



# ORANGE COUNTY FIRE AUTHORITY AGENDA

## HUMAN RESOURCES COMMITTEE REGULAR MEETING

Tuesday, November 7, 2023  
12:00 Noon

Orange County Fire Authority  
Regional Fire Operations and Training Center  
Classroom 1  
1 Fire Authority Road  
Irvine, California 92602

### Committee Members

Joe Kalmick, Chair • Ross Chun, Vice Chair  
Noel Hatch • Nitesh Patel • Dave Shawver • Gene Hernandez • Joshua Sweeney

### NOTICE REGARDING PUBLIC ACCESS AND PARTICIPATION

This meeting is open to the public. Committee members will participate in person. There are several alternative ways to make comments including:

**In Person Comments at Meeting:** Resolution No. 97-024 established rules of decorum for public meetings held by the Orange County Fire Authority. Resolution No. 97-024 is available from the Clerk of the Authority.

Any member of the public may address the Committee on items within their subject matter jurisdiction, but which are not listed on this agenda during PUBLIC COMMENTS. However, no action may be taken on matters that are not part of the posted agenda. We request comments made on the agenda be made at the time the item is considered and that comments be limited to three minutes per person. Please address your comments to the Committee and do not engage in dialogue with individual Board Members, Authority staff, or members of the audience.

If you wish to speak, please complete a Speaker Form identifying which item(s) you wish to address. Please return the completed form to the Clerk of the Authority prior to item being considered. Speaker Forms are available at the entryway of meeting location.

**E-Comments:** Alternatively, you may email your written comments to [coa@ocfa.org](mailto:coa@ocfa.org). E-comments will be provided to the Committee members upon receipt and will be part of the meeting record as long as they are received during or before the Committee takes action on an item. Emails related to an item that are received after the item has been acted upon by the Committee will not be considered.

This Agenda contains a brief general description of each item to be considered. Except as otherwise provided by law, no action or discussion shall be taken on any item not appearing on the following Agenda. Unless legally privileged, all supporting documents, including staff reports, and any writings or documents provided to a majority of the board members after the posting of this agenda are available for review at the Orange County Fire Authority Regional Fire Operations & Training Center, 1 Fire Authority Road, Irvine, CA 92602 or you may contact the Clerk of the Authority at (714) 573-6040 Monday through Thursday, and every other Friday from 8 a.m. to 5 p.m. and available online at <http://www.ocfa.org>



In compliance with the Americans with Disabilities Act and [Board of Directors policy](#), if you need reasonable accommodations to participate in this meeting, please complete the [ADA Reasonable Accommodation Form](#) available on the Agency's website and email to [COA@ocfa.org](mailto:COA@ocfa.org), or you may contact the Clerk of the Authority at (714) 573-6040 during regular business hours to submit your request orally. Please notify us at least 48 hours prior to the meeting to enable the Authority to make reasonable arrangements to assure accessibility to the meeting.

**CALL TO ORDER** by Chair Kalmick

**PLEDGE OF ALLEGIANCE** by Director Sweeney

**ROLL CALL** by Clerk of the Authority

**PUBLIC COMMENTS**

**Please refer to instructions on how to submit a public comment on Page 1 of this Agenda.**

**1. PRESENTATIONS**

None.

**2. CONSENT CALENDAR**

*All matters on the consent calendar are considered routine and are to be approved with one motion unless a director or a member of the public requests separate action on a specific item.*

**A. Minutes for the Human Resources Committee Meetings**

Submitted by: Maria D. Huizar, Clerk of the Authority

Recommended Action:

Approve the Minutes for the August 1, 2023, Regular Meeting as submitted.

**3. DISCUSSION CALENDAR**

**A. Annual Workers' Compensation Program Update**

Submitted by: Stephanie Holloman, Assistant Chief/Human Resources Director and Rhonda Haynes, Risk Manager

Recommended Action:

Receive and file the report.

**B. New Salary Range for Medical Director Classification**

Submitted by: Stephanie Holloman, Assistant Chief/Human Resources Director, Samuel Penrod, Human Resources Manager/ Human Resources Department and Rob Capobianco, Assistant Chief/Emergency Medical Services & Training

Recommended Action:

Review the proposed agenda item and direct staff to place the item on the agenda for the Executive Committee meeting of November 16, 2023, with the Human Resources

Committee's recommendation that the Executive Committee approve the revised salary range for the Medical Director classification at \$140-\$160 per hour.

**C. Amendments to the Personnel & Salary Resolution**

Submitted by: Lori Zeller, Deputy Chief/Administration & Support Bureau and Stephanie Holloman, Assistant Chief/Human Resources Director

Recommended Action:

Review the proposed agenda item and direct staff to place the item on the agenda for the Board of Directors meeting of November 16, 2023, with the Human Resources Committee's recommendation that the Board of Directors approve the amendments to the Personnel & Salary Resolution, Resolution Part 3, Article 1, Section 6(B) – Range Adjustment, to reflect a change in the salary range for the classification of Director of Communications.

**REPORTS**

None.

**COMMITTEE MEMBER COMMENTS**

**RECESS TO CLOSED SESSION**

*The Brown Act permits legislative bodies to discuss certain matters without members of the public present. The Committee finds, based on advice from the General Counsel, that discussion in open session of the following matters will prejudice the position of the Agency:*

**CS1. CONFERENCE WITH LEGAL COUNSEL – EXPOSURE TO LITIGATION**

Pursuant to Government Code section 54956.9(d)(2) and (d)(3) – Six (6) cases

**CLOSED SESSION REPORT** - The General Counsel will report on any action(s) taken.

**ADJOURNMENT** – The next regular meeting of the Human Resources Committee is scheduled for Tuesday, February 6, 2024, at 12:00 noon.

**AFFIDAVIT OF POSTING**

I hereby certify under penalty of perjury and as required by the State of California, Government Code § 54954.2(a), that the foregoing Agenda was posted in the lobby and front gate public display case of the Orange County Fire Authority, Regional Training and Operations Center, 1 Fire Authority Road, Irvine, CA, not less than 72 hours prior to the meeting.

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Maria D. Huizar, CMC  
Clerk of the Authority

**FUTURE HRC AGENDA ITEMS – THREE-MONTH OUTLOOK:**

- Election of Chair and Vice Chair
- Behavioral Health Program Update
- Amendments to the Personnel & Salary Resolution

**UPCOMING MEETINGS:**

Budget and Finance Committee  
Operations Committee  
Executive Committee  
Board of Directors

Wednesday, November 8, 2023, 12 noon  
Tuesday, November 14, 2023, 12 noon  
Thursday, November 16, 2023, 5:30 p.m.  
Thursday, November 16, 2023, 6:00 p.m.

# MINUTES ORANGE COUNTY FIRE AUTHORITY

## Human Resources Committee

### Regular Meeting

Tuesday, August 1, 2023

12:00 p.m.

### Regional Fire Operations and Training Center

#### Classroom 1

1 Fire Authority Road

Irvine, CA 92602

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#### CALL TO ORDER

A regular meeting of the Orange County Fire Authority Human Resources Committee was called to order on August 1, 2023, at 12:01 p.m. by Chair Kalmick.

#### PLEDGE OF ALLIGENCE

Vice Chair Chun led the assembly in the Pledge of Allegiance to the Flag.

#### ROLL CALL

**Present:** Joe Kalmick, Seal Beach, Chair  
Ross Chun, Aliso Viejo, Vice Chair  
Noel Hatch, Laguna Woods  
Gene Hernandez, Yorba Linda  
Nitesh Patel, La Palma  
Dave Shawver, Stanton  
Joshua Sweeney, Laguna Hills

**Absent:** None

**Also Present:** Fire Chief Brian Fennessy  
Deputy Chief TJ McGovern  
Assistant Chief Lori Smith  
Assistant Chief Tim Perkins  
Assistant Chief Stephanie Holloman  
General Counsel David Kendig

Deputy Chief Lori Zeller  
Assistant Chief Robert Cortez  
Assistant Chief Jim Ruane  
Communications Director Matt Olson  
Clerk of the Authority Maria D. Huizar

#### PUBLIC COMMENTS

None.

## **1. PRESENTATIONS**

None.

## **2. CONSENT CALENDAR**

On motion of Director Hernandez and second by Director Shawver, approved Agenda Item Nos. 2A-2B by consensus 7-0.

### **A. Minutes for the Human Resources Committee Meetings (FILE 12.02D2)**

Action: Approve the minutes for the May 2, 2023, regular meeting as submitted.

### **B. 2022/2023 Annual Anonymous Hotline Report (FILE 18.10H)**

Action: Receive and file the report.

## **3. DISCUSSION CALENDAR**

### **A. Employee Electric Vehicle Charging (FILE 11.10)**

Assistant Chief Stephanie Holloman introduced the Employee Electric Vehicle Charging report for the Committee Members to consider.

Chris Hamm, President of Local 3631 Firefighters, spoke in favor of this item.

On motion of Director Hernandez and second by Director Sweeney approved by consensus 7-0 to direct staff to come up with a draft policy for the Board of Directors to discuss, with the recommendation to adopt a car charging policy. (Direct staff to present OCTA's and other like agencies policies as examples and request direction from the Board regarding what policy direction to draft for OCFA.)

## **REPORTS**

### **A. Recruitment and Promotions Annual Report (FILE 12.02D6)**

Human Resources Manager Duke Steppe presented the Recruitment and Promotions Annual Report.

## **COMMITTEE MEMBER COMMENTS**

None.

## **RECESS TO CLOSED SESSION (FILE 11.15)**

Minutes  
Human Resources Committee Meeting  
August 1, 2023 Page - 2

**CS1. CONFERENCE WITH LEGAL COUNSEL – EXPOSURE TO LITIGATION**  
Pursuant to Government Code section 54956.9(d)(2) and (d)(3) – Six (6) cases

**CLOSED SESSION REPORT (FILE 11.15)**

General Counsel David Kendig stated there was no reportable action.

**ADJOURNMENT** – Chair Kalmick adjourned the meeting at 1:24 p.m. The next regular meeting of the Human Resources Committee is scheduled for Tuesday, November 7, 2023, at 12:00 noon.

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Maria D. Huizar, CMC  
Clerk of the Authority



Orange County Fire Authority  
**AGENDA STAFF REPORT**

Human Resource Committee Meeting  
November 7, 2023

Agenda Item No. 3A  
Discussion Calendar

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**Annual Workers' Compensation Program Update**

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**Contact(s) for Further Information**

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Human Resources Department

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**Summary**

This annual agenda item provides an update on the workers' compensation self-insured program and the performance of CorVel Corporation, the third-party administrator, since June 1, 2014.

**Prior Board/Committee Action**

Not Applicable.

**RECOMMENDED ACTION(S)**

Receive and file the report.

**Impact to Cities/County**

Not Applicable.

**Fiscal Impact**

Not Applicable.

**Background**

The Orange County Fire Authority (OCFA) was approved by the Division of Industrial Relations Self-Insurance Plans in 2002 to have a self-insured workers' compensation program administered through a Third-Party Administrator (TPA). The TPA for the OCFA self-insured workers' compensation program has been CorVel Corporation since June 1, 2014.

**Discussion**

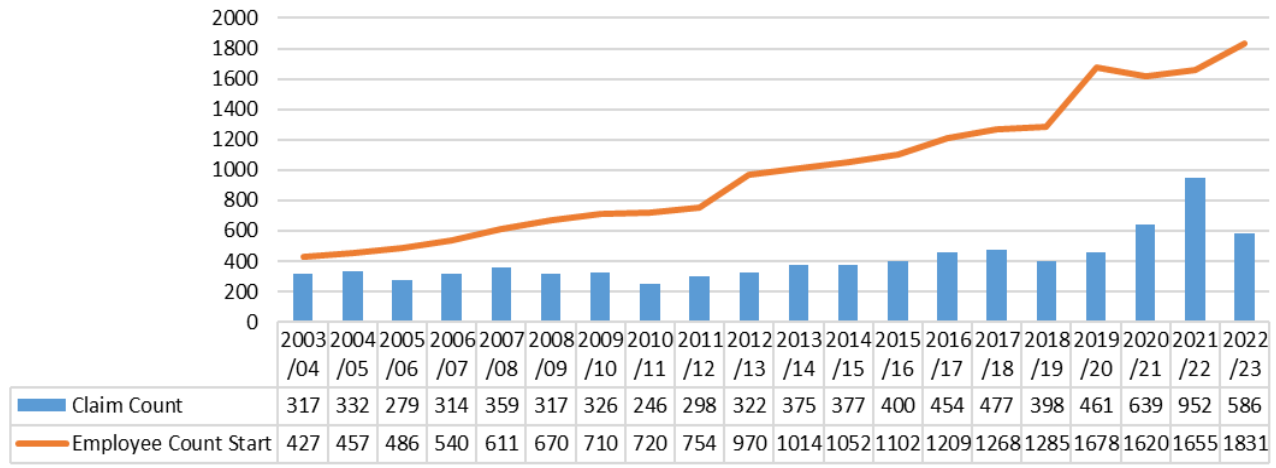
***Budgeting for Self-Insurance Fund***

An independent actuary is used twice yearly to project future workers' compensation costs and update the funding required to self-insure the OCFA workers' compensation program. The projection of costs and necessary funding is determined by analyzing claims data dating back to the self-insured program's beginning. Claims data includes case reserves set by the TPA, historical loss experience, and industry trends. The OCFA currently has 1,470 open claims dating back to the inception of the self-insured workers' compensation program.



Open Claims	2020	2021	2022	2023	Percent Change
Death	1	0	1	3	200.0%
Indemnity	594	689	995	984	-1.1%
Maintenance	380	364	387	419	8.3%
Medical Only	29	44	60	64	6.7%
<b>Grand Total</b>	<b>1,004</b>	<b>1,097</b>	<b>1,443</b>	<b>1,470</b>	<b>1.9%</b>

### Claim & Employee Count



Over the past year, the OCFA averaged approximately 48.8 claims a month or 586 claims (not including first aid injuries). The OCFA has experienced a 38.4% decrease in reported claims since FY 21/22.

Claims Reported	2020	2021	2022	2023	Percent Change
<b>Total</b>	<b>461</b>	<b>639</b>	<b>952</b>	<b>586</b>	<b>-38.4%</b>

It's important to note that the 586 claims represent all claims filed for FY 22/23. Forty-nine (49) of these claims were denied where the OCFA expects to have no liability. Three hundred ninety-three (393) indemnity claims resulted in days away from work and one hundred forty-four (144) medical-only claims with a life expectancy of 30 to 90 days. To date, 421 of the 586 claims cost less than \$5,000 per claim. Ninety-six (96) of the 586 claims were reported as COVID infections.

#### ***Analysis of Actuary Projections Based on Claims Data as of December 31, 2022***

The OCFA policy funds the Workers' Compensation Program at the 50% confidence level for estimated outstanding losses, including case reserves, the development of known claims and incurred but not reported claims (IBNR), and allocated and unallocated expenses. The actuarial projection for long-term liabilities at the 50% confidence level as of June 30, 2023, is \$137,292,272, identified in the February 5, 2023, actuary report. This projected liability represents future amounts for all open claims dating back to the beginning of OCFA's self-insured program (2002).

The actuary has projected the liabilities to be incurred in FY 22/23 to be \$18,094,880, representing the projected settlement value of all claims with dates of loss during each period, capped at the OCFA's self-insured retention level of \$2.0M. This report is a guide to establishing appropriate loss reserve estimates on the self-insurance program.

### ***Workers' Compensation Program Overview***

Risk Management conducted a significant overhaul of the self-insured Workers' Compensation Program in 2014. With the loss of professional staff during this reporting period and some program delays, we continued to evaluate and monitor the program for services that will provide benefits that will "cure and relieve the effects of the injury" while improving program results. The current program features include:

- An Alternative Dispute Resolution Program
- Occupational clinics
- A medical provider networks
- Utilization review
- Nurse advocacy
- A Pharmacy Benefits Management Program
- A Claims Liaison

The OCFA currently has 1,470 open workers' compensation claims administered by the TPA, ranging from indemnity (loss time), medical only, and future medical cases. During this reporting period, there was a 1.9% increase in total open claims, from 1,443 to 1,470, impacting our long-term liabilities.

### ***Medical Provider Network (MPN)***

The OCFA implemented an MPN on July 1, 2014, which has provided employees with access to physicians specializing in workers' compensation care and a 24/7 nurse advocacy program. New physicians were added to the program to increase customer experience. OCFA employees have experienced reduced medical treatment delays and faster return to work due to the doctor's familiarity with the regulatory requirements. The OCFA experienced several claims that had a significant fiscal impact on our program in FY 2022/23, including major hospitalizations, surgeries, and COVID-19. The OCFA was able to reap substantial savings from the cost of medical services by utilizing facilities within the MPN, which reduced the OCFA's financial liability.

### ***Occupational Clinics***

The OCFA started utilizing occupational clinics on July 1, 2014, and telehealth services in 2020, which allowed employees to have 24/7 access to a physician near all eighty-seven fire stations and the Regional Fire Operations and Training Center. Risk Management continues to monitor the occupational clinics by using employee satisfaction surveys and site visits to ensure they meet established OCFA protocols, expectations, and performance standards. The table below summarizes MPN and occupational clinic usage and savings for the fiscal year.

<b>Occupational Clinic Usage</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Total Claims Reported	461	635	902	586
Total Claims using Occupational Clinics	294	297	303	481
Clinic Usage %	75.4%	75.2%	78.1%	82.1%
Satisfaction Rating for Occupational Clinics	97.4%	91.2%	88.9%	93.3%
Total MPN Usage %	80.2%	82.1%	83.2%	87.3%
Total Bills Received**	14,979	17,134	17,704	18,597
Total Bills in MPN	12,015	14,064	14,729	16,237
MPN Savings	\$6,436,425	\$6,799,965	\$5,822,709	\$9,799,120

### ***Pharmacy Benefits Program (PBM)***

The PBM was designed to reduce the cost of medication and medical supplies by providing generics wherever possible and ensuring pharmacists in the program comply with Labor Code §4600.2 and Senate Bill 1160, which became effective January 1, 2018. SB 1160 reduces the risk of over-prescribing medication and opioid drugs by requiring new procedures for reviewing

determinations regarding the medical necessity of medication prescribed according to the drug formulary adopted by the Administrative Director. The pharmacy "first fill" card instituted as part of the program has prevented prescription delays and out-of-pocket expenses to the employee and increased savings above the official medical fee schedule. The table below summarizes the PBM program usage and savings.

<b>Pharmacy Benefit Program Usage</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Total Prescriptions Dispensed	2,259	2,200	2,367
Prescriptions Dispensed through PBM	2,133	1,999	2,137
CorVel PBM Usage %	94.4%	90.9%	90.3%
Prescription Charges	\$681,402	\$773,643	\$1,226,300
Total Paid	\$395,719	\$408,572	\$648,820
Pharmacy Savings	\$285,683	\$365,071	\$577,480

### ***Alternative Dispute Resolution Program (ADR)***

The ADR program is a collaborative effort between the Orange County Professional Firefighters Association, Local 3631, and Executive Management, designed to expedite workers' compensation benefits by eliminating delays in the traditional workers' compensation system when disputes arise. The Department of Industrial Relations approved the program, which became effective on October 1, 2014. Since the implementation of this program, the OCFA has experienced fewer delays, less litigation, faster medical treatment, and earlier resolution of disputes than in the traditional workers' compensation system. According to the Insurance Claims Journal, OCFA's litigation rate remains below industry standards, currently at 35%.

<b>ADR Tracking</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Total Claims Incurred	<b>419</b>	<b>602</b>	<b>902</b>	<b>586</b>
Count of claims eligible for ADR	391	562	843	540
Number of claims that entered into ADR	42	41	104	70
Percentage of Litigated Claims	6.6%	5.6%	6.6%	8.4%
Average # of Days Until ADR Resolution	71	121	45	86

### ***Enhanced Transitional Return to Work Program***

Risk Management has been able to expedite the return-to-work process and return more employees to light-duty assignments through improved coordination and communications with departments. This program has reduced disability, enhanced the employee's sense of value, expanded job skills, and maximized statutory workers' compensation benefits. The chart below summarizes the enhanced transitional return to work program for the fiscal year.

<b>Transitional Return to Work Program</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Employees (EEs) Returned to Light Duty	33	36	57	31
Returned to Light Duty Within 4 Business Days	31	31	49	30
% of Employees Returned to Light Duty w/in 4 Days	82.50%	83.72%	85.07%	72.09%
Number of Assignments Filled (w/1 or more EEs)	13	17	15	20
Average Days on Light Duty	40	46	42	40.8
<b>Total Employees Eligible to Return to Light Duties</b>	<b>40</b>	<b>43</b>	<b>67</b>	<b>43</b>

### ***Claims Settlement Committee***

The Board of Directors delegated workers' compensation claims settlement authority of \$250,000 to the Fire Chief. Workers' compensation claims settlement authority above \$250,000 requires the

Full Board of Director's approval. The Board approved this new policy at the January 24, 2019, Board Meeting. The chart below summarizes the number of claim settlements approved during FY 2022/23.

<b>Settlement Approvals</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Fire Chief or Designee (Compromise and Release Settlements)	10	13	6	8
Fire Chief or Designee (Stipulation and Award Settlements)	151	127	124	108
Board of Directors	0	0	0	1
<b>Total Claims</b>	<b>161</b>	<b>140</b>	<b>130</b>	<b>117</b>

### ***Claims Liaison***

OCFA added the Liaison position to the OCFA workers' compensation program on January 1, 2020. It was created to assist the injured worker through the complex workers' compensation process and improve overall claims experience.

<b>Contact Type</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Settlement	16	77	65	43
Medical Issue	385	215	525	458
Legal Issue	2	28	53	66
General Q&A	205	599	944	846
Benefit Question	5	31	60	62

### ***Summary and Conclusions***

Risk Management strives to ensure the services provided by our TPA remain compliant with the California workers' compensation laws and meet the needs of the OCFA employees. Although claims experience increased during the fiscal year, the workers' compensation program results in enhanced medical care to the injured employee and significant financial savings to the OCFA.

	<b>2021</b>	<b>2022</b>	<b>2023</b>
TPA Administrative Fees	\$696,238	\$702,250	\$1,070,000
Bill Review Fee	\$709,641	\$779,162	\$1,172,477
Utilization Review Fees	\$176,760	\$183,813	\$283,800
Utilization Review Savings	(\$206,560)	(\$345,670)	(\$668,292)
PBM Savings	(\$285,683)	(\$365,071)	(\$577,480)
Bill Review Savings	(\$9,986,542)	(\$11,070,934)	(\$13,442,846)
NetSavings from Program Administration	(\$8,896,146)	(\$10,116,450)	(\$12,162,341)

### ***Attachment(s)***

Actual Analysis valued as of December 31, 2022.

Actuarial Study of the Workers Compensation Program  
of

**ORANGE COUNTY FIRE AUTHORITY**

Based on Claims Data Valued as of December 31, 2022  
("Valuation Date" and "Accounting Date") and  
Information Received through February 3, 2023  
("Review Date")

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Report Date: February 5, 2023

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## I. BACKGROUND AND OBJECTIVES

### A. Background

The Orange County Fire Authority (the “Authority” or “OCFA”) is a joint powers authority consisting of 23 partner cities and unincorporated areas in Orange County, California. The Authority was formed in March, 1995, and provides fire, emergency medical, search and rescue, fire prevention, and hazardous materials response services from 71 fire stations throughout Orange County. The population served includes over 1.3 million residents in over 551 square mile area of Orange County.

On March 1, 2002, the Board of Directors adopted a self-insurance workers compensation program. The self-insured retentions (“SIR”) have been \$600,000 per occurrence prior to January 1, 2004. Since January 1, 2004, the SIR has been \$2,000,000 per occurrence.

OCFA has purchased excess insurance attaching at the SIR. Since its inception, OCFA purchased excess insurance from Public Risk Innovation, Solutions and Management (“PRISM”), which was formerly known as the California State Association of Counties, Excess Insurance Authority (“CSAC-EIA”). According to the latest published data, PRISM has more than \$50 million of surplus in its excess workers’ compensation program. PRISM is also reinsured by Great American Insurance Group, which is an A-rated carrier by all three ratings agencies.

Through June 1, 2014, York Claims Service, Inc. (“York”) was the third party administrator handling the Authority’s claims. Effective June 1, 2014, claims are handled by CorVel Corporation (“CorVel”).

On April 20, 2012, OCFA entered into an agreement with the City of Santa Ana to assume its fire department workers’ compensation exposures. These exposures are included in this report.

#### Purpose and Context of the Report

This report has been prepared to guide the Authority in establishing appropriate loss reserve estimates on the self-insurance program described above. Therefore, the report should be treated as a confidential, internal document belonging to the Authority. Authorized recipients of the report are counseled to protect the confidentiality of the report.

The report should not be used for any other purpose other than those stated above. Moreover, the findings and conclusions contained in this report should be interpreted within the context of the specified purpose.

The findings and recommendations contained in this report are based on claims and financial data as of the valuation date. It is also based on any other pertinent information provided to us through the review date. (Both the valuation date and review date are specified on the cover of this report.) We are not aware of any information subsequent to these dates that would have a material impact on our analysis, findings or recommendations.

## B. Objectives

The specific objective of this study is to:

1. **Estimate the Outstanding Losses as of June 30, 2023.** Estimate the outstanding losses (including allocated loss adjustment expenses [ALAE]) and Unallocated Loss Adjustment Expenses as of June 30, 2022.

The estimated outstanding losses are the accrual cost of unpaid claims valued as of the accounting date. The estimated outstanding losses include case reserves, the development on known claims and incurred but not reported (IBNR) claims. ALAE are the direct expenses for settling specific claims. ULAE are the expenses for claims administration. The amounts reflect the specific and annual aggregate limits maintained by OCFA.

2. **Project Ultimate Limited Losses for the Period Effective July 1, 2023-24.** Project the ultimate limited losses including ALAE and ULAE for claims with dates of loss during the upcoming period.

The projected ultimate limited losses are the ultimate settlement value of all claims with dates of loss during each period, but capped at the Authority's SIR.

3. **Affirm Government Accounting Standards Board Statement Number 10 ("GASB 10").**

Issue a statement affirming that the work performed and the conclusions contained in this report are consistent with GASB 10.



## II. Conclusions

We have reached the following conclusions:

1. **Estimate the Outstanding Losses as of June 30, 2023.**

We estimate the outstanding losses as of June 30, 2023 to be as shown in Table II-1.

**Table II-1**  
**Estimated Outstanding Losses (including ALAE) and ULAE**  
**As of June 30, 2023**

Insurance Coverage (1)	Estimated Outstanding Losses (2)	Present Value of Estimated Outstanding Losses (3)
(A) Excluding COVID-19	\$151,800,642	\$137,292,272
(B) COVID-19 Only	\$5,464,856	\$5,200,450
(C) Sub-Total (Workers Comp.)	\$157,265,498	\$142,492,722
(D) ULAE	\$11,008,585	\$9,974,491
(E) Total	\$168,274,083	\$152,467,213

Note: (A) is extracted from Appendix C, Exhibit WC-12, columns (9) and (11).  
(B) is extracted from Appendix C, Exhibit WC-COVID-12, columns (9) and (11).  
(C) = (A) + (B)  
(D) = (C) x 7%  
(E) = (C) + (D).

The estimated outstanding losses reflect the insurance limits maintained by OCFA. The amounts in column (2) above are undiscounted. The amounts in column (3) are discounted based on a 2% interest rate on earnings assumption. Row (D), column (3) shows the discounted ULAE provision. Provision for ULAE reserves should be recognized on the Authority's financial statements.

The estimated ULAE in Table II-1, row (B) is the total dollar amount required to handle all claims that have occurred on or before the Accounting Date to their final settlement.

### **Comparison with the Previous Actuarial Report**

#### **Excluding Covid-19**

In our previous review, which was based on claims information valued as of June 30, 2022, we projected ultimate losses (excluding COVID-19 claims) for 2021/22 and prior

to total \$309.3 million. In this update, we project ultimate losses (excluding COVID-19) claims for 2021/22 and prior to total \$307.7 million.

We previously calculated the estimated outstanding losses (excluding COVID-19 claims) at June 30, 2022 to total \$136.0 million (undiscounted) and \$123.1 million (discounted using a 2% interest rate).

### Covid-19

In previous reviews, we relied on the WCIRB benchmark of \$10,694 per claim. In this review, we derived the estimates based on OCFA's own experience. The analysis indicates OCFA's average cost per claim equals \$8,805.

In future reviews we will continue to monitor the ongoing emergence of COVID-19 claims activity, especially due to changing environment regarding COVID-19. Some specific changes that may affect claims activity are:

1. The impact of the different variants as the disease has mutated.
2. The recent emergence of vaccine injured, particularly resulting in serious conditions such as myocarditis and pericarditis. It is possible some of OCFA's vaccinated staff may have been vaccine injured.
3. The persistent increase in excess deaths, which are strongly correlated to the public health measures implemented during the pandemic.

2. **Project the Ultimate Limited Losses (including ALAE) for 2022/23 through 2026/27.**

We project the ultimate limited losses (including ALAE) for claims with dates of loss in 2022/23 through 2026/27 to be as shown in Table II-2.

**Table II-2**  
**Projected Ultimate Limited Losses (including ALAE)**  
**2022/23 through 2026/27**  
**(Excluding COVID-19)**

Claim Period (1)	Projected Ultimate Limited Losses (2)	Present Value of Ultimate Limited Losses (3)
(A) 2022/23	\$35,139,257	\$31,279,568
(B) 2023/24	36,911,230	32,852,927
(C) 2024/25	38,786,332	34,520,973
(D) 2025/26	40,740,719	36,259,533
(E) 2026/27	42,807,630	38,101,506

Note: (A) through (E) are extracted from Appendix C, Exhibit WC-9, columns (9) and (12).

We do not believe there will be a significant number of new Covid-19 cases being reported in the future. Therefore, we consider the five-year forecast excluding Covid to be a realistic estimate of all future losses. However, with the recent scandalous information regarding the Pfizer vaccines (i.e., not tested for transmissibility, emergence of vaccine injured, etc.), it is possible that new causes of loss may be revealed that would have a significant impact on actual future losses.

3. **Project Losses Paid for 2022/23 through 2026/27.**

We project the losses paid during each of the next five fiscal years.

**Table II-3  
Projected Losses Paid  
2022/23 through 2026/27**

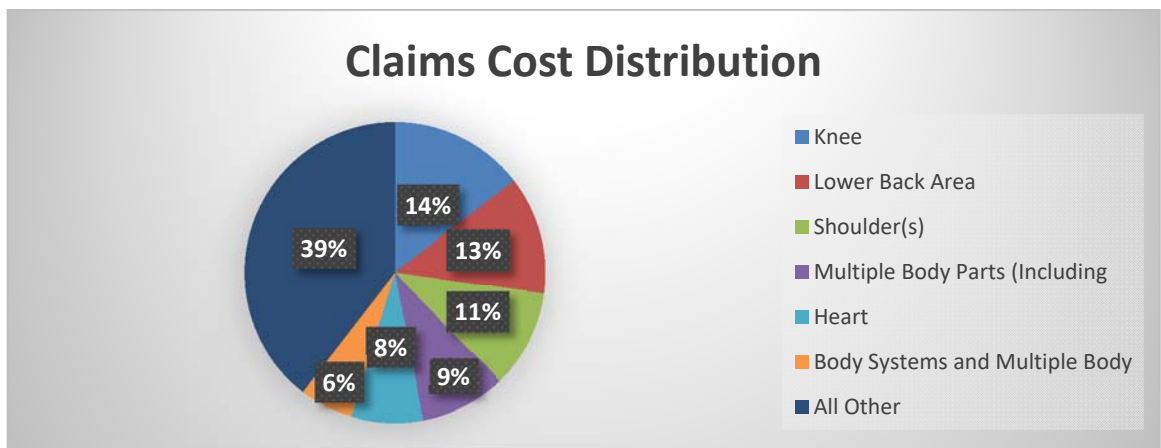
Claim Period (1)	Projected Losses Paid (Excluding Covid) (2)	Projected Losses Paid (Covid-19 Only) (3)	Projected Losses Paid (4)
(A) 2022/23	\$17,807,256	\$287,624	\$18,094,880
(B) 2023/24	\$18,522,500	\$847,308	\$19,369,808
(C) 2024/25	\$20,426,777	\$1,078,305	\$21,505,082
(D) 2025/26	\$22,373,385	\$1,304,365	\$23,677,750
(E) 2026/27	\$24,258,693	\$1,523,872	\$25,782,565

Note: (A) = actual payments through 6 months prorated to year-end.  
 (2) for (B) through (E) are extracted from Appendix C, Exhibit WC-12.  
 (3) for (B) through (E) are extracted from Appendix C, Exhibit WC-COVID-12.

***Discussion of Drivers of Claims Activity***

**Drivers of Overall Total Cost**

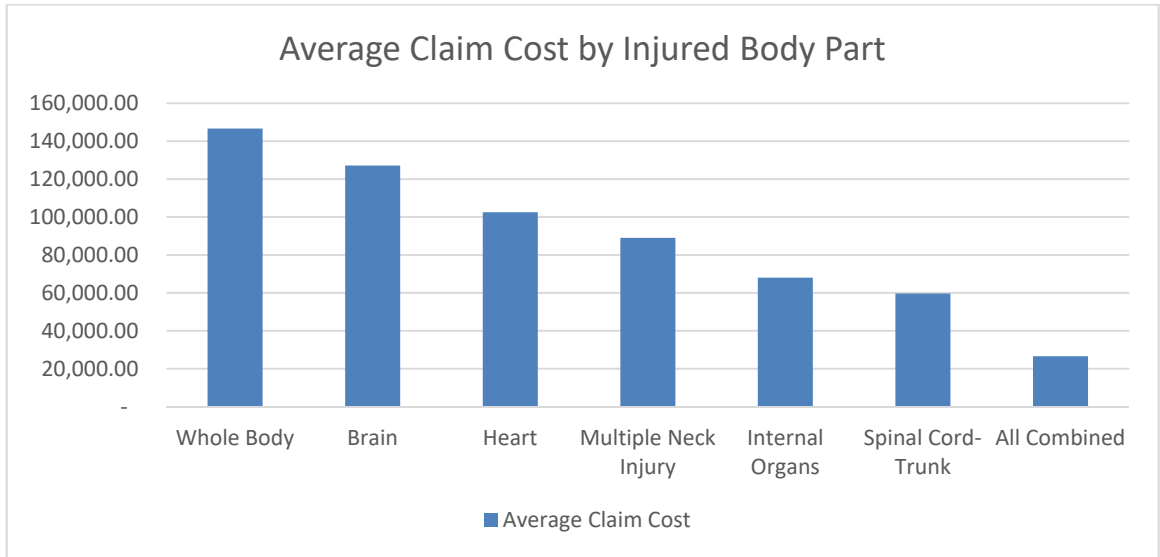
The chart below shows the percent distribution of claims cost by injury to various body part(s).



Injuries to the lower back area (13%) and to the knees (14%) account for 27% of the total claims costs. These are the two highest contributors to claim costs.

Drivers of Severe Claims

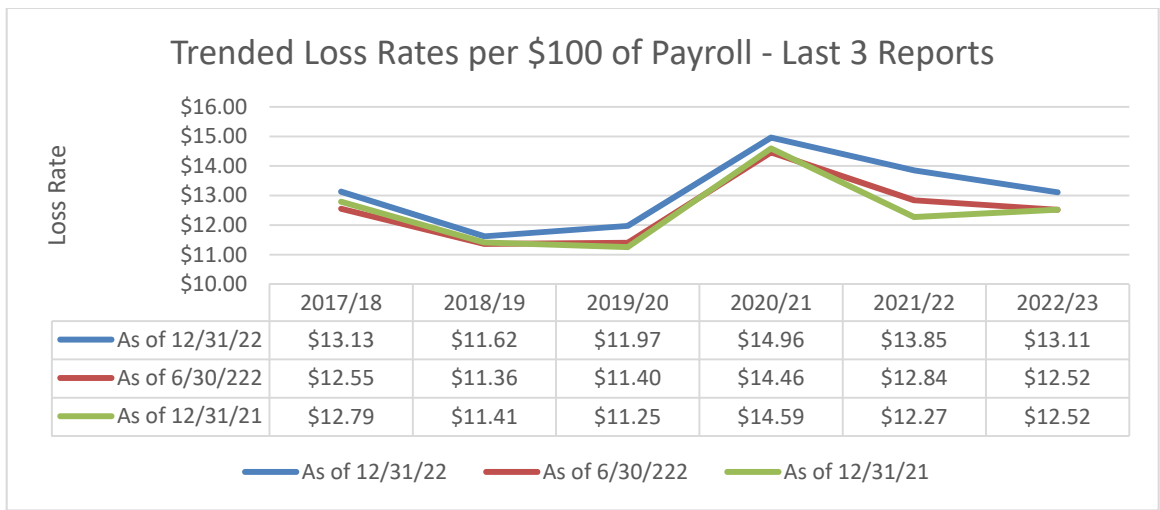
However, the most expensive claims on average involve injuries to the whole body, brain and heart.



Whole body injuries cost nearly \$150,000 per claim on average, which is six times more severe than all types of claims combined (approximately \$26,500 per claim on average).

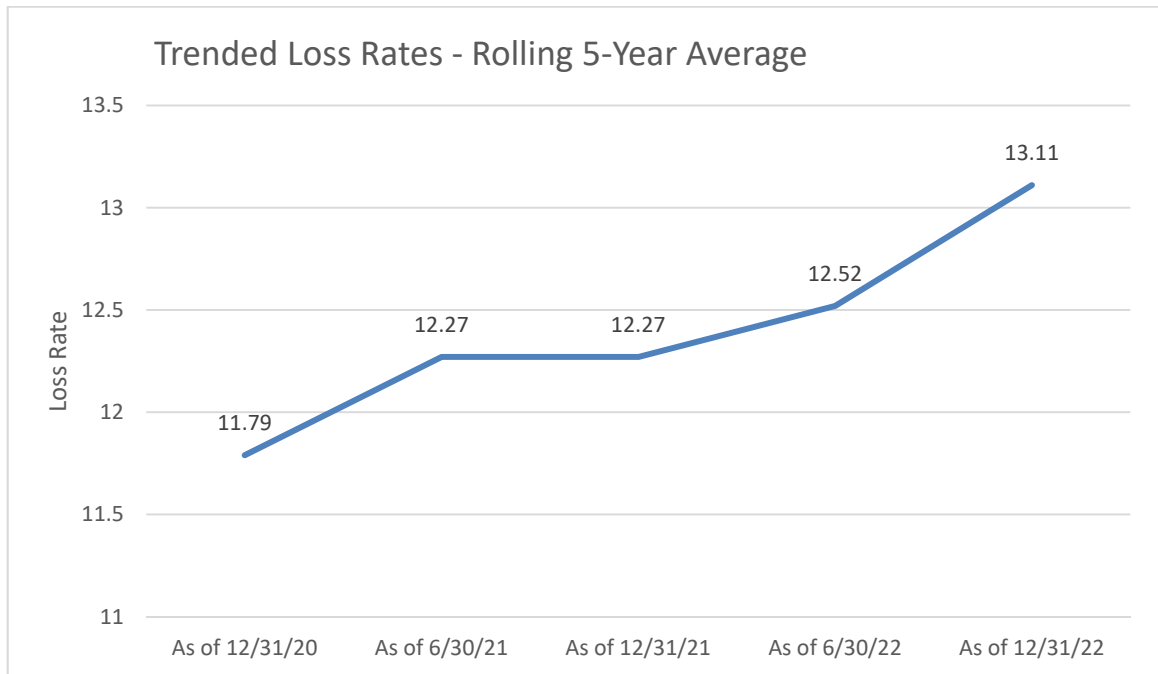
**Discussion of Trends**

Loss Rate per \$100 of Payroll – Last Three Report Valuations



The last three report valuations have shown fairly consistent projections for each of the last six claim periods.

**Loss Rate per \$100 of Payroll – Rolling 5-Year Average**



The rolling 5-year average trended loss rates over each of the last five reports shows fairly stable indications from each of the last five reports. The report valued as of 12/31/20 shows the five-year average loss rates of 2015/16 through 2019/20. The reports valued as of 6/30/21 and 12/31/21 show the five-year average loss rates of 2016/17 through 2020/21. The reports valued as of 6/30/22 and 12/31/22 show the five-year average loss rates of 2017/18 through 2021/22.

The rolling average loss rates between report valuations indicates the program is stable over time, but subject to some volatility in the individual claim periods.

***Discussion of Data Reliance***

Responsible staff members of CorVel, York and OCFA provided us with loss data and payroll data. The loss data we received was contained in Excel files. The different files contained claims data valued as of different accounting dates (from June 30, 2009 and successive June 30<sup>th</sup> and December 31<sup>st</sup> valuations.) We compiled the data in these files and compared the results. Generally, we found all files to be internally consistent.

Responsible staff members of OCFA provided us with payroll information for 2015/16 through 2020/21. We used gross payroll figures.

In all other ways, we compared the compiled data with the data shown in previous actuarial reports prepared by us in past years. Our data compilation proved consistent with the summarized data shown in the previous actuarial report.

4. **Affirm GASB 10.**

We affirm that the conclusions shown above in the tables were derived using appropriate actuarial methods and assumptions. Therefore, our conclusions are consistent with GASB 10. The actuarial methods and assumptions we used to derive these conclusions are documented in the exhibits shown in Appendix C of this report.

We encourage the independent auditor to contact us with any questions to ensure our report is interpreted correctly, and is incorporated appropriately into the independent financial audit of OCFA.

**Appendix A**

**CONDITIONS AND LIMITATIONS**



## CONDITIONS AND LIMITATIONS

It is important to understand the conditions and limitations listed below. Each chapter and section is an integral part of the whole study. If there are questions, please contact RCS for clarification.

- **Data Quality.** We relied upon data provided by the organization shown on the transmittal page or its designated agents. The data was used without verification or audit, other than checks for reasonableness. Unless otherwise stated, we assumed the data to be correct and complete.
- **Economic Environment.** Unless otherwise stated, we assumed the current economic conditions will continue in the foreseeable future.
- **Insurance Coverage.** Unless otherwise stated, we assumed no insurance coverage changes (including coverage provided by the organization to others) subsequent to the date this study was prepared. This includes coverage language, self-insured retention, limitations and similar issues.
- **Insurance Solvency.** Unless otherwise stated, we assumed all insurance purchased by the organization is from solvent sources payable in accordance with terms of the coverage document.
- **Interest Rate.** The exhibits specify the annual interest rate(s) used. The interest rate(s) used were specified by the organization shown on the transmittal page or its designated agents. We believe the interest rate is appropriate.
- **Methodology.** In this study, different actuarial methods were applied. In some instances, the methods yield significantly disparate results. The estimates, projections and recommendations in this study reflect our judgments as to the best method or combination of methods that are most reliable and reflective of the exposure to loss.
- **Reproduction.** This study may only be reproduced in its entirety. We caution third parties to not distribute this report to any party without the express written consent of RCS and the parties, who engaged RCS to prepare this report, because the report contains privileged information and unauthorized distribution of the report might be a violation of local laws. In particular, we direct the reader to the California Code of Regulations, Title 8, Section 15405, and recommend seeking legal advice before disseminating any information contained in this report to any party. Moreover, ASOP 21, Section 3, states, “An audit or examination may give rise to the exchange of confidential information. Any information received by the reviewing actuary should be considered confidential, except as to the auditor or examiner, unless otherwise indicated by the entity. The reviewing actuary should take appropriate steps to preserve the confidentiality of such information.”
- **Risk and Variability.** Insurance is an inherently risky enterprise. Actual losses may vary significantly from our estimates, projections and recommendations. They may emerge higher or lower.

- **Statutory and Judicial Changes.** Legislatures and judiciaries may change statutes that govern indemnification. This includes benefit levels for workers compensation, immunities and limitations for liability, and other similar issues. Unless otherwise stated, we assumed no statutory changes subsequent to the date this study was prepared.
- **Supplemental Data.** In addition to the data provided by the organization, we supplemented our analysis with data from similar organizations and insurance industry statistics, as we deemed appropriate.
- **Usage.** This study has been prepared for the usage of the organization shown on the transmittal page. It was not prepared for and may not be appropriate for use by other organizations. Other organizations should obtain counsel from RCS prior to use of this study.
- **Assets.** We have not examined the assets underlying the corresponding losses and ALAE under review. We form no opinion as to the validity or value of these assets. Throughout our analysis, we assume the reserves are backed by valid assets, which have suitably scheduled maturities or adequate liquidity to meet cash flow requirements.
- **Mass Tort and Terrorism.** Unless specifically stated, our analysis does not reflect any provision for risk exposure from mass torts or terrorism, because these risk exposures were outside the scope of our work.
- **Intended Use Disclosure (per ASOP 43).** We understand the intended use of the estimated outstanding losses is for internal management reporting and external financial reporting purposes. Because the internal management reporting is consistent with external financial reporting, we are unaware of conflicts (actual or otherwise) that might arise from this dual usage.
- **Constraints Disclosure (per ASOP 43).** We worked with the most readily available data provided by OCFA and its claims administrator(s). The data appeared to be of excellent quality. We were provided ample time to perform the work; therefore, we have no constraints regarding deadlines. In addition, the OCFA and its claims administrator(s) cooperated fully with our requests for information.
- **Scope of Unpaid Claim Estimate Disclosure #1 – Type of Estimate (per ASOP 43).** Throughout the report, we calculated an “actuarial central estimate” of the loss reserve. We have also included a range of reasonable estimates of the loss reserves expressed in the form of confidence levels. We emphasize that the range of reasonable estimates is not a range of all possible outcomes; rather, it is our estimate of likely outcomes of the actuarial central estimate. Although unlikely, losses may emerge outside our range of reasonable estimates.
- **Scope of Unpaid Claim Estimate Disclosure #2 – Purpose of Estimate (per ASOP 43).** We believe the range of reasonably possible outcomes around the actuarial central estimate is an appropriate guide to management for internal and external financial reporting purposes.
- **Scope of Unpaid Claim Estimate Disclosure #3 – Discounting (per ASOP 43).** We calculated our range of reasonably possible outcomes around the actuarial central estimates at full-value (i.e., undiscounted). We calculated estimates at present value (i.e., discounted to reflect the time value of money).

- **Gross or Net of Specified Recoverables Disclosure (per ASOP 43).** Because the OCFA purchases reinsurance and/or participates in insurance pools, all amounts in this report should be understood to be net of recoverables unless specifically identified to the contrary.
- **Collectability Risk Disclosure (per ASOP 43).** Except as otherwise noted in our report, our discussions with the OCFA did not reveal any collectability risk as of the date of this report.
- **Unpaid Claim Adjustment Expense Disclosure (per ASOP 43).** A provision for ULAE is included in the amounts shown in this report. Amounts for ALAE have been included.
- **Type of Claims Covered in the Analysis Disclosure (per ASOP 43).** The background section of this report describes the type of claims covered in the analysis. In addition, the text in the conclusion section specifies any modifications to the description contained in the background section.
- **Review Date Disclosure (per ASOP 43).** Our “review date” (i.e., cut-off date for including information into our analysis) is the date shown on the cover of the report or the date of the transmittal letter.
- **Acknowledgement of Qualification (per ASOP 41).** The opining actuary(ies) that have prepared this report meet the requisite qualification standards as enacted in the “Qualification Standards” effective January 1, 2008.

**Appendix B**

**GLOSSARY OF ACTUARIAL TERMS**

## GLOSSARY OF ACTUARIAL TERMS

### Actuarial Methods (Most Common)

A major objective of an actuarial study is to statistically project ultimate losses. The following actuarial methods are the most common:

- Developed Paid Losses
- Developed Reported Incurred Losses
- Developed Case Reserves
- Frequency Times Severity Analysis
- Loss Rate Analysis

The following describes each method:

1. **Developed Paid Losses.** Paid losses represent the amounts actually paid to claimants (less excess insurance recoveries). As time goes on, loss payments continue until all claims are closed and there are no remaining payments expected. At this time, the ultimate losses for the claim period are known. This common process is called “paid loss development.”

Paid loss development is an extrapolation of actual dollars paid. It does not depend on case reserve estimates. A potential shortcoming of utilizing this method is that only a small fraction of total payments have been made for the most recent claim periods. Extrapolating ultimate losses based on small amounts of actual payments may be speculative. A second potential shortcoming is that payment patterns can change over time.

2. **Developed Reported Incurred Losses.** Reported incurred losses are paid losses plus case reserves. In most programs, total reported incurred losses underestimate the ultimate losses. Over time, as more information about a body of claims becomes known, they are adjusted either up or down until they are closed. Though many individual claims settle for less than what was estimated, these decreases are generally more than offset by increases in the cost of other claims for which new information has emerged.

The net effect is that total estimated costs are often revised upward over time. This normal process is called “reported incurred loss development.” Actuaries typically review the development patterns of the recent past to make projections of the expected future loss development and, therefore, estimations of ultimate losses.

3. **Developed Case Reserves.** The developed case reserves method is a hybrid of the paid loss development and reported incurred loss development methods. It relies on the historical adequacy of case reserves to predict ultimate losses.

4. **Frequency Times Severity Analysis.** The frequency times severity analysis is an actuarial method that uses a preliminary projection of ultimate losses to project claims severity. The claims severity times the number of claims is a predictor of ultimate losses. The focus of the frequency times severity analysis is that ultimate losses each period are dependent on the number of claims.
5. **Loss Rate Analysis.** The loss rate analysis is based on the historical loss rates per exposure unit (such as payroll, vehicles or property value). The loss rates (projected ultimate losses divided by exposure units) are trended to reflect the effect of claim cost inflation and retention changes. The trended loss rates represent the rates that one would see if all of the claims had been handled in the claim cost environment that will be present in the upcoming period. The trended loss rate times the projected exposure units is a predictor of losses.
6. **Bornhuetter-Ferguson Method (B-F).** The B-F method is an actuarial method that weights a preliminary projection of ultimate losses with projections of ultimate losses determined by other actuarial methods (usually the developed paid losses and developed reported incurred losses methods). For less mature claim periods, the B-F method leans more heavily to the preliminary projection. It gradually converges to the projections of ultimate losses determined by the other actuarial methods as the claim periods mature.

### **Actuary**

A specialist trained in mathematics, statistics, and finance who is responsible for rate, reserve, and dividend calculations and other statistical studies.

### **Allocated Loss Adjustment Expenses**

Allocated loss adjustment expenses (ALAE) are the direct expenses to settle specific claims. These expenses are primarily legal expenses.

Accounting standards require that ALAE be included in financial statements and that they be calculated by actuarial methods.

### **American Academy of Actuaries**

A society concerned with the development of education in the field of actuarial science and with the enhancement of standards in the actuarial field. Members may use the designation MAAA (Member, American Academy of Actuaries).

## **Benefits**

The financial reimbursement and other services provided insureds by insurers under the terms of an insurance contract. An example would be the benefits listed under a life or health insurance policy or benefits as prescribed by a workers compensation law.

## **Casualty Actuarial Society**

A professional society for actuaries in areas of property and casualty insurance work. This society grants the designation of Associate of the Casualty Actuarial Society (ACAS) and Fellow of the Casualty Actuarial Society (FCAS).

## **Claim**

Demand by an individual or entity to recover for a loss.

## **Claims Made**

A policy written on this basis covers only those claims that are made during the policy period. Coverage for prior acts is provided back to what is known as the retroactive date, which is the effective date of the original claims made policy with the same insurer.

## **Composite Rate**

A single rate with a single basis of premium (e.g., payroll or sales). For this single rate the insured is covered for a variety of hazards, such as premises and operations, completed operations, products liability, and automobile. Its primary value is to compute premium simply.

## **Confidence Level**

A confidence level is the statistical certainty that an actuary believes funding will be sufficient. For example, an 80% confidence level means that the actuary believes funding will be sufficient in eight years out of ten.

Confidence levels are determined based on mathematical models. Coverages that are low frequency and high severity (such as excess liability) are subject to greater risk than coverages that are high frequency and low severity (such as automobile physical damage). Therefore, they need a greater margin to attain a given confidence level.

Expected corresponds to approximately a 55% confidence level. Amounts above expected are prudent, but should be considered equity (not a liability).

### **Coverage**

The scope of the protection provided under a contract of insurance.

### **Credibility**

Credibility is the belief that the sample data is an accurate reflection of the larger population. Credibility is highest when the sample data is large and the standard deviation (discussed later) of the larger population is low.

### **Dates**

There are at least three milestone dates in a claim. They are the date of injury or accident, the date of report and the date of closure. It is best if each of these dates is recorded. Some organizations may also keep the date a claim becomes a lawsuit, as opposed to a demand. RCS recommends this additional level of detail, especially if the data is to be used for litigation management.

### **Deductible**

The portion of an insured loss to be borne by the insured before he is entitled to recovery from the insurer. Deductibles may be expressed as a dollar amount, percentage or waiting period.

### **Disability**

A condition that curtails a person's ability to carry on his normal pursuits. A disability may be partial or total, and temporary or permanent.

### **Dividend (Policyholder)**

The return of part of the premium paid for a policy issued on a participating basis by either a mutual or a stock insurer.

### **Estimated Outstanding Losses**

Estimated outstanding losses are the cost of claims that have occurred but have not yet been paid. They typically include indemnification and allocated loss adjustment expenses (ALAE), but not unallocated loss adjustment expenses (ULAE).

Estimated outstanding losses are calculated as projected ultimate losses less paid losses. Alternatively, they are the sum of case reserves and incurred but not reported (IBNR) claims.



### **Estimated Outstanding Losses (continued)**

Estimated outstanding losses are usually the largest single item listed as a liability on the balance sheet of an insurer's financial statement. Accounting standards require they be calculated by actuarial methods. Other common names for estimated outstanding losses are outstanding claims liabilities and unpaid claims.

The uncertainty inherent in the estimation of required provision for unpaid losses or loss adjustment expenses implies that a range of reserves can be actuarially sound. The true value of the liability for losses or loss adjustment expenses at any accounting date can be known only when all attendant claims have been settled.

The most appropriate reserve within a range of actuarially sound estimates depends on both the relative likelihood of estimates within the range and the financial reporting context in which the reserve will be presented.

### **Experience Rating**

A method of adjusting the premium for a risk based on past loss experience for that risk compared to loss experience for an average risk.

### **Exposure Data**

Exposure data refers to the activities of the organization. For example, payroll is the most common exposure measure for workers compensation. RCS suggests collecting exposure data with the following characteristics:

- **Readily Available.** The exposure data should be easily obtained. It is best if it is a byproduct of other activities, although this is not always possible. If getting data is arduous, it may discourage collection.
- **Vary With Losses.** The exposure data should correlate directly with losses. The ideal situation is where exposure and expected losses move in tandem. The exposure base needs to be fitting to the coverage. For example, the number of employees may vary with property losses (more employees = more office space = more losses), but property value is a clearly superior exposure base for property losses.

### **Generally Accepted Accounting Principles (GAAP)**

These principles are intended to produce financial results (in the insurance industry) consistent with those of other industries and to assure consistency in financial reporting.

### **Incurred But Not Reported**

IBNR is really comprised of two distinct items. These are the development of known case reserves (incurred but not enough reported [IBNER] and incurred but not yet reported [IBNYR]).

IBNER are the actuary's estimate of the inadequacy of case reserves. Most claims settle at amounts close to what is set by the claims administrator. Some claims close favorably and some emerge as more expensive. On balance, case reserves tend to be too low (especially for recent years). IBNER is the actuary's estimate of the amount total case reserves will rise upon closure.

IBNYR refers to those claims that have occurred, but have not yet been reported. A classic example is medical malpractice claim reported several years after the medical procedure was performed.

### **Insurance Services Office (ISO)**

An organization of the property and casualty insurance business designed to gather statistics, promulgate rates, and develop policy forms.

### **Investment Income**

The return received by entities from their investment portfolios, including interest, dividends and realized capital gains on stocks. Realized capital gains means the profit realized on assets that have actually been sold for more their purchase price.

### **Limited**

Most programs purchase excess insurance for catastrophic claims. For example, they may purchase coverage for claims above a \$500,000 per occurrence self-insured retention. Limited refers to an estimate or projection being limited to the self-insured retention. In contrast, unlimited refers to a loss projection that is not limited to the self-insured retention.

Other common names for limited are net of excess insurance or capped losses.

### **Loss Development**

The difference between the amount of losses initially estimated by the insurer and the amount reported in an evaluation on a later date. Loss development is typically measured for paid losses, reported incurred losses and claim counts.

### **Manual Rates**

Usually, the published rate for some unit of insurance. An example is in the workers compensation manual, where the rates shown apply to each \$100 of the payroll of the insured, \$100 being the "unit."

## **National Council on Compensation Insurance (NCCI)**

An association of workers compensation insurance companies whose main functions are collecting statistics and calculating rates, establishing policy wording, developing experience and retrospective rating plans, and serving as the filing organization for member companies.

## **Net**

Many pooling programs assign deductibles to members. For example, each member may have a \$5,000 per claim deductible. "Net" refers to a loss estimate or projection that excludes amounts below member deductibles.

## **Occurrence**

An event that results in an insured loss. In some lines of insurance, such as general liability, it is distinguished from accident in that the loss does not have to be sudden and fortuitous and can result from continuous or repeated exposure that results in bodily injury or property damage neither expected nor intended by the insured.

## **Pool**

An organization of entities through which particular types of risks are written with the premiums, losses, and expenses shared in agreed amounts among the members belonging to the organization.

## **Premium**

The price of insurance protection for a specified risk for a specified period of time.

## **Present Value**

The amount of money that future amounts receivable are currently worth. For example, a Life Insurance policy may provide for payments to be made monthly for ten years. The present value of that money would be less than the total amount of the regular periodic payments for 10 years because of the amount of interest that a present lump sum could earn during the term than the payments otherwise would have been made.

## **Probability**

The probability is the likelihood of an event. It is a measure of how likely a value or event is to occur. It can be measured from data by calculating the number of occurrences of the value or event divided by the total number of occurrences. This calculation can be converted to a percentage. For example, tossing a coin has a 50% probability of heads or tails.

### **Projected Losses Paid**

Projected losses paid are the projected claims disbursements in a period, regardless of when the claim occurred. They typically include indemnification and ALAE, but not unallocated loss adjustment expenses (ULAE).

“Projected losses paid” is a cash-flow analysis that can be used in making investment decisions.

### **Projected Ultimate Losses**

Projected ultimate losses are the accrual value of claims. They are the total amount that is expected to be paid in a particular claim period after all claims are closed. Projected ultimate losses are the total loss costs for a particular period. They typically include indemnification and ALAE, but not ULAE.

Other common names for projected ultimate losses are expected losses, ultimate losses and total losses.

### **Range of Reasonable Estimates**

According to actuarial statements of principles and standards of practice, a range of reasonable estimates of the provision for unpaid claims can be actuarially sound.

Due to the uncertainty inherent in estimating the provision for unpaid claims, the range of reasonable estimates is a narrower range than the range of all possible outcomes or the range of all likely outcomes.

### **Rate**

The cost of a given unit of insurance. For example, in life insurance, it is the price of \$1,000 of the face amount. In property insurance, it is the rate per \$100 of value to be insured. The premium is the rate multiplied by the number of units of insurance purchased.

### **Retrospective Rating**

A method for which the final premium is not determined until the end of the coverage period, and is based on the insured’s own loss experience for that same period. It is usually subject to a maximum and minimum premium. A plan of this type can be used in various types of insurance, especially workers compensation and liability, and is usually elected by only very large insureds.

### **Salvage**

Property taken over by an entity to reduce its loss. Automobile physical damage losses can be reduced by the sale of recovered vehicles.

### **Schedule Rating**

The application of debits or credits within established ranges for various characteristics of a risk according to an established schedule of items. Under liability and automobile insurance, the schedule rating plan allows credits and debits for various good or bad features of a particular commercial risk. An example in automobile schedule rating would be allowing credits for driver training classes or fleet maintenance programs.

### **Self-Insurance Retention (SIR)**

That portion of a risk or potential loss assumed by an insured. It is often in the form of a per occurrence deductible.

### **Society of Actuaries (SOA)**

A professional society for actuaries in areas of pensions, and life and health insurance work. The SOA grants the designation Associate of the Society of Actuaries (ASA) and Fellow of the Society of Actuaries (FSA).

### **State Fund**

A fund set up by a state government to finance a mandatory insurance system, such as Workers Compensation or non-occupational disability benefits. Such a fund may be monopolistic, i.e., purchasers of the type of insurance required must place it in the state fund; or it may be competitive, i.e., an alternative to private insurance if the purchaser desires to use it.

### **Statutory Accounting Principles (SAP)**

Those principles required by statute that must be followed by an insurance company or other similar entity when submitting its financial statement to the state insurance department. Such principles differ from (GAAP) in some important respects. For one thing SAP requires that expenses must be recorded immediately and cannot be deferred to track with premiums as they are earned and taken into revenue.

### **Unallocated Loss Adjustment Expenses**

Unallocated loss adjustment expenses (ULAE) are the indirect expenses to settle claims. These expenses are primarily administration and claims handling expenses.

Accounting standards require that ULAE be included in financial statements and that they be calculated by actuarial methods.

# EXHIBITS

## Appendix C

**ORANGE COUNTY FIRE AUTHORITY**  
**WORKERS COMPENSATION (EXCLUDING COVID)**

**EXHIBIT 1**

Claims Development Tables (Net of Excess Insurance Basis) - Amounts in Thousands of Dollars

I. Incurred Claims and Allocated Claims Adjustment Expenses (Projected Ultimate Limited Losses - Excluding COVID-19)

Claim Period	As of Dec 31 2017	As of Jun 30 2018	As of Dec 31 2018	As of Jun 30 2019	As of Dec 31 2019	As of Jun 30 2020	As of Dec 31 2020	As of Jun 30 2021	As of Dec 31 2021	As of Jun 30 2022	As of Dec 31 2022	As of Dec 31 2022	Carried Reserves	Number of Reported Claims
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	
2010/11 & Prior	84,980	82,217	79,542	82,025	81,487	82,668	81,305	82,870	84,038	83,486	83,344	13,508	3,809	
2011/12	10,046	12,676	12,072	12,801	11,816	11,773	11,427	10,519	10,681	10,661	10,444	1,888	472	
2012/13	11,746	13,097	12,127	13,045	12,828	13,745	13,100	10,854	11,307	10,947	10,817	1,948	481	
2013/14	11,645	13,519	13,953	14,399	14,500	15,128	14,590	12,924	12,679	13,210	12,874	3,247	528	
2014/15	13,086	14,129	14,120	14,449	14,086	13,596	13,494	11,964	12,013	11,948	11,388	2,846	385	
2015/16	16,833	15,662	16,490	17,494	17,303	17,579	17,248	15,804	14,314	14,617	14,223	4,526	402	
2016/17	20,650	19,463	19,972	21,286	21,495	20,714	21,669	20,095	20,158	19,964	19,312	8,042	460	
2017/18	9,341	21,497	24,847	26,303	26,509	26,413	26,919	25,996	25,698	24,726	24,309	10,595	479	
2018/19			10,287	23,212	25,411	24,690	25,035	24,071	24,150	23,570	24,224	13,541	407	
2019/20					12,462	27,293	27,367	26,705	26,409	26,228	26,033	16,153	478	
2020/21							14,625	36,755	37,224	36,168	35,436	20,788	470	
2021/22									16,444	33,745	35,339	28,427	517	
2022/23											17,570	16,592	237	
<b>Total</b>	<b>178,327</b>	<b>192,260</b>	<b>203,410</b>	<b>225,015</b>	<b>237,897</b>	<b>253,601</b>	<b>266,780</b>	<b>278,556</b>	<b>295,115</b>	<b>309,270</b>	<b>325,313</b>	<b>142,100</b>	<b>9,125</b>	
<b>Total excl. latest</b>	<b>168,987</b>	<b>170,763</b>	<b>193,123</b>	<b>201,803</b>	<b>225,435</b>	<b>226,307</b>	<b>252,154</b>	<b>241,801</b>	<b>278,671</b>	<b>275,526</b>	<b>307,744</b>			

II. Cumulative Paid Claims and Allocated Claims Adjustment Expenses - Excluding COVID-19

Claim Period	As of Dec 31 2017	As of Jun 30 2018	As of Dec 31 2018	As of Jun 30 2019	As of Dec 31 2019	As of Jun 30 2020	As of Dec 31 2020	As of Jun 30 2021	As of Dec 31 2021	As of Jun 30 2022	As of Dec 31 2022
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
2010/11 & Prior	66,151	62,707	63,776	64,999	66,057	66,589	67,443	68,344	68,767	69,264	69,836
2011/12	6,712	7,677	7,937	8,061	8,124	8,226	8,281	8,378	8,433	8,498	8,556
2012/13	7,249	7,996	8,006	8,162	8,380	8,670	8,807	8,590	8,728	8,688	8,869
2013/14	6,014	7,330	7,222	7,652	8,327	8,377	8,750	8,924	9,211	9,508	9,627
2014/15	5,744	6,780	7,352	7,655	7,862	8,069	8,267	8,458	8,537	8,644	8,542
2015/16	5,654	6,600	7,237	7,754	8,123	8,751	9,039	9,244	9,392	9,558	9,697
2016/17	4,343	5,378	6,988	7,598	8,335	8,843	9,464	9,946	10,316	10,901	11,270
2017/18	896	3,421	5,671	7,441	9,349	10,380	11,530	12,077	12,712	13,152	13,715
2018/19			666	2,596	4,550	5,924	7,069	8,111	9,163	9,827	10,683
2019/20					650	2,336	4,522	5,970	7,329	8,589	9,880
2020/21							1,022	6,670	10,214	12,803	14,648
2021/22									1,199	3,843	6,913
2022/23											978
<b>Total</b>	<b>102,763</b>	<b>107,888</b>	<b>114,854</b>	<b>121,917</b>	<b>129,757</b>	<b>136,165</b>	<b>144,195</b>	<b>154,711</b>	<b>164,001</b>	<b>173,275</b>	<b>183,213</b>
<b>Total excl. latest</b>	<b>101,867</b>	<b>104,467</b>	<b>114,188</b>	<b>119,321</b>	<b>129,107</b>	<b>133,829</b>	<b>143,172</b>	<b>148,041</b>	<b>162,801</b>	<b>169,432</b>	<b>182,235</b>

ORANGE COUNTY FIRE AUTHORITY  
 WORKERS' COMPENSATION (COVID ONLY) - Expected Confidence Level

Exhibit WC-COVID-1

Data Valued as of December 31, 2022

Claim Period (1)	Specific Self-Insured Retention (2)	Months of Development 12/31/22 (3)	Reported Claims 12/31/22 (4)	Open Claims 12/31/22 (5)	Limited Paid Losses 12/31/22 (6)	Limited Case Reserves 12/31/22 (7)	Limited Reported Incurred Losses 12/31/22 (8)
2000/01	N/A	270.0	0	0	\$0	\$0	\$0
2001/02	600,000	258.0	0	0	0	0	0
2002/03	600,000	246.0	0	0	0	0	0
2003/04	2,000,000	234.0	0	0	0	0	0
2004/05	2,000,000	222.0	0	0	0	0	0
2005/06	2,000,000	210.0	0	0	0	0	0
2006/07	2,000,000	198.0	0	0	0	0	0
2007/08	2,000,000	186.0	0	0	0	0	0
2008/09	2,000,000	174.0	0	0	0	0	0
2009/10	2,000,000	162.0	0	0	0	0	0
2010/11	2,000,000	150.0	0	0	0	0	0
2011/12	2,000,000	138.0	0	0	0	0	0
2012/13	2,000,000	126.0	0	0	0	0	0
2013/14	2,000,000	114.0	0	0	0	0	0
2014/15	2,000,000	102.0	0	0	0	0	0
2015/16	2,000,000	90.0	0	0	0	0	0
2016/17	2,000,000	78.0	0	0	0	0	0
2017/18	2,000,000	66.0	0	0	0	0	0
2018/19	2,000,000	54.0	0	0	0	0	0
2019/20	2,000,000	42.0	22	1	95,877	38,935	134,811
2020/21	2,000,000	30.0	187	5	615,186	341,980	957,167
2021/22	2,000,000	18.0	453	14	1,368,049	592,089	1,960,138
2022/23	2,000,000	6.0	78	19	118,047	113,232	231,279
<b>Total</b>			<b>740</b>	<b>39</b>	<b>\$2,197,159 #</b>	<b>\$1,086,236 #</b>	<b>\$3,283,395 #</b>

Amounts include only COVID-19 claims.

# - Data is for medical, indemnity and expenses excluding 4850 benefits.

(6), (7) and (8) are net of specific excess reinsurance, but gross of aggregate reinsurance.

Data was provided by Corvel.



ORANGE COUNTY FIRE AUTHORITY  
 WORKERS' COMPENSATION (COVID ONLY) - Expected Confidence Level

Exhibit WC-COVID-2 (page 1)

Summary of Percent Losses Paid, Losses Reported and Claims Reported

Months of Development (1)	Percent Losses Paid (2)	Percent Losses Reported (3)	Percent Claims Reported (4)	Months of Development (5)	Percent Losses Paid (6)	Percent Losses Reported (7)	Percent Claims Reported (8)
360.0	100.0%	100.0%	100.0%	360.0	100.0%	100.0%	100.0%
348.0	100.0%	100.0%	100.0%	348.0	100.0%	100.0%	100.0%
336.0	100.0%	100.0%	100.0%	336.0	100.0%	100.0%	100.0%
324.0	100.0%	100.0%	100.0%	324.0	100.0%	100.0%	100.0%
312.0	100.0%	100.0%	100.0%	312.0	100.0%	100.0%	100.0%
300.0	100.0%	100.0%	100.0%	300.0	100.0%	100.0%	100.0%
288.0	100.0%	100.0%	100.0%	288.0	100.0%	100.0%	100.0%
276.0	100.0%	100.0%	100.0%	276.0	100.0%	100.0%	100.0%
264.0	100.0%	100.0%	100.0%	264.0	100.0%	100.0%	100.0%
252.0	100.0%	100.0%	100.0%	252.0	100.0%	100.0%	100.0%
240.0	100.0%	100.0%	100.0%	240.0	100.0%	100.0%	100.0%
228.0	100.0%	100.0%	100.0%	228.0	100.0%	100.0%	100.0%
216.0	100.0%	100.0%	100.0%	216.0	100.0%	100.0%	100.0%
204.0	99.9%	100.0%	100.0%	204.0	99.9%	100.0%	100.0%
192.0	99.9%	100.0%	100.0%	192.0	99.9%	100.0%	100.0%
180.0	99.9%	100.0%	100.0%	180.0	99.9%	100.0%	100.0%
168.0	99.8%	99.9%	100.0%	168.0	99.8%	99.9%	100.0%
156.0	99.6%	99.7%	100.0%	156.0	99.6%	99.7%	100.0%
144.0	99.2%	99.5%	100.0%	144.0	99.2%	99.5%	100.0%
132.0	98.7%	99.1%	100.0%	132.0	98.7%	99.1%	100.0%
120.0	98.0%	98.5%	100.0%	120.0	98.0%	98.5%	100.0%
108.0	97.1%	97.8%	100.0%	108.0	97.1%	97.8%	100.0%
96.0	95.6%	96.5%	100.0%	96.0	95.6%	96.5%	100.0%
84.0	93.5%	94.8%	100.0%	84.0	93.5%	94.8%	100.0%
72.0	90.3%	92.2%	100.0%	72.0	90.3%	92.2%	100.0%
60.0	85.7%	88.4%	100.0%	60.0	85.7%	88.4%	100.0%
48.0	80.5%	83.1%	100.0%	48.0	80.5%	83.1%	100.0%
36.0	71.0%	75.8%	100.0%	36.0	71.0%	75.8%	100.0%
24.0	55.3%	65.9%	100.0%	24.0	55.3%	65.9%	100.0%
12.0	33.5%	50.7%	95.2%	12.0	33.5%	50.7%	95.2%

ORANGE COUNTY FIRE AUTHORITY  
 WORKERS' COMPENSATION (COVID ONLY) - Expected Confidence Level

Exhibit WC-COVID-2 (page 2)

Summary of Percent Losses Paid, Losses Reported and Claims Reported

Months of Development (9)	Percent Losses Paid (10)	Percent Losses Reported (11)	Percent Claims Reported (12)	Months of Development (13)	Percent Losses Paid (14)	Percent Losses Reported (15)	Percent Claims Reported (16)
360.0	100.0%	100.0%	100.0%	354.0	100.0%	100.0%	100.0%
348.0	100.0%	100.0%	100.0%	342.0	100.0%	100.0%	100.0%
336.0	100.0%	100.0%	100.0%	330.0	100.0%	100.0%	100.0%
324.0	100.0%	100.0%	100.0%	318.0	100.0%	100.0%	100.0%
312.0	100.0%	100.0%	100.0%	306.0	100.0%	100.0%	100.0%
300.0	100.0%	100.0%	100.0%	294.0	100.0%	100.0%	100.0%
288.0	100.0%	100.0%	100.0%	282.0	100.0%	100.0%	100.0%
276.0	100.0%	100.0%	100.0%	270.0	100.0%	100.0%	100.0%
264.0	100.0%	100.0%	100.0%	258.0	100.0%	100.0%	100.0%
252.0	100.0%	100.0%	100.0%	246.0	100.0%	100.0%	100.0%
240.0	100.0%	100.0%	100.0%	234.0	100.0%	100.0%	100.0%
228.0	100.0%	100.0%	100.0%	222.0	100.0%	100.0%	100.0%
216.0	100.0%	100.0%	100.0%	210.0	99.9%	100.0%	100.0%
204.0	99.9%	100.0%	100.0%	198.0	99.9%	100.0%	100.0%
192.0	99.9%	100.0%	100.0%	186.0	99.9%	100.0%	100.0%
180.0	99.9%	100.0%	100.0%	174.0	99.8%	99.9%	100.0%
168.0	99.8%	99.9%	100.0%	162.0	99.7%	99.8%	100.0%
156.0	99.6%	99.7%	100.0%	150.0	99.4%	99.6%	100.0%
144.0	99.2%	99.5%	100.0%	138.0	99.0%	99.3%	100.0%
132.0	98.7%	99.1%	100.0%	126.0	98.4%	98.8%	100.0%
120.0	98.0%	98.5%	100.0%	114.0	97.6%	98.2%	100.0%
108.0	97.1%	97.8%	100.0%	102.0	96.4%	97.2%	100.0%
96.0	95.6%	96.5%	100.0%	90.0	94.6%	95.7%	100.0%
84.0	93.5%	94.8%	100.0%	78.0	91.9%	93.5%	100.0%
72.0	90.3%	92.2%	100.0%	66.0	88.0%	90.3%	100.0%
60.0	85.7%	88.4%	100.0%	54.0	83.1%	85.8%	100.0%
48.0	80.5%	83.1%	100.0%	42.0	75.8%	79.5%	100.0%
36.0	71.0%	75.8%	100.0%	30.0	63.2%	70.9%	100.0%
24.0	55.3%	65.9%	100.0%	18.0	44.4%	58.3%	97.6%
12.0	33.5%	50.7%	95.2%	6.0	16.8%	25.4%	47.6%

(2), (3) and (4) are based on other similar programs with which we are familiar

(6), (7), (8), (10), (11), (12), (14), (15) and (16) are interpolated, based on (2), (3) and (4)

ORANGE COUNTY FIRE AUTHORITY  
 WORKERS' COMPENSATION (COVID ONLY) - Expected Confidence Level

Exhibit WC-COVID-2 (page 3)

Historical Limited Paid Losses and Limited Paid Loss Development

I. Historical Limited Paid Losses (\$000)

Claim Period	Months of Development:																				
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240	
2000/01																					
2001/02																					
2002/03																					
2003/04																					
2004/05																					
2005/06																					
2006/07																					
2007/08																					
2008/09																					
2009/10																					
2010/11																					
2011/12																					
2012/13																					
2013/14																					
2014/15																					
2015/16																					
2016/17																					
2017/18																					
2018/19																					
2019/20	13	37	92																		
2020/21	469	580																			
2021/22	896																				
2022/23																					

ORANGE COUNTY FIRE AUTHORITY  
 WORKERS' COMPENSATION (COVID ONLY) - Expected Confidence Level

Exhibit WC-COVID-2 (page 4)

Historical Limited Paid Losses and Limited Paid Loss Development

II. Limited Paid Loss Development

Claim Period	Months of Development:																				
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192	192-204	204-216	216-228	228-240	240-252	
2000/01																					
2001/02																					
2002/03																					
2003/04																					
2004/05																					
2005/06																					
2006/07																					
2007/08																					
2008/09																					
2009/10																					
2010/11																					
2011/12																					
2012/13																					
2013/14																					
2014/15																					
2015/16																					
2016/17																					
2017/18																					
2018/19																					
2019/20	2.925	2.482																			
2020/21	1.235																				
2021/22																					
2022/23																					
Average																					
All	2.080	2.482																			
Wtd 3																					
Last 3																					
Last 5																					
Last 5																					
x-hi,low																					
Industry																					
Previous																					
Selected	1.650	1.285	1.133	1.065	1.053	1.035	1.023	1.015	1.010	1.007	1.005	1.004	1.002	1.002							
Cumulative	2.985	1.809	1.408	1.242	1.167	1.108	1.070	1.046	1.030	1.020	1.013	1.008	1.004	1.002							
Percent	33.5%	55.3%	71.0%	80.5%	85.7%	90.3%	93.5%	95.6%	97.1%	98.0%	98.7%	99.2%	99.6%	99.8%							

Amounts exclude 4850 benefits.

Amounts are limited (net of excess insurance).

Data was provided by Corvel.

ORANGE COUNTY FIRE AUTHORITY  
 WORKERS' COMPENSATION (COVID ONLY) - Expected Confidence Level

Historical Limited Reported Incurred Losses and Limited Reported Incurred Loss Development

I. Historical Limited Reported Incurred Losses (\$000)

Claim Period	12	24	Months of Development:		60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240	
			36	48																	
2000/01																					
2001/02																					
2002/03																					
2003/04																					
2004/05																					
2005/06																					
2006/07																					
2007/08																					
2008/09																					
2009/10																					
2010/11																					
2011/12																					
2012/13																					
2013/14																					
2014/15																					
2015/16																					
2016/17																					
2017/18																					
2018/19																					
2019/20	166	46	135																		
2020/21	662	864																			
2021/22	1,563																				
2022/23																					

ORANGE COUNTY FIRE AUTHORITY  
 WORKERS' COMPENSATION (COVID ONLY) - Expected Confidence Level

Exhibit WC-COVID-2 (page 6)

Historical Limited Reported Incurred Losses and Limited Reported Incurred Loss Development

II. Limited Reported Incurred Loss Development

Claim Period	12-24	24-36	Months of Development:		60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192	192-204	204-216	216-228	228-240	240-252	
			36-48	48-60																	
2000/01																					
2001/02																					
2002/03																					
2003/04																					
2004/05																					
2005/06																					
2006/07																					
2007/08																					
2008/09																					
2009/10																					
2010/11																					
2011/12																					
2012/13																					
2013/14																					
2014/15																					
2015/16																					
2016/17																					
2017/18																					
2018/19																					
2019/20	0.279	2.912																			
2020/21	1.304																				
2021/22																					
2022/23																					
Average																					
All Wtd 3	0.791	2.912																			
Last 3																					
Last 5																					
Last 5 x-hi,low																					
Industry Previous																					
Selected	1.300	1.150	1.098	1.064	1.042	1.028	1.019	1.012	1.008	1.005	1.004	1.002	1.002	1.001							
Cumulative	1.973	1.518	1.320	1.203	1.131	1.085	1.055	1.036	1.023	1.015	1.009	1.005	1.003	1.001							
Percent	50.7%	65.9%	75.8%	83.1%	88.4%	92.2%	94.8%	96.5%	97.8%	98.5%	99.1%	99.5%	99.7%	99.9%							

Amounts exclude 4850 benefits.

Amounts are limited (net of excess insurance).

Data was provided by Corvel.

ORANGE COUNTY FIRE AUTHORITY  
 WORKERS' COMPENSATION (COVID ONLY) - Expected Confidence Level

Exhibit WC-COVID-2 (page 7)

Historical Reported Claims and Reported Claim Development

I. Historical Reported Claims

Claim Period	Months of Development:																				
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240	
2000/01																					
2001/02																					
2002/03																					
2003/04																					
2004/05																					
2005/06																					
2006/07																					
2007/08																					
2008/09																					
2009/10																					
2010/11																					
2011/12																					
2012/13																					
2013/14																					
2014/15																					
2015/16																					
2016/17																					
2017/18																					
2018/19																					
2019/20	9	22	22																		
2020/21	185	185																			
2021/22	436																				
2022/23																					

ORANGE COUNTY FIRE AUTHORITY  
 WORKERS' COMPENSATION (COVID ONLY) - Expected Confidence Level

Exhibit WC-COVID-2 (page 8)

Historical Reported Claims and Reported Claim Development

II. Reported Claim Development

Claim Period	Months of Development:																				
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192	192-204	204-216	216-228	228-240	240-252	
2000/01																					
2001/02																					
2002/03																					
2003/04																					
2004/05																					
2005/06																					
2006/07																					
2007/08																					
2008/09																					
2009/10																					
2010/11																					
2011/12																					
2012/13																					
2013/14																					
2014/15																					
2015/16																					
2016/17																					
2017/18																					
2018/19																					
2019/20	2.444	1.000																			
2020/21	1.000																				
2021/22																					
2022/23																					
Average																					
All	1.722	1.000																			
Wtd 3																					
Last 3																					
Last 5																					
Last 5																					
x-hi,low																					
Similar																					
Previous																					
Selected	1.050	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Cumulative	1.050	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Percent	95.2%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Data was provided by Corvel.



ORANGE COUNTY FIRE AUTHORITY  
 WORKERS' COMPENSATION (COVID ONLY) - Expected Confidence Level

Historical Ratio of Limited Paid Losses and Limited Reported Incurred Losses

I. Ratio of Limited Paid Losses to Limited Reported Incurred Losses

Claim Period	Months of Development:																				
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240	
2000/01																					
2001/02																					
2002/03																					
2003/04																					
2004/05																					
2005/06																					
2006/07																					
2007/08																					
2008/09																					
2009/10																					
2010/11																					
2011/12																					
2012/13																					
2013/14																					
2014/15																					
2015/16																					
2016/17																					
2017/18																					
2018/19																					
2019/20	7.6%	79.9%	68.1%																		
2020/21	70.9%	67.1%																			
2021/22	57.3%																				
2022/23																					
Average																					
All	45.3%	73.5%	68.1%																		
Last 3	45.3%																				
Last 5																					
x-hi,low																					
Implicit	66.1%	83.9%	93.7%	96.9%	96.9%	97.9%	98.6%	99.1%	99.3%	99.5%	99.6%	99.7%	99.9%	99.9%							

Developed Limited Paid Losses and Limited Reported Incurred Losses

I. Developed Limited Paid Losses

Claim Period (1)	Months of Development 12/31/22 (2)	Limited Paid Losses 12/31/22 (3)	Percent Losses Paid (4)	Developed Limited Paid Losses (3)/(4) (5)
2000/01	270	\$0	100.0%	\$0
2001/02	258	0	100.0%	0
2002/03	246	0	100.0%	0
2003/04	234	0	100.0%	0
2004/05	222	0	100.0%	0
2005/06	210	0	99.9%	0
2006/07	198	0	99.9%	0
2007/08	186	0	99.9%	0
2008/09	174	0	99.8%	0
2009/10	162	0	99.7%	0
2010/11	150	0	99.4%	0
2011/12	138	0	99.0%	0
2012/13	126	0	98.4%	0
2013/14	114	0	97.6%	0
2014/15	102	0	96.4%	0
2015/16	90	0	94.6%	0
2016/17	78	0	91.9%	0
2017/18	66	0	88.0%	0
2018/19	54	0	83.1%	0
2019/20	42	95,877	75.8%	126,570
2020/21	30	615,186	63.2%	974,167
2021/22	18	1,368,049	44.4%	3,081,191

Developed Limited Paid Losses and Limited Reported Incurred Losses

II. Developed Limited Reported Incurred Losses

Claim Period (1)	Months of Development 12/31/22 (2)	Limited Reported Incurred Losses 12/31/22 (3)	Percent Losses Reported (4)	Developed Limited Reported Incurred Losses (3)/(4) (5)
2000/01	270	\$0	100.0%	\$0
2001/02	258	0	100.0%	0
2002/03	246	0	100.0%	0
2003/04	234	0	100.0%	0
2004/05	222	0	100.0%	0
2005/06	210	0	100.0%	0
2006/07	198	0	100.0%	0
2007/08	186	0	100.0%	0
2008/09	174	0	99.9%	0
2009/10	162	0	99.8%	0
2010/11	150	0	99.6%	0
2011/12	138	0	99.3%	0
2012/13	126	0	98.8%	0
2013/14	114	0	98.2%	0
2014/15	102	0	97.2%	0
2015/16	90	0	95.7%	0
2016/17	78	0	93.5%	0
2017/18	66	0	90.3%	0
2018/19	54	0	85.8%	0
2019/20	42	134,811	79.5%	169,681
2020/21	30	957,167	70.9%	1,350,977
2021/22	18	1,960,138	58.3%	3,362,157

Sections I and II, (3) are from Exhibit WC-COVID-1.

Sections I and II, (4) are from Exhibit WC-COVID-2.

ORANGE COUNTY FIRE AUTHORITY  
 WORKERS' COMPENSATION (COVID ONLY) - Expected Confidence Level

Exhibit WC-COVID-3 (page 3)

Developed Limited Paid Losses and Limited Reported Incurred Losses

Footnotes:

Sections I and II, (3) are from Exhibit WC-COVID-1.

Sections I and II, (4) are from Exhibit WC-COVID-2.

The claim(s) indicated by a "" have been limited in development

(a) through (g) was provided by Corvel.

Claim Number (a)	Date of Loss (b)	Claim Period (c)	Specific Self-Insured Retention (d)	Limited Paid Losses 12/31/22 (e)	Limited Case Reserves 12/31/22 (f)	Limited Reported Incurred Losses 12/31/22 (g)
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ORANGE COUNTY FIRE AUTHORITY  
 WORKERS' COMPENSATION (COVID ONLY) - Expected Confidence Level

Exhibit WC-COVID-4

Developed Limited Case Reserves

Claim Period (1)	Months of Development 12/31/22 (2)	Percent Losses Paid (3)	Percent Losses Reported (4)	Percent Losses Reserved 12/31/22 (((4)-(3))/ (100.0%-(3)) (5)	Limited Paid Losses 12/31/22 (6)	Limited Case Reserves 12/31/22 (7)	Developed Limited Case Reserves (6)+(7)/(5) (8)
2000/01	270	100.0%	100.0%	100.0%	\$0	\$0	\$0
2001/02	258	100.0%	100.0%	100.0%	0	0	0
2002/03	246	100.0%	100.0%	100.0%	0	0	0
2003/04	234	100.0%	100.0%	100.0%	0	0	0
2004/05	222	100.0%	100.0%	99.9%	0	0	0
2005/06	210	99.9%	100.0%	99.7%	0	0	0
2006/07	198	99.9%	100.0%	98.4%	0	0	0
2007/08	186	99.9%	100.0%	92.8%	0	0	0
2008/09	174	99.8%	99.9%	66.2%	0	0	0
2009/10	162	99.7%	99.8%	33.3%	0	0	0
2010/11	150	99.4%	99.6%	33.3%	0	0	0
2011/12	138	99.0%	99.3%	33.3%	0	0	0
2012/13	126	98.4%	98.8%	27.3%	0	0	0
2013/14	114	97.6%	98.2%	24.5%	0	0	0
2014/15	102	96.4%	97.2%	21.9%	0	0	0
2015/16	90	94.6%	95.7%	20.2%	0	0	0
2016/17	78	91.9%	93.5%	19.8%	0	0	0
2017/18	66	88.0%	90.3%	19.2%	0	0	0
2018/19	54	83.1%	85.8%	15.7%	0	0	0
2019/20	42	75.8%	79.5%	15.3%	95,877	38,935	351,057
2020/21	30	63.2%	70.9%	20.9%	615,186	341,980	2,251,807
2021/22	18	44.4%	58.3%	25.0%	1,368,049	592,089	3,736,405

(3) and (4) are from Exhibit WC-COVID-2.

(6) and (7) are from Exhibit WC-COVID-1.

ORANGE COUNTY FIRE AUTHORITY  
 WORKERS' COMPENSATION (COVID ONLY) - Expected Confidence Level

Exhibit WC-COVID-5 (page 1)

Preliminary Projected Ultimate Limited Losses to 2021/22

Claim Period (1)	Developed Limited Paid Losses (2)	Developed Limited Reported Incurred Losses (3)	Developed Limited Case Reserves (4)	Preliminary Projected Ultimate Limited Losses (5)
2000/01	\$0	\$0	\$0	\$0
2001/02	0	0	0	0
2002/03	0	0	0	0
2003/04	0	0	0	0
2004/05	0	0	0	0
2005/06	0	0	0	0
2006/07	0	0	0	0
2007/08	0	0	0	0
2008/09	0	0	0	0
2009/10	0	0	0	0
2010/11	0	0	0	0
2011/12	0	0	0	0
2012/13	0	0	0	0
2013/14	0	0	0	0
2014/15	0	0	0	0
2015/16	0	0	0	0
2016/17	0	0	0	0
2017/18	0	0	0	0
2018/19	0	0	0	0
2019/20	126,570	169,681	351,057	211,160
2020/21	974,167	1,350,977	2,251,807	1,508,183
2021/22	3,081,191	3,362,157	3,736,405	3,549,281

ORANGE COUNTY FIRE AUTHORITY  
 WORKERS' COMPENSATION (COVID ONLY) - Expected Confidence Level

Exhibit WC-COVID-5 (page 2)

Preliminary Projected Ultimate Limited Losses to 2021/22

Footnotes:

(2) and (3) are from Exhibit WC-COVID-3.

(4) is from Exhibit WC-COVID-4.

(5) is based on (2) to (4), weighted as follows:

Subject to a minimum of Exhibit WC-COVID-1, (8) and minimum 25% of case reserves as IBNR, unless all claims are closed

Claim Period	Developed Limited Paid Losses	Developed Limited Reported Incurred Losses	Developed Limited Case Reserves
to 2007/08	30.0%	40.0%	30.0%
2008/09	30.0%	40.0%	30.0%
2009/10	30.0%	40.0%	30.0%
2010/11	30.0%	40.0%	30.0%
2011/12	30.0%	40.0%	30.0%
2012/13	30.0%	40.0%	30.0%
2013/14	30.0%	40.0%	30.0%
2014/15	30.0%	40.0%	30.0%
2015/16	30.0%	40.0%	30.0%
2016/17	30.0%	40.0%	30.0%
2017/18	30.0%	40.0%	30.0%
2018/19	30.0%	40.0%	30.0%
2019/20	30.0%	40.0%	30.0%
2020/21	30.0%	40.0%	30.0%
2021/22	0.0%	50.0%	50.0%

Bornhuetter - Ferguson Analysis

I. A-priori Loss Rate

Claim Period (1)	Preliminary Projected Ultimate Limited Losses (2)	Payroll (000) (3)	Limited Loss Rate per \$100 of Payroll (2)/(3)/10 (4)	Loss Rate Trend (2022/23 = 1.000) (5)	Trended Limited Loss Rate per \$100 of Payroll (4)X(5) (6)	Projected A-priori Loss Rate per \$100 of Payroll (7)/(5) (8)
2017/18	\$0	\$197,114	\$0.00	1.065	\$0.00	\$1.05
2018/19	0	217,476	0.00	1.043	0.00	1.08
2019/20	211,160	224,529	0.09	1.033	0.10	1.09
2020/21	1,508,183	244,186	0.62	1.031	0.64	1.09
2021/22	3,549,281	260,227	1.36	1.020	1.39	1.10

(7) Projected 2022/23 a-priori loss rate per \$100 of Payroll \$1.12

II. Bornhuetter - Ferguson Analysis Based on Limited Paid Losses

Claim Period (1)	Limited Paid Losses 12/31/22 (2)	Percent Losses Paid (3)	Projected A-priori Loss Rate per \$100 of Payroll (4)	Payroll (000) (5)	B-F Unpaid Losses (100.0%-(3)) X(4)X(5)X10 (6)	B-F Ultimate Limited Paid Losses (2)+(6) (7)
2017/18	\$0	88.0%	\$1.05	\$197,114	\$249,538	\$249,538
2018/19	0	83.1%	1.08	217,476	395,890	395,890
2019/20	95,877	75.8%	1.09	224,529	592,293	688,170
2020/21	615,186	63.2%	1.09	244,186	980,284	1,595,471
2021/22	1,368,049	44.4%	1.10	260,227	1,593,550	2,961,598

III. Bornhuetter - Ferguson Analysis Based on Limited Reported Incurred Losses

Claim Period (1)	Limited Reported Incurred Losses 12/31/22 (2)	Percent Losses Reported (3)	Projected A-priori Loss Rate per \$100 of Payroll (4)	Payroll (000) (5)	B-F Unreported Losses (100.0%-(3)) X(4)X(5)X10 (6)	B-F Ultimate Limited Reported Losses (2)+(6) (7)
2017/18	\$0	90.3%	\$1.05	\$197,114	\$201,710	\$201,710
2018/19	0	85.8%	1.08	217,476	333,812	333,812
2019/20	134,811	79.5%	1.09	224,529	501,923	636,734
2020/21	957,167	70.9%	1.09	244,186	775,449	1,732,616
2021/22	1,960,138	58.3%	1.10	260,227	1,195,162	3,155,300

Section I, (2) is from Exhibit WC-COVID-5.

Section I, (3), Section II, (5) and Section III, (5) were provided by OCFA

Section I, (5) is based on a 2% trend.

Section I, (7) is based on Section I, (6) and the following weights

Claim Period	Weight
2017/18	0.0%
2018/19	0.0%
2019/20	4.0%
2020/21	28.6%
2021/22	67.4%
Prior	0.0%

where the prior loss rate = \$0.00  
 which was extracted from the previous report)

Sections II and III, (2) are from Exhibit WC-COVID-1

Sections II and III, (3) are from Exhibit WC-COVID-2

Sections II and III, (4) are from Section I, (8)



ORANGE COUNTY FIRE AUTHORITY  
WORKERS' COMPENSATION (COVID ONLY) - Expected Confidence Level

Exhibit WC-COVID-7

Frequency Times Severity Analysis

I. Projected Ultimate Claims

Claim Period (1)	Months of Development 12/31/22 (2)	Reported Claims 12/31/22 (3)	Percent Claims Reported (4)	Projected Ultimate Claims (3)/(4) (5)
2017/18	66	0	100.0%	0
2018/19	54	0	100.0%	0
2019/20	42	22	100.0%	22
2020/21	30	187	100.0%	187
2021/22	18	453	97.6%	464

II. Frequency Times Severity

Claim Period (1)	Preliminary Projected Ultimate Limited Losses (2)	Projected Ultimate Claims (3)	Average Severity (2)/(3) (4)	Severity Trend (2022/23 = 1.000) (5)	Trended Average Claim Severity (4)X(5) (6)	De-Trended Projected 2022/23 Average Claim Severity (7)/(5) (8)	Frequency Times Severity (3)X(8) (9)
2017/18	\$0	0	\$0	1.234	\$0	\$6,761	\$0
2018/19	0	0	0	1.174	0	7,110	0
2019/20	211,160	22	9,598	1.128	10,831	7,396	162,714
2020/21	1,508,183	187	8,065	1.094	8,823	7,629	1,426,666
2021/22	3,549,281	464	7,649	1.051	8,036	7,944	3,686,204

(7) Projected 2022/23 average claim severity

\$8,346

Section I, (3) is from Exhibit WC-COVID-1.

Section I, (4) is from Exhibit WC-COVID-2.

Section II, (2) is from Exhibit WC-COVID-5.

Section II, (3) is from Section I, (5).

Section II, (5) is based on a 5.1% trend

Section II, (7) is based on (6) and the following weights

Claim Period	Weight
2017/18	0.0%
2018/19	0.0%
2019/20	3.3%
2020/21	27.8%
2021/22	68.9%

ORANGE COUNTY FIRE AUTHORITY  
 WORKERS' COMPENSATION (COVID ONLY) - Expected Confidence Level

Exhibit WC-COVID-8 (page 1)

Projected Ultimate Limited Losses to 2021/22

Claim Period (1)	Developed Limited Paid Losses (2)	Developed Limited Reported Incurred Losses (3)	Developed Limited Case Reserves (4)	B-F Paid Method Ultimate Losses (5)	B-F Reported Method Ultimate Losses (6)	Frequency Times Severity (7)	Projected Ultimate Limited Losses (8)
2000/01	\$0	\$0	\$0				\$0
2001/02	0	0	0				0
2002/03	0	0	0				0
2003/04	0	0	0				0
2004/05	0	0	0				0
2005/06	0	0	0				0
2006/07	0	0	0				0
2007/08	0	0	0				0
2008/09	0	0	0				0
2009/10	0	0	0				0
2010/11	0	0	0				0
2011/12	0	0	0				0
2012/13	0	0	0				0
2013/14	0	0	0				0
2014/15	0	0	0				0
2015/16	0	0	0				0
2016/17	0	0	0				0
2017/18	0	0	0	249,538	201,710		0
2018/19	0	0	0	395,890	333,812		0
2019/20	126,570	169,681	351,057	688,170	636,734	162,714	211,160
2020/21	974,167	1,350,977	2,251,807	1,595,471	1,732,616	1,426,666	1,543,743
2021/22	3,081,191	3,362,157	3,736,405	2,961,598	3,155,300	3,686,204	3,326,771

Projected Ultimate Limited Losses to 2021/22

Footnotes:

(2) and (3) are from Exhibit WC-COVID-3.

(4) is from Exhibit WC-COVID-4.

(5) and (6) are from Exhibit WC-COVID-6.

(7) is from Exhibit WC-COVID-7.

(8) is based on (2) to (7), weighted as follows:

Subject to a minimum of Exhibit WC-COVID-1, (8) and minimum 25% of case reserves as IBNR, unless all claims are closed

Claim Period	Developed Limited Paid Losses	Developed Limited Reported Incurred Losses	Developed Limited Case Reserves	B-F Paid Method Ultimate Losses	B-F Reported Method Ultimate Losses	Frequency Times Severity
to 2007/08	30.0%	40.0%	30.0%	0.0%	0.0%	0.0%
2008/09	30.0%	40.0%	30.0%	0.0%	0.0%	0.0%
2009/10	30.0%	40.0%	30.0%	0.0%	0.0%	0.0%
2010/11	30.0%	40.0%	30.0%	0.0%	0.0%	0.0%
2011/12	30.0%	40.0%	30.0%	0.0%	0.0%	0.0%
2012/13	30.0%	40.0%	30.0%	0.0%	0.0%	0.0%
2013/14	30.0%	40.0%	30.0%	0.0%	0.0%	0.0%
2014/15	30.0%	40.0%	30.0%	0.0%	0.0%	0.0%
2015/16	30.0%	40.0%	30.0%	0.0%	0.0%	0.0%
2016/17	30.0%	40.0%	30.0%	0.0%	0.0%	0.0%
2017/18	30.0%	40.0%	30.0%	0.0%	0.0%	0.0%
2018/19	30.0%	40.0%	30.0%	0.0%	0.0%	0.0%
2019/20	30.0%	40.0%	30.0%	0.0%	0.0%	0.0%
2020/21	10.0%	20.0%	10.0%	20.0%	20.0%	20.0%
2021/22	20.0%	20.0%	10.0%	10.0%	20.0%	20.0%

ORANGE COUNTY FIRE AUTHORITY  
 WORKERS' COMPENSATION (COVID ONLY) - Expected Confidence Level

Exhibit WC-COVID-9

Projected Ultimate Limited Losses for 2022/23 and Subsequent

Claim Period (1)	Projected Ultimate Limited Losses (2)	Payroll (000) (3)	Limited Loss Rate per \$100 of Payroll (2)/(3)/10 (4)	Loss Rate Trend (2022/23 = 1.000) (5)	Trended Limited Loss Rate per \$100 of Payroll (4)X(5) (6)
2017/18	\$0	\$197,114	\$0.00	1.065	\$0.00
2018/19	0	217,476	0.00	1.043	0.00
2019/20	211,160	224,529	0.09	1.033	0.10
2020/21	1,543,743	244,186	0.63	1.031	0.65
2021/22	3,326,771	260,227	1.28	1.020	1.30
<b>Total</b>	<b>\$5,081,674</b>	<b>\$1,143,531</b>	<b>\$0.44</b>		<b>\$0.41</b>

Claim Period (1)	Projected Limited Loss Rate per \$100 of Payroll (7)	Projected Payroll (000) (8)	Projected Ultimate Limited Losses (7)X(8)X10 (9)	Present Value Factor (10)	Present Value of Projected Limited Loss Rate per \$100 of Payroll (7)X(10) (11)	Present Value of Projected Ultimate Limited Losses (8)X(11)X10 (12)
2022/23	\$1.07	\$268,034	\$2,867,964	0.95	\$1.02	\$2,733,947
2023/24	1.09	276,075	3,009,218	0.95	1.04	2,871,180
2024/25	1.11	284,357	3,156,366	0.95	1.05	2,985,751
2025/26	1.14	292,888	3,338,923	0.95	1.08	3,163,190
2026/27	1.16	301,675	3,499,426	0.95	1.10	3,318,421

(2) is from Exhibit WC-COVID-8.

(3) was provided by OCFA.

(5) is based on a 2% trend.

(7) for 2022/23 is based on (6) and the following weights

Claim Period	Weights
2017/18	0.0%
2018/19	0.0%
2019/20	4.0%
2020/21	28.6%
2021/22	67.4%
Prior	0.0%

where the prior loss rate = \$0.00

(7) for 2023/24 and subsequent are based on 2022/23 plus a 2% trend

(8) is based on (3) for 2021/22 and a 3% trend

(10) is based on a 2% interest rate and the payout pattern in Exhibit WC-COVID-2

ORANGE COUNTY FIRE AUTHORITY  
 WORKERS' COMPENSATION (COVID ONLY) - Expected Confidence Level

Exhibit WC-COVID-10

Estimated Outstanding Losses as of December 31, 2022

Claim Period (1)	Limited Paid Losses 12/31/22 (2)	Limited Case Reserves 12/31/22 (3)	Limited Reported Incurred Losses 12/31/22 (4)	Projected Ultimate Limited Losses (5)	Estimated Outstanding Losses 12/31/22 (5)-(2) (6)	Estimated IBNR 12/31/22 (6)-(3) (7)
2000/01	\$0	\$0	\$0	\$0	\$0	\$0
2001/02	0	0	0	0	0	0
2002/03	0	0	0	0	0	0
2003/04	0	0	0	0	0	0
2004/05	0	0	0	0	0	0
2005/06	0	0	0	0	0	0
2006/07	0	0	0	0	0	0
2007/08	0	0	0	0	0	0
2008/09	0	0	0	0	0	0
2009/10	0	0	0	0	0	0
2010/11	0	0	0	0	0	0
2011/12	0	0	0	0	0	0
2012/13	0	0	0	0	0	0
2013/14	0	0	0	0	0	0
2014/15	0	0	0	0	0	0
2015/16	0	0	0	0	0	0
2016/17	0	0	0	0	0	0
2017/18	0	0	0	0	0	0
2018/19	0	0	0	0	0	0
2019/20	95,877	38,935	134,811	211,160	115,284	76,349
2020/21	615,186	341,980	957,167	1,543,743	928,557	586,577
2021/22	1,368,049	592,089	1,960,138	3,326,771	1,958,722	1,366,633
2022/23	118,047	113,232	231,279	1,433,982	1,315,935	1,202,703
<b>Total</b>	<b>\$2,197,159</b>	<b>\$1,086,236</b>	<b>\$3,283,395</b>	<b>\$6,515,656</b>	<b>\$4,318,498</b>	<b>\$3,232,262</b>

The amounts above reflect aggregate reinsurance.

(2), (3) and (4) are from Exhibit WC-COVID-1.

(5) to 2021/22 is from Exhibit WC-COVID-8. The amount for 2022/23 is from Exhibit WC-COVID-9. (50% of the period)

ORANGE COUNTY FIRE AUTHORITY  
 WORKERS' COMPENSATION (COVID ONLY) - Expected Confidence Level

Exhibit WC-COVID-11

Present Value of Estimated Outstanding Losses as of December 31, 2022

Claim Period (1)	Estimated Outstanding Losses 12/31/22 (2)	Present Value Factor (3)	Present Value of Estimated Outstanding Losses 12/31/22 (2)X(3) (4)	Anticipated Future Investment Income (2)-(4) (5)
2000/01	\$0	0.95	\$0	\$0
2001/02	0	1.00	0	0
2002/03	0	1.00	0	0
2003/04	0	1.00	0	0
2004/05	0	0.95	0	0
2005/06	0	0.95	0	0
2006/07	0	0.95	0	0
2007/08	0	0.95	0	0
2008/09	0	0.95	0	0
2009/10	0	0.95	0	0
2010/11	0	0.96	0	0
2011/12	0	0.97	0	0
2012/13	0	0.96	0	0
2013/14	0	0.96	0	0
2014/15	0	0.96	0	0
2015/16	0	0.96	0	0
2016/17	0	0.95	0	0
2017/18	0	0.95	0	0
2018/19	0	0.95	0	0
2019/20	115,284	0.95	109,405	5,879
2020/21	928,557	0.95	882,129	46,428
2021/22	1,958,722	0.95	1,864,703	94,019
2022/23	1,315,935	0.95	1,252,770	63,165
<b>Total</b>	<b>\$4,318,498</b>		<b>\$4,109,007</b>	<b>\$209,491</b>

(2) is from Exhibit WC-COVID-10.

(3) is based on a 2% interest rate and the payout pattern in Exhibit WC-COVID-2

ORANGE COUNTY FIRE AUTHORITY  
 WORKERS' COMPENSATION (COVID ONLY) - Expected Confidence Level

Exhibit WC-COVID-12 (page 1)

Projected Losses Paid January 1, 2023 to June 30, 2027

I. Projected Losses Paid January 1, 2023 to June 30, 2023

Claim Period (1)	Months of Development 12/31/22 (2)	Percent Losses Paid (3)	Months of Development 6/30/23 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 1/1/23 to 6/30/23 ((5)-(3))/ (100.0%-(3)) (6)	Estimated Outstanding Losses 12/31/22 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/23 (7)-(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/23 (9)X(10) (11)
2000/01	270.0	100.0%	276.0	100.0%	5.0% *	\$0	\$0	\$0	1.00	\$0
2001/02	258.0	100.0%	264.0	100.0%	5.0% *	0	0	0	1.00	0
2002/03	246.0	100.0%	252.0	100.0%	5.0% *	0	0	0	1.00	0
2003/04	234.0	100.0%	240.0	100.0%	5.0% *	0	0	0	1.00	0
2004/05	222.0	100.0%	228.0	100.0%	5.0% *	0	0	0	0.95	0
2005/06	210.0	99.9%	216.0	100.0%	5.0% *	0	0	0	0.95	0
2006/07	198.0	99.9%	204.0	99.9%	5.0% *	0	0	0	0.95	0
2007/08	186.0	99.9%	192.0	99.9%	5.0% *	0	0	0	0.95	0
2008/09	174.0	99.8%	180.0	99.9%	5.0% *	0	0	0	0.95	0
2009/10	162.0	99.7%	168.0	99.8%	5.0% *	0	0	0	0.95	0
2010/11	150.0	99.4%	156.0	99.6%	5.0% *	0	0	0	0.96	0
2011/12	138.0	99.0%	144.0	99.2%	5.0% *	0	0	0	0.97	0
2012/13	126.0	98.4%	132.0	98.7%	5.0% *	0	0	0	0.96	0
2013/14	114.0	97.6%	120.0	98.0%	5.0% *	0	0	0	0.96	0
2014/15	102.0	96.4%	108.0	97.1%	5.0% *	0	0	0	0.96	0
2015/16	90.0	94.6%	96.0	95.6%	5.0% *	0	0	0	0.96	0
2016/17	78.0	91.9%	84.0	93.5%	5.0% *	0	0	0	0.95	0
2017/18	66.0	88.0%	72.0	90.3%	5.0% *	0	0	0	0.95	0
2018/19	54.0	83.1%	60.0	85.7%	5.0% *	0	0	0	0.95	0
2019/20	42.0	75.8%	48.0	80.5%	5.0% *	115,284	5,764	109,520	0.95	103,934
2020/21	30.0	63.2%	36.0	71.0%	5.0% *	928,557	46,428	882,129	0.95	838,023
2021/22	18.0	44.4%	24.0	55.3%	5.0% *	1,958,722	97,936	1,860,786	0.95	1,771,468
2022/23	6.0	16.8%	12.0	33.5%	5.0% *	2,749,917	137,496	2,612,421	0.95	2,487,025
<b>Total</b>						<b>\$5,752,480</b>	<b>\$287,624</b>	<b>\$5,464,856</b>		<b>\$5,200,450</b>

ORANGE COUNTY FIRE AUTHORITY  
WORKERS' COMPENSATION (COVID ONLY) - Expected Confidence Level

Exhibit WC-COVID-12 (page 2)

Projected Losses Paid January 1, 2023 to June 30, 2027

II. Projected Losses Paid July 1, 2023 to June 30, 2024

Claim Period (1)	Months of Development 6/30/23 (2)	Percent Losses Paid (3)	Months of Development 6/30/24 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/23 to 6/30/24 ((5)-(3))/ (100.0%-(3)) (6)	Estimated Outstanding Losses 6/30/23 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/24 (7)-(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/24 (9)X(10) (11)
2000/01	276.0	100.0%	288.0	100.0%	10.0% *	\$0	\$0	\$0	1.00	\$0
2001/02	264.0	100.0%	276.0	100.0%	10.0% *	0	0	0	1.00	0
2002/03	252.0	100.0%	264.0	100.0%	10.0% *	0	0	0	1.00	0
2003/04	240.0	100.0%	252.0	100.0%	10.0% *	0	0	0	1.00	0
2004/05	228.0	100.0%	240.0	100.0%	10.0% *	0	0	0	1.00	0
2005/06	216.0	100.0%	228.0	100.0%	10.0% *	0	0	0	0.95	0
2006/07	204.0	99.9%	216.0	100.0%	10.0% *	0	0	0	0.95	0
2007/08	192.0	99.9%	204.0	99.9%	10.0% *	0	0	0	0.95	0
2008/09	180.0	99.9%	192.0	99.9%	10.0% *	0	0	0	0.95	0
2009/10	168.0	99.8%	180.0	99.9%	10.0% *	0	0	0	0.95	0
2010/11	156.0	99.6%	168.0	99.8%	10.0% *	0	0	0	0.95	0
2011/12	144.0	99.2%	156.0	99.6%	10.0% *	0	0	0	0.96	0
2012/13	132.0	98.7%	144.0	99.2%	10.0% *	0	0	0	0.97	0
2013/14	120.0	98.0%	132.0	98.7%	10.0% *	0	0	0	0.96	0
2014/15	108.0	97.1%	120.0	98.0%	10.0% *	0	0	0	0.96	0
2015/16	96.0	95.6%	108.0	97.1%	10.0% *	0	0	0	0.96	0
2016/17	84.0	93.5%	96.0	95.6%	10.0% *	0	0	0	0.96	0
2017/18	72.0	90.3%	84.0	93.5%	10.0% *	0	0	0	0.95	0
2018/19	60.0	85.7%	72.0	90.3%	10.0% *	0	0	0	0.95	0
2019/20	48.0	80.5%	60.0	85.7%	10.0% *	109,520	10,952	98,568	0.95	93,935
2020/21	36.0	71.0%	48.0	80.5%	10.0% *	882,129	88,213	793,916	0.95	753,426
2021/22	24.0	55.3%	36.0	71.0%	10.0% *	1,860,786	186,079	1,674,707	0.95	1,590,972
2022/23	12.0	33.5%	24.0	55.3%	10.0% *	2,612,421	261,242	2,351,179	0.95	2,238,322
2023/24	0.0	0.0%	12.0	33.5%	10.0% *	3,009,218	300,922	2,708,296	0.95	2,578,298
<b>Total</b>						<b>\$8,474,074</b>	<b>\$847,408</b>	<b>\$7,626,666</b>		<b>\$7,254,953</b>



ORANGE COUNTY FIRE AUTHORITY  
WORKERS' COMPENSATION (COVID ONLY) - Expected Confidence Level

Exhibit WC-COVID-12 (page 3)

Projected Losses Paid January 1, 2023 to June 30, 2027

III. Projected Losses Paid July 1, 2024 to June 30, 2025

Claim Period (1)	Months of Development 6/30/24 (2)	Percent Losses Paid (3)	Months of Development 6/30/25 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/24 to 6/30/25 ((5)-(3))/ (100.0%-(3)) (6)	Estimated Outstanding Losses 6/30/24 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/25 (7)-(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/25 (9)X(10) (11)
2000/01	288.0	100.0%	300.0	100.0%	10.0% *	\$0	\$0	\$0	1.00	\$0
2001/02	276.0	100.0%	288.0	100.0%	10.0% *	0	0	0	1.00	0
2002/03	264.0	100.0%	276.0	100.0%	10.0% *	0	0	0	1.00	0
2003/04	252.0	100.0%	264.0	100.0%	10.0% *	0	0	0	1.00	0
2004/05	240.0	100.0%	252.0	100.0%	10.0% *	0	0	0	1.00	0
2005/06	228.0	100.0%	240.0	100.0%	10.0% *	0	0	0	1.00	0
2006/07	216.0	100.0%	228.0	100.0%	10.0% *	0	0	0	0.95	0
2007/08	204.0	99.9%	216.0	100.0%	10.0% *	0	0	0	0.95	0
2008/09	192.0	99.9%	204.0	99.9%	10.0% *	0	0	0	0.95	0
2009/10	180.0	99.9%	192.0	99.9%	10.0% *	0	0	0	0.95	0
2010/11	168.0	99.8%	180.0	99.9%	10.0% *	0	0	0	0.95	0
2011/12	156.0	99.6%	168.0	99.8%	10.0% *	0	0	0	0.95	0
2012/13	144.0	99.2%	156.0	99.6%	10.0% *	0	0	0	0.96	0
2013/14	132.0	98.7%	144.0	99.2%	10.0% *	0	0	0	0.97	0
2014/15	120.0	98.0%	132.0	98.7%	10.0% *	0	0	0	0.96	0
2015/16	108.0	97.1%	120.0	98.0%	10.0% *	0	0	0	0.96	0
2016/17	96.0	95.6%	108.0	97.1%	10.0% *	0	0	0	0.96	0
2017/18	84.0	93.5%	96.0	95.6%	10.0% *	0	0	0	0.96	0
2018/19	72.0	90.3%	84.0	93.5%	10.0% *	0	0	0	0.95	0
2019/20	60.0	85.7%	72.0	90.3%	10.0% *	98,568	9,857	88,711	0.95	84,630
2020/21	48.0	80.5%	60.0	85.7%	10.0% *	793,916	79,392	714,524	0.95	680,941
2021/22	36.0	71.0%	48.0	80.5%	10.0% *	1,674,707	167,471	1,507,236	0.95	1,430,367
2022/23	24.0	55.3%	36.0	71.0%	10.0% *	2,351,179	235,118	2,116,061	0.95	2,010,258
2023/24	12.0	33.5%	24.0	55.3%	10.0% *	2,708,296	270,830	2,437,466	0.95	2,320,468
2024/25	0.0	0.0%	12.0	33.5%	10.0% *	3,156,366	315,637	2,840,729	0.95	2,704,374
<b>Total</b>						<b>\$10,783,032</b>	<b>\$1,078,305</b>	<b>\$9,704,727</b>		<b>\$9,231,038</b>

ORANGE COUNTY FIRE AUTHORITY  
WORKERS' COMPENSATION (COVID ONLY) - Expected Confidence Level

Exhibit WC-COVID-12 (page 4)

Projected Losses Paid January 1, 2023 to June 30, 2027

IV. Projected Losses Paid July 1, 2025 to June 30, 2026

Claim Period (1)	Months of Development 6/30/25 (2)	Percent Losses Paid (3)	Months of Development 6/30/26 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/25 to 6/30/26 ((5)-(3))/ (100.0%-(3)) (6)	Estimated Outstanding Losses 6/30/25 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/26 (7)-(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/26 (9)X(10) (11)
2000/01	300.0	100.0%	312.0	100.0%	10.0% *	\$0	\$0	\$0	1.00	\$0
2001/02	288.0	100.0%	300.0	100.0%	10.0% *	0	0	0	1.00	0
2002/03	276.0	100.0%	288.0	100.0%	10.0% *	0	0	0	1.00	0
2003/04	264.0	100.0%	276.0	100.0%	10.0% *	0	0	0	1.00	0
2004/05	252.0	100.0%	264.0	100.0%	10.0% *	0	0	0	1.00	0
2005/06	240.0	100.0%	252.0	100.0%	10.0% *	0	0	0	1.00	0
2006/07	228.0	100.0%	240.0	100.0%	10.0% *	0	0	0	1.00	0
2007/08	216.0	100.0%	228.0	100.0%	10.0% *	0	0	0	0.95	0
2008/09	204.0	99.9%	216.0	100.0%	10.0% *	0	0	0	0.95	0
2009/10	192.0	99.9%	204.0	99.9%	10.0% *	0	0	0	0.95	0
2010/11	180.0	99.9%	192.0	99.9%	10.0% *	0	0	0	0.95	0
2011/12	168.0	99.8%	180.0	99.9%	10.0% *	0	0	0	0.95	0
2012/13	156.0	99.6%	168.0	99.8%	10.0% *	0	0	0	0.95	0
2013/14	144.0	99.2%	156.0	99.6%	10.0% *	0	0	0	0.96	0
2014/15	132.0	98.7%	144.0	99.2%	10.0% *	0	0	0	0.97	0
2015/16	120.0	98.0%	132.0	98.7%	10.0% *	0	0	0	0.96	0
2016/17	108.0	97.1%	120.0	98.0%	10.0% *	0	0	0	0.96	0
2017/18	96.0	95.6%	108.0	97.1%	10.0% *	0	0	0	0.96	0
2018/19	84.0	93.5%	96.0	95.6%	10.0% *	0	0	0	0.96	0
2019/20	72.0	90.3%	84.0	93.5%	10.0% *	88,711	8,871	79,840	0.95	76,167
2020/21	60.0	85.7%	72.0	90.3%	10.0% *	714,524	71,452	643,072	0.95	613,491
2021/22	48.0	80.5%	60.0	85.7%	10.0% *	1,507,236	150,724	1,356,512	0.95	1,292,756
2022/23	36.0	71.0%	48.0	80.5%	10.0% *	2,116,061	211,606	1,904,455	0.95	1,807,328
2023/24	24.0	55.3%	36.0	71.0%	10.0% *	2,437,466	243,747	2,193,719	0.95	2,084,033
2024/25	12.0	33.5%	24.0	55.3%	10.0% *	2,840,729	284,073	2,556,656	0.95	2,433,937
2025/26	0.0	0.0%	12.0	33.5%	10.0% *	3,338,923	333,892	3,005,031	0.95	2,860,790
<b>Total</b>						<b>\$13,043,650</b>	<b>\$1,304,365</b>	<b>\$11,739,285</b>		<b>\$11,168,502</b>

ORANGE COUNTY FIRE AUTHORITY  
WORKERS' COMPENSATION (COVID ONLY) - Expected Confidence Level

Exhibit WC-COVID-12 (page 5)

Projected Losses Paid January 1, 2023 to June 30, 2027

V. Projected Losses Paid July 1, 2026 to June 30, 2027

Claim Period (1)	Months of Development 6/30/26 (2)	Percent Losses Paid (3)	Months of Development 6/30/27 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/26 to 6/30/27 ((5)-(3))/ (100.0%-(3)) (6)	Estimated Outstanding Losses 6/30/26 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/27 (7)-(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/27 (9)X(10) (11)
2000/01	312.0	100.0%	324.0	100.0%	10.0% *	\$0	\$0	\$0	1.00	\$0
2001/02	300.0	100.0%	312.0	100.0%	10.0% *	0	0	0	1.00	0
2002/03	288.0	100.0%	300.0	100.0%	10.0% *	0	0	0	1.00	0
2003/04	276.0	100.0%	288.0	100.0%	10.0% *	0	0	0	1.00	0
2004/05	264.0	100.0%	276.0	100.0%	10.0% *	0	0	0	1.00	0
2005/06	252.0	100.0%	264.0	100.0%	10.0% *	0	0	0	1.00	0
2006/07	240.0	100.0%	252.0	100.0%	10.0% *	0	0	0	1.00	0
2007/08	228.0	100.0%	240.0	100.0%	10.0% *	0	0	0	1.00	0
2008/09	216.0	100.0%	228.0	100.0%	10.0% *	0	0	0	0.95	0
2009/10	204.0	99.9%	216.0	100.0%	10.0% *	0	0	0	0.95	0
2010/11	192.0	99.9%	204.0	99.9%	10.0% *	0	0	0	0.95	0
2011/12	180.0	99.9%	192.0	99.9%	10.0% *	0	0	0	0.95	0
2012/13	168.0	99.8%	180.0	99.9%	10.0% *	0	0	0	0.95	0
2013/14	156.0	99.6%	168.0	99.8%	10.0% *	0	0	0	0.95	0
2014/15	144.0	99.2%	156.0	99.6%	10.0% *	0	0	0	0.96	0
2015/16	132.0	98.7%	144.0	99.2%	10.0% *	0	0	0	0.97	0
2016/17	120.0	98.0%	132.0	98.7%	10.0% *	0	0	0	0.96	0
2017/18	108.0	97.1%	120.0	98.0%	10.0% *	0	0	0	0.96	0
2018/19	96.0	95.6%	108.0	97.1%	10.0% *	0	0	0	0.96	0
2019/20	84.0	93.5%	96.0	95.6%	10.0% *	79,840	7,984	71,856	0.96	68,694
2020/21	72.0	90.3%	84.0	93.5%	10.0% *	643,072	64,307	578,765	0.95	552,142
2021/22	60.0	85.7%	72.0	90.3%	10.0% *	1,356,512	135,651	1,220,861	0.95	1,164,701
2022/23	48.0	80.5%	60.0	85.7%	10.0% *	1,904,455	190,446	1,714,009	0.95	1,633,451
2023/24	36.0	71.0%	48.0	80.5%	10.0% *	2,193,719	219,372	1,974,347	0.95	1,873,655
2024/25	24.0	55.3%	36.0	71.0%	10.0% *	2,556,656	255,666	2,300,990	0.95	2,185,941
2025/26	12.0	33.5%	24.0	55.3%	10.0% *	3,005,031	300,503	2,704,528	0.95	2,574,711
2026/27	0.0	0.0%	12.0	33.5%	10.0% *	3,499,426	349,943	3,149,483	0.95	2,998,308
<b>Total</b>						<b>\$15,238,711</b>	<b>\$1,523,872</b>	<b>\$13,714,839</b>		<b>\$13,051,603</b>

ORANGE COUNTY FIRE AUTHORITY  
WORKERS' COMPENSATION (COVID ONLY) - Expected Confidence Level

Exhibit WC-COVID-12 (page 6)

Projected Losses Paid January 1, 2023 to June 30, 2027

Footnotes:

Sections I, II, III, IV and V, (3) and (5) are from Exhibit WC-COVID-2.

Section I, (7) to 2021/22 is from Exhibit WC-COVID-10. The amount for 2022/23 is for the full period

Section II, (7) to 2022/23 is from Section I, (9). The amount for 2023/24 is from Exhibit WC-COVID-9.

Section III, (7) to 2023/24 is from Section II, (9). The amount for 2024/25 is from Exhibit WC-COVID-9.

Section IV, (7) to 2024/25 is from Section III, (9). The amount for 2025/26 is from Exhibit WC-COVID-9.

Section V, (7) to 2025/26 is from Section IV, (9). The amount for 2026/27 is from Exhibit WC-COVID-9

Sections I, II, III, IV and V, (10) are based on a 2% interest rate and the payout pattern in Exhibit WC-COVID-2

\* - Limited to a maximum of 10% per actuarial judgment.

Loss Rate and Severity Trend

I. Benefit Level Changes

Effective Date (1)	Benefit Level Change (2)	Cumulative Benefit Level Change (3)
1/1/1999	1.093	1.093
4/1/1999	1.011	1.105
1/1/2000	1.086	1.200
1/1/2001	1.068	1.282
4/13/2001	1.010	1.294
6/29/2001	1.002	1.297
1/1/2002	0.997	1.293
1/1/2003	1.051	1.359
1/1/2004	0.759	1.032
4/19/2004	0.831	0.857
1/1/2005	0.768	0.658
1/1/2006	0.965	0.635
1/1/2007	1.006	0.639
2/15/2007	1.011	0.646
1/1/2008	1.022	0.660
1/1/2009	1.013	0.669
1/1/2010	1.001	0.670
1/1/2011	0.987	0.661
1/1/2012	0.982	0.649
1/1/2013	0.967	0.628
1/1/2014	1.012	0.635
1/1/2015	1.001	0.636
1/1/2016	1.002	0.637
1/1/2017	0.992	0.632
1/1/2018	0.997	0.630
1/1/2019	1.001	0.631
1/1/2020	1.019	0.643
1/1/2021	1.018	0.654

II. Loss Rate and Severity Trend

Claim Period (1)	Benefit Trend (2022/23 = 1.000) (2)	Residual Trend (2022/23 = 1.000) (3)	Retention Index (2022/23 = 1.000) (4)	Loss Rate Trend (2022/23 = 1.000) = (2)X(3)X(4) (5)	Wage Trend (2022/23 = 1.000) (6)	Severity Trend (2022/23 = 1.000) = (5)X(6) (7)
2017/18	0.964	1.104	1.000	1.065	1.159	1.234
2018/19	0.964	1.082	1.000	1.043	1.126	1.174
2019/20	0.973	1.061	1.000	1.033	1.093	1.128
2020/21	0.991	1.040	1.000	1.031	1.061	1.094
2021/22	1.000	1.020	1.000	1.020	1.030	1.051
2022/23	1.000	1.000	1.000	1.000	1.000	1.000
2023/24	1.000	0.980	1.000	0.980	0.971	0.952
2024/25	1.000	0.961	1.000	0.961	0.943	0.906
2025/26	1.000	0.942	1.000	0.942	0.915	0.862
2026/27	1.000	0.924	1.000	0.924	0.888	0.821

Section I, (2) is extracted from the NCCI Annual Statistical Bulletin

Section I, (3) is the cumulative of Section I, (2).

Section II, (2) is based on Section I, (2).

Section II, (3) is based on 2% trend per actuarial judgment.

Section II, (6) is based on 3% trend.

ORANGE COUNTY FIRE AUTHORITY  
 WORKERS' COMPENSATION (EXCLUDING COVID) - Expected Confidence Level

Exhibit WC-1

Data Valued as of December 31, 2022

Claim Period (1)	Specific Self-Insured Retention (2)	Months of Development 12/31/22 (3)	Reported Claims 12/31/22 (4)	Open Claims 12/31/22 (5)	Limited Paid Losses 12/31/22 (6)	Limited Case Reserves 12/31/22 (7)	Limited Reported Incurred Losses 12/31/22 (8)
2000/01	N/A	270.0	0	0	\$0	\$0	\$0
2001/02	600,000	258.0	132	3	2,214,424	145,711	2,360,135
2002/03	600,000	246.0	406	7	7,327,078	410,847	7,737,925
2003/04	2,000,000	234.0	321	9	4,732,508	679,654	5,412,162
2004/05	2,000,000	222.0	337	12	5,508,490	912,596	6,421,086
2005/06	2,000,000	210.0	395	8	7,062,031	793,630	7,855,661
2006/07	2,000,000	198.0	422	9	8,474,112	897,614	9,371,726
2007/08	2,000,000	186.0	475	13	8,136,921	1,484,369	9,621,290
2008/09	2,000,000	174.0	460	11	8,405,504	1,338,633	9,744,137
2009/10	2,000,000	162.0	469	17	8,796,500	1,218,239	10,014,740
2010/11	2,000,000	150.0	392	16	9,177,992	2,774,946	11,952,938
2011/12	2,000,000	138.0	472	18	8,555,881	1,510,117	10,065,999
2012/13	2,000,000	126.0	481	24	8,869,277	1,458,830	10,328,107
2013/14	2,000,000	114.0	528	31	9,627,016	2,367,758	11,994,774
2014/15	2,000,000	102.0	385	33	8,541,894	1,943,048	10,484,943
2015/16	2,000,000	90.0	402	38	9,697,413	3,057,074	12,754,486
2016/17	2,000,000	78.0	460	69	11,269,519	5,339,990	16,609,509
2017/18	2,000,000	66.0	479	102	13,714,846	6,976,512	20,691,358
2018/19	2,000,000	54.0	407	125	10,682,839	8,727,499	19,410,339
2019/20	2,000,000	42.0	478	146	9,880,365	8,553,128	18,433,492
2020/21	2,000,000	30.0	470	193	14,647,982	9,966,183	24,614,165
2021/22	2,000,000	18.0	517	257	6,912,760	10,284,456	17,197,217
2022/23	2,000,000	6.0	237	147	977,901	4,676,311	5,654,212
<b>Total</b>			<b>9,125</b>	<b>1,288</b>	<b>\$183,213,252 #</b>	<b>\$75,517,145 #</b>	<b>\$258,730,398 #</b>

Amounts exclude COVID-19 claims.

# - Data is for medical, indemnity and expenses excluding 4850 benefits.

(6), (7) and (8) are net of specific excess reinsurance, but gross of aggregate reinsurance.

Data was provided by Corvel.

ORANGE COUNTY FIRE AUTHORITY  
 WORKERS' COMPENSATION (EXCLUDING COVID) - Expected Confidence Level

Exhibit WC-2 (page 1)

Summary of Percent Losses Paid, Losses Reported and Claims Reported

Months of Development (1)	Percent Losses Paid (2)	Percent Losses Reported (3)	Percent Claims Reported (4)	Months of Development (5)	Percent Losses Paid (6)	Percent Losses Reported (7)	Percent Claims Reported (8)
360.0	100.0%	100.0%	100.0%	360.0	100.0%	100.0%	100.0%
348.0	99.9%	100.0%	100.0%	348.0	99.9%	100.0%	100.0%
336.0	99.9%	100.0%	100.0%	336.0	99.9%	100.0%	100.0%
324.0	99.9%	100.0%	100.0%	324.0	99.9%	100.0%	100.0%
312.0	99.9%	100.0%	100.0%	312.0	99.9%	100.0%	100.0%
300.0	99.8%	100.0%	100.0%	300.0	99.8%	100.0%	100.0%
288.0	99.7%	100.0%	100.0%	288.0	99.7%	100.0%	100.0%
276.0	99.6%	100.0%	100.0%	276.0	99.6%	100.0%	100.0%
264.0	99.4%	100.0%	100.0%	264.0	99.4%	100.0%	100.0%
252.0	99.1%	100.0%	100.0%	252.0	99.1%	100.0%	100.0%
240.0	98.7%	100.0%	100.0%	240.0	98.7%	100.0%	100.0%
228.0	98.2%	100.0%	100.0%	228.0	98.2%	100.0%	100.0%
216.0	97.4%	100.0%	100.0%	216.0	97.4%	100.0%	100.0%
204.0	96.3%	100.0%	100.0%	204.0	96.3%	100.0%	100.0%
192.0	94.8%	99.9%	100.0%	192.0	94.8%	99.9%	100.0%
180.0	92.5%	99.4%	100.0%	180.0	92.5%	99.4%	100.0%
168.0	89.3%	96.2%	100.0%	168.0	89.3%	96.2%	100.0%
156.0	86.0%	95.9%	100.0%	156.0	86.0%	95.9%	100.0%
144.0	81.6%	95.6%	100.0%	144.0	81.6%	95.6%	100.0%
132.0	80.1%	95.3%	100.0%	132.0	80.1%	95.3%	100.0%
120.0	78.7%	94.3%	100.0%	120.0	78.7%	94.3%	100.0%
108.0	75.6%	92.8%	100.0%	108.0	75.6%	92.8%	100.0%
96.0	74.2%	91.3%	100.0%	96.0	74.2%	91.3%	100.0%
84.0	70.0%	89.6%	100.0%	84.0	70.0%	89.6%	100.0%
72.0	66.4%	86.7%	100.0%	72.0	66.4%	86.7%	100.0%
60.0	54.9%	83.3%	99.7%	60.0	54.9%	83.3%	99.7%
48.0	45.1%	77.1%	99.4%	48.0	45.1%	77.1%	99.4%
36.0	34.1%	70.3%	99.0%	36.0	34.1%	70.3%	99.0%
24.0	24.2%	59.6%	98.0%	24.0	24.2%	59.6%	98.0%
12.0	10.6%	37.7%	91.7%	12.0	10.6%	37.7%	91.7%

ORANGE COUNTY FIRE AUTHORITY  
 WORKERS' COMPENSATION (EXCLUDING COVID) - Expected Confidence Level

Exhibit WC-2 (page 2)

Summary of Percent Losses Paid, Losses Reported and Claims Reported

Months of Development (9)	Percent Losses Paid (10)	Percent Losses Reported (11)	Percent Claims Reported (12)	Months of Development (13)	Percent Losses Paid (14)	Percent Losses Reported (15)	Percent Claims Reported (16)
360.0	100.0%	100.0%	100.0%	354.0	100.0%	100.0%	100.0%
348.0	99.9%	100.0%	100.0%	342.0	99.9%	100.0%	100.0%
336.0	99.9%	100.0%	100.0%	330.0	99.9%	100.0%	100.0%
324.0	99.9%	100.0%	100.0%	318.0	99.9%	100.0%	100.0%
312.0	99.9%	100.0%	100.0%	306.0	99.8%	100.0%	100.0%
300.0	99.8%	100.0%	100.0%	294.0	99.7%	100.0%	100.0%
288.0	99.7%	100.0%	100.0%	282.0	99.6%	100.0%	100.0%
276.0	99.6%	100.0%	100.0%	270.0	99.5%	100.0%	100.0%
264.0	99.4%	100.0%	100.0%	258.0	99.3%	100.0%	100.0%
252.0	99.1%	100.0%	100.0%	246.0	98.9%	100.0%	100.0%
240.0	98.7%	100.0%	100.0%	234.0	98.5%	100.0%	100.0%
228.0	98.2%	100.0%	100.0%	222.0	97.8%	100.0%	100.0%
216.0	97.4%	100.0%	100.0%	210.0	96.9%	100.0%	100.0%
204.0	96.3%	100.0%	100.0%	198.0	95.5%	100.0%	100.0%
192.0	94.8%	99.9%	100.0%	186.0	93.6%	99.7%	100.0%
180.0	92.5%	99.4%	100.0%	174.0	90.9%	97.8%	100.0%
168.0	89.3%	96.2%	100.0%	162.0	87.7%	96.1%	100.0%
156.0	86.0%	95.9%	100.0%	150.0	83.8%	95.8%	100.0%
144.0	81.6%	95.6%	100.0%	138.0	80.9%	95.5%	100.0%
132.0	80.1%	95.3%	100.0%	126.0	79.4%	94.8%	100.0%
120.0	78.7%	94.3%	100.0%	114.0	77.2%	93.6%	100.0%
108.0	75.6%	92.8%	100.0%	102.0	74.9%	92.1%	100.0%
96.0	74.2%	91.3%	100.0%	90.0	72.1%	90.5%	100.0%
84.0	70.0%	89.6%	100.0%	78.0	68.2%	88.2%	100.0%
72.0	66.4%	86.7%	100.0%	66.0	60.7%	85.0%	99.9%
60.0	54.9%	83.3%	99.7%	54.0	50.0%	80.2%	99.6%
48.0	45.1%	77.1%	99.4%	42.0	39.6%	73.7%	99.2%
36.0	34.1%	70.3%	99.0%	30.0	29.2%	65.0%	98.5%
24.0	24.2%	59.6%	98.0%	18.0	17.4%	48.7%	94.9%
12.0	10.6%	37.7%	91.7%	6.0	5.3%	18.9%	45.9%

(2) is from Exhibit WC-2 (page 4).

(3) is from Exhibit WC-2 (page 6).

(4) is from Exhibit WC-2 (page 8).

(6), (7), (8), (10), (11), (12), (14), (15) and (16) are interpolated, based on (2), (3) and (4)



ORANGE COUNTY FIRE AUTHORITY  
 WORKERS' COMPENSATION (EXCLUDING COVID) - Expected Confidence Level

Exhibit WC-2 (page 3)

Historical Limited Paid Losses and Limited Paid Loss Development

I. Historical Limited Paid Losses (\$000)

Claim Period	Months of Development:																			
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240
2000/01																				
2001/02				993	1,278	1,396	1,588	1,654	1,720	1,769	1,814	1,859	1,886	1,972	2,015	2,039	2,108	2,155	2,182	2,197
2002/03			3,116	3,917	4,512	4,973	5,368	5,705	5,940	6,117	6,229	6,308	6,534	6,636	6,709	6,850	6,979	7,106	7,277	7,311
2003/04		1,296	1,626	2,092	2,412	2,691	2,910	3,077	3,291	3,629	3,699	3,807	3,858	4,029	4,226	4,578	4,628	4,660	4,699	
2004/05	602	1,759	2,368	2,842	3,172	3,548	3,924	4,139	4,278	4,501	4,600	4,807	4,892	5,140	5,245	5,325	5,421	5,481		
2005/06	693	1,518	2,000	2,252	2,730	2,936	3,406	3,527	3,736	3,849	4,181	4,732	6,124	6,711	6,916	6,975	7,038			
2006/07	587	1,812	2,591	3,546	4,043	4,759	5,059	5,376	5,692	6,359	6,627	7,843	8,200	8,244	8,380	8,444				
2007/08	779	1,798	2,502	3,006	3,796	4,434	4,828	5,106	5,571	6,111	7,570	7,697	7,817	7,916	8,083					
2008/09	468	1,706	2,465	3,259	3,837	4,519	4,903	5,347	5,698	7,121	7,190	7,324	8,051	8,237						
2009/10	591	2,196	3,473	4,077	4,841	5,578	5,877	6,052	8,087	8,268	8,402	8,574	8,685							
2010/11	1,032	2,191	3,301	4,008	4,620	5,198	5,539	7,636	7,977	8,645	8,894	9,078								
2011/12	603	1,891	2,433	2,924	3,480	4,550	7,677	8,061	8,226	8,378	8,498									
2012/13	696	1,846	3,429	4,845	6,156	7,996	8,162	8,670	8,590	8,688										
2013/14	580	2,268	3,457	4,725	7,330	7,652	8,377	8,924	9,508											
2014/15	1,411	3,662	4,898	6,780	7,655	8,069	8,458	8,644												
2015/16	2,193	4,683	6,600	7,754	8,751	9,244	9,558													
2016/17	2,409	5,378	7,598	8,843	9,946	10,901														
2017/18	3,421	7,441	10,380	12,077	13,152															
2018/19	2,596	5,924	8,111	9,827																
2019/20	2,336	5,970	8,589																	
2020/21	6,670	12,803																		
2021/22	3,843																			
2022/23																				

ORANGE COUNTY FIRE AUTHORITY  
 WORKERS' COMPENSATION (EXCLUDING COVID) - Expected Confidence Level

Exhibit WC-2 (page 4)

Historical Limited Paid Losses and Limited Paid Loss Development

II. Limited Paid Loss Development

Claim Period	Months of Development:																			
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192	192-204	204-216	216-228	228-240	240-252
2000/01																				
2001/02				1.286	1.092	1.137	1.042	1.040	1.028	1.025	1.025	1.014	1.046	1.021	1.012	1.034	1.022	1.013	1.007	
2002/03			1.257	1.152	1.102	1.079	1.063	1.041	1.030	1.018	1.013	1.036	1.015	1.011	1.021	1.019	1.018	1.024	1.005	
2003/04		1.255	1.287	1.153	1.116	1.081	1.057	1.070	1.103	1.019	1.029	1.014	1.044	1.049	1.083	1.011	1.007	1.008		
2004/05	2.924	1.346	1.201	1.116	1.118	1.106	1.055	1.034	1.052	1.022	1.045	1.018	1.051	1.020	1.015	1.018	1.011			
2005/06	2.189	1.318	1.126	1.212	1.076	1.160	1.035	1.059	1.030	1.086	1.132	1.294	1.096	1.031	1.009	1.009				
2006/07	3.089	1.430	1.369	1.140	1.177	1.063	1.063	1.059	1.117	1.042	1.184	1.045	1.005	1.016	1.008					
2007/08	2.308	1.392	1.201	1.263	1.168	1.089	1.058	1.091	1.097	1.239	1.017	1.016	1.013	1.021						
2008/09	3.645	1.444	1.322	1.178	1.178	1.085	1.090	1.066	1.250	1.010	1.019	1.099	1.023							
2009/10	3.714	1.581	1.174	1.187	1.152	1.054	1.030	1.336	1.022	1.016	1.020	1.013								
2010/11	2.123	1.507	1.214	1.153	1.125	1.066	1.378	1.045	1.084	1.029	1.021									
2011/12	3.134	1.286	1.202	1.190	1.308	1.687	1.050	1.021	1.018											
2012/13	2.653	1.857	1.413	1.271	1.299	1.021	1.062	0.991	1.011											
2013/14	3.909	1.525	1.367	1.551	1.044	1.095	1.065	1.065												
2014/15	2.595	1.338	1.384	1.129	1.054	1.048	1.022													
2015/16	2.135	1.409	1.175	1.129	1.056	1.034														
2016/17	2.232	1.413	1.164	1.125	1.096															
2017/18	2.175	1.395	1.163	1.089																
2018/19	2.282	1.369	1.212																	
2019/20		1.439																		
2020/21	1.919																			
2021/22																				
2022/23																				
Average																				
All	2.681	1.430	1.249	1.196	1.135	1.120	1.076	1.071	1.070	1.047	1.050	1.061	1.037	1.024	1.025	1.018	1.015	1.015	1.006	
Wtd 3	2.129	1.401	1.179	1.111	1.071	1.057	1.050	1.026	1.037	1.020	1.020	1.041	1.014	1.022	1.010	1.012	1.013	1.017		
Last 3	2.252	1.401	1.180	1.114	1.069	1.059	1.050	1.026	1.038	1.020	1.020	1.043	1.014	1.023	1.011	1.013	1.012	1.015		
Last 5	2.233	1.405	1.220	1.205	1.110	1.177	1.116	1.092	1.077	1.062	1.052	1.093	1.038	1.028	1.027	1.018				
Last 5 x-hi,low	2.230	1.406	1.183	1.127	1.069	1.059	1.059	1.044	1.042	1.020	1.020	1.053	1.029	1.024	1.015	1.016				
Industry Previous	2.282	1.409	1.322	1.216	1.210	1.055	1.059	1.019	1.042	1.018	1.019	1.053	1.038	1.120						
Selected	2.282	1.409	1.322	1.216	1.210	1.055	1.059	1.019	1.042	1.018	1.019	1.053	1.038	1.120						
Cumulative	9.422	4.129	2.930	2.217	1.823	1.507	1.428	1.348	1.323	1.270	1.248	1.225	1.163	1.120						
Percent	10.6%	24.2%	34.1%	45.1%	54.9%	66.4%	70.0%	74.2%	75.6%	78.7%	80.1%	81.6%	86.0%	89.3%						

Amounts exclude 4850 benefits.

Amounts are limited (net of excess insurance).

Data was provided by Corvel.

ORANGE COUNTY FIRE AUTHORITY  
 WORKERS' COMPENSATION (EXCLUDING COVID) - Expected Confidence Level

Exhibit WC-2 (page 5)

Historical Limited Reported Incurred Losses and Limited Reported Incurred Loss Development

I. Historical Limited Reported Incurred Losses (\$000)

Claim Period	Months of Development:																			
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240
2000/01																				
2001/02				1,448	1,788	1,934	2,106	2,137	2,167	2,192	2,209	2,285	2,265	2,564	2,499	2,324	2,345	2,459	2,456	2,433
2002/03			4,905	5,365	5,890	6,332	6,603	6,937	6,934	7,153	7,529	7,677	7,446	7,520	7,599	7,859	8,069	7,851	7,829	7,722
2003/04		2,384	2,734	2,911	3,200	3,705	3,885	4,108	4,496	4,717	4,778	5,079	4,807	4,664	4,703	5,163	5,275	5,284	5,302	
2004/05	1,834	2,996	3,816	4,286	4,400	4,692	4,785	4,833	5,284	5,632	5,369	5,481	6,114	5,891	6,248	6,216	6,196	6,439		
2005/06	2,580	3,557	3,849	3,753	4,398	4,394	4,413	4,390	4,759	5,105	5,309	5,666	7,731	7,427	7,713	7,769	7,944			
2006/07	2,308	4,080	4,795	5,616	6,358	7,868	7,721	7,673	7,842	8,099	7,986	8,747	9,366	9,387		9,443				
2007/08	3,156	4,009	5,340	5,881	6,773	7,529	7,130	6,584	7,417	7,755	9,373	9,153	9,429	9,360	9,601					
2008/09	2,725	3,801	4,523	6,535	6,573	6,387	6,330	6,620	6,809	8,033	7,946	8,134	9,009	9,544						
2009/10	3,105	5,763	7,798	8,153	8,067	8,112	7,442	8,092	9,959	9,920	10,031	10,111	10,137							
2010/11	3,607	6,753	7,314	7,593	7,730	7,861	7,877	9,630	10,318	11,648	12,038	11,836								
2011/12	3,253	5,931	6,182	6,367	6,245	6,681	10,000	10,176	9,970	9,934	10,154									
2012/13	3,376	5,604	6,775	8,299	8,810	10,117	10,292	10,928	10,137	10,334										
2013/14	4,625	6,487	6,919	7,432	9,988	11,211	11,934	11,670	12,178											
2014/15	4,020	7,034	8,744	9,929	10,723	10,520	10,736	10,866												
2015/16	6,025	9,083	10,707	12,575	13,195	13,411	12,962													
2016/17	7,530	11,643	14,249	14,729	16,400	16,760														
2017/18	9,377	16,437	18,706	20,237	20,574															
2018/19	9,309	14,260	16,801	18,115																
2019/20	9,944	15,002	17,652																	
2020/21	16,722	23,496																		
2021/22	12,452																			
2022/23																				

ORANGE COUNTY FIRE AUTHORITY  
 WORKERS' COMPENSATION (EXCLUDING COVID) - Expected Confidence Level

Exhibit WC-2 (page 6)

Historical Limited Reported Incurred Losses and Limited Reported Incurred Loss Development

II. Limited Reported Incurred Loss Development

Claim Period	Months of Development:																				
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192	192-204	204-216	216-228	228-240	240-252	
2000/01																					
2001/02				1.235	1.081	1.089	1.015	1.014	1.011	1.008	1.034	0.991	1.132	0.975	0.930	1.009	1.048	0.999	0.991		
2002/03			1.094	1.098	1.075	1.043	1.051	1.000	1.031	1.053	1.020	0.970	1.010	1.011	1.034	1.027	0.973	0.997	0.986		
2003/04		1.147	1.065	1.099	1.158	1.049	1.057	1.095	1.049	1.013	1.063	0.947	1.008	1.098	1.022	1.002	1.003				
2004/05	1.634	1.274	1.123	1.027	1.067	1.020	1.010	1.093	1.066	0.953	1.021	1.116	0.964	1.061	0.995	0.997	1.039				
2005/06	1.378	1.082	0.975	1.172	0.999	1.004	0.995	1.084	1.073	1.040	1.067	1.364	0.961	1.039	1.007	1.023					
2006/07	1.768	1.175	1.171	1.132	1.237	0.981	0.994	1.022	1.033	0.986	1.095	1.071	1.002	0.997	1.009						
2007/08	1.270	1.332	1.101	1.152	1.112	0.947	0.923	1.127	1.045	1.209	0.976	1.030	1.013	1.005							
2008/09	1.395	1.190	1.445	1.006	0.972	0.991	1.046	1.029	1.180	0.989	1.024	1.108	1.059								
2009/10	1.856	1.353	1.046	0.989	1.006	0.917	1.087	1.231	0.996	1.011	1.008	1.003									
2010/11	1.872	1.083	1.038	1.018	1.017	1.002	1.223	1.071	1.129	1.033	0.983										
2011/12	1.823	1.042	1.030	0.981	1.070	1.497	1.018	0.980	0.996	1.022											
2012/13	1.660	1.209	1.225	1.062	1.148	1.017	1.062	0.928	1.019												
2013/14	1.402	1.067	1.074	1.344	1.122	1.065	0.978	1.044													
2014/15	1.750	1.243	1.135	1.080	0.981	1.021	1.012														
2015/16	1.508	1.179	1.175	1.049	1.016	0.967															
2016/17	1.546	1.224	1.034	1.113	1.022																
2017/18	1.753	1.138	1.082	1.017																	
2018/19	1.532	1.178	1.078																		
2019/20	1.509	1.177																			
2020/21	1.405																				
2021/22																					
2022/23																					
Average																					
All	1.592	1.182	1.111	1.093	1.068	1.041	1.034	1.055	1.052	1.029	1.029	1.067	1.014	1.014	1.012	1.015	1.016	1.000	0.988		
Wtd 3	1.467	1.163	1.067	1.055	1.009	1.014	1.015	0.985	1.049	1.023	1.002	1.043	1.025	1.012	1.005	1.014	1.002	1.000			
Last 3	1.482	1.164	1.065	1.060	1.006	1.017	1.017	0.984	1.048	1.022	1.005	1.047	1.025	1.013	1.004	1.014	1.005	1.000			
Last 5	1.549	1.179	1.101	1.121	1.058	1.113	1.058	1.051	1.064	1.053	1.017	1.115	1.000	1.022	1.029	1.015					
Last 5 x-hi,low	1.529	1.178	1.098	1.081	1.054	1.034	1.030	1.032	1.048	1.022	1.005	1.069	0.993	1.017	1.017	1.018					
Industry																					
Previous	1.580	1.180	1.097	1.081	1.040	1.034	1.019	1.016	1.016	1.011	1.003	1.003	1.003	1.040							
Selected	1.580	1.180	1.097	1.081	1.040	1.034	1.019	1.016	1.016	1.011	1.003	1.003	1.003	1.040							
Cumulative	2.652	1.679	1.423	1.297	1.200	1.154	1.116	1.095	1.078	1.061	1.049	1.046	1.043	1.040							
Percent	37.7%	59.6%	70.3%	77.1%	83.3%	86.7%	89.6%	91.3%	92.8%	94.3%	95.3%	95.6%	95.9%	96.2%							

Amounts exclude 4850 benefits.

Amounts are limited (net of excess insurance).

Data was provided by Corvel.

ORANGE COUNTY FIRE AUTHORITY  
 WORKERS' COMPENSATION (EXCLUDING COVID) - Expected Confidence Level

Exhibit WC-2 (page 7)

Historical Reported Claims and Reported Claim Development

I. Historical Reported Claims

Claim Period	Months of Development:																				
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240	
2000/01																					
2001/02				130	130	132	132	132	132	132	132	132	132	132	132	132	132	132	132	132	132
2002/03			400	401	405	406	406	406	406	406	406	406	406	406	406	406	406	406	406	406	406
2003/04		314	318	320	320	321	322	322	322	321	321	321	320	320	320	321	321	321	321	321	406
2004/05	283	325	331	334	334	336	336	336	337	337	337	337	337	337	337	337	337	337	337	337	
2005/06	347	381	386	389	390	391	391	391	393	393	393	395	395	395	395	395	395	395	395	395	
2006/07	373	412	415	417	419	420	420	421	422	422	422	422	422	422	422	422	422	422	422	422	
2007/08	445	470	472	474	475	476	475	475	475	475	475	475	475	475	475	475	475	475	475	475	
2008/09	431	448	452	451	454	457	458	459	459	459	458	459	460	460	460	460	460	460	460	460	
2009/10	433	460	465	466	467	467	468	468	469	469	469	469	469	469	469	469	469	469	469	469	
2010/11	365	388	389	389	389	391	391	392	392	392	392	392	392	392	392	392	392	392	392	392	
2011/12	435	464	470	471	471	471	471	471	472	472	472	472	472	472	472	472	472	472	472	472	
2012/13	443	479	481	482	482	483	483	483	483	483	483	483	483	483	483	483	483	483	483	483	
2013/14	487	517	523	526	529	528	528	527	527	528	528	528	528	528	528	528	528	528	528	528	
2014/15	348	375	379	382	385	385	386	386	386	386	386	386	386	386	386	386	386	386	386	386	
2015/16	402	391	396	399	401	402	402	402	402	402	402	402	402	402	402	402	402	402	402	402	
2016/17	417	449	454	456	457	457	457	457	457	457	457	457	457	457	457	457	457	457	457	457	
2017/18	447	475	477	478	478	478	478	478	478	478	478	478	478	478	478	478	478	478	478	478	
2018/19	367	399	403	405	405	405	405	405	405	405	405	405	405	405	405	405	405	405	405	405	
2019/20	461	475	478																		
2020/21	437	469																			
2021/22	487																				
2022/23																					

ORANGE COUNTY FIRE AUTHORITY  
 WORKERS' COMPENSATION (EXCLUDING COVID) - Expected Confidence Level

Exhibit WC-2 (page 8)

Historical Reported Claims and Reported Claim Development

II. Reported Claim Development

Claim Period	Months of Development:																			
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192	192-204	204-216	216-228	228-240	240-252
2000/01																				
2001/02				1.000	1.015	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2002/03			1.003	1.010	1.002	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2003/04		1.013	1.006	1.000	1.003	1.003	1.000	1.000	0.997	1.000	1.000	0.997	1.000	1.000	1.003	1.000	1.000	1.000	1.000	
2004/05	1.148	1.018	1.009	1.000	1.006	1.000	1.000	1.003	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2005/06	1.098	1.013	1.008	1.003	1.003	1.000	1.000	1.005	1.000	1.000	1.005	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2006/07	1.105	1.007	1.005	1.005	1.002	1.000	1.002	1.002	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2007/08	1.056	1.004	1.004	1.002	1.002	0.998	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2008/09	1.039	1.009	0.998	1.007	1.007	1.002	1.002	1.000	1.000	0.998	1.002	1.002	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2009/10	1.062	1.011	1.002	1.002	1.000	1.002	1.000	1.002	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2010/11	1.063	1.003	1.000	1.000	1.005	1.000	1.003	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2011/12	1.067	1.013	1.002	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.002	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2012/13	1.081	1.004	1.002	1.000	1.002	1.000	1.000	0.998	0.998	1.000	0.998	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2013/14	1.062	1.012	1.006	1.006	0.998	0.998	1.000	1.002	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2014/15	1.078	1.011	1.008	1.008	1.000	1.003	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2015/16	0.973	1.013	1.008	1.005	1.002	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2016/17	1.077	1.011	1.004	1.002	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2017/18	1.063	1.004	1.002	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2018/19	1.087	1.010	1.005	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2019/20	1.030	1.006	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2020/21	1.073																			
2021/22																				
2022/23																				
Average																				
All	1.068	1.010	1.004	1.003	1.003	1.000	1.001	1.001	1.000	1.000	1.001	1.000	1.000	1.000	1.001	1.000	1.000	1.000	1.000	1.000
Wtd 3	1.062	1.007	1.004	1.002	1.001	1.000	1.000	1.000	0.999	1.000	1.001	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Last 3	1.064	1.007	1.004	1.002	1.001	1.000	1.000	1.000	0.999	1.000	1.001	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Last 5	1.066	1.009	1.005	1.004	1.001	1.000	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.001	1.000	1.000	1.000	1.000	1.000
Last 5 x-hi,low	1.071	1.009	1.006	1.004	1.001	1.000	1.001	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Similar																				
Previous	1.068	1.010	1.004	1.003	1.003	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Selected	1.068	1.010	1.004	1.003	1.003	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Cumulative	1.090	1.020	1.010	1.006	1.003	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Percent	91.7%	98.0%	99.0%	99.4%	99.7%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Data was provided by Corvel.

ORANGE COUNTY FIRE AUTHORITY  
 WORKERS' COMPENSATION (EXCLUDING COVID) - Expected Confidence Level

Exhibit WC-2 (page 9)

Historical Ratio of Limited Paid Losses and Limited Reported Incurred Losses

I. Ratio of Limited Paid Losses to Limited Reported Incurred Losses

Claim Period	Months of Development:																				
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240	
2000/01																					
2001/02				68.6%	71.4%	72.2%	75.4%	77.4%	79.3%	80.7%	82.1%	81.4%	83.3%	76.9%	80.6%	87.7%	89.9%	87.6%	88.9%	90.3%	
2002/03			63.5%	73.0%	76.6%	78.5%	81.3%	82.2%	85.7%	85.5%	82.7%	82.2%	87.8%	88.2%	88.3%	87.2%	86.5%	90.5%	92.9%	94.7%	
2003/04		54.4%	59.5%	71.9%	75.4%	72.6%	74.9%	74.9%	73.2%	76.9%	77.4%	75.0%	80.3%	86.4%	89.9%	88.7%	87.7%	88.2%	88.6%		
2004/05	32.8%	58.7%	62.0%	66.3%	72.1%	75.6%	82.0%	85.6%	81.0%	79.9%	85.7%	87.7%	80.0%	87.2%	83.9%	85.7%	87.5%	85.1%			
2005/06	26.9%	42.7%	52.0%	60.0%	62.1%	66.8%	77.2%	80.3%	78.5%	75.4%	78.8%	83.5%	79.2%	90.4%	89.7%	89.8%	88.6%				
2006/07	25.4%	44.4%	54.0%	63.1%	63.6%	60.5%	65.5%	70.1%	72.6%	78.5%	83.0%	89.7%	87.5%	87.8%	89.5%	89.4%					
2007/08	24.7%	44.8%	46.9%	51.1%	56.1%	58.9%	67.7%	77.6%	75.1%	78.8%	80.8%	84.1%	82.9%	82.8%	84.2%						
2008/09	17.2%	44.9%	54.5%	49.9%	58.4%	70.8%	77.5%	80.8%	83.7%	88.7%	90.5%	90.0%	89.4%	86.3%							
2009/10	19.0%	38.1%	44.5%	50.0%	60.0%	68.8%	79.0%	74.8%	81.2%	83.3%	83.8%	84.8%	85.7%								
2010/11	28.6%	32.4%	45.1%	52.8%	59.8%	66.1%	70.3%	79.3%	77.3%	74.2%	73.9%	76.7%									
2011/12	18.6%	31.9%	39.4%	45.9%	55.7%	68.1%	76.8%	79.2%	82.5%	84.3%	83.7%										
2012/13	20.6%	32.9%	50.6%	58.4%	69.9%	79.0%	79.3%	79.3%	84.7%	84.1%											
2013/14	12.5%	35.0%	50.0%	63.6%	73.4%	68.3%	70.2%	76.5%	78.1%												
2014/15	35.1%	52.1%	56.0%	68.3%	71.4%	76.7%	78.8%	79.6%													
2015/16	36.4%	51.6%	61.6%	61.7%	66.3%	68.9%	73.7%														
2016/17	32.0%	46.2%	53.3%	60.0%	60.6%	65.0%															
2017/18	36.5%	45.3%	55.5%	59.7%	63.9%																
2018/19	27.9%	41.5%	48.3%	54.3%																	
2019/20	23.5%	39.8%	48.7%																		
2020/21	39.9%	54.5%																			
2021/22	30.9%																				
2022/23																					
Average																					
All	27.1%	44.0%	52.5%	59.9%	65.7%	69.8%	75.3%	78.4%	79.5%	80.9%	82.0%	83.5%	84.0%	85.8%	86.6%	88.1%	88.0%	87.9%	90.1%	92.5%	
Last 3	31.4%	45.3%	50.8%	58.0%	63.6%	70.2%	74.2%	78.5%	81.8%	80.9%	80.4%	83.8%	86.0%	85.7%	87.8%	88.3%	87.9%	87.9%	90.1%		
Last 5	31.7%	44.3%	52.5%	60.5%	67.2%	71.3%	76.4%	79.3%	80.6%	83.9%	82.7%	86.2%	85.4%	87.1%	87.8%	88.4%	87.9%				
x-hi,low																					
Implicit	28.1%	40.6%	48.5%	58.5%	65.9%	76.6%	78.1%	81.3%	81.5%	83.5%	84.1%	85.4%	89.7%	92.8%							

ORANGE COUNTY FIRE AUTHORITY  
 WORKERS' COMPENSATION (EXCLUDING COVID) - Expected Confidence Level

Exhibit WC-3 (page 1)

Developed Limited Paid Losses and Limited Reported Incurred Losses

I. Developed Limited Paid Losses

Claim Period (1)	Months of Development 12/31/22 (2)	Limited Paid Losses 12/31/22 (3)	Percent Losses Paid (4)	Developed Limited Paid Losses (3)/(4) (5)
2000/01	270	\$0	99.5%	\$0
2001/02	258	2,214,424	99.3%	2,231,135
2002/03	246	7,327,078	98.9%	7,406,327
2003/04	234	4,732,508	98.5%	4,805,972
2004/05	222	5,508,490	97.8%	5,631,465
2005/06	210	7,062,031	96.9%	7,289,431
2006/07	198	8,474,112	95.5%	8,869,380
2007/08	186	8,136,921	93.6%	8,690,181
2008/09	174	8,405,504	90.9%	9,246,471
2009/10	162	8,796,500	87.7%	10,035,939
2010/11	150	9,177,992	83.8%	10,952,258
2011/12	138	8,555,881	80.9%	10,108,697
2012/13	126	8,869,277	79.4%	10,685,152
2013/14	114	9,627,016	77.2%	12,478,310
2014/15	102	8,541,894	74.9%	11,404,398
2015/16	90	9,697,413	72.1%	13,449,948
2016/17	78	11,269,519	68.2%	16,524,221
2017/18	66	13,714,846	60.7%	22,613,101
2018/19	54	10,682,839	50.0%	21,365,679
2019/20	42	9,880,365	39.6%	24,950,415
2020/21	30	14,647,982	29.2%	40,781,179
2021/22	18	6,912,760	17.4%	39,728,508



ORANGE COUNTY FIRE AUTHORITY  
 WORKERS' COMPENSATION (EXCLUDING COVID) - Expected Confidence Level

Exhibit WC-3 (page 2)

Developed Limited Paid Losses and Limited Reported Incurred Losses

II. Developed Limited Reported Incurred Losses

Claim Period (1)	Months of Development 12/31/22 (2)	Limited Reported Incurred Losses 12/31/22 (3)	Percent Losses Reported (4)	Developed Limited Reported Incurred Losses (3)/(4) (5)
2000/01	270	\$0	100.0%	\$0
2001/02	258	2,360,135	100.0%	2,360,135
2002/03	246	7,737,925	100.0%	7,737,927
2003/04	234	5,412,162	100.0%	5,412,171
2004/05	222	6,421,086	100.0%	6,421,157
2005/06	210	7,855,661	100.0%	7,856,240
2006/07	198	9,371,726	100.0%	9,376,335
2007/08	186	9,621,290	99.7%	9,652,927
2008/09	174	9,744,137	97.8%	9,961,802
2009/10	162	10,014,740	96.1%	10,426,590
2010/11	150	11,952,938	95.8%	12,483,486
2011/12	138	10,065,999	95.5%	10,390,875
2012/13	126	10,328,107	94.8%	10,813,123
2013/14	114	11,994,774	93.6%	12,821,778
2014/15	102	10,484,943	92.1%	11,390,486
2015/16	90	12,754,486	90.5%	14,101,146
2016/17	78	16,609,509	88.2%	18,842,324
2017/18	66	20,691,358	85.0%	24,342,774
2018/19	54	19,410,339	80.2%	24,202,417
2019/20	42	18,433,492	73.7%	25,011,523
2020/21	30	24,614,165	65.0%	35,750,519
2021/22	18	17,197,217	48.7%	35,348,852

ORANGE COUNTY FIRE AUTHORITY  
WORKERS' COMPENSATION (EXCLUDING COVID) - Expected Confidence Level

Exhibit WC-3 (page 3)

Developed Limited Paid Losses and Limited Reported Incurred Losses

Footnotes:

Sections I and II, (3) are from Exhibit WC-1.

Sections I and II, (4) are from Exhibit WC-2.

The claim(s) indicated by a "\*" have been limited in development

(a) through (g) was provided by Corvel.

Claim Number (a)	Date of Loss (b)	Claim Period (c)	Specific Self-Insured Retention (d)	Limited Paid Losses 12/31/22 (e)	Limited Case Reserves 12/31/22 (f)	Limited Reported Incurred Losses 12/31/22 (g)
0518-WC-07-050038	5/27/07	2006/07	\$2,000,000	\$685,164	\$409,723	\$1,094,887
0518-WC-09-050011	10/8/08	2008/09	2,000,000	926,910	580,086	1,506,995
0518-WC-09-050022	12/12/08	2008/09	2,000,000	1,250,838	0	1,250,838
0518-WC-10-050020	12/9/09	2009/10	2,000,000	851,120	352,146	1,203,266
0518-WC-15-000013	3/23/11	2010/11	2,000,000	716,035	1,169,837 *	1,885,872
0518-WC-12-050008	8/12/11	2011/12	2,000,000	2,000,000 *	0	2,000,000 *
0518-WC-12-050039	5/5/12	2011/12	2,000,000	1,241,649	724,259 *	1,965,908 *
0518-WC-13-050017	11/9/12	2012/13	2,000,000	1,973,266 *	0	1,973,266 *
0518-WC-14-050003	7/24/13	2013/14	2,000,000	1,100,320	487,213	1,587,534
0518-WC-21-000024	10/26/20	2020/21	2,000,000	1,587,589 *	408,524 *	1,996,113 *
0518-WC-21-000023	10/26/20	2020/21	2,000,000	1,996,089 *	0	1,996,089 *
0518-WC-21-000063	2/5/21	2020/21	2,000,000	925,590 *	106,965	1,032,554

ORANGE COUNTY FIRE AUTHORITY  
 WORKERS' COMPENSATION (EXCLUDING COVID) - Expected Confidence Level

Exhibit WC-4

Developed Limited Case Reserves

Claim Period (1)	Months of Development 12/31/22 (2)	Percent Losses Paid (3)	Percent Losses Reported (4)	Percent Losses Reserved 12/31/22 (((4)-(3))/ (100.0%-(3)) (5)	Limited Paid Losses 12/31/22 (6)	Limited Case Reserves 12/31/22 (7)	Developed Limited Case Reserves (6)+(7)/(5) (8)
2000/01	270	99.5%	100.0%	100.0%	\$0	\$0	\$0
2001/02	258	99.3%	100.0%	100.0%	2,214,424	145,711	2,360,135
2002/03	246	98.9%	100.0%	100.0%	7,327,078	410,847	7,737,934
2003/04	234	98.5%	100.0%	100.0%	4,732,508	679,654	5,412,236
2004/05	222	97.8%	100.0%	99.9%	5,508,490	912,596	6,421,548
2005/06	210	96.9%	100.0%	99.8%	7,062,031	793,630	7,857,541
2006/07	198	95.5%	100.0%	98.9%	8,474,112	897,614	9,381,738
2007/08	186	93.6%	99.7%	94.9%	8,136,921	1,484,369	9,701,853
2008/09	174	90.9%	97.8%	76.0%	8,405,504	1,338,633	10,167,424
2009/10	162	87.7%	96.1%	68.0%	8,796,500	1,218,239	10,587,602
2010/11	150	83.8%	95.8%	73.8%	9,177,992	2,774,946	12,637,920
2011/12	138	80.9%	95.5%	76.2%	8,555,881	1,510,117	10,344,999
2012/13	126	79.4%	94.8%	74.8%	8,869,277	1,458,830	10,820,699
2013/14	114	77.2%	93.6%	71.8%	9,627,016	2,367,758	12,925,995
2014/15	102	74.9%	92.1%	68.3%	8,541,894	1,943,048	11,385,656
2015/16	90	72.1%	90.5%	65.8%	9,697,413	3,057,074	14,345,498
2016/17	78	68.2%	88.2%	62.7%	11,269,519	5,339,990	19,781,383
2017/18	66	60.7%	85.0%	61.9%	13,714,846	6,976,512	24,989,004
2018/19	54	50.0%	80.2%	60.4%	10,682,839	8,727,499	25,132,342
2019/20	42	39.6%	73.7%	56.5%	9,880,365	8,553,128	25,030,186
2020/21	30	29.2%	65.0%	50.5%	14,647,982	9,966,183	33,975,480
2021/22	18	17.4%	48.7%	37.8%	6,912,760	10,284,456	34,096,635

Some claims have been limited in development. For detail, see footnotes in Exhibit WC-3

(3) and (4) are from Exhibit WC-2.

(6) and (7) are from Exhibit WC-1.

ORANGE COUNTY FIRE AUTHORITY  
 WORKERS' COMPENSATION (EXCLUDING COVID) - Expected Confidence Level

Exhibit WC-5 (page 1)

Preliminary Projected Ultimate Limited Losses to 2021/22

Claim Period (1)	Developed Limited Paid Losses (2)	Developed Limited Reported Incurred Losses (3)	Developed Limited Case Reserves (4)	Preliminary Projected Ultimate Limited Losses (5)
2000/01	\$0	\$0	\$0	\$0
2001/02	2,231,135	2,360,135	2,360,135	2,396,562
2002/03	7,406,327	7,737,927	7,737,934	7,840,636
2003/04	4,805,972	5,412,171	5,412,236	5,582,076
2004/05	5,631,465	6,421,157	6,421,548	6,649,234
2005/06	7,289,431	7,856,240	7,857,541	8,054,068
2006/07	8,869,380	9,376,335	9,381,738	9,596,129
2007/08	8,690,181	9,652,927	9,701,853	9,992,382
2008/09	9,246,471	9,961,802	10,167,424	10,078,795
2009/10	10,035,939	10,426,590	10,587,602	10,357,698
2010/11	10,952,258	12,483,486	12,637,920	12,646,674
2011/12	10,108,697	10,390,875	10,344,999	10,443,528
2012/13	10,685,152	10,813,123	10,820,699	10,777,005
2013/14	12,478,310	12,821,778	12,925,995	12,750,003
2014/15	11,404,398	11,390,486	11,385,656	11,393,211
2015/16	13,449,948	14,101,146	14,345,498	13,979,092
2016/17	16,524,221	18,842,324	19,781,383	18,428,611
2017/18	22,613,101	24,342,774	24,989,004	24,017,741
2018/19	21,365,679	24,202,417	25,132,342	23,630,373
2019/20	24,950,415	25,011,523	25,030,186	24,998,789
2020/21	40,781,179	35,750,519	33,975,480	36,727,205
2021/22	39,728,508	35,348,852	34,096,635	36,287,084

ORANGE COUNTY FIRE AUTHORITY  
 WORKERS' COMPENSATION (EXCLUDING COVID) - Expected Confidence Level

Exhibit WC-5 (page 2)

Preliminary Projected Ultimate Limited Losses to 2021/22

Footnotes:

(2) and (3) are from Exhibit WC-3.

(4) is from Exhibit WC-4.

(5) is based on (2) to (4), weighted as follows:

Subject to a minimum of Exhibit WC-1, (8) and minimum 25% of case reserves as IBNR, unless all claims are closed

Claim Period	Developed Limited Paid Losses	Developed Limited Reported Incurred Losses	Developed Limited Case Reserves
to 2007/08	30.0%	40.0%	30.0%
2008/09	30.0%	40.0%	30.0%
2009/10	30.0%	40.0%	30.0%
2010/11	30.0%	40.0%	30.0%
2011/12	30.0%	40.0%	30.0%
2012/13	30.0%	40.0%	30.0%
2013/14	30.0%	40.0%	30.0%
2014/15	30.0%	40.0%	30.0%
2015/16	30.0%	40.0%	30.0%
2016/17	30.0%	40.0%	30.0%
2017/18	30.0%	40.0%	30.0%
2018/19	30.0%	40.0%	30.0%
2019/20	30.0%	40.0%	30.0%
2020/21	30.0%	40.0%	30.0%
2021/22	30.0%	40.0%	30.0%

Bornhuetter - Ferguson Analysis

I. A-priori Loss Rate

Claim Period (1)	Preliminary Projected Ultimate Limited Losses (2)	Payroll (000) (3)	Limited Loss Rate per \$100 of Payroll (2)/(3)/10 (4)	Loss Rate Trend (2022/23 = 1.000) (5)	Trended Limited Loss Rate per \$100 of Payroll (4)X(5) (6)	Projected A-priori Loss Rate per \$100 of Payroll (7)/(5) (8)
2017/18	\$24,017,741	\$197,114	\$12.18	1.065	\$12.98	\$12.31
2018/19	23,630,373	217,476	10.87	1.043	11.33	12.57
2019/20	24,998,789	224,529	11.13	1.033	11.50	12.69
2020/21	36,727,205	244,186	15.04	1.031	15.51	12.71
2021/22	36,287,084	260,227	13.94	1.020	14.22	12.85

(7) Projected 2022/23 a-priori loss rate per \$100 of Payroll \$13.11

II. Bornhuetter - Ferguson Analysis Based on Limited Paid Losses

Claim Period (1)	Limited Paid Losses 12/31/22 (2)	Percent Losses Paid (3)	Projected A-priori Loss Rate per \$100 of Payroll (4)	Payroll (000) (5)	B-F Unpaid Losses (100.0%-(3)) X(4)X(5)X10 (6)	B-F Ultimate Limited Paid Losses (2)+(6) (7)
2017/18	\$13,714,846	60.7%	\$12.31	\$197,114	\$9,547,574	\$23,262,419
2018/19	10,682,839	50.0%	12.57	217,476	13,666,268	24,349,107
2019/20	9,880,365	39.6%	12.69	224,529	17,212,914	27,093,278
2020/21	14,647,982	29.2%	12.71	244,186	21,991,090	36,639,072
2021/22	6,912,760	17.4%	12.85	260,227	27,622,514	34,535,274

III. Bornhuetter - Ferguson Analysis Based on Limited Reported Incurred Losses

Claim Period (1)	Limited Reported Incurred Losses 12/31/22 (2)	Percent Losses Reported (3)	Projected A-priori Loss Rate per \$100 of Payroll (4)	Payroll (000) (5)	B-F Unreported Losses (100.0%-(3)) X(4)X(5)X10 (6)	B-F Ultimate Limited Reported Losses (2)+(6) (7)
2017/18	\$20,691,358	85.0%	\$12.31	\$197,114	\$3,639,482	\$24,330,840
2018/19	19,410,339	80.2%	12.57	217,476	5,411,842	24,822,181
2019/20	18,433,492	73.7%	12.69	224,529	7,495,027	25,928,519
2020/21	24,614,165	65.0%	12.71	244,186	10,879,149	35,493,314
2021/22	17,197,217	48.7%	12.85	260,227	17,172,107	34,369,324

Section I, (2) is from Exhibit WC-5.

Section I, (3), Section II, (5) and Section III, (5) were provided by OCFA

Section I, (5) is based on a 2% trend.

Section I, (7) is based on Section I, (6) and the following weights

Claim Period	Weight
2017/18	20.0%
2018/19	20.0%
2019/20	20.0%
2020/21	20.0%
2021/22	20.0%
Prior	0.0%

where the prior loss rate = \$12.52  
 which was extracted from the previous report)

Sections II and III, (2) are from Exhibit WC-1

Sections II and III, (3) are from Exhibit WC-2

Sections II and III, (4) are from Section I, (8)

Frequency Times Severity Analysis

I. Projected Ultimate Claims

Claim Period (1)	Months of Development 12/31/22 (2)	Reported Claims 12/31/22 (3)	Percent Claims Reported (4)	Projected Ultimate Claims (3)/(4) (5)
2017/18	66	479	99.9%	480
2018/19	54	407	99.6%	409
2019/20	42	478	99.2%	482
2020/21	30	470	98.5%	477
2021/22	18	517	94.9%	545

II. Frequency Times Severity

Claim Period (1)	Preliminary Projected Ultimate Limited Losses (2)	Projected Ultimate Claims (3)	Average Severity (2)/(3) (4)	Severity Trend (2022/23 = 1.000) (5)	Trended Average Claim Severity (4)X(5) (6)	De-Trended Projected 2022/23 Average Claim Severity (7)/(5) (8)	Frequency Times Severity (3)X(8) (9)
2017/18	\$24,017,741	480	\$50,037	1.234	\$61,770	\$55,482	\$26,631,505
2018/19	23,630,373	409	57,776	1.174	67,820	58,349	23,864,546
2019/20	24,998,789	482	51,865	1.128	58,529	60,694	29,254,386
2020/21	36,727,205	477	76,996	1.094	84,234	62,607	29,863,500
2021/22	36,287,084	545	66,582	1.051	69,951	65,193	35,530,360
(7) Projected 2022/23 average claim severity					\$68,492		

Section I, (3) is from Exhibit WC-1.

Section I, (4) is from Exhibit WC-2.

Section II, (2) is from Exhibit WC-5.

Section II, (3) is from Section I, (5).

Section II, (5) is based on a 5.1% trend

Section II, (7) is based on (6) and the following weights

Claim Period	Weight
2017/18	20.1%
2018/19	17.1%
2019/20	20.1%
2020/21	19.9%
2021/22	22.8%

ORANGE COUNTY FIRE AUTHORITY  
 WORKERS' COMPENSATION (EXCLUDING COVID) - Expected Confidence Level

Exhibit WC-8 (page 1)

Projected Ultimate Limited Losses to 2021/22

Claim Period (1)	Developed Limited Paid Losses (2)	Developed Limited Reported Incurred Losses (3)	Developed Limited Case Reserves (4)	B-F Paid Method Ultimate Losses (5)	B-F Reported Method Ultimate Losses (6)	Frequency Times Severity (7)	Projected Ultimate Limited Losses (8)
2000/01	\$0	\$0	\$0				\$0
2001/02	2,231,135	2,360,135	2,360,135				2,396,562
2002/03	7,406,327	7,737,927	7,737,934				7,840,636
2003/04	4,805,972	5,412,171	5,412,236				5,582,076
2004/05	5,631,465	6,421,157	6,421,548				6,649,234
2005/06	7,289,431	7,856,240	7,857,541				8,054,068
2006/07	8,869,380	9,376,335	9,381,738				9,596,129
2007/08	8,690,181	9,652,927	9,701,853				9,992,382
2008/09	9,246,471	9,961,802	10,167,424				10,078,795
2009/10	10,035,939	10,426,590	10,587,602				10,507,096
2010/11	10,952,258	12,483,486	12,637,920				12,646,674
2011/12	10,108,697	10,390,875	10,344,999				10,443,528
2012/13	10,685,152	10,813,123	10,820,699				10,816,911
2013/14	12,478,310	12,821,778	12,925,995				12,873,887
2014/15	11,404,398	11,390,486	11,385,656				11,388,071
2015/16	13,449,948	14,101,146	14,345,498				14,223,322
2016/17	16,524,221	18,842,324	19,781,383				19,311,853
2017/18	22,613,101	24,342,774	24,989,004	23,262,419	24,330,840	26,631,505	24,309,468
2018/19	21,365,679	24,202,417	25,132,342	24,349,107	24,822,181	23,864,546	24,224,232
2019/20	24,950,415	25,011,523	25,030,186	27,093,278	25,928,519	29,254,386	26,033,181
2020/21	40,781,179	35,750,519	33,975,480	36,639,072	35,493,314	29,863,500	35,436,145
2021/22	39,728,508	35,348,852	34,096,635	34,535,274	34,369,324	35,530,360	35,339,277



Projected Ultimate Limited Losses to 2021/22

Footnotes:

(2) and (3) are from Exhibit WC-3.

(4) is from Exhibit WC-4.

(5) and (6) are from Exhibit WC-6.

(7) is from Exhibit WC-7.

(8) is based on (2) to (7), weighted as follows:

Subject to a minimum of Exhibit WC-1, (8) and minimum 25% of case reserves as IBNR, unless all claims are closed

Claim Period	Developed Limited Paid Losses	Developed Limited Reported Incurred Losses	Developed Limited Case Reserves	B-F Paid Method Ultimate Losses	B-F Reported Method Ultimate Losses	Frequency Times Severity
to 2007/08	0.0%	50.0%	50.0%	0.0%	0.0%	0.0%
2008/09	0.0%	50.0%	50.0%	0.0%	0.0%	0.0%
2009/10	0.0%	50.0%	50.0%	0.0%	0.0%	0.0%
2010/11	0.0%	50.0%	50.0%	0.0%	0.0%	0.0%
2011/12	0.0%	50.0%	50.0%	0.0%	0.0%	0.0%
2012/13	0.0%	50.0%	50.0%	0.0%	0.0%	0.0%
2013/14	0.0%	50.0%	50.0%	0.0%	0.0%	0.0%
2014/15	0.0%	50.0%	50.0%	0.0%	0.0%	0.0%
2015/16	0.0%	50.0%	50.0%	0.0%	0.0%	0.0%
2016/17	0.0%	50.0%	50.0%	0.0%	0.0%	0.0%
2017/18	10.0%	20.0%	20.0%	20.0%	20.0%	10.0%
2018/19	10.0%	20.0%	20.0%	20.0%	20.0%	10.0%
2019/20	10.0%	20.0%	20.0%	20.0%	20.0%	10.0%
2020/21	10.0%	20.0%	20.0%	20.0%	20.0%	10.0%
2021/22	10.0%	20.0%	10.0%	20.0%	20.0%	20.0%

ORANGE COUNTY FIRE AUTHORITY  
 WORKERS' COMPENSATION (EXCLUDING COVID) - Expected Confidence Level

Exhibit WC-9

Projected Ultimate Limited Losses for 2022/23 and Subsequent

Claim Period (1)	Projected Ultimate Limited Losses (2)	Payroll (000) (3)	Limited Loss Rate per \$100 of Payroll (2)/(3)/10 (4)	Loss Rate Trend (2022/23 = 1.000) (5)	Trended Limited Loss Rate per \$100 of Payroll (4)X(5) (6)
2017/18	\$24,309,468	\$197,114	\$12.33	1.065	\$13.13
2018/19	24,224,232	217,476	11.14	1.043	11.62
2019/20	26,033,181	224,529	11.59	1.033	11.97
2020/21	35,436,145	244,186	14.51	1.031	14.96
2021/22	35,339,277	260,227	13.58	1.020	13.85
<b>Total</b>	<b>\$145,342,303</b>	<b>\$1,143,531</b>	<b>\$12.71</b>		<b>\$13.11</b>

Claim Period (1)	Projected Limited Loss Rate per \$100 of Payroll (7)	Projected Payroll (000) (8)	Projected Ultimate Limited Losses (7)X(8)X10 (9)	Present Value Factor (10)	Present Value of Projected Limited Loss Rate per \$100 of Payroll (7)X(10) (11)	Present Value of Projected Ultimate Limited Losses (8)X(11)X10 (12)
2022/23	\$13.11	\$268,034	\$35,139,257	0.89	\$11.67	\$31,279,568
2023/24	13.37	276,075	36,911,230	0.89	11.90	32,852,927
2024/25	13.64	284,357	38,786,332	0.89	12.14	34,520,973
2025/26	13.91	292,888	40,740,719	0.89	12.38	36,259,533
2026/27	14.19	301,675	42,807,630	0.89	12.63	38,101,506

(2) is from Exhibit WC-8.

(3) was provided by OCFA.

(5) is based on a 2% trend.

(7) for 2022/23 is based on (6) and the following weights

Claim Period	Weights
2017/18	20.0%
2018/19	20.0%
2019/20	20.0%
2020/21	20.0%
2021/22	20.0%
Prior	0.0%

where the prior loss rate = \$12.52

(7) for 2023/24 and subsequent are based on 2022/23 plus a 2% trend

(8) is based on (3) for 2021/22 and a 3% trend

(10) is based on a 2% interest rate and the payout pattern in Exhibit WC-2

ORANGE COUNTY FIRE AUTHORITY  
 WORKERS' COMPENSATION (EXCLUDING COVID) - Expected Confidence Level

Exhibit WC-10

Estimated Outstanding Losses as of December 31, 2022

Claim Period (1)	Limited Paid Losses 12/31/22 (2)	Limited Case Reserves 12/31/22 (3)	Limited Reported Incurred Losses 12/31/22 (4)	Projected Ultimate Limited Losses (5)	Estimated Outstanding Losses 12/31/22 (5)-(2) (6)	Estimated IBNR 12/31/22 (6)-(3) (7)
2000/01	\$0	\$0	\$0	\$0	\$0	\$0
2001/02	2,214,424	145,711	2,360,135	2,396,562	182,139	36,428
2002/03	7,327,078	410,847	7,737,925	7,840,636	513,558	102,711
2003/04	4,732,508	679,654	5,412,162	5,582,076	849,568	169,914
2004/05	5,508,490	912,596	6,421,086	6,649,234	1,140,744	228,148
2005/06	7,062,031	793,630	7,855,661	8,054,068	992,037	198,407
2006/07	8,474,112	897,614	9,371,726	9,596,129	1,122,018	224,404
2007/08	8,136,921	1,484,369	9,621,290	9,992,382	1,855,461	371,092
2008/09	8,405,504	1,338,633	9,744,137	10,078,795	1,673,291	334,658
2009/10	8,796,500	1,218,239	10,014,740	10,507,096	1,710,596	492,357
2010/11	9,177,992	2,774,946	11,952,938	12,646,674	3,468,682	693,736
2011/12	8,555,881	1,510,117	10,065,999	10,443,528	1,887,646	377,529
2012/13	8,869,277	1,458,830	10,328,107	10,816,911	1,947,634	488,804
2013/14	9,627,016	2,367,758	11,994,774	12,873,887	3,246,871	879,113
2014/15	8,541,894	1,943,048	10,484,943	11,388,071	2,846,177	903,129
2015/16	9,697,413	3,057,074	12,754,486	14,223,322	4,525,909	1,468,835
2016/17	11,269,519	5,339,990	16,609,509	19,311,853	8,042,335	2,702,345
2017/18	13,714,846	6,976,512	20,691,358	24,309,468	10,594,623	3,618,111
2018/19	10,682,839	8,727,499	19,410,339	24,224,232	13,541,392	4,813,893
2019/20	9,880,365	8,553,128	18,433,492	26,033,181	16,152,817	7,599,689
2020/21	14,647,982	9,966,183	24,614,165	35,436,145	20,788,163	10,821,980
2021/22	6,912,760	10,284,456	17,197,217	35,339,277	28,426,516	18,142,060
2022/23	977,901	4,676,311	5,654,212	17,569,629	16,591,727	11,915,416
<b>Total</b>	<b>\$183,213,252</b>	<b>\$75,517,145</b>	<b>\$258,730,398</b>	<b>\$325,313,157</b>	<b>\$142,099,904</b>	<b>\$66,582,759</b>

The amounts above reflect aggregate reinsurance.

(2), (3) and (4) are from Exhibit WC-1.

(5) to 2021/22 is from Exhibit WC-8. The amount for 2022/23 is from Exhibit WC-9. (50% of the period)

ORANGE COUNTY FIRE AUTHORITY  
 WORKERS' COMPENSATION (EXCLUDING COVID) - Expected Confidence Level

Exhibit WC-11

Present Value of Estimated Outstanding Losses as of December 31, 2022

Claim Period (1)	Estimated Outstanding Losses 12/31/22 (2)	Present Value Factor (3)	Present Value of Estimated Outstanding Losses 12/31/22 (2)X(3) (4)	Anticipated Future Investment Income (2)-(4) (5)
2000/01	\$0	0.89	\$0	\$0
2001/02	182,139	0.96	173,943	8,196
2002/03	513,558	0.95	489,421	24,137
2003/04	849,568	0.95	808,789	40,779
2004/05	1,140,744	0.95	1,084,848	55,896
2005/06	992,037	0.95	942,435	49,602
2006/07	1,122,018	0.95	1,064,795	57,223
2007/08	1,855,461	0.95	1,758,977	96,484
2008/09	1,673,291	0.95	1,586,280	87,011
2009/10	1,710,596	0.95	1,621,645	88,951
2010/11	3,468,682	0.94	3,274,436	194,246
2011/12	1,887,646	0.94	1,776,275	111,371
2012/13	1,947,634	0.93	1,805,457	142,177
2013/14	3,246,871	0.91	2,967,640	279,231
2014/15	2,846,177	0.91	2,584,329	261,848
2015/16	4,525,909	0.90	4,055,214	470,695
2016/17	8,042,335	0.89	7,189,847	852,488
2017/18	10,594,623	0.89	9,418,620	1,176,003
2018/19	13,541,392	0.90	12,214,336	1,327,056
2019/20	16,152,817	0.90	14,585,994	1,566,823
2020/21	20,788,163	0.90	18,771,711	2,016,452
2021/22	28,426,516	0.90	25,555,438	2,871,078
2022/23	16,591,727	0.90	14,899,371	1,692,356
<b>Total</b>	<b>\$142,099,904</b>		<b>\$128,629,801</b>	<b>\$13,470,103</b>

(2) is from Exhibit WC-10.

(3) is based on a 2% interest rate and the payout pattern in Exhibit WC-2

ORANGE COUNTY FIRE AUTHORITY  
 WORKERS' COMPENSATION (EXCLUDING COVID) - Expected Confidence Level

Exhibit WC-12 (page 1)

Projected Losses Paid January 1, 2023 to June 30, 2027

I. Projected Losses Paid January 1, 2023 to June 30, 2023

Claim Period (1)	Months of Development 12/31/22 (2)	Percent Losses Paid (3)	Months of Development 6/30/23 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 1/1/23 to 6/30/23 ((5)-(3))/ (100.0%-(3)) (6)	Estimated Outstanding Losses 12/31/22 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/23 (7)-(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/23 (9)X(10) (11)
2000/01	270.0	99.5%	276.0	99.6%	5.0% *	\$0	\$0	\$0	0.96	\$0
2001/02	258.0	99.3%	264.0	99.4%	5.0% *	182,139	9,107	173,032	0.96	165,246
2002/03	246.0	98.9%	252.0	99.1%	5.0% *	513,558	25,678	487,880	0.95	464,950
2003/04	234.0	98.5%	240.0	98.7%	5.0% *	849,568	42,478	807,090	0.95	768,350
2004/05	222.0	97.8%	228.0	98.2%	5.0% *	1,140,744	57,037	1,083,707	0.95	1,030,605
2005/06	210.0	96.9%	216.0	97.4%	5.0% *	992,037	49,602	942,435	0.95	895,313
2006/07	198.0	95.5%	204.0	96.3%	5.0% *	1,122,018	56,101	1,065,917	0.95	1,011,555
2007/08	186.0	93.6%	192.0	94.8%	5.0% *	1,855,461	92,773	1,762,688	0.95	1,671,028
2008/09	174.0	90.9%	180.0	92.5%	5.0% *	1,673,291	83,665	1,589,626	0.95	1,506,965
2009/10	162.0	87.7%	168.0	89.3%	5.0% *	1,710,596	85,530	1,625,066	0.95	1,540,563
2010/11	150.0	83.8%	156.0	86.0%	5.0% *	3,468,682	173,434	3,295,248	0.94	3,110,714
2011/12	138.0	80.9%	144.0	81.6%	3.9% *	1,887,646	73,929	1,813,717	0.94	1,706,708
2012/13	126.0	79.4%	132.0	80.1%	3.4% *	1,947,634	66,182	1,881,452	0.93	1,744,106
2013/14	114.0	77.2%	120.0	78.7%	5.0% *	3,246,871	162,344	3,084,527	0.91	2,819,258
2014/15	102.0	74.9%	108.0	75.6%	2.8% *	2,846,177	79,375	2,766,802	0.91	2,512,256
2015/16	90.0	72.1%	96.0	74.2%	5.0% *	4,525,909	226,295	4,299,614	0.90	3,852,454
2016/17	78.0	68.2%	84.0	70.0%	5.0% *	8,042,335	402,117	7,640,218	0.89	6,830,355
2017/18	66.0	60.7%	72.0	66.4%	5.0% *	10,594,623	529,731	10,064,892	0.89	8,947,689
2018/19	54.0	50.0%	60.0	54.9%	5.0% *	13,541,392	677,070	12,864,322	0.90	11,603,618
2019/20	42.0	39.6%	48.0	45.1%	5.0% *	16,152,817	807,641	15,345,176	0.90	13,856,694
2020/21	30.0	29.2%	36.0	34.1%	5.0% *	20,788,163	1,039,408	19,748,755	0.90	17,833,126
2021/22	18.0	17.4%	24.0	24.2%	5.0% *	28,426,516	1,421,326	27,005,190	0.90	24,277,666
2022/23	6.0	5.3%	12.0	10.6%	5.0% *	34,161,356	1,708,068	32,453,288	0.90	29,143,053
<b>Total</b>						<b>\$159,669,533</b>	<b>\$7,868,891</b>	<b>\$151,800,642</b>		<b>\$137,292,272</b>

ORANGE COUNTY FIRE AUTHORITY  
 WORKERS' COMPENSATION (EXCLUDING COVID) - Expected Confidence Level

Exhibit WC-12 (page 2)

Projected Losses Paid January 1, 2023 to June 30, 2027

II. Projected Losses Paid July 1, 2023 to June 30, 2024

Claim Period (1)	Months of Development 6/30/23 (2)	Percent Losses Paid (3)	Months of Development 6/30/24 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/23 to 6/30/24 ((5)-(3))/ (100.0%-(3)) (6)	Estimated Outstanding Losses 6/30/23 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/24 (7)-(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/24 (9)X(10) (11)
2000/01	276.0	99.6%	288.0	99.7%	10.0% *	\$0	\$0	\$0	0.96	\$0
2001/02	264.0	99.4%	276.0	99.6%	10.0% *	173,032	17,303	155,729	0.96	149,188
2002/03	252.0	99.1%	264.0	99.4%	10.0% *	487,880	48,788	439,092	0.96	419,333
2003/04	240.0	98.7%	252.0	99.1%	10.0% *	807,090	80,709	726,381	0.95	692,241
2004/05	228.0	98.2%	240.0	98.7%	10.0% *	1,083,707	108,371	975,336	0.95	928,520
2005/06	216.0	97.4%	228.0	98.2%	10.0% *	942,435	94,244	848,191	0.95	806,630
2006/07	204.0	96.3%	216.0	97.4%	10.0% *	1,065,917	106,592	959,325	0.95	911,359
2007/08	192.0	94.8%	204.0	96.3%	10.0% *	1,762,688	176,269	1,586,419	0.95	1,505,512
2008/09	180.0	92.5%	192.0	94.8%	10.0% *	1,589,626	158,963	1,430,663	0.95	1,356,269
2009/10	168.0	89.3%	180.0	92.5%	10.0% *	1,625,066	162,507	1,462,559	0.95	1,386,506
2010/11	156.0	86.0%	168.0	89.3%	10.0% *	3,295,248	329,525	2,965,723	0.95	2,811,505
2011/12	144.0	81.6%	156.0	86.0%	10.0% *	1,813,717	181,372	1,632,345	0.94	1,540,934
2012/13	132.0	80.1%	144.0	81.6%	7.5% *	1,881,452	141,818	1,739,634	0.94	1,636,996
2013/14	120.0	78.7%	132.0	80.1%	6.6% *	3,084,527	202,739	2,881,788	0.93	2,671,417
2014/15	108.0	75.6%	120.0	78.7%	10.0% *	2,766,802	276,680	2,490,122	0.91	2,275,972
2015/16	96.0	74.2%	108.0	75.6%	5.4% *	4,299,614	233,312	4,066,302	0.91	3,692,202
2016/17	84.0	70.0%	96.0	74.2%	10.0% *	7,640,218	764,022	6,876,196	0.90	6,161,072
2017/18	72.0	66.4%	84.0	70.0%	10.0% *	10,064,892	1,006,489	9,058,403	0.89	8,098,212
2018/19	60.0	54.9%	72.0	66.4%	10.0% *	12,864,322	1,286,432	11,577,890	0.89	10,292,744
2019/20	48.0	45.1%	60.0	54.9%	10.0% *	15,345,176	1,534,518	13,810,658	0.90	12,457,214
2020/21	36.0	34.1%	48.0	45.1%	10.0% *	19,748,755	1,974,876	17,773,879	0.90	16,049,813
2021/22	24.0	24.2%	36.0	34.1%	10.0% *	27,005,190	2,700,519	24,304,671	0.90	21,947,118
2022/23	12.0	10.6%	24.0	24.2%	10.0% *	32,453,288	3,245,329	29,207,959	0.90	26,257,955
2023/24	0.0	0.0%	12.0	10.6%	10.0% *	36,911,230	3,691,123	33,220,107	0.90	29,831,656
<b>Total</b>						<b>\$188,711,872</b>	<b>\$18,522,500</b>	<b>\$170,189,372</b>		<b>\$153,880,368</b>

ORANGE COUNTY FIRE AUTHORITY  
 WORKERS' COMPENSATION (EXCLUDING COVID) - Expected Confidence Level

Exhibit WC-12 (page 3)

Projected Losses Paid January 1, 2023 to June 30, 2027

III. Projected Losses Paid July 1, 2024 to June 30, 2025

Claim Period (1)	Months of Development 6/30/24 (2)	Percent Losses Paid (3)	Months of Development 6/30/25 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/24 to 6/30/25 ((5)-(3))/ (100.0%-(3)) (6)	Estimated Outstanding Losses 6/30/24 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/25 (7)-(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/25 (9)X(10) (11)
2000/01	288.0	99.7%	300.0	99.8%	10.0% *	\$0	\$0	\$0	0.97	\$0
2001/02	276.0	99.6%	288.0	99.7%	10.0% *	155,729	15,573	140,156	0.96	134,690
2002/03	264.0	99.4%	276.0	99.6%	10.0% *	439,092	43,909	395,183	0.96	378,585
2003/04	252.0	99.1%	264.0	99.4%	10.0% *	726,381	72,638	653,743	0.96	624,325
2004/05	240.0	98.7%	252.0	99.1%	10.0% *	975,336	97,534	877,802	0.95	836,545
2005/06	228.0	98.2%	240.0	98.7%	10.0% *	848,191	84,819	763,372	0.95	726,730
2006/07	216.0	97.4%	228.0	98.2%	10.0% *	959,325	95,933	863,392	0.95	821,086
2007/08	204.0	96.3%	216.0	97.4%	10.0% *	1,586,419	158,642	1,427,777	0.95	1,356,388
2008/09	192.0	94.8%	204.0	96.3%	10.0% *	1,430,663	143,066	1,287,597	0.95	1,221,930
2009/10	180.0	92.5%	192.0	94.8%	10.0% *	1,462,559	146,256	1,316,303	0.95	1,247,855
2010/11	168.0	89.3%	180.0	92.5%	10.0% *	2,965,723	296,572	2,669,151	0.95	2,530,355
2011/12	156.0	86.0%	168.0	89.3%	10.0% *	1,632,345	163,235	1,469,110	0.95	1,392,716
2012/13	144.0	81.6%	156.0	86.0%	10.0% *	1,739,634	173,963	1,565,671	0.94	1,477,993
2013/14	132.0	80.1%	144.0	81.6%	7.5% *	2,881,788	217,220	2,664,568	0.94	2,507,358
2014/15	120.0	78.7%	132.0	80.1%	6.6% *	2,490,122	163,670	2,326,452	0.93	2,156,621
2015/16	108.0	75.6%	120.0	78.7%	10.0% *	4,066,302	406,630	3,659,672	0.91	3,344,940
2016/17	96.0	74.2%	108.0	75.6%	5.4% *	6,876,196	373,127	6,503,069	0.91	5,904,787
2017/18	84.0	70.0%	96.0	74.2%	10.0% *	9,058,403	905,840	8,152,563	0.90	7,304,696
2018/19	72.0	66.4%	84.0	70.0%	10.0% *	11,577,890	1,157,789	10,420,101	0.89	9,315,570
2019/20	60.0	54.9%	72.0	66.4%	10.0% *	13,810,658	1,381,066	12,429,592	0.89	11,049,907
2020/21	48.0	45.1%	60.0	54.9%	10.0% *	17,773,879	1,777,388	15,996,491	0.90	14,428,835
2021/22	36.0	34.1%	48.0	45.1%	10.0% *	24,304,671	2,430,467	21,874,204	0.90	19,752,406
2022/23	24.0	24.2%	36.0	34.1%	10.0% *	29,207,959	2,920,796	26,287,163	0.90	23,737,308
2023/24	12.0	10.6%	24.0	24.2%	10.0% *	33,220,107	3,322,011	29,898,096	0.90	26,878,388
2024/25	0.0	0.0%	12.0	10.6%	10.0% *	38,786,332	3,878,633	34,907,699	0.90	31,347,114
<b>Total</b>						<b>\$208,975,704</b>	<b>\$20,426,777</b>	<b>\$188,548,927</b>		<b>\$170,477,128</b>

ORANGE COUNTY FIRE AUTHORITY  
 WORKERS' COMPENSATION (EXCLUDING COVID) - Expected Confidence Level

Exhibit WC-12 (page 4)

Projected Losses Paid January 1, 2023 to June 30, 2027

IV. Projected Losses Paid July 1, 2025 to June 30, 2026

Claim Period (1)	Months of Development 6/30/25 (2)	Percent Losses Paid (3)	Months of Development 6/30/26 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/25 to 6/30/26 ((5)-(3))/ (100.0%-(3)) (6)	Estimated Outstanding Losses 6/30/25 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/26 (7)-(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/26 (9)X(10) (11)
2000/01	300.0	99.8%	312.0	99.9%	10.0% *	\$0	\$0	\$0	0.97	\$0
2001/02	288.0	99.7%	300.0	99.8%	10.0% *	140,156	14,016	126,140	0.97	121,725
2002/03	276.0	99.6%	288.0	99.7%	10.0% *	395,183	39,518	355,665	0.96	341,794
2003/04	264.0	99.4%	276.0	99.6%	10.0% *	653,743	65,374	588,369	0.96	563,658
2004/05	252.0	99.1%	264.0	99.4%	10.0% *	877,802	87,780	790,022	0.96	754,471
2005/06	240.0	98.7%	252.0	99.1%	10.0% *	763,372	76,337	687,035	0.95	654,744
2006/07	228.0	98.2%	240.0	98.7%	10.0% *	863,392	86,339	777,053	0.95	739,754
2007/08	216.0	97.4%	228.0	98.2%	10.0% *	1,427,777	142,778	1,284,999	0.95	1,222,034
2008/09	204.0	96.3%	216.0	97.4%	10.0% *	1,287,597	128,760	1,158,837	0.95	1,100,895
2009/10	192.0	94.8%	204.0	96.3%	10.0% *	1,316,303	131,630	1,184,673	0.95	1,124,255
2010/11	180.0	92.5%	192.0	94.8%	10.0% *	2,669,151	266,915	2,402,236	0.95	2,277,320
2011/12	168.0	89.3%	180.0	92.5%	10.0% *	1,469,110	146,911	1,322,199	0.95	1,253,445
2012/13	156.0	86.0%	168.0	89.3%	10.0% *	1,565,671	156,567	1,409,104	0.95	1,335,831
2013/14	144.0	81.6%	156.0	86.0%	10.0% *	2,664,568	266,457	2,398,111	0.94	2,263,817
2014/15	132.0	80.1%	144.0	81.6%	7.5% *	2,326,452	175,361	2,151,091	0.94	2,024,177
2015/16	120.0	78.7%	132.0	80.1%	6.6% *	3,659,672	240,542	3,419,130	0.93	3,169,534
2016/17	108.0	75.6%	120.0	78.7%	10.0% *	6,503,069	650,307	5,852,762	0.91	5,349,424
2017/18	96.0	74.2%	108.0	75.6%	5.4% *	8,152,563	442,387	7,710,176	0.91	7,000,840
2018/19	84.0	70.0%	96.0	74.2%	10.0% *	10,420,101	1,042,010	9,378,091	0.90	8,402,770
2019/20	72.0	66.4%	84.0	70.0%	10.0% *	12,429,592	1,242,959	11,186,633	0.89	10,000,850
2020/21	60.0	54.9%	72.0	66.4%	10.0% *	15,996,491	1,599,649	14,396,842	0.89	12,798,793
2021/22	48.0	45.1%	60.0	54.9%	10.0% *	21,874,204	2,187,420	19,686,784	0.90	17,757,479
2022/23	36.0	34.1%	48.0	45.1%	10.0% *	26,287,163	2,628,716	23,658,447	0.90	21,363,578
2023/24	24.0	24.2%	36.0	34.1%	10.0% *	29,898,096	2,989,810	26,908,286	0.90	24,298,182
2024/25	12.0	10.6%	24.0	24.2%	10.0% *	34,907,699	3,490,770	31,416,929	0.90	28,243,819
2025/26	0.0	0.0%	12.0	10.6%	10.0% *	40,740,719	4,074,072	36,666,647	0.90	32,926,649
<b>Total</b>						<b>\$229,289,646</b>	<b>\$22,373,385</b>	<b>\$206,916,261</b>		<b>\$187,089,838</b>



ORANGE COUNTY FIRE AUTHORITY  
 WORKERS' COMPENSATION (EXCLUDING COVID) - Expected Confidence Level

Exhibit WC-12 (page 5)

Projected Losses Paid January 1, 2023 to June 30, 2027

V. Projected Losses Paid July 1, 2026 to June 30, 2027

Claim Period (1)	Months of Development 6/30/26 (2)	Percent Losses Paid (3)	Months of Development 6/30/27 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/26 to 6/30/27 ((5)-(3))/ (100.0%-(3)) (6)	Estimated Outstanding Losses 6/30/26 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/27 (7)-(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/27 (9)X(10) (11)
2000/01	312.0	99.9%	324.0	99.9%	10.0% *	\$0	\$0	\$0	0.98	\$0
2001/02	300.0	99.8%	312.0	99.9%	10.0% *	126,140	12,614	113,526	0.97	110,120
2002/03	288.0	99.7%	300.0	99.8%	10.0% *	355,665	35,567	320,098	0.97	308,895
2003/04	276.0	99.6%	288.0	99.7%	10.0% *	588,369	58,837	529,532	0.96	508,880
2004/05	264.0	99.4%	276.0	99.6%	10.0% *	790,022	79,002	711,020	0.96	681,157
2005/06	252.0	99.1%	264.0	99.4%	10.0% *	687,035	68,704	618,331	0.96	590,506
2006/07	240.0	98.7%	252.0	99.1%	10.0% *	777,053	77,705	699,348	0.95	666,479
2007/08	228.0	98.2%	240.0	98.7%	10.0% *	1,284,999	128,500	1,156,499	0.95	1,100,987
2008/09	216.0	97.4%	228.0	98.2%	10.0% *	1,158,837	115,884	1,042,953	0.95	991,848
2009/10	204.0	96.3%	216.0	97.4%	10.0% *	1,184,673	118,467	1,066,206	0.95	1,012,896
2010/11	192.0	94.8%	204.0	96.3%	10.0% *	2,402,236	240,224	2,162,012	0.95	2,051,749
2011/12	180.0	92.5%	192.0	94.8%	10.0% *	1,322,199	132,220	1,189,979	0.95	1,128,100
2012/13	168.0	89.3%	180.0	92.5%	10.0% *	1,409,104	140,910	1,268,194	0.95	1,202,248
2013/14	156.0	86.0%	168.0	89.3%	10.0% *	2,398,111	239,811	2,158,300	0.95	2,046,068
2014/15	144.0	81.6%	156.0	86.0%	10.0% *	2,151,091	215,109	1,935,982	0.94	1,827,567
2015/16	132.0	80.1%	144.0	81.6%	7.5% *	3,419,130	257,723	3,161,407	0.94	2,974,884
2016/17	120.0	78.7%	132.0	80.1%	6.6% *	5,852,762	384,689	5,468,073	0.93	5,068,904
2017/18	108.0	75.6%	120.0	78.7%	10.0% *	7,710,176	771,018	6,939,158	0.91	6,342,390
2018/19	96.0	74.2%	108.0	75.6%	5.4% *	9,378,091	508,889	8,869,202	0.91	8,053,235
2019/20	84.0	70.0%	96.0	74.2%	10.0% *	11,186,633	1,118,663	10,067,970	0.90	9,020,901
2020/21	72.0	66.4%	84.0	70.0%	10.0% *	14,396,842	1,439,684	12,957,158	0.89	11,583,699
2021/22	60.0	54.9%	72.0	66.4%	10.0% *	19,686,784	1,968,678	17,718,106	0.89	15,751,396
2022/23	48.0	45.1%	60.0	54.9%	10.0% *	23,658,447	2,365,845	21,292,602	0.90	19,205,927
2023/24	36.0	34.1%	48.0	45.1%	10.0% *	26,908,286	2,690,829	24,217,457	0.90	21,868,364
2024/25	24.0	24.2%	36.0	34.1%	10.0% *	31,416,929	3,141,693	28,275,236	0.90	25,532,538
2025/26	12.0	10.6%	24.0	24.2%	10.0% *	36,666,647	3,666,665	32,999,982	0.90	29,666,984
2026/27	0.0	0.0%	12.0	10.6%	10.0% *	42,807,630	4,280,763	38,526,867	0.90	34,597,127
<b>Total</b>						<b>\$249,723,891</b>	<b>\$24,258,693</b>	<b>\$225,465,198</b>		<b>\$203,893,849</b>

ORANGE COUNTY FIRE AUTHORITY  
WORKERS' COMPENSATION (EXCLUDING COVID) - Expected Confidence Level

Exhibit WC-12 (page 6)

Projected Losses Paid January 1, 2023 to June 30, 2027

Footnotes:

Sections I, II, III, IV and V, (3) and (5) are from Exhibit WC-2.

Section I, (7) to 2021/22 is from Exhibit WC-10. The amount for 2022/23 is for the full period

Section II, (7) to 2022/23 is from Section I, (9). The amount for 2023/24 is from Exhibit WC-9.

Section III, (7) to 2023/24 is from Section II, (9). The amount for 2024/25 is from Exhibit WC-9.

Section IV, (7) to 2024/25 is from Section III, (9). The amount for 2025/26 is from Exhibit WC-9.

Section V, (7) to 2025/26 is from Section IV, (9). The amount for 2026/27 is from Exhibit WC-9.

Sections I, II, III, IV and V, (10) are based on a 2% interest rate and the payout pattern in Exhibit WC-2

\* - Limited to a maximum of 10% per actuarial judgment.

Loss Rate and Severity Trend

I. Benefit Level Changes

Effective Date (1)	Benefit Level Change (2)	Cumulative Benefit Level Change (3)
1/1/1999	1.093	1.093
4/1/1999	1.011	1.105
1/1/2000	1.086	1.200
1/1/2001	1.068	1.282
4/13/2001	1.010	1.294
6/29/2001	1.002	1.297
1/1/2002	0.997	1.293
1/1/2003	1.051	1.359
1/1/2004	0.759	1.032
4/19/2004	0.831	0.857
1/1/2005	0.768	0.658
1/1/2006	0.965	0.635
1/1/2007	1.006	0.639
2/15/2007	1.011	0.646
1/1/2008	1.022	0.660
1/1/2009	1.013	0.669
1/1/2010	1.001	0.670
1/1/2011	0.987	0.661
1/1/2012	0.982	0.649
1/1/2013	0.967	0.628
1/1/2014	1.012	0.635
1/1/2015	1.001	0.636
1/1/2016	1.002	0.637
1/1/2017	0.992	0.632
1/1/2018	0.997	0.630
1/1/2019	1.001	0.631
1/1/2020	1.019	0.643
1/1/2021	1.018	0.654

II. Loss Rate and Severity Trend

Claim Period (1)	Benefit Trend (2022/23 = 1.000) (2)	Residual Trend (2022/23 = 1.000) (3)	Retention Index (2022/23 = 1.000) (4)	Loss Rate Trend (2022/23 = 1.000) = (2)X(3)X(4) (5)	Wage Trend (2022/23 = 1.000) (6)	Severity Trend (2022/23 = 1.000) = (5)X(6) (7)
2017/18	0.964	1.104	1.000	1.065	1.159	1.234
2018/19	0.964	1.082	1.000	1.043	1.126	1.174
2019/20	0.973	1.061	1.000	1.033	1.093	1.128
2020/21	0.991	1.040	1.000	1.031	1.061	1.094
2021/22	1.000	1.020	1.000	1.020	1.030	1.051
2022/23	1.000	1.000	1.000	1.000	1.000	1.000
2023/24	1.000	0.980	1.000	0.980	0.971	0.952
2024/25	1.000	0.961	1.000	0.961	0.943	0.906
2025/26	1.000	0.942	1.000	0.942	0.915	0.862
2026/27	1.000	0.924	1.000	0.924	0.888	0.821

Section I, (2) is extracted from the NCCI Annual Statistical Bulletin

Section I, (3) is the cumulative of Section I, (2).

Section II, (2) is based on Section I, (2).

Section II, (3) is based on 2% trend per actuarial judgment.

Section II, (6) is based on 3% trend.



**Orange County Fire Authority**  
**AGENDA STAFF REPORT**

**Human Resources Committee Meeting**  
**November 7, 2023**

**Agenda Item No. 3B**  
**Discussion Calendar**

**New Salary Range for Medical Director Classification**

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**Contact(s) for Further Information**

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**Summary**

This agenda item is submitted for approval to establish a revised salary range for the Medical Director classification.

**Prior Board/Committee Action**

Not Applicable.

**RECOMMENDED ACTION(S)**

Review the proposed agenda item and direct staff to place the item on the agenda for the Executive Committee meeting of November 16, 2023, with the Human Resources Committee’s recommendation that the Executive Committee approve the revised salary range for the Medical Director classification at \$140-\$160 per hour.

**Impact to Cities/County**

Not Applicable.

**Fiscal Impact**

The estimated fiscal impact in current FY 2023/2024 is anticipated to be fully covered by salary savings from vacant positions.

Increase Cost Funded by Structural Fire Fund:	\$0
Increase Cost Funded by Cash Contract Cities:	\$0

**Background**

The Orange County Fire Authority’s (OCFA) most recent Medical Director separated from employment in August of this year. The Medical Director position is a single incumbent position with the responsibility to obtain and approve the dispensing of needed medications administered in the field by safety personnel. The position is also responsible for providing medical oversight and expertise to continuous quality improvement (CQI) programs by reviewing and analyzing

EMS effectiveness, system trends, and needs in an effort to ensure EMS system excellence; developing and assisting in the formulation of policies and procedures; participating in call reviews with nurse educators, firefighter/paramedics, and firefighter/EMT's; assisting in problem solving in field clinical decision making; and is expected to have a prominent and significant presence within the Orange County and state of California Emergency Medical Services (EMS) communities.

The job specification requires that the Medical Director be a graduate of an American Medical Association certified school of medicine and have five (5) years of emergency medicine experience within a hospital or clinic setting, or the person must have completed an approved EMS Fellowship, which is extensive specialized training. The current rate OCFA salary range for the Medical Director classification is \$56.89-\$90.41 per hour or \$118,289.60 - \$188,052.80 per year.

**Discussion**

***Recruitment and Retention***

When the prior Medical Director separated from employment in April 2016, a national search was conducted, and OCFA was unable to reach an employment agreement with any of the top candidates, primarily because the salary range for the position was far below market based on the minimum requirements and duties of the position. The salary range was moderately adjusted upward in 2017, and the Authority was eventually able to hire a Medical Director approximately one year after the vacancy occurred. Similarly, when the most recent incumbent was hired, the Authority faced a challenging recruitment process to fill this critical position. During an exit survey with the incumbent, pay was identified as a reason for resigning from the position.

Staff surveyed eighteen (18) agencies to determine if a sufficient number of comparable matches could be found. San Jose Fire Department and Los Angeles County Fire Department were the only agencies that had the equivalent of the OCFA Medical Director on staff. The remaining agencies either do not have a comparable match or contract out the duties performed by the Medical Director classification at OCFA.

Providing for reporting structure, scope of supervisory responsibility, complexity of work, internal equity, and external competition, the proposed salary range for the Medical Director classification is as follows:

<b>MEDICAL DIRECTOR CURRENT LEVELS/HOURLY RATE</b>			
<b>Code</b>	<b>Classification</b>	<b>Min Hourly Rate</b>	<b>Max Hourly Rate</b>
1540	Medical Direcotr	\$56.89	\$90.41

<b>MEDICAL DIRECTOR PROPOSED LEVELS/HOURLY RATE</b>			
<b>Code</b>	<b>Classification</b>	<b>Min Hourly Rate</b>	<b>Max Hourly Rate</b>
1540	Medical Director	\$140	\$160

As the Medical Director classification is represented by the Orange County Fire Authority Management Association (OCFAMA), the recommended salary range has been reviewed with their representatives, and OCFAMA is supportive of the salary range adjustment.

Executive Committee approval is required to revise the salary range to the Master Position Control, and staff recommends the Human Resources Committee authorize the placement of the item on the agenda for the Executive Committee meeting of November 16, 2023, with the Human Resources Committee's recommendation that the Executive Committee approve the establishment of the proposed Medical Director salary range.

**Attachment**

Salary survey

## Medical Director Salary Data

Agency	Classification	Min/Hour	Max/Hour	Notes
Alameda County FD	No Match			Contracted
Contra Costa County FPD	No Match			Agency has a Medical Director, but the position has a broader scope of responsibilities. Paid \$193 per hour.
Fresno FD	No Match			Fresno FD does not have a doctor on staff.
Kern County FD	No Match			Contracted
Long Beach FD	No Match			Contracted
LA City FD	No Match			Position being contracted. Prior class of Chief Physician no longer being used and had a broader scope of responsibilities.
LA County FD	Assistant Medical Director		\$293	Reports to lead Medical Director that has supervisory responsibilities.
Laguna Beach FD	No Match			Contracted Part-Time. Paid \$250 per hour.
Newport Beach FD	No Match			Contracted Part-Time. Paid \$250 per hour.
Oakland FD	No Match			Contracted
Oxnard FD	No Match			Contracted. Paid \$160 per hour.
Sacramento FD	No Match			Closest class is Emergency Medical Services Coordinator, but position does not require an MD or OD, only an RN certification
Sacramento Metropolitan Fire District	No Match			Part-time Physician works 22 hours per week at \$150 per hour.
San Bernardino FPD	No Match			Agency has a Public Health Medical Director, who handles public health clinics.
San Diego Fire-Rescue Department	No Match			Contract services through UC San Diego. Paid \$225 per hour.
San Francisco FD	No Match			Contracted. No equivalent position.
San Jose FD	Physician		\$124	
Ventura County FD	No Match			Contracted. Paid \$250 per hour.
<b>OCFA</b>	<b>Medical Director*</b>	<b>\$57</b>	<b>\$90</b>	

\*Current salary range



Orange County Fire Authority  
**AGENDA STAFF REPORT**

Human Resources Committee Meeting  
November 7, 2023

Agenda Item No. 3C  
Discussion Calendar

**Amendments to the Personnel & Salary Resolution**

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**Contact(s) for Further Information**

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**Summary**

This agenda item is submitted to make amendments to the Personnel & Salary Resolution Part 3, Article 1, Section 6(B) – Range Adjustment, to reflect a change in the salary range for the classification of Director of Communications.

**Prior Board/Committee Action**

Not Applicable.

**RECOMMENDED ACTION(S)**

Review the proposed agenda item and direct staff to place the item on the agenda for the Board of Directors meeting of November 16, 2023, with the Human Resources Committee's recommendation that the Board of Directors approve the amendments to the Personnel & Salary Resolution, Resolution Part 3, Article 1, Section 6(B) – Range Adjustment, to reflect a change in the salary range for the classification of Director of Communications.

**Impact to Cities/County**

Not applicable.

**Fiscal Impact**

The estimated fiscal impact of \$11,021 in current FY 2023/24 is anticipated to be fully covered by salary savings from vacant positions.

Increased Cost Funded by Structural Fire Fund: \$0

Increased Cost Funded by Cash Contract Cities: \$0

**Background**

The Personnel & Salary Resolution, Part 3, Article 1, Section 6 defines how the salary ranges are established for the Executive Management unit. The changes are being proposed to amend the salary range for the position of Director of Communications for internal equity, recruitment and retention. In addition, a portion of the amendment is to remove an obsolete reference to the Human Resources Director since prior action taken by the Board reclassified the position of Human Resources Director to Assistant Chief.



**Human Resources Director**

At the regular meeting of the Board of Directors on April 25, 2019, the Board of Directors took action to establish the single classification of Assistant Chief, thereby consolidating the classifications of Assistant Chief of Business Services, Fire Marshal, Operations, Support Services, and Human Resources Director into one classification. The Personnel and Salary Resolution was not updated at that time to reflect this action. The proposed change removes the obsolete reference to the Human Resources Director from the provisions of Section 6(B) as it is currently covered under the provisions of Section 6(A).

**Director of Communications**

As a member of the Executive Management Team, the classification of Director of Communications is responsible for creating and executing strategic public relations and communications programs for the Fire Chief, Executive Leadership, and the OCFA Board of Directors. The position establishes public relations standards, goals, priorities, operational plans, policies and procedures. The position creates and maintains relations with news media through news releases, press conferences, briefings, interviews, media appearances, correspondence and reports. Lastly, the Director of Communications serve at the pleasure of the Fire Chief and is hired as an At-Will employee.

Currently, the Personnel and Salary Resolution provides that the salary range for the Director of Communications is based on the maximum attainable salary within the Orange County Fire Authority Managers Association (OCFAMA) bargaining unit. This has caused internal inequity between the Director of Communications and the Assistant Chief rank as the salary range for Director of Communications does not move in tandem with the other Executive Management members. The proposed change is intended to correct for internal equity with the rank of Assistant Chief and better reflect the complexity of work, scope of responsibility, and leadership role of this position. Furthermore, the proposed change would ensure that future amendments to the salary range align with an appropriate spread to the Assistant Chief rank.

<b>DIRECTOR OF COMMUNICATIONS CURRENT LEVELS/HOURLY RATE</b>			
<b>Code</b>	<b>Classification</b>	<b>Min Hourly Rate</b>	<b>Max Hourly Rate</b>
1100	Director of Communications	\$50.23	\$97.51

<b>DIRECTOR OF COMMUNICATIONS PROPOSED LEVELS/HOURLY RATE</b>			
<b>Code</b>	<b>Classification</b>	<b>Min Hourly Rate</b>	<b>Max Hourly Rate</b>
1100	Director of Communications	\$94.66	\$102.34

The proposed change reflects a five percent (5%) percent increase above the current maximum of the range. Movement within the range for an incumbent shall be based on job performance in line with the Annual Merit Review Program.

Staff is requesting the Board to adopt this amendment to the language Part 3, Article I, Section 6(B) as proposed.

**Attachment(s)**

Proposed Personnel & Salary Resolution

**PERSONNEL**  
**AND**  
**SALARY RESOLUTION**

**ORANGE COUNTY FIRE AUTHORITY**

Revisions Approved by the Board of Directors ~~May 23, 2019~~,  
TBD

Effective ~~August 1, 2019~~TBD  
(Amendments to Part 3, Section 6(B)8-  
~~and to Appendix B Only~~)

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## DEFINITIONS

The following terms as used in this Personnel and Salary Resolution shall, unless the context clearly indicates otherwise, have the respective meanings herein set forth:

**ADMINISTRATIVE MANAGEMENT** shall mean positions designated under Administrative Management as specified in Appendix B.

**ASSISTANT CHIEF** shall mean the Executive Management employee responsible for Business Services, Community Risk Reduction, Operations, Organizational Planning, or Support Services.

**AUTHORITY** shall mean the Orange County Fire Authority (OCFA). The Authority is a joint powers agency that was created to discharge the functions of the Orange County Fire Department and which, effective March 1, 1995, became the successor organization to the Orange County Fire Department.

**BOARD** shall mean Board of Directors of the Authority.

**BOARD OF RETIREMENT** shall mean the Board of Retirement of the Orange County Employees Retirement System (OCERS).

**COMPENSATION EARNABLE** shall mean the employee's hourly rate of pay and any other compensation the employee receives that is used by the Orange County Employees Retirement System in calculating the employee's Average Monthly Compensation.

**CONTINUOUS SERVICE** shall mean employment in a regular position that has not been interrupted by resignation, discharge, or retirement. Official Leaves of Absence shall not constitute a break in continuous service. For employees who transitioned directly from the County of Orange to Authority employment prior to September 1, 1995, continuous service shall include prior continuous service with the County of Orange.

**COUNTY** shall mean the County of Orange and special districts governed by the Board of Supervisors.

**DEPARTMENT** shall mean a Department within the Authority such as Business Services, Community Risk Reduction, Operations, Organizational Planning, and Support Services.

**DEPARTMENT HEAD** shall mean an executive manager of the Authority who is responsible for a Department within the Authority including Assistant Chief of Operations, Assistant Chief of Business Services, Assistant Chief of Community Risk Reduction, Assistant Chief of Organizational Planning, and Assistant Chief of Support Services.

**ELIGIBLE FORMER EMPLOYEE** means an Employee who meets the coverage and participation requirements set forth in Sections 3.2.1 and 3.2.2 of the Retiree Medical Plan at the time of his/her termination of employment with the Authority.

**ELIGIBLE RETIREE** means a retiree who is receiving a monthly retirement allowance from the Orange County employees Retirement System (OCERS), who meets the coverage and participation requirements set forth in Section 3.1 and 3.2 of the Retiree Medical Plan and whose coverage has not been terminated under Section 3.3 of the Retiree Medical Plan.

**EMERGENCY** shall mean an unforeseen circumstance requiring immediate action, a sudden unexpected happening, an unforeseen occurrence or condition, a pressing necessity.

**EMPLOYEE** shall mean a person employed by the Authority and covered by the terms of this Personnel and Salary Resolution, except where the natural construction of this Resolution otherwise indicates, and except elected officers and Volunteer Reserve Firefighters.

**EXECUTIVE MANAGEMENT** shall mean an employee employed in one (1) of the classes as listed in Appendix A.

**EXTRA HELP EMPLOYEE** shall mean an employee employed in an extra help position. An extra help employee serves at the pleasure of the Authority in an extra help position and may be removed from an extra help position at any time with or without notice or cause and without a hearing.

**EXTRA HELP POSITION** shall mean a position that is intended to be occupied on less than a year-round basis, including, but not limited to, the following: to cover seasonal peak workloads; emergency extra workloads of limited duration; necessary vacation relief, paid sick leave, and other situations involving a fluctuating staff. Ordinarily, a full-time extra help position shall not be authorized for a period exceeding six (6) months. In unusual circumstances, and at the discretion of the Fire Chief and the Human Resources Director, a full-time extra help position may be authorized for a period longer than six (6) months, provided such period shall not exceed one (1) year.

**FIRE CHIEF** shall mean the person who is the principal officer or employee of the Authority or his/her designee.

**FIRE MANAGEMENT** shall mean employees covered under the Fire Management Unit as referred to in the Memorandum of Understanding between the Orange County Fire Authority and the Orange County Fire Authority Chief Officers Association.

**FISCAL YEAR** shall mean a period from July 1 through June 30.

**FULL-TIME EMPLOYEE** shall mean an employee employed in a regular or limited-term position whose normally assigned work hours equal those of a full workweek or work period as described hereinafter.

**GENERAL UNIT** shall mean employees covered under the General Unit as referred to in the Memorandum of Understanding between the Orange County Fire Authority and Orange County Employees Association.

**HUMAN RESOURCES DIRECTOR** shall mean the Human Resources Director or his/her designee.

**LIGHT DUTY ASSIGNMENT** shall mean temporary modified (light duty) assignment as defined in SOP AM 103.01B.

**LIMITED-TERM EMPLOYEE** shall mean an employee employed in a limited-term position, except where a regular position is converted to a limited-term position, in which case, the incumbent shall retain his/her former status. As an exception to this definition, a limited-term employee may also be used to fill a regular position when the incumbent employee is on Official Leave of Absence.

**LIMITED-TERM POSITION** shall mean a position that the Authority has determined has no anticipated long-range funding or has uncertain future funding.

**OCFA** shall mean the Orange County Fire Authority.

**PART-TIME EMPLOYEE** shall mean an employee employed in a regular or limited-term position whose normally assigned work hours do not equal those required of a full-time employee.

**PRACTICABLE** shall mean economically or operationally feasible or reasonably able to accomplish.

**PROBATIONARY EMPLOYEE** shall mean a person who is serving a probation period and is employed in a regular or limited-term position.

**PROMOTION** shall mean the movement of a regular, limited-term, or probationary employee from one (1) class to another class where the maximum rate on the new salary range is at least two and seventy-five hundredths (2.75) percent higher than the maximum rate of the old salary range.

**PROVISIONAL APPOINTMENT** shall mean an appointment of a qualified person who is not a regular, probationary, or limited-term employee of the Authority to a regular or limited-term position on a temporary basis.

**PROVISIONAL EMPLOYEE** shall mean an employee who occupies a regular or limited-term position as the result of a provisional appointment.

**RATING YEAR** shall mean that time period considered in the preparation of annual performance evaluations under the Annual Merit Review Program.

**REASSIGNMENT** shall mean the movement of a regular, limited-term, or probationary employee from one (1) class to another class on the same salary range or to a class where the maximum rate on the new salary range is less than two and seventy-five hundredths (2.75) percent higher or lower than the maximum rate of the old salary range.

**RECRUITING RATE** shall be the minimum rate of the salary range allocated to a class, unless otherwise authorized by the Board or the Human Resources Director.

**REDUCTION** shall mean the movement of a regular, limited-term, or probationary employee from one (1) class to another class where the maximum rate of the new salary range is at least two and seventy-five hundredths (2.75) percent lower than the maximum rate of the old salary range.

**REEMPLOYED EMPLOYEE** shall mean an employee who is reemployed by the Authority in accordance with the eligibility requirements identified in the OCFA Selection Rules and Appeals Procedure.

**REGULAR EMPLOYEE** shall mean a person who is not on probation and is employed in a regular or limited-term position.

**REGULAR POSITION** shall mean a position established on a permanent year-round basis requiring work on a regular schedule, unless otherwise authorized by minute order of the Board.

**REINSTATED EMPLOYEE** shall mean an employee who is reinstated by the Authority in

accordance with the LAYOFF PROCEDURE.

**SENIORITY** shall mean total continuous full-time equivalent service as a regular employee, unless the context herein indicates otherwise.

**SERVICE** for the purpose of determining benefits under the Retiree Medical Insurance Grant shall mean service for the Authority, and shall include service for the County of Orange, if the employee/retiree transitioned directly from County employment to Authority employment no later than September 1, 1995, and has been continuously employed by the Authority until retirement. When the word SERVICE is printed in all uppercase letters, it refers to this definition.

**SOP** shall mean Standard Operating Procedure.

**SUPERVISORY MANAGEMENT UNIT** shall mean employees covered under the Supervisory Management Unit as referred to in the Memorandum of Understanding between the Orange County Fire Authority and the Orange County Employees Association.

**SUPPORTED EMPLOYMENT UNIT** shall mean employees who have been referred to the Authority by Goodwill Industries and accepted by the Authority as program participants.

**Y-RATE** shall mean a pay rate outside of the assigned salary range of a class.



**PART 1**  
**ARTICLE I**

**GENERAL PERSONNEL PROVISIONS**

**Section 1. Regulation of Employees**

- A. There is hereby adopted a merit system for the personnel administration of this Authority basing appointments, promotions, reductions, and discharges specifically on merit for all employees, except for extra help employees, Senior Executive Assistant to the Fire Chief, and appointments and promotions to Executive Management positions.
- B. All employees shall hold their positions subject to rules and regulations established by Resolution of the Board.

**Section 2. Conflict of Interest**

- A. Authority employees shall refrain from engaging in any activities that constitute a conflict of interest due to the nature, conditions, or some other aspect of the activity. It shall be the responsibility of the Fire Chief to ensure that employees in the Authority refrain from engaging in any activities that constitute a conflict of interest. The following are examples of activities that may involve a conflict of interest:
  - 1. The use of Authority time, facilities, equipment, badge, or uniform for private gain or advantage, or private gain or advantage of another.
  - 2. The use of prestige or influence of Authority employment for private gain or advantage, or the private gain or advantage of another.
  - 3. The use of confidential information acquired by virtue of Authority employment for the employee's private gain or advantage, or private gain or advantage of another.
  - 4. The acceptance of money or other consideration by an employee from any person, except the Authority for the performance of an act that the employee would be required or expected to render in the regular course or hours of his/her Authority employment, or as a part of his/her duties as an Authority employee.
  - 5. The performance of an act in other than his/her capacity as an Authority employee knowing that such act may later be subject directly or indirectly to the control, inspection, review, audit, or enforcement by the employee or the Authority.
  - 6. The representation of or assisting in the representation of private interests for profit before any board or committee of the Authority or in court when the Authority is a party.
  - 7. The solicitation of future employment with a business doing business with the Authority over which the employee has some control or influence in his/her official capacity at the time of transaction.

### **Section 3. Employment of Relatives**

#### **A. Purpose**

1. To provide guidelines for employment of close relatives as situations involving relatives working in the Authority may result in morale problems, inappropriate supervision, conflict of interest, or public criticism. The intent is to avoid the opportunity for an officer or employee of the Authority to use personal influence to aid or hinder another in the employment setting or situation because of a personal relationship.

#### **B. Policy**

1. General: No person may be appointed, promoted, reduced, transferred, or reassigned to a position in which that person is in the direct line of supervision of a close relative; nor shall close relatives have the same immediate supervisor. "Supervision" includes the assignment of work, evaluation of performance, and setting or influencing the pay or granting of benefits to the other.
2. Definition: A close relative shall be defined as an individual related by blood, adoption, or marriage, e.g., spouse, parent, child, sibling, grandparent, grandchild, uncle, aunt, first cousin, nephew, niece, mother/father in-law, son/daughter in-law, sister/brother in-law, step-parent, step-child, step-brother/sister or half-brother/sister.
3. Disclosure: All applicants for employment, promotion, reduction, transfer, or reassignment to a position in the Authority shall be required to disclose the name(s) and position title(s) of any close relative currently employed in the Authority prior to appointment, promotion, reduction, transfer, or reassignment. An employee who becomes a "close relative" by marriage subsequent to appointment shall disclose the new relationship(s) to his/her supervisor.
4. The Human Resources Director shall provide appropriate forms and procedures for the disclosure process.
5. Exemptions: The Fire Chief may grant exemptions required for the effective and efficient operation of the Authority. The Fire Chief shall develop appropriate procedures to ensure the objective review of requests for exemption.

#### **C. Procedure for Exemption From Policy**

1. The hiring supervisor shall request authority for an exemption from policy from the Fire Chief prior to appointing, promoting, reducing, transferring, or reassigning a close relative of an employee, if such action shall result in a violation of policy above.
2. The written request for exemption from policy shall include:
  - a) Names of prospective employee and known close relative employee(s) and relationship(s).
  - b) Titles and summary of duties, and work relationship of affected positions.

- c) Qualifications of applicant indicating why the selected applicant is the best qualified or better qualified than other candidates.
  - d) Justification for exemption, indicating why it is necessary for the effective and efficient operation of the Authority and including a statement of why supervisor believes problems shall not result.
3. The Fire Chief shall approve or disapprove supervisor's recommendation and notify the Human Resources Director of specific reasons for decision. Upon request, the Human Resources Director shall review and provide comments to the Fire Chief. The Human Resources Director shall maintain a listing of exemptions granted after the effective date of this policy.
  4. When an exemption is granted for a close relative of the Fire Chief, the Board shall be promptly notified.

#### **Section 4. Drug and Alcohol Policy**

##### A. Purpose

It is the purpose of this policy to articulate the position of the Authority Board with respect to the use of drugs or alcohol by Authority employees while on Authority time, in Authority vehicles, on Authority property, or in Authority facilities.

##### B. Policy

In recognition of the duties entrusted to the employees of the Authority and with knowledge that drugs and alcohol do hinder a person's ability to perform duties safely and effectively, the Board adopts the following policy:

1. It is the policy of the Authority to maintain a safe, healthful, lawful, and productive workplace. Members of the Board are committed to discouraging alcohol and drug abuse and to achieving a workforce free from the influence of drugs and alcohol.
2. It is the intent of this policy to deter the misuse or abuse of legal or illegal substances that create a threat to the safety and health of any Authority employee or member of the public. The Authority is concerned with those situations where the use of alcohol and drugs interferes with any employee's safety and job performance, adversely affects the job performance or safety of other employees, or affects the safety of the public.
3. The Authority has established a voluntary Employee Assistance Program to assist all Authority employees who wish to seek help for alcohol and drug problems. The Authority also makes available a variety of insurance coverage that provides treatment for drug and alcohol abuse. Employees may contact their supervisors, insurance provider, or the Employee Assistance Program for additional information.
4. The use, possession or sale of illegal drugs is unlawful, dangerous, and prohibited. The use of alcohol in the workplace, or prior to coming to the workplace so that the employee's performance is impaired is dangerous to the employee, to other employees, and the general public and is prohibited. The abuse of all drugs, including alcohol by employees is unacceptable since it can adversely affect health and safety, security and productivity, as well

as public confidence and trust.

5. Violation of this policy may be grounds for disciplinary action up to and including discharge from Authority service. The Authority may develop additional policies or work rules to augment the above policy statement.
6. Employees who experience drug or alcohol problems are encouraged to seek referral for rehabilitation through the Employee Assistance Program (EAP) or their insurance provider. It is the responsibility of each employee to seek assistance before alcohol or drug problems lead to performance problems. Once a violation of this policy occurs, subsequent use of the Employee Assistance Program or other programs on a voluntary basis shall not necessarily lessen disciplinary action.

#### **Section 5. Position Classification Plan**

- A. The Position Classification Plan of the Authority shall consist of the class titles and the class specifications adopted by the Board. There shall be a class specification for each class (unless exempted by the Board) that includes the title of the class and indicates the type of work performed and the minimum qualifications for employment. Class specifications shall be established by the Board of Directors and maintained current by the Human Resources Director in the following areas: 1) legal requirements for licensure, 2) Fair Labor Standards Act (FLSA) mandates, and 3) organizational changes to reporting relationships.
- B. The Human Resources Director shall administer the Position Classification Plan for all positions in the Authority service, except those designated by the Board as being exempted. The Human Resources Director shall make recommendations to the Board as to the establishment of classes. The Human Resources Director shall establish procedures to administer the Position Classification Plan.
- C. The Human Resources Director is authorized to conduct studies of the duties and responsibilities of the various positions in order to maintain the Position Classification Plan.

#### **Section 6. Number and Classification of Activated Positions**

- A. The number of activated regular positions shall be as designated by the Board. The Fire Chief shall not appoint regular or probationary employees in excess of the positions activated by the Board, except that the Fire Chief, with notification to the Human Resources Director, may fill a regular position with a replacement up to twenty-eight (28) calendar days in advance of the separation of a terminating employee.
- B. The Human Resources Director is authorized to reclassify positions when such reclassifications are consistent with classification concepts, classification specifications, and salaries adopted by the Board, and the Fire Chief agrees with the classification change.
- C. The Human Resources Director may authorize that a regular position be used as one (1) or more part-time regular positions, provided that the total regularly scheduled hours of the part-time positions do not exceed the number of hours per

week authorized for the activated regular position.

- D. The Fire Chief may appoint limited-term or extra help employees subject to a determination by the Human Resources Director as to the appropriate classification of the positions. Ordinarily, a full-time extra help position shall not be authorized for a period exceeding six (6) months. In unusual circumstances, and at the discretion of the Fire Chief and the Human Resources Director, a full-time extra help position may be authorized for a period longer than six (6) months, provided such period shall not exceed one (1) year.
- E. When a regular or limited-term position is vacant due to Leave of Absence, the position may be filled for the length of the immediately preceding Authority Leave, Official Leave, Leaves for disability reasons, Military Leave, Parenthood Leave, or other loan program and any extensions of such Leaves.
- F. When an employee who is separating from Authority service by way of paid Authority retirement elects to take time off for vacation, the position to be vacated may be filled by the Authority for the length of vacation time off prior to the employee's paid retirement.
- G. When a regular or limited-term employee is on a Leave of Absence with Pay and the cost of the employee's salary and benefits is fully reimbursed to the Authority, the employee's position may be filled by the Authority for the length of the paid Leave.

#### **Section 7. Selection Procedures**

- A. Consistent with Section 1.A of this Article, the Human Resources Director shall determine the method of evaluating the qualifications of applicants and employees. The Human Resources Director shall administer the Authority Merit System Selection Rules and Appeals Procedure. Such Rules may be revised by the Human Resources Director, provided that no revision that nullifies the basic principle of a merit system shall be effective, unless approved by the Board.
- B. Consistent with Section 1.A of this Article, the Human Resources Director shall determine the selection methods for the filling of all positions. The Fire Chief shall appoint and promote only from among those persons who are certified to him/her by the Human Resources Director as being eligible for the particular class, except as provided in the Authority's Merit System Selection Rules and Appeals Procedure. An appropriate form shall be signed by the Fire Chief or his/her designee and approved by the Human Resources Director before salary payment shall be made to any employee.
- C. When the Authority assumes or absorbs the functions and personnel of another government agency, the Human Resources Director may waive or modify the regularly established minimum qualifications and selection procedures for the employees involved.

## **Section 8. Performance Evaluations**

- A. The Human Resources Director is authorized to establish a performance evaluation program for the Authority.

## **Section 9. Administrative Leave**

- A. The Human Resources Director may authorize an employee to be absent with pay from his/her regular work area for reasons other than physical or mental illness for a period of time not to exceed one hundred twenty (120) regularly scheduled working hours, if the Fire Chief finds that such absence:
  - 1. Contributes to the employee's effectiveness in his/her assigned duties and responsibilities; or
  - 2. Contributes to the functions and goals of the Authority.
- B. An employee may be absent with pay from his/her regular work area in excess of one hundred twenty (120) regularly scheduled working hours upon the approval of the Human Resources Director and the Fire Chief. Requests for an absence with pay from the regular work area in excess of one hundred twenty (120) regularly scheduled hours shall state specifically the reason for the request and the beginning and ending dates of the absence. For purposes of this Section, regular work area shall mean the geographic area to which the employee is typically and appropriately assigned to work during the usual course of employment.

## **Section 10. Military Leave of Absence**

- A. A request for Military Leave of Absence shall be made upon forms prescribed by the Human Resources Director and shall state specifically the reason for the request, the date when it is desired to begin the Leave of Absence, and the probable date of return. Military Leave is governed by provisions of the Military and Veterans Code of the State of California. An employee receiving pay for a portion of such Leave shall not be deemed to be occupying a position during such paid Leave period. When a regular position is vacant due to a Military Leave of Absence, the position may be filled for the length of that Leave.

## **Section 11. Time Off for Voting**

- A. If an employee does not have sufficient time outside of working hours to vote at a State-wide election, the employee may, without loss of pay, take off enough working time that when added to the voting time available outside of working hours shall enable the employee to vote.
- B. No more than two (2) hours of the time taken off for voting shall be without loss of pay. The time off for voting shall be only at the beginning or end of the regular working shift/day, whichever allows the most free time for voting and the least time off from the regular working shift/day, unless otherwise mutually agreed.

- C. If the employee on the third working day prior to the day of election, knows or has reason to believe that time off shall be necessary to be able to vote on election day, the employee shall give his/her supervisor at least two (2) working days' notice that time off for voting is desired in accordance with the provisions of this Section.

**Section 12. Provisional Appointment**

- A. A provisional appointment shall not extend beyond the time needed to establish an eligible list and permit a regular appointment to be made. A provisional appointment shall not be continued for more than six (6) months from date of appointment, unless an extension of no more than one (1) year from the original date of the provisional appointment is approved by the Human Resources Director.
- B. A probationary, regular, or limited-term employee shall not be eligible for a provisional appointment.
- C. A provisional employee shall not serve a probationary period. If a provisional employee receives a regular appointment, the employee shall serve a new probationary period. A provisional employee who receives a regular appointment shall maintain his/her original hire date for purposes of vacation and sick leave accrual, retirement, and layoff.
- D. A provisional employee may be released from service at any time without right of appeal or hearing.
- E. Provisional employees shall earn all other benefits that accrue to regular employees, except for rights and benefits pursuant to the Layoff Procedure provided for in the applicable Memoranda of Understanding or Personnel and Salary Resolution.

## ARTICLE II

### PAY PRACTICES

#### Section 1. Method of Compensation for Employees

- A. Employees shall receive compensation at the biweekly or hourly rate within the range or at the flat rate assigned to the class in which they are employed.
- B. The Human Resources Director is authorized to create a table of class titles, pay rates, and salary schedules consistent with actions taken by the Board authorizing such titles and rates of pay. The Human Resources Director may also change such tables, rates, and schedules in accordance with the provisions of the various Memoranda of Understanding or by subsequent action of the Board.

#### Section 2. Salary Payment Procedure

- A. A pay period shall cover fourteen (14) calendar days and shall start on a Friday and end with the second Thursday thereafter. Employees and officers shall be paid approximately eight (8) days after the end of a pay period, usually on a Friday.
- B. Compensation for each employee for whom compensation is established shall be paid out of the Authority General Fund or such other fund as may be provided by ordinance or by law upon certification by the Fire Chief that such employee has performed the services set forth in said certificate. When an employee separates from the Authority service and use of the regularly scheduled certification would create an inequitable delay, the Fire Chief may immediately file a special payroll certification of such separation. A warrant may be drafted for the period of time and/or pay due said employee up to the time of separation. Notice of such separation shall be immediately filed with the Human Resources Director.
- C. As a condition of receipt of his/her salary warrant, the Fire Chief shall file a written certificate to the effect that each of his/her employees during said pay period has performed services for the Authority as required by law. If there is any exception, the Fire Chief shall so state in the certificate. The Authority shall retain a copy.

#### Section 3. Authorization for Salary Increases

- A. The Human Resources Director shall provide written notification to the Finance Manager of all salary increases and such notifications shall constitute authorization for payments to the employee at the higher rate.

#### Section 4. Compensation for Authority Employees When Performing as Volunteer Reserve Firefighters

- A. Employees who, in addition to being employed in another job class, also volunteer as Volunteer Reserve Firefighters shall be excluded from eligibility for overtime compensation during such time when they volunteer as Volunteer Reserve Firefighters.



## **Section 5. Limitations upon Compensation**

- A. Unless otherwise provided by Resolution, all fees, commissions, mileage (other than mileage reimbursement received pursuant to the Authority's mileage reimbursement provisions), and compensation of whatever nature or character received by an employee by virtue of his/her office shall be deposited with the Authority for each calendar month not later than the fifth of the succeeding month and be deposited into the General Fund of the Authority, or such other fund as may be provided by law, and shall become the property of the Authority immediately upon its receipt by such employee. The provisions of Section 70 of the Penal Code relative to the asking or receiving of gratuities are hereby made a part of the regulations governing employees.

## **Section 6. Authority to Resolve Employee Complaints/Grievances**

- A. The Human Resources Director may authorize payments in settlement of employee complaints or grievances where:
1. Resolution of the complaint advances effective employer-employee relations; and
  2. The cost of potential arbitration or litigation exceeds the amount in controversy; and
  3. The amount of such settlement does not exceed ten thousand (10,000) dollars in any one (1) case.

## ARTICLE III

### TUITION REIMBURSEMENT

#### Section 1. Objective

- A. The tuition reimbursement program is designed to encourage employees to continue their self-development by enrolling in classroom courses that will:
  - 1. Educate them in new concepts and methods in their occupational fields and prepare them to meet the changing demands of their jobs; or
  - 2. Help prepare them for advancement to positions of greater responsibility in the Authority service.

#### Section 2. Eligibility of Courses

- A. The following criteria shall be used in determining the eligibility of courses for tuition reimbursement:
  - 1. Courses must be related to the work of the employee's position or occupation.
  - 2. Courses must have reasonable potential for resulting in savings or in more efficient service.
  - 3. Courses must be taken on employee time.
  - 4. Courses must be taken at accredited institutions. Correspondence courses from reputable institutions shall be considered only when equivalent courses are not available at local accredited schools, or when the employee's circumstances prevent attendance at courses offered locally.
  - 5. The prerequisite courses for eligible courses are also eligible for tuition reimbursement. However, reimbursement shall not be made until the appropriate eligible courses have been satisfactorily completed.
  - 6. Courses that are neither eligible in themselves, nor prerequisites for eligible courses, but that are required for the completion of a degree in a work-related field are eligible for tuition reimbursement.
  - 7. Courses are not eligible for tuition reimbursement if they:
    - a) Are taken to bring unsatisfactory performance up to an acceptable level;
    - b) Are taken to acquire skills or knowledge that the employee was deemed to have when appointed;
    - c) Duplicate available in-service training; or
    - d) Duplicate training that the employee has already had.
- B. Conventions, nonacademic workshops, institutes, etc., are not ordinarily included in the tuition reimbursement program because such programs often are given by non-accredited institutions, involve Authority time, considerable travel expense, and are not easily comparable to any other programs. Therefore, the Transportation

and Travel-Meetings and Conferences account code shall be used for such programs and requests shall be made in the usual manner. However, with the approval of the Human Resources Director, exceptions may be made for individual requests if: 1) an employee can only receive a specialized course from a nontraditional institution, and 2) the program meets the other criteria previously outlined.

### **Section 3. Eligibility of Employees**

- A. Full-time (regular, limited-term, and probationary) employees performing their jobs satisfactorily are eligible for reimbursement.

### **Section 4. Nature of Reimbursement**

- A. Reimbursement may be made for tuition, registration fees, books, and laboratory fees. Expenses for parking, travel, meals, processing fees for admittance to a university or college, and other incidental costs are not reimbursable.
- B. Reimbursement shall be made to the employee upon completion of the course with a minimum final grade of "C" or its equivalent in an undergraduate course, or "B" or its equivalent in a graduate level course. No reimbursement shall be made for audited courses or incomplete courses.
- C. Reimbursement shall be limited as follows:
  - 1. No employee shall be reimbursed for more than two (2) courses in a single semester or quarter.
  - 2. The maximum reimbursement that may be received by an employee from the Authority in one (1) fiscal year shall be as provided in the applicable Memorandum of Understanding for each bargaining unit.
  - 3. No employee shall be reimbursed for expenses totaling less than five (5) dollars for a single course.
  - 4. Reimbursement received from other sources for tuition, registration fees, books, and/or lab fees shall be deducted from the cost of such expenses in determining the amount that the Authority shall pay.

### **Section 5. Request Procedure**

- A. The employee shall apply for tuition reimbursement through normal supervisory channels on forms provided by the Human Resources Director within thirty (30) calendar days after the starting date of the course.
- B. The Human Resources Director or his/her designee shall either approve or deny the application based on the criteria set forth in this policy and in the Tuition Reimbursement Guide.
- C. Upon completion of an approved course, the employee shall submit verification of fees paid, books purchased, and grades achieved for reimbursement in accordance with the Authority's tuition reimbursement process through normal supervisory channels.

## **ARTICLE IV**

### **PAYOFF PROVISIONS**

#### **Section 1. Sick Leave Payoff**

- A. If applicable, the amount of the payment for unused sick leave shall be calculated on the basis of the employee's salary at the time of paid Authority retirement or death. Extra help employees are not eligible for sick leave payoff.

#### **Section 2. Vacation Payoff**

- A. The amount of the lump sum payment for accrued vacation shall be calculated on the basis of the employee's salary at the time of separation.

## **ARTICLE V**

### **INSURANCE FOR VOLUNTARY RESERVE FIREFIGHTERS**

#### **Section 1. Insurance for Volunteer Reserve Firefighters**

- A. The Authority shall provide to Volunteer Reserve Firefighters health and welfare benefits that shall include life, accidental death and dismemberment, vision, and dental benefits. Accidental death and disability income protection benefits shall be provided for enrolled Volunteer Reserve Firefighters.

## **ARTICLE VI**

### **SUPPORTED EMPLOYMENT PROGRAM**

#### **Section 1. Program Intent**

- A. As part of its community involvement, the Authority participates in the Supported Employment Program administered by Goodwill Industries. The purpose of this program is to assist developmentally disabled adults in job training and placement. Individuals referred to the Authority by Goodwill Industries and accepted by the Authority as program participants shall be placed in positions specifically created for this program and shall serve in an "At-Will" capacity.

#### **Section 2. Program Participants**

- A. Participants in this program shall become employees of the Authority and shall be placed in the classification of Services Aide, which shall be in the Supported Employment Unit exclusively designated for this program. The salary for this classification has been set in accordance with the Authority's salary policy and shall be maintained at the level of one (1) dollar above the State minimum wage requirement.

#### **Section 3. Insurance**

- A. Employees in this program are eligible for Medical Health and Dental Insurance. The employee may elect to participate in the OCFA medical health and dental insurance program. If the employee elects to participate, the Authority shall contribute one hundred percent (100%) toward the employee's insurance premium for employee-only coverage.

#### **Section 4. Retirement**

- A. Eligibility

Employees in this program are included in the Orange County Employees Retirement System (OCERS) as determined by their date of entry into eligible service.

- B. Employer's Contribution

For employees hired before January 1, 2013 and for employees hired on or after January 1, 2013 who are considered "Legacy Members" of OCERS within the meaning of the Public Employees' Pension Reform Act of 2013 (PEPRA), the Authority shall contribute one hundred percent (100%) of the employee's retirement contribution, exclusive of the six percent (6%) employee reimbursement identified in Section D . 1 . b . Such contribution shall be credited as fifty percent (50%) pursuant to Government Code Section 31581.1 and fifty percent (50%) pursuant to Government Code Section 31581.2.

- C. Final Compensation for Legacy Members of OCERS

“Final Compensation” for Legacy Members of OCERS, in accordance with Government Code Section 31462(a) means the average annual compensation earnable by a member during any three years elected by a member at or before the time he or she files an application for retirement, or, if he or she fails to elect, during the three years immediately preceding his or her retirement. If a member has less than three years of service, his or her final compensation shall be determined by dividing his or her total compensation by the number of months of service credited to him or her and multiplying by 12.

D. Retirement Formulas and Employee Contributions

1. Employees Hired Prior to January 1, 2013 or Employees Hired On or After January 1, 2013 with Reciprocal Retirement Benefits

- a. The Authority will continue the retirement formula of 2.7% at Age 55 as follows:
- b. The employees will continue to pay six percent (6%) of the employee's Compensation Earnable. This deduction shall continue during the employee's employment period with the Authority.

2. Employees Hired On or After January 1, 2013 with No Reciprocal Benefits

- a. The retirement formula will be the 2.5% at age 67 retirement formula per Government Code Section 7522.20(a), utilizing the average three highest years of compensation per Government Code Section 7522.32. Pensionable compensation and other pension related conditions are governed by the provisions of PEPRA and the OCERS Board of Retirement.
- b. Employees shall pay one half the normal cost as defined by PEPRA.

**Section 5. Other Benefits**

A. Vacation

Employees shall accrue eighty (80) hours of vacation prorated annually based on the number of hours worked. Employees shall not be eligible to apply vacation to absences until completion of one (1) year of service. Vacation may be accrued up to a maximum of two hundred eighty (280) hours.

B. Sick Leave

Employees shall accrue a minimum of three (3) days and up to seventy- two (72) hours of sick leave prorated annually based on the number of hours worked. Employees shall not be eligible to apply sick leave to absences until completion of ninety (90) days of service. There shall be no limit on the maximum of accrued sick leave.

C. Holiday Pay

Holiday pay shall be compensated in the same manner as is applicable to the majority of staff employees.

- D. Individuals in this program may qualify for and may receive assistance from the State and/or Federal government relative to benefits. The Authority may, at its absolute discretion, provide other benefits to individuals employed in these classifications as determined in writing by the Fire Chief.



## **ARTICLE VII**

### **SEPARABILITY**

In the event that any provision of this Personnel and Salary Resolution is declared invalid by any court of competent jurisdiction, such decision shall not invalidate the entire Personnel and Salary Resolution, it being the express understanding of the Board of Directors that all other provisions not declared invalid shall remain in full force and effect.

**PART 2 - ADMINISTRATIVE MANAGEMENT**

**ARTICLE I**

**EMPLOYMENT PROVISIONS**

**Section 1. Temporary Promotion**

- A. A regular, probationary, or limited-term employee who is assigned on a temporary basis to a higher level vacant (regular or limited-term) position shall be promoted on a temporary basis to that class, provided he/she meets the qualifications of the position, when such employee has been assigned to the higher class for one hundred twenty (120) consecutive regularly scheduled hours of work, and the employee has been performing all of the significant duties and responsibilities of the higher class, unless the employee requests to be reassigned to his/her former class. In such a case, the employee shall be reassigned within five (5) working days.
- B. The Authority may, at its option, waive the one hundred twenty (120) hour requirement when it is necessary to utilize a regular, probationary, or limited-term employee in a higher level vacant (regular or limited-term) position for a period that is expected to be at least one hundred twenty (120) consecutive regularly scheduled hours, but less than one (1) year.
- C. An employee on temporary promotion shall not be placed on promotional probation. Upon return from temporary promotion, an employee shall serve the remainder of any uncompleted probationary period in the employee's former class and shall have the salary status he/she would have achieved if the employee had remained in the lower class throughout the period of his/her service in the higher class.
- D. At the end of the employee's assignment to the higher class, the employee shall have the right to return to his/her former class and department. A temporary promotion shall not exceed a period of one (1) year.

**Section 2. Status of Limited-Term Employees**

- A. All limited-term employees shall be subject to the same hiring standards and shall earn all benefits, except those contained in the LAYOFF PROCEDURE, that accrue to employees in regular positions.
- B. A regular employee who transfers, promotes, or reduces to a limited-term position on a voluntary basis and not at the direction of the Fire Chief shall become a limited-term regular employee.
- C. Limited-term employees hired under programs that involve special employment standards shall serve a new probation period upon transfer to permanent funded positions. Upon transfer to permanent positions, such employees shall maintain their original hire date for purposes of vacation and sick leave accrual, retirement, and layoff. The requirement that such employees serve a new probation period may be waived with the approval of the Human Resources Director. Limited-term employees not hired under programs that involve special employment standards shall, upon transfer to permanent funded positions, maintain their original hire date

for purposes of vacation and sick leave accrual, retirement, layoff, and new employee probation.

- D. When funding ceases for a limited-term position or when the position is no longer necessary, the limited-term position shall be abolished and the incumbent shall be removed from the payroll, except as provided in Section 2.E of this Article.
- E. Regular employees who transfer, promote, or reduce to limited-term positions at the direction of the Fire Chief shall retain their former status and retain their layoff benefits in their former layoff unit. The Fire Chief shall make such an order in writing prior to the date of transfer, promotion, or reduction.

### **Section 3. Reemployment of Employees on Disability Retirement**

- A. The Authority shall counsel and advise employees retired for physical disability about reemployment opportunities with the Authority.
- B. Employees retired for physical disability who, within two (2) years from date of retirement, or date their disability retirement is discontinued, request and qualify for positions in the Authority service shall be placed on the eligibility list with respect to such positions. They shall be placed on such List in chronological order of retirement, but following the last person on layoff status. They shall remain on such List for a period of two (2) years from date of retirement, or date their disability retirement is discontinued, except that:
  - 1. A person appointed to a regular position in the Authority service shall be removed from the List;
  - 2. A person who, on two (2) separate occasions, rejects, or fails to respond within three (3) workdays to offers of employment in a class for which he/she is qualified, shall be removed from the List;
  - 3. A person, who on three (3) separate occasions, declines referral for interviews in a class for which he/she is qualified, shall be removed from the List.

### **Section 4. Reemployment of Regular Employee**

- A. A regular employee who leaves Authority employment and is reemployed within fifteen (15) calendar days shall be deemed to have been on Authority Leave for such period of time.

## ARTICLE II

### LAYOFF PROCEDURE

#### **Section 1. General Provisions**

- A. This procedure shall not apply to a temporary layoff of less than four (4) consecutive weeks.
- B. Section 6, Reinstatement Lists and Section 7, Status on Reinstatement of this Article shall not apply if the Authority has a written agreement with an employer, public or private, that guarantees the Authority employee an offer of reasonably comparable employment with the new employer who is taking over a function formerly performed by Authority employees, and the new employer does make such an offer in writing to the employee.
- C. This procedure shall not apply to employees who have special or unique knowledge or skills that are of special value in the operation of the Authority business.

#### **Section 2. Order of Layoff**

- A. The Authority may abolish a position because of change in duties or organization or shortage of work or funds which, in turn, may require the layoff of one (1) or more employees. When a layoff is implemented, employees in regular positions and those occupying limited-term positions at the direction of the Fire Chief shall be laid off in the following order within a class:
  - 1. Employment Status

Except as provided in Section 1.C of this Article, all new probationary employees and employees on temporary promotion shall be removed from the class.
  - 2. Past Performance

Any employee whose last regularly scheduled performance evaluation was rated "Substandard" and who has received a subsequent interim performance evaluation rated "Substandard" shall be subject to layoff before employees subject to Section 2.A.3 of this Article.
  - 3. Service Hours

After all new probationary employees, employees on temporary promotion, and employees subject to layoff under Section 2.A.2 of this Article have been removed from a class within a layoff unit, the employee with the lowest number of service hours shall be subject to layoff first. When two (2) or more employees have the same number of service hours, the Authority shall determine the order of layoff for these employees.
- B. Layoffs shall be made by class within the Authority, except that:
  - 1. Where a class has a dual or multiple concept, the Human Resources

Director may authorize a layoff by specialty within the class.

2. Where appropriate, the Human Resources Director may authorize a layoff by division or smaller unit.
- C. If a layoff is going to be made in a class from which an employee has left through a temporary promotion, the employee on temporary promotion shall be returned to his/her former class and shall be subject to layoff in accordance with this procedure.

### **Section 3. Notification of Employees**

- A. Written notice of layoff shall be given to an employee or sent by mail to the last known mailing address at least fourteen (14) calendar days prior to the effective date of the layoff. Notices of layoff shall be served on employees personally at work, whenever practicable.
- B. It is the intent of the Authority that the number of layoff notices initially issued shall be limited to the number of positions by which the workforce is intended to be reduced. Additional notices shall be issued as other employees become subject to layoff as a result of employees exercising reduction rights under Section 4 of this Article.
- C. The notice of layoff shall include: the reason for the layoff, the proposed effective date of the layoff, the employee's hire date, the employee's service hours, a list of classes in the employee's occupational series within the layoff unit, the employee's rights under Sections 4 and 5 of this Article, and the right of the employee to advise the Authority of any objection to the content of the layoff notice prior to the proposed effective date of the layoff.

### **Section 4. Voluntary Reduction in Lieu of Layoff**

- A. A promotional probationary or regular employee who is subject to layoff may request a reduction to a lower class within the same occupational series in the layoff unit, provided the employee possesses the minimum qualifications for the class and passes any required performance tests. The reduction shall be made if there is a vacant position in the layoff unit or an incumbent in the lower class in the layoff unit has fewer service hours than the employee requesting the reduction. In the latter case, the incumbent in the lower class with the lowest number of service hours shall be subject to layoff.
- B.
  1. Employees who receive notice of layoff by personal service at work shall have until the end of their third regularly scheduled day of work, following actual receipt of the notice, to notify the Authority in writing of their intent to exercise rights under this Section. Employees whose third regularly scheduled day of work is more than three (3) calendar days after receipt of the notice shall have three (3) calendar days, excluding weekends and holidays, to notify the Authority of their intent to exercise rights under this Section; and where such notification is not in writing, the employee shall confirm the notification in writing as soon as practicable.
  2. Employees who receive notice other than by personal service at work shall

have five (5) calendar days, excluding weekends and holidays, following the date the employee is personally served, or if service is made by mail, five (5) calendar days, excluding weekends and holidays, following the date of proof of service by mail, to notify the Authority of their intent to exercise rights under this Section. Where such notification is not in writing, the employee shall confirm the notification in writing as soon as practicable.

- C. Failure by an employee to respond to the Authority pursuant to this Section shall result in a rebuttable presumption that the employee does not intend to exercise any right of reduction to a lower class, and that the employee's hire date stated in the layoff notice was correct.
- D. No employee action or inaction referred to in this Section shall be considered a waiver of an employee's right to file grievances concerning any matter within the scope of the grievance procedure.

**Section 5. Voluntary Reduction from Classes Designated as Vulnerable to Layoff**

- A. An employee in a class designated by the Authority as vulnerable to layoff may request a voluntary reduction to any class, provided the employee possesses the minimum qualifications for the class, and has passed any required performance tests for the class to which reduction is requested. Such employees shall be eligible for consideration for available positions in the class to which reduction is requested. If appointed, such an employee shall be placed on AUTHORITY REINSTATEMENT LISTS pursuant to Section 6.A.3 of this Article.

**Section 6. Reinstatement Lists**

- A. The following persons shall be placed on AUTHORITY REINSTATEMENT LISTS as provided in Sections 6.A.1., 6.A.2., and 6.A.3. of this Article in the order of their respective service hours with the person having the largest number of service hours listed first, except that employees laid off pursuant to Section 2.A.2. of this Article shall be placed in service hour order after all other employees.
  - 1. Persons Laid Off - The names of persons laid off shall be placed on a REINSTATEMENT LIST for each class in the occupational series at or below the level of the class from which laid off.
  - 2. Persons Who Exercise Their Rights under Section 4 of this Article - The names of persons who exercise their rights under Section 4 of this Article shall be placed on a REINSTATEMENT LIST for each class in the occupational series at or below the level of the class from which reduced, excluding any classes at or below the level of the class currently held.
  - 3. Persons Who Voluntarily Reduced Under the Provisions of Section 5 of this Article - The names of persons who were voluntarily reduced under the provisions of Section 5 of this Article shall be placed on a REINSTATEMENT LIST for the class from which reduced and for each class in the occupational series below the level of the class from which they voluntarily reduced, provided they request to be placed on such Lists.

Positions to be filled shall be offered first to persons on the REINSTATEMENT LIST for that class, starting at the top of the List. If reinstatement is offered to a class other than that from which the person was laid off or reduced, such person must

first meet the minimum qualifications for the class, and pass any required performance tests for that class.

- B. Names of persons placed on the REINSTATEMENT LIST shall remain on the Lists for two (2) years, except that:
  - 1. A person who, on two (2) separate occasions, rejects or fails to respond within five (5) calendar days to offers of employment in a particular class shall be removed from the Lists for that class.
  - 2. A person who, on three (3) separate occasions, declines referral for interviews in a particular class shall be removed from the Lists for that class.
  - 3. A person who retires from the Authority shall be removed from all Lists.
- C. The Lists may be extended for a period not to exceed one (1) year, at the discretion of the Human Resources Director prior to thirty (30) days before the Lists' expiration dates.
- D. REINSTATEMENT LISTS shall be available to affected employees upon reasonable request.

#### **Section 7. Status on Reinstatement**

- A. An employee who has been laid off under the provisions of this Article and subsequently reinstated in a regular or limited-term position within a two (2) year period from the date of his/her layoff shall receive the following considerations and benefits:
  - 1. All sick leave credited to the employee's account when laid off shall be restored.
  - 2. All service hours held upon layoff shall be restored.
  - 3. All prior service shall be credited for the purpose of determining sick leave and vacation earning rates and service awards.
  - 4. The employee shall be placed in the salary range as if the employee had been on a Leave of Absence Without Pay.
  - 5. The probationary status of the employee shall be as if the employee had been on a Leave of Absence Without Pay, except that a probation period shall be established as determined by Part 2, Article III, Section 3.B if reinstatement is in a higher class or an occupational series different from that employed in at the time of layoff.
- B. An employee who has voluntarily reduced under the provisions of this Article and subsequently is reinstated in a regular or limited-term position in the class from which the employee reduced within a two (2) year period from the date of reduction shall receive the following considerations: The employee shall be placed in the salary range either as if the employee had been on a Leave of Absence Without Pay or at the same point/rate on the salary range as the employee's salary in the lower class, whichever is higher. The probationary status of the employee shall be as if the employee had been on a Leave of Absence.

- C. When an employee is reduced under the provisions of this Article and is subsequently reinstated in a class higher than the one from which the employee was reduced, the employee shall be deemed returned to the class from which the employee had been reduced as provided above, and the employee's salary and probation period shall be determined by treating the employee as though he/she is being promoted from such class.



## **ARTICLE III**

### **ON-THE-JOB INJURIES, WORKERS' COMPENSATION**

#### **Section 1. Medical Treatment**

- A. Whenever an employee sustains an injury or disability arising out of and in the course of Authority employment that requires medical treatment, the employee shall obtain treatment pursuant to the appropriate California Labor Code Sections.

#### **Section 2. Disability Payments and Leave**

- A. Workers' compensation supplement pay shall begin the same day as the workers' compensation temporary disability benefits. Prior to qualifying for workers' compensation temporary disability benefits, an injured employee may, at his/her option, use any accrued sick leave, compensatory time, and/or vacation, in that order.
- B. While an employee receives workers' compensation supplement pay, no deductions nor payments shall be made from any sick leave, compensatory time, or vacation time previously accumulated by the employee. The employee shall not accrue sick leave or vacation credit during the period in which the employee receives workers' compensation temporary disability benefits.
- C. The probation period of any employee who receives workers' compensation benefits shall be extended by the length of time the employee receives such benefits, except that the first fifteen (15) consecutive calendar days from the date of the injury shall be considered Authority service for completion of the probation period.
- D. When an employee is no longer entitled to receive workers' compensation supplement pay, the employee may, at his/her option, use sick leave, compensatory time, and vacation, in that order, if the employee is compelled to be absent from duty as set forth in Section 2.B of this Article.
- E. Time during which an employee receives workers' compensation temporary disability benefits shall be counted toward the computation of Authority seniority and determination of sick leave and vacation earning rates.
- F. Authority employees covered by Section 4850 of the Labor Code shall receive leave and benefits as provided by Section 4850.
- G. Whenever an employee is compelled to be absent from duty by reason of injury or disease arising out of and in the course of Authority employment, the employee shall receive workers' compensation supplement pay that, when added to the workers' compensation temporary disability benefit, shall equal eighty (80) percent of the employee's base salary for a period not to exceed one (1) year, including holidays.

- H. When an injury is determined to be job-related by the Authority or by the Workers' Compensation Appeals Board, eighty (80) percent of all sick leave, compensatory time, and/or vacation expended since the fourth day of disability shall be restored to the employee's account(s), except that if the injury required the employee's hospitalization or caused disability of more than fourteen (14) days, eighty (80) percent of all sick leave, compensatory time, and/or vacation expended since the first day of disability shall be restored to the employee's account(s).

**Section 3. Exposure to Contagious Diseases**

- A. Whenever an employee is compelled by direction of an Authority designated physician to be absent from duty due to an on-the-job exposure to a contagious disease, the employee shall receive regular compensation for the period absent from duty.

**Section 4. Injury to Volunteer Reserve Firefighter**

- A. Whenever an employee who is also a Volunteer Reserve Firefighter is compelled to be absent from his/her regular employment due to injury arising out of and in the course of his/her volunteer service as a Volunteer Reserve Firefighter, such employee shall receive temporary disability and/or permanent disability as prescribed by the California Labor Code relative to workers' compensation benefits.

## **ARTICLE IV**

### **SAFETY**

#### **Section 1. General Provisions**

- A. The Authority shall make reasonable efforts to provide and maintain a safe place of employment. Employees shall be alert to unsafe practices, equipment, and conditions and report any such unsafe practices, equipment, or conditions to their immediate supervisors. Employees shall follow safe practices and obey reasonable safety rules during the hours of their employment.
- B. Any employee who either does not receive an answer to a safety-related question from his/her supervisor within three (3) days, or receives an answer that the employee deems unsatisfactory, may directly contact the designated Authority Safety Officer.
- C. Any employee who is directed to perform a task that the employee in good faith feels is unsafe may request an immediate investigation from the designated Authority Safety Officer. During the period that the designated Authority Safety Officer is conducting an investigation, the employee shall be assigned to other work at no loss of earnings. If the task is ruled to be safe by the designated Authority Safety Officer, the employee shall be required to perform the duties assigned.
- D. In accordance with OCFA standard operating procedure HR 04.01, the Authority shall establish guidelines to notify the investigative team of the existence of a serious injury or fatality involving an employee and to secure the scene until such time as the investigative team can conduct an investigation of the serious injury or fatality. This would involve securing the equipment directly involved, the immediate area to the incident, and the apparatus directly involved.
- E. The Authority shall furnish all equipment that is necessary for employees to perform their job in a safe manner.
- F. Wherever practicable, the Authority shall provide the necessary first aid kits in each location.
- G. Wherever practicable, the Authority shall provide first aid training for one (1) employee at each new work location.
- H. No employee shall be required to work under conditions dangerous to the employee's health or safety.

#### **Section 2. Abatement of Violations**

- A. In any instance in which the Authority is cited for a violation of California/OSHA, the Authority shall abate the cited hazard to health or safety within the abatement period required.

**ARTICLE V**

**DEPENDENT CARE ASSISTANCE PROGRAM**

The Authority shall administer a Dependent Care Assistance Program that allows employees to take advantage of a salary reduction program to pay for dependent care as permitted in the Internal Revenue Code.

**PART 3 - EXECUTIVE MANAGEMENT**  
**ARTICLE I**

**TERMS AND CONDITIONS OF EMPLOYMENT**

**Section 1. General Provisions**

- A. Except as otherwise provided in this Article or by State law or action of the Board and except where the natural construction of a provision indicates otherwise, the wages, hours, and terms and conditions of employment for Executive Management employees shall be the same as adopted for employees in the Administrative Management Unit. However, any provision requiring Fire Chief approval for Administrative Management employees that could also benefit the Fire Chief shall be forwarded to the Board for approval.

**Section 2. At-Will Appointments**

- A. Notwithstanding any other provision of this Personnel and Salary Resolution, employees appointed to Executive Management positions, exclusive of the Fire Chief, shall serve at the pleasure of the Fire Chief. Prior to such an appointment, the Human Resources Director shall obtain written acknowledgement from the prospective appointee acknowledging his/her understanding of such At-Will status.
- B. Such employees may be removed from their position at any time without notice, cause, or rights of appeal. In the event such employees are removed from their positions, the Authority shall provide, at the discretion of the Fire Chief, either severance pay OR reassignment as described below:
1. Severance Pay - In the event such employee is removed from his/her position prior to the third year anniversary of his/her appointment without being reassigned, the Authority shall pay a sum equal to three (3) months of the base annual salary that is in effect as of the date of the termination. In the event such employee is removed from his/her position after the third year anniversary without being reassigned, severance pay shall be increased by one (1) month for each additional year or portion thereof, up to a maximum of six (6) months in total.
  2. Reassignment - In the event such employee is removed from his/her position without severance pay, the Authority shall reassign said employee to a non-Executive Management position in a lower class, in which he/she passed probation immediately prior to becoming an At-Will employee, or an equivalent position. In such event, employee shall be placed at the middle of the applicable salary range. Said reassignment shall not result in layoff of any other employee. Employees appointed to such Executive Management positions from outside the Authority shall have no rights to a lower level position.

- C. Notwithstanding the provisions of this Section, the Authority shall have the right to dismiss for reasonable cause any Executive Management employee, and may do so without compliance with Sections 2.B.1 or 2.B.2 of this Article. In such an event, the provisions of Part 2, Articles VIII, DISCIPLINARY AND PREDISCIPLINARY ACTIONS, and IX, GRIEVANCE PROCEDURE, shall be fully applicable.
- D. Reasonable Cause

For purposes of this Section, the term, "reasonable cause" shall include, but not be limited to, the following: (1) dishonesty, (2) insubordination, (3) incompetence, (4) neglect of duty, (5) excessive or unexcused absences, (6) possession, use, or sale of alcohol or illegal narcotics while on Authority duty or premises, (7) misuse or misappropriation of Authority property or funds, (8) conflict of interest, (9) improper political activity, (10) intentionally misrepresenting information or facts in any statement, declaration of affidavit made by an employee, (11) any conduct, act, or omission either during or outside duty hours that is of such a nature that it causes discredit to the Authority or the firefighting profession, or that conduct, act, or omission has a disruptive effect on the efficiency or integrity of the public service, (12) any violation of the Authority's General Orders or Standard Operating Procedures.

### **Section 3. Life Insurance**

- A. Executive Management employees shall receive life and accidental death and dismemberment insurance, at no cost to the employee, in an amount equal to their base annual salaries, adjusted to the closest ten thousand (10,000) dollars regardless of age with the option to purchase additional coverage, including dependent coverage.

### **Section 4. Optional Benefit Plan (OBP)**

- A. All provisions that apply to Administrative Management shall also apply to Executive Management, except that the amount of the Optional Benefit Plan shall be three thousand five hundred (3500) dollars for Executive Management employees for each calendar year.

### **Section 5. CalPERS Health Care**

- A. The Authority shall continue to maintain its contract with the California Public Employees Retirement System (CalPERS) for employees' health care coverage.
- B. Except as provided in Sections 5.C.1 and 5.C.2 of this Article, the Authority shall contribute toward the payment of health care premiums under the CalPERS Health Benefits Plan on behalf of each eligible active employee and each eligible retiree, an equal contribution as set forth in California Government Code Section 22892.
- C. The Authority shall continue to maintain its Section 125 Cafeteria Plan for active eligible employees and pay the following amounts for employees' health care coverage and other benefits:
  - 1. Except as modified in Section 5.D. of this Article, each full-time (regular, limited-term, or probationary) employee shall receive the dollar value of one hundred

percent (100%) of the employee's health plan premium or seventy-five percent (75%) of the total health plan premium selected by the employee, whichever is greater. That amount shall include the contribution towards the employee's Cafeteria Plan as set forth in California Government Code Section 22892. The employee may elect to contribute the entire value to his/her health care premium or allocate a portion of the value to other benefits offered under the Cafeteria Plan. If the employee elects to allocate part of the value to other benefits, any unpaid balance of the employee's health care premium shall be deducted from the employee's paycheck.

2. Except as modified in Section 5.D. of this Article, each part-time (regular, limited-term, or probationary) employee shall receive the dollar value of fifty percent (50%) of the employee's health plan premium or thirty-seven and five-tenths percent (37.5%) of the total health plan premium selected by the employee, whichever is greater, and that amount shall include the contribution towards the employee's Cafeteria Plan as set forth in California Government Code Section 22892, provided the employee's normal workweek consists of at least twenty (20) hours. Health care coverage and other benefits provided as part of the Cafeteria Plan shall be terminated for any employee whose normal workweek is reduced to less than twenty (20) hours. The employee may elect to contribute the entire value to his/her health care premium or allocate a portion of the value to other benefits offered under the Cafeteria Plan. If the employee elects to allocate part of the value to other benefits, any unpaid balance of the employee's health care premium shall be deducted from the employee's paycheck.
- D. For employees who are on approved Family Leave, the Authority shall continue to pay health insurance premiums as provided in Sections 5.C.1 and 5.C.2 of this Article to the extent required by applicable law.
  - E. Upon showing sufficient proof of alternate health care coverage, such as a certificate of coverage, a full-time or part-time (regular, limited-term or probationary) employee shall be entitled to a fifty-five (55) dollar biweekly credit to his/her Cafeteria Plan, in lieu of the amount provided in Sections 5.C.1 and 5.C.2 of this Article. This credit may be applied towards benefits offered under the Cafeteria Plan, including accidental death and dismemberment insurance or miscellaneous pay.
  - F. For 2016, the Director of Communications and the Human Resources Director shall receive a monthly cash allotment in the amount of one thousand six hundred fifty three dollars and fifty four cents (\$1,653.54) to be applied toward health care coverage and other benefits. The amount shall be adjusted annually each January in the amount equal to the average percentage increase of CalPERS Health Plans for that year. The average percentage increase shall be computed by averaging the increase in CalPERS Health Plans in which the employees are eligible to participate, with the exclusion of the Plan with the highest premium. In addition to purchasing health care coverage, the Director of Communications and the Human Resources Director, at his/her option, may receive any or all remaining funds in cash or defer such funds to an Authority offered Deferred Compensation Plan.

## **Section 6. Range Adjustment**

- A. The bottom of the salary range for Assistant Chief shall be established at five and five-tenths percent (5.5%) above the maximum attainable Fire Division Chief salary. The top for this range shall be established at seven and five-tenths percent

(7.5%) above the bottom. Maximum attainable salary is defined as the sum of the top of the salary range for Fire Division Chief plus any additional non-base salary building compensation provided to the majority of employees in this classification.

- B. The top of the salary range for ~~Human Resources Director and~~ Director of Communications shall be established at ~~seven and five tenths percent (7.5%) above the maximum attainable salary within the OCFAMA classifications. twenty five percent (25%) below the bottom of the salary range for Assistant Chief. The bottom of the salary range for Director of Communications shall be seven and five-tenths percent (7.5%) below the top of the range.~~
- C. The bottom of the salary range for Deputy Fire Chief shall be established at the top of the Assistant Chief salary range. The top for this range shall be established at seven and five-tenths (7.5) percent above the bottom.
- D. Movement within the salary ranges shall be based on job performance and shall be approved by the Fire Chief.

### **Section 7. Deferred Compensation**

- A. An employee in the classifications designated as Executive Management shall receive a biweekly deferred compensation contribution from the Authority in the amount equal to four and five-tenths percent (4.5%) of the employee's biweekly base salary. Such contribution shall go into the employee's designated account within the Authority's Deferred Compensation Plan.

### **Section 8. Authority Issued Vehicles and Cash in Lieu Allowance Policy**

- A. Intent of Policy

This policy has been developed to provide a consistent application of the Vehicle Allowance benefit that covers the issuance of an Authority vehicle or a cash allowance in lieu of an Authority issued vehicle.

- B. Authority Issued Vehicle

- 1. Emergency/Code 3 Response Vehicles

Based on the duties performed by each member of the Executive Management group, the Fire Chief shall determine if an employee shall be required to maintain a twenty-four (24) hour emergency/Code 3 response vehicle. This determination shall be based on the specific requirement of the job and shall take all of the following conditions into consideration:

- The duties of the position require a twenty-four (24) hour seven (7) days a week emergency/Code 3 response status.
- The duties require that the vehicle be equipped with emergency/Code 3 response and communications equipment, i.e., emergency lights, siren, emergency radio, etc.
- The duties dictate the use of the vehicle in a manner that insurance coverage is not available on an individual basis, i.e., emergency response and wildland traversing.



Upon determination by the Fire Chief that the Executive Management member's duties require an Authority issued emergency/Code 3 equipped

response vehicle, the Fire Chief shall assign such vehicle to the employee. The Fire Chief, at his/her discretion, may at any time determine that there is no need for such vehicle and revoke the use of the vehicle.

Emergency/Code 3 response vehicles shall be provided at the discretion of the Fire Chief and be in accordance with the following conditions:

- Those employees who shall be provided emergency/Code 3 response vehicles may use the vehicles for personal use, but shall be available on a twenty-four (24) hour, seven (7) days a week emergency/Code 3 response status.
- The vehicles shall all conform to an established accessory standard.
- The vehicles shall be equipped with emergency/Code 3 equipment and shall be absent of visible organizational markings.
- The operation of the vehicles is limited to the employee and spouse when the employee is present in the vehicle.
- Authority provided vehicles shall not be taken out of the state without the approval of the Fire Chief
- Authority provided fuel for Authority issued vehicles shall be for business use only.

## 2. Record Keeping

It is understood that if an employee is issued an Authority vehicle, the vehicle shall be used for business and personal use. In determining the cash value of the personal use of the vehicle, the method of "Annual Lease Value" shall be applied. Upon receipt of the appropriate information from the employee, the Finance Manager shall calculate the appropriate cash value for the vehicle's personal use. The cash value shall be identified on the individual's W-2 in Box 1 as taxable income. The cash value shall cover the cost of the vehicle and its maintenance and insurance.

## C. Vehicle Cash Allowance

Those Executive Management employees who are not determined by the Fire Chief to be required to maintain a twenty-four (24) hour a day seven (7) days a week emergency/Code 3 response vehicle shall receive a monthly cash allowance in the amount of five hundred (500) dollars for the use of their personal vehicle for Authority business. Such allowance shall be identified on their W-2 in Box 1, as taxable income.

Employees who use their personal vehicle for business purposes shall comply with the following requirements:

- They shall maintain and provide proof of adequate levels of personal vehicle insurance coverage.
- They shall purchase their own fuel for the vehicle.

- They shall ensure that the vehicle is properly maintained.

**Section 9. Retirement Formula – 3% at 50 (Safety Employees Hired before July 1, 2011)**

- A. The Authority shall continue the 3% at 50 retirement formula for active Safety Member employees hired before July 1, 2011 for all years of service as specified under California Government Code Section 31664.1.
- B. Employees in Executive Management shall pay their maximum employee contribution (based on age of entry into OCERS).
- C. The employee deduction shall continue during the employee's employment period with the Authority or until such time that the employee qualifies under Government Code Section 31664.1(c). At any time, if there are increases to the maximum employee contribution to OCERS, employees will pay those employee contributions.

**Section 10. Retirement Formula – 3% at 55 (Safety Employees Hired From July 1, 2011 Through December 31, 2012 or Employees Hired On or After January 1, 2013 With Reciprocal Retirement Benefits)**

- A. The Authority shall continue the 3% at 55 retirement formula for active safety employees who were hired from July 1, 2011 through December 31, 2012 or hired on or after January 1, 2013 and establish reciprocity with the Orange County Employees Retirement System, for all years of service, as specified under California Government Code Section 31664.2.
- B. Employees in Executive Management shall pay their maximum employee contribution (based on age of entry into OCERS).
- C. At any time, if there are increases to the maximum employee contribution to OCERS, employees will pay those employee contributions. This deduction shall continue during the employee's employment period with the Authority and may increase at such time that the Government Code requires the employee to contribute a greater amount, or until such time that the employee qualifies under GC 31664.1(c).

**Section 11. Retirement Formula – 2.7% at 57 (Safety Employees Hired On or After January 1, 2013 With No Reciprocal Retirement Benefits)**

- A. The Authority shall continue the 2.7% at 57 retirement formula for active safety employees who were hired on or after January 1, 2013 who do not establish reciprocity with the Orange County Employees Retirement System, for all years of service, as specified under California Government Code Section 7522.25(d). Effective upon employment by the Authority, the Authority shall make a deduction from the employee's Compensation Earnable in the amount equal to 50% of the normal retirement cost toward the employee's retirement contribution. This deduction shall continue during the employee's employment period with the Authority and may increase at such time that the Government Code requires the employee to contribute a greater amount.

**Section 12. Retirement Formula – 2.7% at 55 (Non-Safety Employees Hired Prior to December 1, 2012)**

- A. The Authority shall continue the 2.7% at 55 retirement formula for active non-safety employees who were hired prior to December 1, 2012.
- B. Employees in Executive Management shall pay their maximum employee contribution (based on age of entry into OCERS).
- C. At any time, if there are increases to the maximum employee contribution to OCERS, employees will pay those employee contributions. The deduction shall continue during the employee's employment period with the Authority and may increase at such time that the Government Code requires the employee to contribute a greater amount.

**Section 13. Retirement Formula – 2% at 55 (Non-Safety Employees Hired From December 1, 2012 Through December 31, 2012 or Employees Hired On or After January 1, 2013 With Reciprocal Retirement Benefits)**

- A. The Authority shall continue the 2% at 55 retirement formula for active non-safety employees who were hired from December 1, 2012 through December 31, 2012 or hired on or after January 1, 2013 and have established reciprocity with the Orange County Employees Retirement System, for all years of service, as specified under California Government Code Section 31676.12.
- B. Employees in Executive Management shall pay their maximum employee contribution (based on age of entry into OCERS).
- C. At any time, if there are increases to the maximum employee contribution to OCERS, employees will pay those employee contributions. This deduction shall continue during the employee's employment period with the Authority and may increase at such time that the Government Code requires the employee to contribute a greater amount.

**Section 14. Retirement Formula – 2.5% at 67 (Non-Safety Employees Hired On or After January 1, 2013 With No Reciprocal Retirement Benefits)**

- A. The Authority shall continue the 2.5% at 67 retirement formula for active non-safety employees who were hired on or after January 1, 2013 and do not establish reciprocity with the Orange County Employees Retirement System, for all years of service, as specified under California Government Code Section 7522.20. Effective upon employment by the Authority, the Authority shall make a deduction from the employee's Compensation Earnable in the amount equal to 50% of the normal retirement cost toward the employee's retirement contribution. This deduction shall continue during the employee's employment period and may increase at such time that the Government Code requires the employee to contribute a greater amount.

**Section 15. Retiree Medical Insurance Grant**

- A. All provisions that apply to Administrative Management shall also apply to Executive Management.

**PART 4**  
**IMPLEMENTATION**

Unless otherwise indicated, all provisions of this Personnel and Salary Resolution shall be effective June 27, 2002.

## **APPENDIX A**

### **EXECUTIVE MANAGEMENT CLASSIFICATIONS**

Fire Chief  
Deputy Fire Chief  
Assistant Chief  
Director of Communications  
Human Resources Director

## **APPENDIX B**

### **ADMINISTRATIVE MANAGEMENT CLASSIFICATIONS**

0570 Accounting Manager  
1810 Assistant Clerk of the Authority  
1374 Assistant Information Technology Mgr - Customer Relations & Consulting  
1371 Assistant Information Technology Mgr - GIS & Data Management  
1373 Assistant Information Technology Mgr - Infrastructure & Workplace Support  
1372 Assistant Information Technology Mgr - Portfolio & Procurement  
1710 Assistant Treasurer  
0750 Benefit Services Manager  
1820 Clerk of the Authority  
0440 Construction Manager  
0190 Deputy Fire Marshal  
1530 EMS Coordinator  
1250 Emergency Communications Center Manager  
0430 Facilities Maintenance Manager  
0590 Finance Manager  
0280 Fleet Services Manager  
0765 Human Resources Manager  
1370 Information Technology Manager  
1630 Legislative Analyst  
1620 Management Analyst  
1540 Medical Director  
0760 Organizational and Development Training Program Manager  
0560 Payroll/Accounts Payable Manager  
0450 Property Manager  
0330 Purchasing and Materials Manager  
0860 Risk Management Analyst  
0870 Risk Management Safety Officer  
0880 Risk Manager  
0550 Senior Accountant  
0740 Senior Human Resources Analyst  
1720 Treasurer