 | 3,005,980 | -6.3% | 121% | 172% | -29.7% |
| Los Gatos | 629,535 | 156,866 | - | 786,401 | 703,807 | 82,594 | 12% | 20,772,900 | 22,378,814 | -7.2% | 39% | 48% | -19.3% |
| Millbrae | 556,356 | 248,774 | - | 805,130 | 687,282 | 117,848 | 17% | 8,016,500 | 7,733,077 | 3.7% | 165% | 231% | -28.6% |
| Milpitas | 1,846,782 | 584,969 | - | 2,431,751 | 1,726,611 | 705,140 | 41% | 62,317,100 | 64,362,249 | -3.2% | 83% | 87% | -4.8% |
| Morgan Hill | 1,223,364 | 364,736 | - | 1,588,100 | 1,426,547 | 161,552 | 11% | 30,223,300 | 29,567,808 | 2.2% | 93% | 114% | -18.1% |
| Newark | 1,078,510 | 299,225 | - | 1,377,735 | 1,192,473 | 185,262 | 16% | 22,383,200 | 21,770,775 | 2.8% | 103% | 98% | 5.2% |
| Pacifica | 1,088,027 | 530,018 | - | 1,618,045 | 1,445,676 | 172,369 | 12% | 21,633,500 | 19,531,220 | 10.8% | 136% | 151% | -9.9% |
| Portola Valley | 123,304 | 34,557 | - | 157,861 | 134,526 | 23,335 | 17% | 2,093,500 | 1,721,873 | 21.6% | 81% | 81% | 0.2% |
| Ross | 94,354 | 18,526 | - | 112,880 | 101,650 | 11,230 | 11% | 2,612,300 | 2,447,463 | 6.7% | 70% | 70% | 0.0% |
| San Bruno | 1,372,526 | 257,299 | - | 1,629,825 | 1,445,909 | 183,916 | 13% | 32,064,600 | 31,136,941 | 3.0% | 132% | 143% | -7.6% |
| San Carlos | 809,339 | 146,992 | - | 956,331 | 1,075,117 | (118,785) | -11% | 10,624,400 | 8,395,419 | 26.5% | 259% | 369% | -29.9% |
| Saratoga | 645,462 | 113,537 | - | 758,999 | 516,860 | 242,139 | 47% | 8,436,600 | 7,444,257 | 13.3% | 153% | 140% | 9.2% |
| South San Francisco | 1,438,171 | 863,750 | - | 2,301,921 | 2,063,357 | 238,564 | 12% | 48,319,000 | 51,563,560 | -6.3% | 58% | 73% | -20.5% |
| Suisun City | 584,838 | 103,440 | - | 688,278 | 467,826 | 220,452 | 47% | 9,635,800 | 7,836,131 | 23.0% | 97% | 75% | 30.2% |
| Tiburon | 242,140 | 37,482 | - | 279,622 | 215,958 | 63,664 | 29% | 4,579,200 | 3,862,568 | 18.6% | 103% | 79% | 30.1% |
| Woodside | 165,941 | 25,482 | 15,985 | 207,408 | 174,420 | 32,988 | 19% | 2,350,600 | 2,121,729 | 10.8% | 129% | 99% | 30.0% |
| Total | \$ 19,830,280 | \$ 6,865,533 | \$ 104,240 | \$ 26,800,053 | \$ 21,961,891 | \$ 4,838,162 | 22% | \$ 476,167,000 | \$ 447,337,492 | 6.4% | | | |
| Prior Year Actuals | 16,725,154 | 5,149,869 | \$86,867 | 21,961,890 | | | | | | | | | |
| Incr./(Decr.) | \$ 3,105,126 | \$ 1,715,664 | \$ 17,373 | \$ 4,838,163 | | | | | | | | | |
| % Change | 19% | 33% | 20% | 22% | | | | | | | | | |

Notes:

Payroll comparison was obtained from the actuarial study. The payroll numbers are estimates that were used at the time of funding.

The ex-mod comparisons were obtained from actuarial reports.

Employment Liability coverage is through Employment Risk Management Authority (ERMA).

PLAN JPA

Preliminary Contribution Worksheet for 2022/2023

Liability Program Contribution Schedule

Pool Funding @ 60% Confidence Level, 2.0% Discount Factor

| Members | Member SIR | Funding for Losses SIR-\$1M | Reinsurance/Excess Insurance | | | Administration Expense | Deposit from PY 50% | Unallocated Contributions | Members capped at 50% | Uncapped Members | Allocation of Contributions | 2022/23 60% CL Liability Budget | Budget Comparison | |
|---------------------|------------|-----------------------------|------------------------------|---------------------------|-----------------|------------------------|---------------------|---------------------------|-----------------------|------------------|-----------------------------|---------------------------------|---------------------------------|-------------------------------|
| | | | CARMA \$9M x \$1M | Rein/Excess \$20M x \$10M | Total Insurance | | | | | | | | 2021/22 60% CL Liability Budget | Percent Increase / (Decrease) |
| | | | | | | | | | | | | | | |
| Note 1 | Note 2 | | | Note 3 | Note 4 | | Note 5 | Note 6 | Note 7 | Note 8 | Note 9 | Note 10 | | |
| American Canyon | \$25,000 | \$ 74,249 | \$ 181,093 | \$ 128,202 | \$ 309,295 | \$ 59,299 | \$549,375 | \$ 442,843 | - | \$ 442,843 | \$ 447,943 | \$ 447,943 | \$ 366,250 | 22.3% |
| Atherton | \$25,000 | 157,010 | 60,034 | 42,500 | 102,534 | 44,947 | 362,127 | 304,491 | - | 304,491 | 307,997 | 307,997 | 241,418 | 27.6% |
| Benicia | \$25,000 | 406,546 | 236,016 | 167,084 | 403,100 | 99,343 | 1,147,421 | 908,989 | - | 908,989 | 919,457 | 919,457 | 764,947 | 20.2% |
| Burlingame | \$250,000 | 191,796 | 258,956 | 183,323 | 442,279 | 245,441 | 1,015,706 | 879,516 | - | 879,516 | 889,644 | 889,644 | 677,137 | 31.4% |
| Campbell | \$100,000 | 183,678 | 361,568 | 255,966 | 617,534 | 80,508 | 1,221,645 | 881,720 | - | 881,720 | 891,874 | 891,874 | 814,430 | 9.5% |
| Colma | \$50,000 | 53,231 | 14,442 | 10,224 | 24,666 | 43,008 | 160,484 | 120,905 | - | 120,905 | 122,297 | 122,297 | 106,989 | 14.3% |
| Cupertino | \$250,000 | 74,188 | 510,634 | 361,494 | 872,128 | 48,203 | 1,062,890 | 994,519 | - | 994,519 | 1,005,972 | 1,005,972 | 708,593 | 42.0% |
| Dublin | \$50,000 | 145,196 | 563,207 | 398,713 | 961,920 | 67,274 | 1,062,626 | 1,174,390 | 1,062,626 | - | - | 1,062,626 | 708,417 | 50.0% |
| East Palo Alto | \$100,000 | 201,964 | 264,214 | 187,046 | 451,260 | 80,486 | 746,714 | 733,710 | - | 733,710 | 742,159 | 742,159 | 497,809 | 49.1% |
| Foster City | \$100,000 | 106,622 | 285,908 | 202,404 | 488,312 | 69,839 | 693,498 | 664,773 | - | 664,773 | 672,428 | 672,428 | 462,332 | 45.4% |
| Half Moon Bay | \$50,000 | 50,918 | 107,157 | 75,860 | 183,017 | 36,636 | 356,781 | 270,571 | - | 270,571 | 273,687 | 273,687 | 237,854 | 15.1% |
| Hillsborough | \$50,000 | 140,567 | 99,165 | 70,202 | 169,367 | 70,076 | 543,617 | 380,010 | - | 380,010 | 384,386 | 384,386 | 362,411 | 6.1% |
| Los Altos Hills | \$25,000 | 50,785 | 73,040 | 51,707 | 124,747 | 33,225 | 349,268 | 208,757 | - | 208,757 | 211,161 | 211,161 | 232,845 | -9.3% |
| Los Gatos | \$50,000 | 107,079 | 268,445 | 190,041 | 458,486 | 56,803 | 880,541 | 622,368 | - | 622,368 | 629,535 | 629,535 | 587,027 | 7.2% |
| Millbrae | \$100,000 | 140,686 | 195,954 | 138,722 | 334,676 | 74,660 | 735,026 | 550,022 | - | 550,022 | 556,356 | 556,356 | 490,017 | 13.5% |
| Milpitas | \$100,000 | 552,618 | 658,689 | 466,308 | 1,124,997 | 148,142 | 1,924,917 | 1,825,757 | - | 1,825,757 | 1,846,782 | 1,846,782 | 1,283,278 | 43.9% |
| Morgan Hill | \$100,000 | 298,746 | 412,417 | 291,964 | 704,381 | 206,309 | 1,722,860 | 1,209,436 | - | 1,209,436 | 1,223,364 | 1,223,364 | 1,148,573 | 6.5% |
| Newark | \$100,000 | 245,712 | 425,346 | 301,116 | 726,462 | 94,057 | 1,444,731 | 1,066,231 | - | 1,066,231 | 1,078,510 | 1,078,510 | 963,154 | 12.0% |
| Pacifica | \$50,000 | 385,060 | 329,854 | 233,515 | 563,369 | 127,211 | 1,543,967 | 1,075,640 | - | 1,075,640 | 1,088,027 | 1,088,027 | 1,029,311 | 5.7% |
| Portola Valley | \$25,000 | 25,263 | 39,697 | 28,103 | 67,800 | 28,837 | 161,910 | 121,900 | - | 121,900 | 123,304 | 123,304 | 107,940 | 14.2% |
| Ross | \$25,000 | 27,341 | 22,173 | 15,697 | 37,870 | 28,069 | 132,843 | 93,280 | - | 93,280 | 94,354 | 94,354 | 88,562 | 6.5% |
| San Bruno | \$100,000 | 450,194 | 391,193 | 276,939 | 668,132 | 238,574 | 1,883,625 | 1,356,900 | - | 1,356,900 | 1,372,526 | 1,372,526 | 1,255,750 | 9.3% |
| San Carlos | \$100,000 | 292,712 | 259,548 | 183,743 | 443,291 | 64,122 | 1,445,244 | 800,125 | - | 800,125 | 809,339 | 809,339 | 963,496 | -16.0% |
| Saratoga | \$25,000 | 193,507 | 265,920 | 188,254 | 454,174 | 48,955 | 645,462 | 696,636 | 645,462 | - | - | 645,462 | 430,308 | 50.0% |
| South San Francisco | \$100,000 | 299,668 | 584,448 | 413,750 | 998,198 | 123,932 | 2,214,459 | 1,421,798 | - | 1,421,798 | 1,438,171 | 1,438,171 | 1,476,306 | -2.6% |
| Suisun City | \$25,000 | 139,577 | 251,434 | 177,999 | 429,433 | 52,548 | 584,838 | 621,558 | 584,838 | - | - | 584,838 | 389,892 | 50.0% |
| Tiburon | \$50,000 | 61,774 | 82,320 | 58,277 | 140,597 | 37,012 | 282,461 | 239,383 | - | 239,383 | 242,140 | 242,140 | 188,307 | 28.6% |
| Woodside | \$25,000 | 45,312 | 48,995 | 34,685 | 83,680 | 35,060 | 212,702 | 164,052 | - | 164,052 | 165,941 | 165,941 | 141,801 | 17.0% |
| Total | | \$ 5,101,999 | \$ 7,251,867 | \$ 5,133,838 | \$ 12,385,706 | \$ 2,342,576 | | \$ 19,830,280 | \$ 2,292,926 | \$ 17,337,696 | \$ 17,537,354 | \$ 19,830,280 | \$ 16,725,154 | 19% |
| Prior Year Actuals | | 4,728,999 | 6,043,223 | 4,278,198 | 10,321,421 | 2,228,157 | | | | | | 16,725,154 | | |
| Incr./(Decr.) | | 373,000 | 1,208,644 | 855,640 | 2,064,285 | 114,419 | | | | | | 3,105,126 | | |
| % Change | | 7.9% | 20.0% | 20.0% | 20.0% | 5.1% | | | | | | 19% | | |

NOTES:

- Note 1: Member Selected Self-Insured Retention
- Note 2: Adjusted funding needed for SIR to \$1,000,000 at the 60% confidence level from draft Actuarial Study dated March 15, 2022.
- Note 3: Insurance estimated 20% increase; allocation based upon draft actuarial study dated March 15, 2022
- Note 4: Administrative Expense allocation: 33% allocated to the member equally. Of the remaining 67%, one-third is allocated using reported claims and two-thirds using paid losses; these numbers were provided in the draft actuarial study.
- Note 5: Unallocated contributions: (Note 2 + Note 3 + Note 4)
- Note 6: Capping members who have more than 50% change in contributions from the prior year.
- Note 7: Members with contributions below the 50% cap.
- Note 8: Allocation of remaining contributions among uncapped members.
- Note 9: Preliminary 2022/23 Liability Contributions
- Note 10: 2021/22 Contributions paid by members.

Funding for the Pool Layer @ 2.0%

| | \$1M SIR 21/22 | \$1M SIR 22/23 |
|------------------|----------------|----------------|
| Expected Undisc. | 4,934,000 | 5,318,000 |
| Expected Disc. | 4,613,000 | 4,972,000 |
| 60% CL Disc. | 4,729,000 | 5,102,000 |
| 70% CL Disc. | 5,411,000 | 5,828,000 |
| 80% CL Disc. | 6,311,000 | 6,787,000 |
| 90% CL Disc. | 7,745,000 | 8,309,000 |

PLAN JPA

Preliminary Contribution Worksheet for 2022/2023

Property Program Contributions Schedule

Pool Funding @ 70% Confidence Level, 2.0% Discount Factor

| Member | SIR | Insured Values | | Pool Funding SIR-\$500K | Excess Prop. Premium \$500k-\$1B | Flood Premium | Excess Cyber Coverage | 2022/23 Program Deposit | Budget Comparison | |
|---------------------|---------|------------------------------|------------------------------|-------------------------------|--|------------------|-----------------------------|-------------------------------|-------------------------------|-------------------------------------|
| | | 2021/22 Insured Values | 2022/23 Insured Values | | | | | | 2021/22 Program Deposit | Percent Increase / (Decrease) |
| | | Note 1 | Note 2 | Note 3 | Note 4 | Note 5 | Note 6 | Note 7 | Note 8 | |
| American Canyon | \$5,000 | \$ 77,992,068 | \$ 82,614,210 | \$ 34,192 | \$ 126,402 | \$ 1,674 | \$ 13,579 | \$ 175,848 | \$ 137,460 | 27.9% |
| Atherton | 5,000 | 14,749,463 | 15,584,891 | 6,450 | 23,845 | - | 12,075 | 42,370 | 28,931 | 46.5% |
| Benicia | 5,000 | 240,096,735 | 256,510,580 | 106,165 | 392,469 | 4,187 | 36,434 | 539,255 | 421,561 | 27.9% |
| Burlingame | 5,000 | 198,240,888 | 211,536,210 | 87,551 | 323,657 | 2,283 | 41,110 | 454,601 | 349,695 | 30.0% |
| Campbell | 5,000 | 95,629,138 | 101,992,873 | 42,213 | 156,052 | - | 35,848 | 234,113 | 175,582 | 33.3% |
| Colma | 5,000 | 26,117,622 | 27,835,071 | 11,520 | 42,589 | 1,675 | 7,014 | 62,798 | 48,791 | 28.7% |
| Cupertino | 5,000 | 112,253,511 | 119,471,509 | 49,447 | 182,795 | 1,675 | 38,859 | 272,776 | 205,657 | 32.6% |
| Dublin | 5,000 | 251,241,889 | 271,448,110 | 112,347 | 415,324 | 1,675 | 16,047 | 545,393 | 429,667 | 26.9% |
| East Palo Alto | 5,000 | 27,942,173 | 29,721,112 | 12,301 | 45,474 | - | 22,234 | 80,009 | 53,778 | 48.8% |
| Foster City | 5,000 | 138,310,565 | 170,897,100 | 70,731 | 261,478 | - | 37,796 | 370,005 | 245,260 | 50.9% |
| Half Moon Bay | 5,000 | 31,169,811 | 33,330,839 | 13,795 | 50,997 | - | 8,024 | 72,816 | 55,808 | 30.5% |
| Hillsborough | 5,000 | 81,853,430 | 87,276,218 | 36,122 | 133,535 | - | 20,025 | 189,682 | 145,179 | 30.7% |
| Los Altos Hills | 5,000 | 17,086,553 | 18,027,866 | 7,461 | 27,583 | - | 5,168 | 40,212 | 31,525 | 27.6% |
| Los Gatos | 5,000 | 60,680,949 | 64,373,829 | 26,643 | 98,494 | - | 31,729 | 156,866 | 116,780 | 34.3% |
| Millbrae | 5,000 | 114,215,155 | 121,361,725 | 50,229 | 185,687 | - | 12,858 | 248,774 | 197,265 | 26.1% |
| Milpitas | 5,000 | 237,238,555 | 250,584,792 | 103,712 | 383,403 | 4,671 | 93,183 | 584,969 | 443,333 | 31.9% |
| Morgan Hill | 5,000 | 153,263,394 | 163,254,860 | 67,568 | 249,785 | 1,675 | 45,708 | 364,736 | 277,974 | 31.2% |
| Newark | 5,000 | 128,067,580 | 136,381,699 | 56,446 | 208,668 | - | 34,111 | 299,225 | 229,319 | 30.5% |
| Pacifica | 5,000 | 233,716,394 | 249,217,975 | 103,147 | 381,311 | 12,559 | 33,002 | 530,018 | 416,365 | 27.3% |
| Portola Valley | 5,000 | 14,620,936 | 15,669,809 | 6,485 | 23,975 | - | 4,097 | 34,557 | 26,586 | 30.0% |
| Ross | 5,000 | 5,384,933 | 6,166,661 | 2,552 | 9,435 | 1,675 | 4,864 | 18,526 | 13,088 | 41.6% |
| San Bruno | 5,000 | 101,178,656 | 107,446,679 | 44,470 | 164,397 | - | 48,432 | 257,299 | 190,159 | 35.3% |
| San Carlos | 5,000 | 61,949,337 | 66,156,133 | 27,381 | 101,221 | 1,675 | 16,716 | 146,992 | 111,621 | 31.7% |
| Saratoga | 5,000 | 47,346,919 | 50,610,636 | 20,947 | 77,436 | 1,675 | 13,480 | 113,537 | 86,552 | 31.2% |
| South San Francisco | 5,000 | 323,533,686 | 400,591,882 | 165,797 | 612,918 | 12,559 | 72,476 | 863,750 | 587,051 | 47.1% |
| Suisun City | 5,000 | 40,694,302 | 43,211,738 | 17,885 | 66,115 | 4,187 | 15,254 | 103,440 | 77,934 | 32.7% |
| Tiburon | 5,000 | 13,543,414 | 14,420,964 | 5,969 | 22,065 | 1,675 | 7,774 | 37,482 | 27,651 | 35.6% |
| Woodside | 5,000 | 10,121,584 | 10,804,161 | 4,472 | 16,531 | - | 4,479 | 25,482 | 19,299 | 32.0% |
| Total | | \$ 2,858,239,640 | \$ 3,126,500,132 | \$ 1,294,000 | \$ 4,783,641 | \$ 55,516 | \$ 732,376 | \$ 6,865,533 | \$ 5,149,872 | 33.3% |
| Prior Year Actuals | | | | | | | | | | |
| | | | 2,858,239,640 | 1,023,000 | 3,766,650 | 50,469 | 309,750 | 5,149,869 | | |
| Incr./(Decr.) | | | \$ 268,260,492 | \$ 271,000 | 1,016,991 | \$ 5,047 | \$ 422,626 | \$ 1,715,664 | | |
| % Change | | | 9.4% | 26.5% | 27.0% | 10.0% | 136.4% | 33.3% | | |

Notes:

- Note 1: 2021/22 Total Insured property values obtained from Alliant.
 Note 2: 2022/23 Total Insured property values as submitted by members. Updated as of 1/25/22.
 Note 3: Rate for PLAN pool (from actuarial report dated March 4, 2022) allocated using Note 2.
 Note 4: Estimated Premium by Alliant Property Insurance Program (APIP).
 Note 5: Flood cost are based upon 2021/22 premiums with a 10% increase in premiums.
 Note 6: Excess Cyber coverage: minimum \$1K per member and remaining allocated based upon payroll.
 Note 7: Total 2022/23 Contributions by member (Total Notes 3 through 6).
 Note 8: 2021/22 Contributions.

Funding for the Pooled Layer

| | | 21/22 | 22/23 |
|----------------------|--------------|-----------|-----------|
| Expected | Undiscounted | 870,000 | 1,101,000 |
| Expected | Discounted | 860,000 | 1,079,000 |
| 70% confidence Level | Discounted | 1,023,000 | 1,294,000 |
| 75% confidence Level | Discounted | 1,103,000 | 1,404,000 |
| 80% confidence Level | Discounted | 1,197,000 | 1,534,000 |
| 85% confidence Level | Discounted | 1,315,000 | 1,697,000 |

PLAN JPA

Preliminary Operating Budget for 2022/2023

| | 2021/22 | | 2022/23 Draft Operating Budget | Prior Year | |
|---------------------------------------|--------------------|----------------------|---|-------------------------|---------------------------|
| | Approved Budget | Projected Actuals | | Increase/ (Decrease) | Percent Incr./ (Decr.) |
| Revenues: | | | | | |
| Contributions | \$ 21,994,710 | \$ 21,961,893 | \$ 26,800,053 | \$ 4,805,343 | 21.8% |
| Funding from Equity | 500,000 | 500,000 | 500,000 | - | 0.0% c |
| Investment Income | 530,000 | 89,868 | 100,000 | (430,000) | 0.0% |
| Less: Investment Fees | (35,000) | (36,000) | (36,000) | (1,000) | 0.0% |
| Total Revenues | 22,989,710 | 22,515,761 | 27,364,053 | 4,374,343 | 19.0% |
| Expenses | | | | | |
| <i>Claims Expense</i> | 5,473,000 | 8,311,252 | 6,051,000 | 578,000 | 10.6% a |
| <i>Insurance Expense</i> | | | | | |
| Insurance - Liability | 10,150,169 | 10,267,319 | 12,385,706 | 2,235,537 | 22.0% |
| Insurance - Property | 3,766,650 | 3,817,118 | 4,783,641 | 1,016,991 | 27.0% |
| Flood Insurance | 50,469 | 50,469 | 55,516 | 5,047 | 10.0% |
| Excess Cyber Coverage | 309,753 | 309,750 | 732,376 | 422,623 | 136.4% |
| Employment Liability Coverage | 119,686 | 86,867 | 104,240 | (15,445) | -12.9% |
| | 14,396,726 | 14,531,523 | 18,061,479 | 3,664,753 | 25.5% b |
| <i>Risk Management Grants</i> | | | | | |
| Risk Management Fund | 500,000 | 500,000 | 500,000 | - | 0.0% c |
| <i>Administration</i> | | | | | |
| Program Administration | 968,429 | 968,429 | 997,482 | 29,053 | 3.0% |
| Financial Audit | 21,800 | 21,800 | 22,900 | 1,100 | 5.0% |
| Actuarial Studies | 41,000 | 41,000 | 42,435 | 1,435 | 3.5% |
| Claims Admin & Audit | 747,897 | 726,897 | 784,704 | 36,807 | 4.9% |
| Legal Counsel | 40,000 | 47,531 | 54,661 | 14,661 | 36.7% |
| Risk Control Services | 274,660 | 274,660 | 288,393 | 13,733 | 5.0% |
| Sewer Summit | 25,000 | 20,320 | 25,000 | - | 0.0% |
| Other Insurance | 54,371 | 50,838 | 56,002 | 1,631 | 3.0% |
| CAJPA Accreditation | 12,000 | - | 12,000 | - | 0.0% |
| Bank Fees | 5,000 | 5,400 | 6,000 | 1,000 | 20.0% |
| Meetings & Conferences: | | | | | |
| Meetings | 25,000 | 1,000 | 40,000 | 15,000 | 60.0% |
| Training & Workshops | 3,000 | 1,000 | 3,000 | - | 0.0% |
| Allowance for Contingencies | 10,000 | 9,800 | 10,000 | - | 0.0% |
| <i>Total Administration Expenses:</i> | 2,228,157 | 2,168,675 | 2,342,577 | 114,420 | 5.1% d |
| Total Expenses | 22,597,883 | 25,511,450 | 26,955,056 | 4,357,172 | 19.3% |
| Budgeted Net Income (Loss) | 391,827 | (2,995,689) | 408,997 | 17,170 | 4.4% |

a Claims expenses are recorded at expected. The breakout of expenses by programs are:

| | 2021/22 | 2022/23 | Difference | % Difference |
|-----------|-------------|-------------|------------|--------------|
| Liability | \$4,613,000 | \$4,972,000 | \$359,000 | 7.8% |
| Property | 860,000 | 1,079,000 | 219,000 | 25.5% |
| Total | \$5,473,000 | \$6,051,000 | \$578,000 | 10.6% |

b Insurance expenses are budgeted to increase by 25.5%. Liability insurance expense are budgeted to increase 22% due to a continued hardening insurance market. Property rates are budgeted to increase 27% as the property market is continuing an upward trend. Cyber excess coverage is budgeted to increase 136.4% & employment liability coverage is budgeted to decrease 12.9% for those members who are participating with ERMA.

c Risk Management Grants are funded from the equity. Thus, corresponding revenues has been recorded for budgeting

d Administration expenses are expected to increase by 5.1% in comparison to 21/22 budget. While majority of the expenses are related to contractual increase, legal fees have been increased due to claims activity and coverage opinions by \$15K. In addition to claims admin and audit contractual increases, management of APD claims are budgeted at \$30K. Staff is increasing meeting expenses in anticipation of in-person meetings for 2022/23 due to rising costs of locales in Bay Area.