



Judicial Council of California · Administrative Office of the Courts

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REPORT TO THE JUDICIAL COUNCIL

For business meeting on: July 29, 2014

Title

Judicial Branch Administration: Judicial
Branch Workers' Compensation Program

Agenda Item Type

Information Only

Submitted by

Judicial Branch Workers' Compensation
Oversight Committee
Tania Ugrin-Capobianco, Chair

Date of Report

July 14, 2014

Contact

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Executive Summary

The following is an informational report on the current status of the Judicial Branch Workers' Compensation Program (JBWCP), that includes the current cost allocation for fiscal year 2014-2015 and an explanation of the methodology behind the cost allocation and funding. The report also contains the trial court cost allocation for fiscal year 2014-2015 (Attachment A) and highlights major program changes (Attachment B) that occurred throughout the fiscal year 2013-2014 and next steps for the coming year.

Previous Council Action

On October 29, 2010, the Council approved adjusting the cost allocation model so that administrative program fees, that include costs for a third party claims administrator (TPA) and risk consultant, were evenly distributed among all member participants.

Methodology and Process

The JBWCP covers three entities: the trial courts, trial court judges, and the state judiciary, which includes the Supreme Court, Courts of Appeal, Habeas Corpus Resource Center, the Judicial Council, and the Commission on Judicial Performance. Claims costs are allocated based on the preceding three years of payroll and claims loss history that provides a balance between

stability and responsiveness. By only using three years, costs are less subject to drastic fluctuations, and courts are incentivized to control workers' compensation losses since the allocation is based on recent loss experience.

The two main components of the cost allocation are: 1) contribution for losses (claims) and 2) administrative program expenses. This allocation process has been effectively employed since 2005 and was last adjusted following the October 2010 Council meeting.

The Cost Allocation Process

Allocation of claims costs. The largest court by three-year payroll size has a weighting of 80 percent of loss experience and 20 percent payroll. The smallest court by payroll size has a weighting of at least 10 percent loss experience. All other courts are weighted by payroll and loss experience along that continuum. This ensures that the larger courts with more predictable losses are subject to an allocation that emphasizes losses, while the smaller courts' allocations are more reliant upon payroll to ensure more year-to-year budget stability.

This method is also applied to the administrative cost of the program and the fees for excess insurance as further defined below.

Allocation of administrative costs. The program has administrative costs necessary to ensure its viability. There are administrative fees for claims handling services provided by the TPA, actuarial services provided by the risk consultant, and excess insurance coverage for the trial courts. Government Code section 68114.10 states that, "the [Judicial Branch Workers' Compensation] fund shall be used by the Administrative Office of the Courts to pay workers' compensation claims of judicial branch employees and administrative costs." However, the salaries of staff assigned to administer the program, per Rule of Court 10.350, including any travel and meal reimbursements for the annual Committee meeting, are not charged to the JBWCP fund. These cuts are absorbed by the Judicial Council Human Resources Services Office.

Allocation of insurance costs. The cost of excess insurance fees is distributed to each trial court member only based on each court's current budgeted and projected payroll. The state judiciary and trial court judges are fully self-insured for this component of the program.

The chart below provides the total annual cost for the program for the past five fiscal years and the distribution of cost among the three entities:

Table 1. Total Historical Annual Program Costs

	Trial Courts	State Judiciary	Trial Court Judges	Total Annual Program Cost	% Change
FY2010-2011	\$17,229,539	\$521,037	\$345,031	\$18,095,607	
FY2011-2012	\$17,479,555	\$437,568	\$380,363	\$18,297,486	1.12%
FY2012-2013	\$16,516,037	\$591,355	\$462,314	\$17,569,706	-3.98%
FY2013-2014	\$15,693,833	\$412,812	\$591,230	\$16,697,875	-4.96%
FY2014-2015	\$16,536,018	\$544,369	\$562,692	\$17,643,079	5.66%

For additional detail, attached for reference is the *Actuarial Review of the Self-Insured Judicial Branch Workers' Compensation Program: Member Cost Allocation for Fiscal Year 2014-15* (Attachment A).

The Funding Methodology

The current funding process applied to the JBWCP is a cash flow funding methodology. The annual funding for the program is calculated based on expected annual payments. As of June 30, 2014, assets for the program are approximately \$50.6 million. The expected liability for the program is \$80.5 million.

Currently, the funding model does not allow courts to build additional reserves that would bring the fund closer to fully funding the projected unpaid liability of the program. However, it is important to note that the assets are sufficient to cover expected cash flow for the year by a substantial margin. If a catastrophic year were to occur and cost increases to the courts were not feasible, the program would need to borrow from the current fund balance to offset the fiscal impact to members. The use of the fund to offset these types of increases would necessitate consideration for increasing the following year's share of cost necessary to restore the balance of the fund.

Alternative Funding Methods

There are two basic methods for funding self-insured programs:

1. Ultimate Cost Funding – charges premiums to cover the ultimate cost of claims occurring in a given fiscal year.
2. Cash Flow Funding – charges premiums to cover the cost of claims paid in a given fiscal year.

For the most part, all other methods of funding can be essentially constructed as a combination of these two methods. Some considerations in determining the annual funding amount include the following:

- **Discounting**
Actuarial funding amounts may be discounted for anticipated investment income, effectively reducing the amount of premium to be collected for the program annually.
- **Confidence Level**
Basic actuarial funding estimates are calculated at the expected level, which means, on average, the funds collected will be sufficient to fund annual claims costs. However, this leaves a significant possibility (nearly 50 percent) that funds collected will not be sufficient. To reduce the likelihood that funds will not be sufficient to an acceptable level (30 or 20 percent), premiums may be collected at an increased confidence level.¹
- **Existing Deficit**
If a goal is to fund the program using ultimate cost funding, and there is an existing deficit (i.e. existing assets are less than existing liabilities), then premiums may need to be increased above the level needed for new claims by an additional amount necessary to reduce the deficit on old claims. This may be done over a five- or ten-year period (or longer if necessary).
- **Existing Surplus**
Funding on an ultimate cost basis at a higher than expected confidence level will tend to increase the level of assets above the level of the liabilities by a significant margin, resulting in a surplus. In this case, the surplus can be reduced through (1) decreased premium charges to members or (2) dividends issued to members.

The Committee will continue to consider alternative funding mechanisms and the branch's ability to build a reserve that fully realizes the liability of the program.

Policy and Cost Implications

Over the past five years, the total claims for the JBWCP each year have remained relatively flat. The average cost per claim over the past five years has remained relatively stable, ranging from \$15,109 to this year's average cost of \$21,768. By comparison, the average cost per claim for all State of California Public Sector Self-insured Programs, per the Self-insurer's Annual Reports filed with the Department of Industrial Relations for the same five year period has ranged from 20,260 to 25,251.

¹ Confidence level is defined as an estimated probability that a given level of funding will be adequate to pay actual claims costs. For example, the 85 percent confidence level refers to an estimate for which there is an 85 percent chance that the amount will be sufficient to pay loss costs.

Table 2. Historical Actuarial Estimates of Unpaid Liabilities

Evaluation Date	Trial Courts	Judiciary and Trial Court Judges	Total
At 12/31/13	\$69,555,656	\$5,238,662	\$74,794,318
At 12/31/12	\$68,719,529	\$4,808,994	\$73,528,523
At 12/31/11	\$66,223,108	\$4,563,295	\$70,786,403
At 12/31/10	\$72,742,212	\$4,529,402	\$77,271,614
At 12/31/09	\$70,424,532	\$4,253,277	\$74,677,809
At 12/31/08	\$75,425,564	\$3,027,477	\$78,453,041
At 12/31/07	\$71,167,551	\$2,776,260	\$73,943,811

Next Steps

Risk Control Portal

The JBWCP, along with Bickmore Risk Services, will launch a risk control portal on Serranus, that will provide members with training resources on specialized risk management topics such as office ergonomics, safe practices guidelines, sample programs and documents that can be tailored for each individual court. Members will also have access to online streaming safety videos.

CorVel Transition

The JBWCP is currently working on the transition project from the current TPA, CorVel, to Acclamation Insurance Services (AIMS) and is developing performance standards that will be closely monitored by the program administrator and program consultant, Bickmore Risk Services.

Annual Survey

The JBWCP sends out an annual survey to the trial courts. This year's survey, distributed to 57 courts in March 2014, realized the highest response rate, with 51 trial courts responding. The survey solicited information regarding members' interests in various training topics such as:

- Workers' compensation
- Disability management
- Return to work
- Ergonomics

The survey data revealed that there is a demand for a program-wide ergonomics program. Each year the survey inquires as to the various needs for information by program members, and every year the courts have expressed an interest to help control costs by developing an ergonomics program.

Attachments

1. Attachment A: Trial Court Allocation for Fiscal Year 2014-2015
2. Attachment B: Program Highlights

Actuarial Review of the Self-Insured Judicial Branch Workers' Compensation Program

Member Cost Allocation for Fiscal Year 2014-15



Actuarial Review of the Self-Insured Judicial Branch Workers' Compensation Program

Member Cost Allocation for Fiscal Year 2014-15

Presented to

Judicial Council of California
Administrative Office of the Courts

June 5, 2014



Thursday, June 5, 2014

Ms. Linda M. Cox
Senior Human Resources Manager
Human Resources Services Office
Judicial and Court Administrative Services Division
Judicial Council of California-Administrative Office of the Courts
455 Golden Gate Avenue
San Francisco, CA 94102-3688

Re: Member Cost Allocation for Fiscal Year 2014-15

Dear Ms. Cox:

We have completed our review of the Administrative Office of the Courts (AOC) Judicial Branch Workers' Compensation Program (JBWCP), and have updated the member cost allocation for fiscal year 2014-15 program premiums. The premiums include a provision for:

- Expected loss and ALAE payments
- Third-Party Claims Administration Fees
- Excess Insurance
- Consulting and Brokerage Expenses

The JBWCP is a self-insured program in which each entity pays a share of cost based on each member's workers' compensation claims experience and historical payroll. The total cost for this program is broken up into three groups: 1) Judicial, which includes member coverage for the Trial Court Justices, Judges, and Retired Judges in the Assigned Judges Program, 2) Trial Court employees and volunteers, which includes the membership of 57 out of the 58 California Trial Courts, and 3) State Judiciary, which includes the membership of the Supreme Court, Courts of Appeal, Habeas Corpus Resource Center, California Judicial Center Library, Commission on Judicial Performance, and the AOC and provides coverage for all of their employees and volunteers.

Given the low volume of loss experience and exposure for the Trial Court Judges and the State Judiciary, and in order to provide a credible actuarial estimate, the Judicial and the State Judiciary groups are valued together for purposes of determining total program cost. Thus for the purpose of the analysis, the three groups are consolidated to two groups, Trial Courts and the State Judiciary.

JBWCP Methodology

The methodology used by the JBWCP utilizes a calculation derived from experience and exposure, along with program costs, such as excess insurance, third party administrator (TPA) claim handling, and brokerage fees. Given the relative sizes of the courts and judiciary entities participating in the JBWCP, the JBWCP's methodology has features which make it appropriate for entities of all sizes.

Each year JBWCP retains an actuary to undertake an actuarial analysis and estimate of loss costs. The actuarial projections are based on loss data from the inception of the JBWCP program (1/1/2001), provided by the AOC and the third party claims administrators. Additionally, historical and projected payroll is provided. The actuary determines the estimated outstanding liabilities since program inception and the forecasted program costs for the upcoming policy term. They also provide an estimate of the loss payments that will be made during the upcoming fiscal year. It is the amount of loss payments expected to be made that is allocated among the participating courts.

For purposes of calculating the allocation, the actuarial data is combined with cost data, consisting of excess insurance premiums, TPA fees, and brokerage and consulting costs. The allocation formula uses a combination of a 3-year loss distribution and a 3-year payroll distribution for calculating the annual charge to each member using a weighting formula. For determining 2014-15 premiums, the experience period used includes the 2010-11, 2011-12, and 2012-13 program years.

The weighting formula was developed with the following goals in mind:

- To establish adequate funding to cover the annual expected loss payments, excess premiums, and expenses associated with the JBWCP.
- To provide incentives to control workers' compensation losses by making the allocation responsive to recent loss experience.
- To minimize year-to-year volatility for budgetary planning purposes.
- To recognize that thresholds of acceptable volatility will vary according to the size of the court.

The weight given to the loss component of the allocation for each individual court is calculated using the following formula:

$$\sqrt[3]{\frac{\text{Individual Court Payroll for 3 – Yr Period } (\$000's)}{659,042}}$$

where 659,042 is a constant derived to set the weight given to the largest court at 80%.

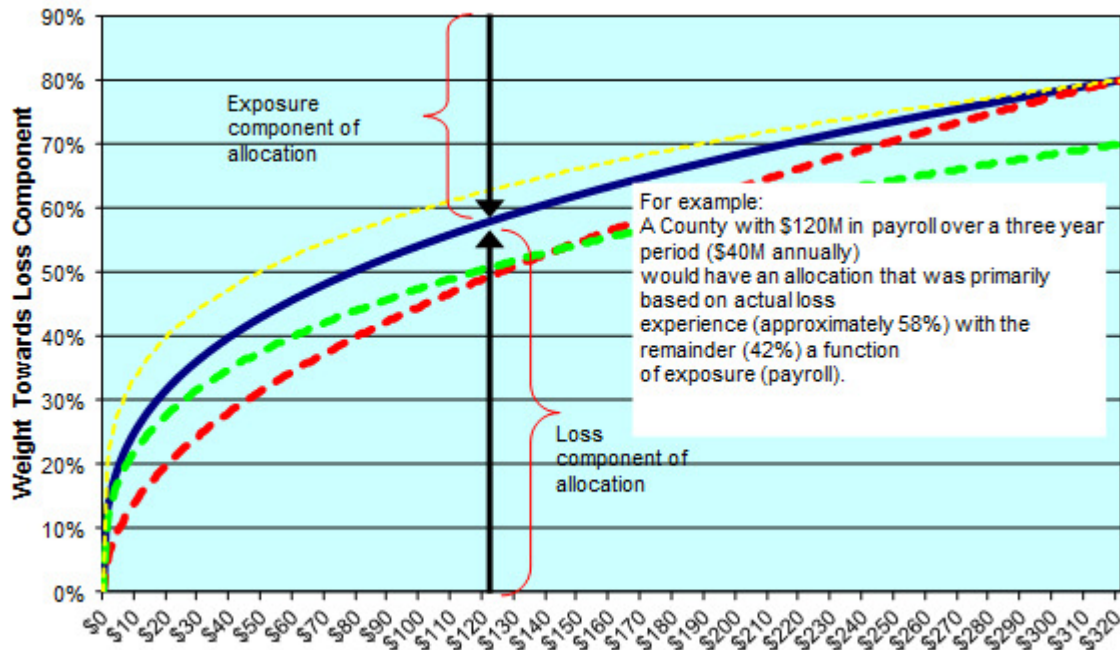
Inputs:

- 337,429 = Largest Court Payroll for 3-Yr Period (\$000's)
- 80% = Weight Given to Loss Component for Largest Court
- 3 = Exponent

For purposes of determining loss distribution, a cap of \$75,000 per occurrence is applied. This eliminates the volatility of large loss impact on distribution to individual courts. Ninety-five percent of all claims are within \$75,000 per occurrence.

The largest court by 3-year payroll size has a weighting of 80% of loss experience and 20% payroll. The smallest court by payroll size has a weighting of at least 10% loss experience. All other courts are weighted by payroll and loss experience along that continuum. This ensures that the larger courts with more predictable losses are subject to an allocation that emphasizes losses, while the smaller courts' allocations are more reliant upon payroll to ensure more year-to-year budget stability.

Here is a graphic illustration of the continuum:



The selected parameters of 80% weight and power of 3 are shown as the solid line above. Other parameters are shown as dashed lines for comparison.

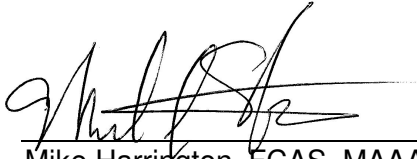
The expense component, including claim handling and brokerage fees, is allocated based on 80% losses and 20% payroll, on the theory that these expenses are incurred regardless of claims activity and therefore should have at least some component of

exposure used in the allocation. Excess insurance costs are allocated based upon the distribution of payroll by member and is only applied to the Trial Courts. The State Judiciary is fully self-insured.

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

Sincerely,

Bickmore



Mike Harrington, FCAS, MAAA
Director, Property and Casualty Actuarial Services, Bickmore
Fellow, Casualty Actuarial Society
Member, American Academy of Actuaries



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Judicial Branch Workers' Compensation Program
Workers' Compensation Cost Allocation for Fiscal Year 2014-15
Trial Courts

Allocation of 2014-15 Costs

Court	2010-11 to 2012-13 Payroll (\$000) (A)	Percent Payroll (B)	2014-15 Indicated Allocation Based on Payroll (C)	2010-11 to 2012-13 Incurred Limited to \$75K (D)	Percent Limited Losses (E)	2014-15 Indicated Allocation Based on Losses (F)	Weighting (G)	2014-15 Weighted Allocation (H)	2014-15 Adjusted Allocation (I)	Allocation of Excess Premium (J)	Allocation of Claims Handling (TPA) Fees (K)	Allocation of Program Admin. (L)	Allocation Brokerage / Consulting (M)	2014-15 Total Allocation (N)	2014-15 Percent of Allocation (O)
Alameda	\$156,043	6.05%	\$831,995	\$1,555,171	6.39%	\$879,241	61.86%	\$861,224	\$888,693	\$27,565	\$121,191	\$0	\$25,957	\$1,063,406	6.43%
Alpine	737	0.03%	3,929	0	0.00%	0	10.38%	3,521	3,634	130	109	0	23	3,897	0.02%
Amador	4,846	0.19%	25,836	76,138	0.31%	43,046	19.45%	29,182	30,113	856	5,518	0	1,182	37,669	0.23%
Butte	19,219	0.75%	102,473	142,103	0.58%	80,340	30.78%	95,660	98,711	3,395	11,811	0	2,530	116,447	0.70%
Calaveras	4,980	0.19%	26,551	815	0.00%	461	19.62%	21,431	22,115	880	791	0	169	23,955	0.14%
Colusa	2,587	0.10%	13,792	0	0.00%	0	15.77%	11,616	11,987	457	384	0	82	12,911	0.08%
Contra Costa	74,077	2.87%	394,963	1,147,775	4.72%	648,913	48.26%	517,520	534,026	13,085	83,339	0	17,850	648,300	3.92%
Del Norte	4,650	0.18%	24,790	43,166	0.18%	24,404	19.18%	24,716	25,505	821	3,411	0	731	30,468	0.18%
El Dorado	14,428	0.56%	76,926	105,167	0.43%	59,458	27.97%	72,040	74,337	2,549	8,771	0	1,879	87,536	0.53%
Fresno	78,800	3.05%	420,148	1,125,629	4.63%	636,392	49.26%	526,681	543,480	13,920	82,645	0	17,701	657,745	3.98%
Glenn	3,288	0.13%	17,530	43,866	0.18%	24,801	17.09%	18,772	19,371	581	3,253	0	697	23,901	0.14%
Humboldt	11,203	0.43%	59,731	198,998	0.82%	112,507	25.71%	73,301	75,639	1,979	14,205	0	3,043	94,866	0.57%
Imperial	18,324	0.71%	97,703	202,681	0.83%	114,589	30.30%	102,818	106,098	3,237	15,496	0	3,319	128,149	0.77%
Inyo	3,474	0.13%	18,525	42,437	0.17%	23,992	17.40%	19,477	20,098	614	3,191	0	683	24,586	0.15%
Kern	72,978	2.83%	389,104	1,144,022	4.70%	646,791	48.02%	512,847	529,204	12,891	82,939	0	17,764	642,799	3.89%
Kings	13,061	0.51%	69,637	234,311	0.96%	132,471	27.06%	86,641	89,404	2,307	16,707	0	3,578	111,997	0.68%
Lake	5,553	0.22%	29,608	60,818	0.25%	34,384	20.35%	30,580	31,555	981	4,658	0	998	38,192	0.23%
Lassen	5,461	0.21%	29,117	1,958	0.01%	1,107	20.24%	23,449	24,197	965	935	0	200	26,297	0.16%
Madera	15,659	0.61%	83,490	175,508	0.72%	99,226	28.75%	88,014	90,821	2,766	13,387	0	2,867	109,842	0.66%
Marin	27,063	1.05%	144,298	137,477	0.57%	77,725	34.50%	121,330	125,200	4,781	12,685	0	2,717	145,382	0.88%
Mariposa	1,801	0.07%	9,601	0	0.00%	0	13.98%	8,259	8,522	318	268	0	57	9,165	0.06%
Mendocino	9,643	0.37%	51,417	286,351	1.18%	161,893	24.46%	78,439	80,940	1,703	19,479	0	4,172	106,294	0.64%
Merced	18,164	0.70%	96,845	184,757	0.76%	104,456	30.21%	99,144	102,306	3,209	14,342	0	3,072	122,928	0.74%
Modoc	1,764	0.07%	9,403	0	0.00%	0	13.88%	8,097	8,356	312	262	0	56	8,985	0.05%
Mono	2,466	0.10%	13,148	176,505	0.73%	99,790	15.52%	26,599	27,447	436	11,490	0	2,461	41,833	0.25%
Monterey	35,150	1.36%	187,412	264,400	1.09%	149,483	37.64%	173,135	178,657	6,209	21,885	0	4,687	211,439	1.28%
Napa	16,452	0.64%	87,721	40,100	0.16%	22,671	29.23%	68,709	70,901	2,906	4,972	0	1,065	79,844	0.48%
Nevada	10,242	0.40%	54,610	84,832	0.35%	47,961	24.96%	52,950	54,639	1,809	6,868	0	1,471	64,787	0.39%
Orange	337,429	13.08%	1,799,114	1,277,844	5.25%	722,450	80.00%	937,783	967,694	59,606	130,665	0	27,986	1,185,950	7.17%
Placer	26,635	1.03%	142,012	181,901	0.75%	102,841	34.32%	128,569	132,670	4,705	15,421	0	3,303	156,099	0.94%
Plumas	2,393	0.09%	12,761	0	0.00%	0	15.37%	10,799	11,144	423	356	0	76	11,998	0.07%
Riverside	186,049	7.21%	991,983	1,285,649	5.28%	726,863	65.60%	818,063	844,156	32,865	108,664	0	23,274	1,008,959	6.10%
Sacramento	142,135	5.51%	757,841	913,158	3.75%	516,268	59.97%	612,971	632,522	25,108	78,665	0	16,849	753,144	4.55%
San Benito	5,298	0.21%	28,246	21,282	0.09%	12,032	20.03%	24,998	25,795	936	2,128	0	456	29,315	0.18%
San Bernardino	164,627	6.38%	877,762	1,392,618	5.72%	787,339	62.98%	820,814	846,995	29,081	112,223	0	24,036	1,012,334	6.12%
San Diego	275,982	10.70%	1,471,489	2,620,651	10.77%	1,481,628	74.82%	1,479,074	1,526,250	48,752	206,158	0	44,155	1,825,315	11.04%
San Francisco	120,312	4.66%	641,481	2,275,535	9.35%	1,286,511	56.73%	1,007,394	1,039,525	21,253	161,279	0	34,543	1,256,600	7.60%
San Joaquin	52,173	2.02%	278,178	656,858	2.70%	371,365	42.94%	318,191	328,340	9,216	49,147	0	10,526	397,229	2.40%
San Luis Obispo	26,325	1.02%	140,359	280,835	1.15%	158,774	34.18%	146,654	151,332	4,650	21,609	0	4,628	182,220	1.10%
San Mateo	64,411	2.50%	343,429	799,753	3.29%	452,153	46.06%	393,510	406,061	11,378	59,970	0	12,845	490,254	2.96%
Santa Barbara	49,684	1.93%	264,908	256,466	1.05%	144,997	42.24%	214,253	221,086	8,777	23,545	0	5,043	258,450	1.56%
Santa Clara	162,653	6.31%	867,236	1,659,207	6.82%	938,059	62.73%	911,661	940,739	28,732	128,730	0	27,571	1,125,772	6.81%
Santa Cruz	23,320	0.90%	124,338	174,155	0.72%	98,461	32.83%	115,843	119,537	4,119	14,440	0	3,093	141,190	0.85%
Shasta	26,536	1.03%	141,486	520,188	2.14%	294,097	34.27%	193,793	199,974	4,688	36,725	0	7,866	249,252	1.51%
Sierra	736	0.03%	3,923	0	0.00%	0	10.37%	3,516	3,628	130	109	0	23	3,891	0.02%
Siskiyou	8,161	0.32%	43,513	179,517	0.74%	101,493	23.14%	56,927	58,742	1,442	12,526	0	2,683	75,392	0.46%

**Judicial Branch Workers' Compensation Program
Workers' Compensation Cost Allocation for Fiscal Year 2014-15
Trial Courts**

Allocation of 2014-15 Costs

Court	2010-11 to 2012-13 Payroll (\$000) (A)	Percent Payroll (B)	2014-15 Indicated Allocation Based on Payroll (C)	2010-11 to 2012-13 Incurred Limited to \$75K (D)	Percent Limited Losses (E)	2014-15 Indicated Allocation Based on Losses (F)	Weighting (G)	2014-15 Weighted Allocation (H)	2014-15 Adjusted Allocation (I)	Allocation of Excess Premium (J)	Allocation of Claims Handling (TPA) Fees (K)	Allocation of Program Admin. (L)	Allocation Brokerage / Consulting (M)	2014-15 Total Allocation (N)	2014-15 Percent of Allocation (O)
Solano	40,147	1.56%	214,058	709,869	2.92%	401,336	39.35%	287,747	296,925	7,092	50,701	0	10,859	365,577	2.21%
Sonoma	39,842	1.54%	212,431	194,327	0.80%	109,866	39.25%	172,177	177,668	7,038	18,166	0	3,891	206,763	1.25%
Stanislaus	38,511	1.49%	205,331	342,472	1.41%	193,622	38.81%	200,788	207,192	6,803	27,304	0	5,848	247,147	1.49%
Sutter	9,353	0.36%	49,867	144,059	0.59%	81,446	24.21%	57,513	59,347	1,652	10,468	0	2,242	73,709	0.45%
Tehama	6,940	0.27%	37,002	80,710	0.33%	45,631	21.92%	38,893	40,133	1,226	6,117	0	1,310	48,787	0.30%
Trinity	2,322	0.09%	12,379	76,262	0.31%	43,116	15.22%	17,056	17,600	410	5,151	0	1,103	24,264	0.15%
Tulare	33,731	1.31%	179,850	225,671	0.93%	127,587	37.13%	160,445	165,563	5,959	19,234	0	4,119	194,874	1.18%
Tuolumne	6,636	0.26%	35,381	144,059	0.59%	81,446	21.59%	45,328	46,774	1,172	10,065	0	2,156	60,167	0.36%
Ventura	69,710	2.70%	371,681	303,254	1.25%	171,450	47.29%	276,986	285,821	12,314	29,468	0	6,312	333,915	2.02%
Yolo	16,109	0.62%	85,890	132,337	0.54%	74,819	29.02%	82,677	85,314	2,846	10,733	0	2,299	101,192	0.61%
Yuba	9,254	0.36%	49,341	3,221	0.01%	1,821	24.13%	37,877	39,085	1,635	1,578	0	338	42,636	0.26%
All Courts	\$2,579,525	100.00%	\$13,753,573	\$24,326,843	100.00%	\$13,753,573		\$13,328,453	\$13,753,573	\$455,667	\$1,916,336	\$0	\$410,442	\$16,536,018	100.00%

Notes:

- (A): From Exhibit TC-2.
- (B): (A)/[Total (A)]
- (C): (B) x [Total (C)]. Total (C) was provided by Judicial Branch Workers' Compensation Program.
- (D): From Exhibit TC-3.
- (E): (D)/[Total (D)]
- (F): (E) x [Total (F)]. Total (F) was provided by Judicial Branch Workers' Compensation Program.
- (G): Based on relative size (according the (A)) of each court. The largest is subjectively set to an 80.00% weight. The weight of all other courts are based on that standard.
- (H): (H) x (F) + [1-(H)] x (G)
- (I): (H) subject to an adjustment of 1.032.
- (J): (B) x [Total (J)]. Total (J) was provided by Judicial Branch Workers' Compensation Program.
- (K): [(B) x 0.20 + (E) x 0.80] x Total (K). Total (K) was provided by Judicial Branch Workers' Compensation Program.
- (L): (B) x [Total (L)]. Total (L) was provided by Judicial Branch Workers' Compensation Program.
- (M): [(B) x 0.20 + (E) x 0.80] x Total (M). Total (M) was provided by Judicial Branch Workers' Compensation Program.
- (N): Sum[(I)..(M)]
- (O): (N)/[Total (N)]

Judicial Branch Workers' Compensation Program
Workers' Compensation Cost Allocation for Fiscal Year 2014-15
Trial Courts

Summary of Payroll

Court	Payroll		
	2010-11	2011-12	2012-13
Alameda	\$53,446,261	\$52,941,334	\$49,655,539
Alpine	294,657	248,333	193,967
Amador	1,675,732	1,620,086	1,549,721
Butte	6,041,250	6,317,202	6,860,643
Calaveras	1,675,165	1,676,368	1,628,174
Colusa	861,118	883,800	841,818
Contra Costa	24,799,463	24,833,848	24,443,199
Del Norte	1,569,415	1,536,762	1,543,344
El Dorado	4,857,989	4,968,583	4,601,205
Fresno	28,129,323	27,449,870	23,220,885
Glenn	1,027,542	1,080,958	1,179,293
Humboldt	3,875,631	3,626,881	3,700,308
Imperial	5,993,508	6,335,229	5,995,723
Inyo	1,120,494	1,219,647	1,134,299
Kern	26,099,668	25,060,148	21,817,926
Kings	4,549,209	4,400,121	4,111,328
Lake	1,989,273	2,029,880	1,533,921
Lassen	1,923,005	1,824,791	1,713,189
Madera	5,269,338	5,341,744	5,047,741
Marin	9,318,090	9,059,145	8,686,260
Mariposa	565,174	617,822	617,737
Mendocino	3,431,138	3,212,415	2,999,889
Merced	6,401,492	5,962,267	5,799,760
Modoc	641,722	575,379	546,417
Mono	801,156	837,361	827,414
Monterey	11,787,927	12,293,541	11,068,298
Napa	5,871,432	5,600,789	4,980,101
Nevada	3,570,313	3,413,323	3,258,549
Orange	113,609,518	115,117,566	108,702,345
Placer	8,961,526	9,287,884	8,385,338
Plumas	877,216	792,290	723,835
Riverside	61,331,395	64,019,578	60,698,399
Sacramento	48,235,274	49,746,329	44,153,791
San Benito	1,792,653	1,741,721	1,763,213
San Bernardino	56,517,751	56,019,666	52,089,616
San Diego	94,432,313	95,624,137	85,925,807
San Francisco	44,065,703	38,755,030	37,490,945
San Joaquin	18,944,056	17,550,740	15,678,398
San Luis Obispo	9,252,212	8,834,564	8,238,022
San Mateo	22,341,909	22,023,835	20,045,369
Santa Barbara	16,704,919	16,620,004	16,359,422
Santa Clara	55,184,528	54,735,641	52,732,588
Santa Cruz	7,529,528	8,182,488	7,607,928
Shasta	8,872,098	8,860,263	8,803,769
Sierra	308,292	218,724	208,768
Siskiyou	2,902,205	2,759,245	2,499,489

Judicial Branch Workers' Compensation Program
Workers' Compensation Cost Allocation for Fiscal Year 2014-15
Trial Courts

Summary of Payroll

Court	Payroll		
	2010-11	2011-12	2012-13
Solano	14,531,351	13,962,463	11,653,483
Sonoma	14,001,459	13,445,565	12,394,983
Stanislaus	13,318,425	13,142,867	12,049,239
Sutter	3,233,962	3,334,647	2,784,136
Tehama	2,483,621	2,203,720	2,252,405
Trinity	755,214	749,583	816,855
Tulare	11,684,809	11,607,049	10,439,525
Tuolumne	2,257,307	2,185,317	2,193,229
Ventura	23,875,855	24,151,663	21,682,357
Yolo	5,454,996	5,544,346	5,109,655
Yuba	3,172,084	3,139,661	2,942,396
All Courts	\$884,218,663	\$879,324,211	\$815,981,951

Notes:

Provided by Judicial Branch Workers' Compensation Program.

Judicial Branch Workers' Compensation Program
Workers' Compensation Cost Allocation for Fiscal Year 2014-15
Trial Courts

Summary of Loss Data

Court	Incurred Losses			Incurred Losses Capped at \$75K		
	2010-11	2011-12	2012-13	2010-11	2011-12	2012-13
Alameda	\$1,040,744	\$186,052	\$595,830	\$775,084	\$186,052	\$594,036
Alpine	0	0	0	0	0	0
Amador	224,906	396	0	75,741	396	0
Butte	13,118	2,814	126,171	13,118	2,814	126,171
Calaveras	0	815	0	0	815	0
Colusa	0	0	0	0	0	0
Contra Costa	624,461	408,308	289,397	450,070	408,308	289,397
Del Norte	19,520	23,646	0	19,520	23,646	0
El Dorado	26,297	23,170	55,699	26,297	23,170	55,699
Fresno	310,343	603,656	422,179	288,962	414,488	422,179
Glenn	0	22,230	21,637	0	22,230	21,637
Humboldt	1,830	96,293	110,700	1,830	86,468	110,700
Imperial	68,474	124,034	10,173	68,474	124,034	10,173
Inyo	0	0	42,437	0	0	42,437
Kern	613,587	423,894	309,425	488,647	345,950	309,425
Kings	147,317	90,756	6,938	136,617	90,756	6,938
Lake	37,485	4,571	18,762	37,485	4,571	18,762
Lassen	1,878	79	0	1,878	79	0
Madera	21,266	200,089	5,485	21,266	148,757	5,485
Marin	1,162	166,867	7,295	1,162	129,021	7,295
Mariposa	0	0	0	0	0	0
Mendocino	55,174	351,500	25,336	55,174	205,841	25,336
Merced	4,423	156,648	23,687	4,423	156,648	23,687
Modoc	0	0	0	0	0	0
Mono	75,000	75,903	25,602	75,000	75,903	25,602
Monterey	66,197	21,296	176,907	66,197	21,296	176,907
Napa	2,947	13,058	24,095	2,947	13,058	24,095
Nevada	28,371	1,019	55,442	28,371	1,019	55,442
Orange	481,283	732,233	372,981	394,328	552,532	330,984
Placer	139,866	8,514	43,442	129,945	8,514	43,442
Plumas	0	0	0	0	0	0
Riverside	384,986	560,862	472,839	306,933	505,878	472,839
Sacramento	498,688	209,383	264,117	445,182	203,858	264,117
San Benito	0	2,253	19,029	0	2,253	19,029
San Bernardino	794,657	515,426	330,022	640,654	421,942	330,022
San Diego	1,014,304	859,384	878,451	926,136	842,461	852,054
San Francisco	2,008,806	750,471	431,776	1,194,274	649,485	431,776
San Joaquin	148,454	253,564	331,174	148,454	229,482	278,921
San Luis Obispo	108,096	195,841	401	108,096	172,338	401
San Mateo	465,338	578,596	96,022	288,788	414,943	96,022
Santa Barbara	12,424	194,846	49,196	12,424	194,846	49,196
Santa Clara	908,276	641,007	470,881	626,667	564,173	468,366
Santa Cruz	108,038	26,361	39,755	108,038	26,361	39,755
Shasta	304,645	304,939	55,867	194,150	270,171	55,867
Sierra	0	0	0	0	0	0
Siskiyou	158,891	586	51,332	127,600	586	51,332

Judicial Branch Workers' Compensation Program
Workers' Compensation Cost Allocation for Fiscal Year 2014-15
Trial Courts

Summary of Loss Data

Court	Incurred Losses			Incurred Losses Capped at \$75K		
	2010-11	2011-12	2012-13	2010-11	2011-12	2012-13
Solano	235,534	101,090	373,245	235,534	101,090	373,245
Sonoma	135,310	3,412	78,915	111,999	3,412	78,915
Stanislaus	51,469	150,957	140,046	51,469	150,957	140,046
Sutter	138,294	5,603	162	138,294	5,603	162
Tehama	64,710	0	16,000	64,710	0	16,000
Trinity	0	0	246,489	0	0	76,262
Tulare	72,052	56,986	96,633	72,052	56,986	96,633
Tuolumne	42,207	90,600	11,252	42,207	90,600	11,252
Ventura	179,135	47,763	154,625	101,317	47,763	154,174
Yolo	40,132	123,296	12,674	40,132	79,530	12,674
Yuba	0	2,476	746	0	2,476	746
All Courts	11,880,096	9,413,546	7,391,269	9,147,646	8,083,563	7,095,635

Notes:

Provided by Judicial Branch Workers' Compensation Program.

Judicial Branch Workers' Compensation Program
Workers' Compensation Cost Allocation for Fiscal Year 2014-15
Trial Courts

Comparison to Prior Allocation

Court	2013-14 Total Allocation (A)	2014-15 Total Allocation (B)	Difference (C)	Percent Change (D)
Alameda	\$1,069,558	\$1,063,406	-\$6,152	-0.58%
Alpine	4,422	3,897	-525	-11.87%
Amador	35,071	37,669	2,598	7.41%
Butte	92,529	116,447	23,918	25.85%
Calaveras	22,659	23,955	1,296	5.72%
Colusa	11,440	12,911	1,470	12.85%
Contra Costa	651,111	648,300	-2,811	-0.43%
Del Norte	27,563	30,468	2,905	10.54%
El Dorado	109,114	87,536	-21,578	-19.78%
Fresno	625,839	657,745	31,906	5.10%
Glenn	18,850	23,901	5,051	26.80%
Humboldt	66,005	94,866	28,860	43.72%
Imperial	188,788	128,149	-60,639	-32.12%
Inyo	26,675	24,586	-2,089	-7.83%
Kern	554,409	642,799	88,390	15.94%
Kings	111,571	111,997	425	0.38%
Lake	36,744	38,192	1,448	3.94%
Lassen	25,253	26,297	1,043	4.13%
Madera	85,310	109,842	24,532	28.76%
Marin	164,396	145,382	-19,013	-11.57%
Mariposa	14,304	9,165	-5,139	-35.93%
Mendocino	107,130	106,294	-836	-0.78%
Merced	116,707	122,928	6,221	5.33%
Modoc	8,910	8,985	75	0.84%
Mono	33,458	41,833	8,375	25.03%
Monterey	171,525	211,439	39,914	23.27%
Napa	73,354	79,844	6,490	8.85%
Nevada	60,563	64,787	4,224	6.97%
Orange	1,204,762	1,185,950	-18,812	-1.56%
Placer	155,109	156,099	990	0.64%
Plumas	15,952	11,998	-3,954	-24.78%
Riverside	915,420	1,008,959	93,539	10.22%
Sacramento	795,445	753,144	-42,300	-5.32%
San Benito	23,840	29,315	5,475	22.97%
San Bernardino	925,974	1,012,334	86,360	9.33%
San Diego	1,392,828	1,825,315	432,487	31.05%
San Francisco	1,298,523	1,256,600	-41,922	-3.23%
San Joaquin	283,900	397,229	113,330	39.92%
San Luis Obispo	179,884	182,220	2,336	1.30%
San Mateo	484,766	490,254	5,488	1.13%
Santa Barbara	245,666	258,450	12,784	5.20%
Santa Clara	1,222,299	1,125,772	-96,527	-7.90%
Santa Cruz	125,753	141,190	15,436	12.27%
Shasta	216,254	249,252	32,998	15.26%
Sierra	4,144	3,891	-253	-6.11%
Siskiyou	86,630	75,392	-11,237	-12.97%

Judicial Branch Workers' Compensation Program
Workers' Compensation Cost Allocation for Fiscal Year 2014-15
Trial Courts

Comparison to Prior Allocation

Court	2013-14 Total Allocation (A)	2014-15 Total Allocation (B)	Difference (C)	Percent Change (D)
Solano	360,210	365,577	5,367	1.49%
Sonoma	198,106	206,763	8,658	4.37%
Stanislaus	205,272	247,147	41,875	20.40%
Sutter	82,072	73,709	-8,363	-10.19%
Tehama	39,633	48,787	9,154	23.10%
Trinity	10,849	24,264	13,415	123.66%
Tulare	175,483	194,874	19,392	11.05%
Tuolumne	44,807	60,167	15,359	34.28%
Ventura	351,850	333,915	-17,935	-5.10%
Yolo	125,270	101,192	-24,078	-19.22%
Yuba	43,333	42,636	-697	-1.61%
All Courts	\$15,727,291	\$16,536,018	\$808,727	5.14%

Notes:

- (A): From Prior Allocation.
- (B): From Exhibit TC-1.
- (C): (B) - (A)
- (D): (C) / (A)

Judicial Branch Workers' Compensation Program Workers' Compensation Cost Allocation for Fiscal Year 2014-15 State Judiciary

Allocation of 2014-15 Costs

Court	2010-11 to 2012-13 Payroll (\$000) (A)	Percent Payroll (B)	2014-15 Indicated Allocation Based on Payroll (C)	2010-11 to 2012-13 Incurred Limited to \$75K (D)	Percent Limited Losses (E)	2014-15 Indicated Allocation Based on Losses (F)	Weighting (G)	2014-15 Weighted Allocation (H)	2014-15 Adjusted Allocation (I)	Allocation of Excess Premium (J)	Allocation of Claims Handling (TPA) Fees (K)	Allocation of Program Admin. (L)	Allocation Brokerage / Consulting (M)	2014-15 Total Allocation (N)	2014-15 Percent of Allocation (O)
Supreme Court	\$49,432	3.55%	\$29,707	\$52,655	4.85%	\$40,599	31.34%	\$33,121	\$33,572	\$0	\$9,021	\$0	\$1,932	\$44,525	4.02%
1st District Court	43,403	3.12%	26,084	6,486	0.60%	5,001	30.01%	19,756	20,026	0	2,429	0	520	22,975	2.08%
2nd District Court	85,649	6.15%	51,472	55,592	5.13%	42,863	37.64%	48,231	48,889	0	10,706	0	2,293	61,888	5.59%
3rd District Court	27,530	1.98%	16,544	1,592	0.15%	1,227	25.79%	12,595	12,766	0	1,192	0	255	14,214	1.28%
4th District Court	64,099	4.61%	38,521	2,623	0.24%	2,022	34.18%	26,047	26,402	0	2,627	0	563	29,591	2.67%
5th District Court	24,139	1.73%	14,507	5,028	0.46%	3,876	24.68%	11,883	12,045	0	1,547	0	331	13,924	1.26%
6th District Court	18,407	1.32%	11,062	14,224	1.31%	10,967	22.55%	11,041	11,191	0	2,615	0	560	14,367	1.30%
AOC	228,177	16.40%	137,126	425,683	39.25%	328,212	52.19%	236,845	240,076	0	66,870	0	14,322	321,267	29.02%
CJCL	1,642	0.12%	987	0	0.00%	0	10.08%	887	900	0	58	0	12	970	0.09%
CJP	6,770	0.49%	4,068	0	0.00%	0	16.16%	3,411	3,458	0	239	0	51	3,748	0.34%
HCRC	20,318	1.46%	12,210	18,677	1.72%	14,400	23.30%	12,721	12,894	0	3,298	0	706	16,899	1.53%
Trial Court Judges	822,049	59.07%	494,022	502,115	46.29%	387,143	80.00%	408,518	414,091	0	122,388	0	26,213	562,692	50.83%
All Courts	\$1,391,616	100.00%	\$836,310	\$1,084,674	100.00%	\$836,310		\$825,055	\$836,310	\$0	\$222,990	\$0	\$47,760	\$1,107,061	100.00%

Notes:

- (A): From Exhibit J-2.
- (B): (A)/[Total (A)]
- (C): (B) x [Total (C)]. Total (C) was provided by Judicial Branch Workers' Compensation Program.
- (D): From Exhibit J-3.
- (E): (D)/[Total (D)]
- (F): (E) x [Total (F)]. Total (F) was provided by Judicial Branch Workers' Compensation Program.
- (G): Based on relative size (according the (A)) of each court. The largest is subjectively set to an 80.00% weight. The weight of all other courts are based on that standard.
- (H): (H) x (F) + [1-(H)] x (G)
- (I): (H) subject to an adjustment of 1.014.
- (J): (B) x [Total (J)]. Total (J) was provided by Judicial Branch Workers' Compensation Program.
- (K): [(B) x 0.20 + (E) x 0.80] x Total (K). Total (K) was provided by Judicial Branch Workers' Compensation Program.
- (L): (B) x [Total (L)]. Total (L) was provided by Judicial Branch Workers' Compensation Program.
- (M): [(B) x 0.20 + (E) x 0.80] x Total (M). Total (M) was provided by Judicial Branch Workers' Compensation Program.
- (N): Sum[(I)..(M)]
- (O): (N)/[Total (N)]

Judicial Branch Workers' Compensation Program
Workers' Compensation Cost Allocation for Fiscal Year 2014-15
State Judiciary

Summary of Payroll

Court	Payroll		
	2010-11	2011-12	2012-13
Supreme Court	\$16,440,622	\$16,528,996	\$16,462,707
1st District Court	14,713,965	14,227,247	14,461,651
2nd District Court	29,000,859	28,292,588	28,355,140
3rd District Court	9,523,461	8,904,605	9,101,608
4th District Court	21,460,074	21,180,762	21,458,205
5th District Court	8,090,786	7,971,118	8,077,326
6th District Court	6,196,125	6,150,370	6,060,724
AOC	76,890,413	76,730,413	74,556,386
CJCL	564,697	500,333	577,208
CJP	2,781,982	2,050,501	1,937,461
HCRC	6,931,680	6,861,450	6,524,977
Trial Court Judges	269,630,549	270,336,632	282,082,263
All Courts	\$462,225,213	\$459,735,015	\$469,655,657

Notes:

Provided by Judicial Branch Workers' Compensation Program.

Judicial Branch Workers' Compensation Program
Workers' Compensation Cost Allocation for Fiscal Year 2014-15
State Judiciary

Summary of Loss Data

Court	<u>Incurred Losses</u>			<u>Incurred Losses Capped at \$75K</u>		
	2010-11	2011-12	2012-13	2010-11	2011-12	2012-13
Supreme Court	\$86	\$52,569	\$0	\$86	\$52,569	\$0
1st District Court	125	6,361	0	125	6,361	0
2nd District Court	48,199	7,393	0	48,199	7,393	0
3rd District Court	0	930	662	0	930	662
4th District Court	2,196	427	0	2,196	427	0
5th District Court	5,028	0	0	5,028	0	0
6th District Court	0	0	14,224	0	0	14,224
AOC	68,561	382,938	52,599	68,561	304,522	52,599
CJCL	0	0	0	0	0	0
CJP	0	0	0	0	0	0
HCRC	0	18,677	0	0	18,677	0
Trial Court Judges	114,531	99,883	537,433	112,114	99,883	290,118
All Courts	238,726	569,178	604,918	236,309	490,762	357,603

Notes:

Provided by Judicial Branch Workers' Compensation Program.

Judicial Branch Workers' Compensation Program
Workers' Compensation Cost Allocation for Fiscal Year 2014-15
State Judiciary

Comparison to Prior Allocation

Court	2013-14 Total Allocation (A)	2014-15 Total Allocation (B)	Difference (C)	Percent Change (D)
Supreme Court	\$71,058	\$44,525	-\$26,533	-37.34%
1st District Court	22,348	22,975	627	2.81%
2nd District Court	69,858	61,888	-7,971	-11.41%
3rd District Court	14,080	14,214	134	0.95%
4th District Court	39,006	29,591	-9,415	-24.14%
5th District Court	36,653	13,924	-22,729	-62.01%
6th District Court	9,410	14,367	4,956	52.67%
AOC	298,657	321,267	22,610	7.57%
CJCL	0	970	970	NA
CJP	3,657	3,748	91	2.50%
HCRC	26,501	16,899	-9,603	-36.23%
Trial Court Judges	412,812	562,692	149,880	36.31%
All Courts	\$1,004,042	\$1,107,061	\$103,019	10.26%

Notes:

- (A): From Prior Allocation.
- (B): From Exhibit J-1.
- (C): (B) - (A)
- (D): (C) / (A)

Judicial Branch Workers' Compensation Program
Workers' Compensation Cost Allocation for Fiscal Year 2014-15
State Judiciary

Summary of Payroll

Division	2010-11 to 2012-13 Payroll (\$000) (A)	Percent Payroll (B)	2010-11 to 2012-13 Incurred Limited to \$75K (C)	Percent Limited Losses (D)	2014-15 Claims Handling (E)	2014-15 Program Admin. (F)	2014-15 Brokerage / Consulting (G)
Trial Courts	\$2,579,525	64.96%	\$24,326,843	95.73%	\$1,916,336	\$0	\$410,442
Judiciary	569,566	14.34%	582,559	2.29%	100,602	0	21,547
Trial Court Judges	822,049	20.70%	502,115	1.98%	122,388	0	26,213
Total	\$3,971,141	100.00%	\$25,411,517	100.00%	\$2,139,326	\$0	\$458,203

Notes:

Provided by Judicial Branch Workers' Compensation Program.

Program Highlights – Fiscal Year 2013-2014

The Superior Court of California Mono County joined the program effective January 1, 2014. The court was notified of their cost to participate in the program and has agreed to the allocation. With the addition of Mono Court, the trial court membership is 57 trial courts, excluding the Superior Court of California, Los Angeles County.

The JBWCP Oversight Committee increased its membership from seven to 16 members to better represent small, medium and large court membership within each region. Due to the JBWCP program growth and in order to provide a statewide perspective, it was necessary to expand the membership to represent the scope of the program.

The current Committee Chair, David Yamasaki, will relinquish his role as Chair effective 2014, but will continue to participate as a voting member of the JBWCP Committee. The Committee has nominated and selected the Court Executive Officer of the California Superior Court of El Dorado County, Tania Ugrin-Capobianco, to be the new Chair of the Committee.

The JBWCP Program Administrator prepared two requests for proposal (RFP) in compliance with the Judicial Branch Contracting Manual for a risk management consultant and a workers' compensation third party administrator (TPA). After a thorough interview and selection process, Bickmore was selected as the risk management consultant and AIMS was selected as the new workers' compensation TPA, effective October 1, 2014.

- Bickmore is the largest, independent, full service risk management consulting firm in the western United States and has nearly 30 years of experience in all types of public entity self-insurance programs. Bickmore has worked closely with staff in analyzing data trends, developing metrics to reduce losses to JBWCP members, and performing workers' compensation administration oversight and loss control.
- AIMS is an industry-leading preferred provider of Loss Portfolio Management services. They provide claims administration and medical cost containment for public and private entities throughout the United States and Hawaii. They have over 100 clients throughout the State of California that range in size from small utility districts to large-size employers.