



ORANGE COUNTY FIRE AUTHORITY AGENDA

Human Resources Committee Special Meeting

Tuesday, November 10, 2020

12:00 Noon

Regional Fire Operations and Training Center

Board Room

1 Fire Authority Road
Irvine, California 92602

Vince Rossini, Chair

Michele Steggell, Vice Chair

Ed Sachs • Noel Hatch • Rob Johnson

Dave Shawver • Gene Hernandez

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 Human Resources Committee 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, if you need special assistance to participate in this meeting, you should contact the Clerk of the Authority at (714) 573-6040 and identify the need and the requested modification or accommodation. Please notify us as soon as is feasible, however 48 hours prior to the meeting is appreciated to enable the Authority to make reasonable arrangements to assure accessibility to the meeting.

NOTICE REGARDING PUBLIC PARTICIPATION DURING COVID-19 EMERGENCY

During the Statewide COVID-19 Emergency, the public is not permitted to convene in person for this public meeting. However, the public may still view and comment on the meeting as follows:

- To watch the meeting online, please go to website at www.OCFA.org
- To submit an e-comment, please email to PublicComments@ocfa.org.

You may comment on items on the agenda or not on the agenda. Your comments will be forwarded electronically and immediately to the members of the Committee. Comments related to a particular agenda item will only be considered prior to the close of public comments on that item.

CALL TO ORDER

PLEDGE OF ALLEGIANCE by Director Hatch

ROLL CALL

1. PRESENTATIONS

- Behavioral Health

PUBLIC COMMENTS

Please refer to instructions on how to submit a public comment during COVID-19 Emergency on Page 1 of this Agenda.

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 Special Human Resources Committee Meeting on September 1, 2020

Submitted by: Maria Huizar, Clerk of the Authority

Recommended Action:

Approve as submitted.

B. Annual Workers' Compensation Program Update

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

Recommended Action:

Receive and file the report.

C. New Classification Specification for Diversity and Inclusion Coordinator

Submitted by: Stephanie Holloman, Assistant Chief/Human Resources Department and Tamaryn Boston, Human Resources Manager

Recommended Action:

Review the proposed agenda item and direct staff to place the item on the agenda for the Executive Committee meeting of November 19, 2020, with the Human Resources Committee's recommendation that the Executive Committee approve the establishment of the new classification and salary range of Diversity and Inclusion Coordinator.

D. New Classification Specification for Environmental, Health and Safety Analyst

Submitted by: Stephanie Holloman, Assistant Chief/Human Resources Department and Tamaryn Boston, Human Resources Manager

Recommended Action:

Review the proposed agenda item and direct staff to place the item on the agenda for the Executive Committee meeting of November 19, 2020, with the Human Resources Committee's recommendation that the Executive Committee approve the establishment of the new classification and salary range of Environmental, Health and Safety Analyst.

E. Mission Driven Culture (MDC) Organizational Development Project Update

Submitted by: Brian Fennessy, Fire Chief

Recommended Action:

Receive and file the update.

3. DISCUSSION CALENDAR

No items.

COMMENTS

- **HUMAN RESOURCES DIRECTOR'S COMMENTS**
- **COMMITTEE MEMBER COMMENTS**

RECESS TO CLOSED SESSION

The Brown Act permits legislative bodies to discuss certain matters without members of the public present. The Board of Directors find, based on advice from the General Counsel, that discussion in open session of the following matters will prejudice the position of the Agency in existing and anticipated litigation:

CS1. CONFERENCE WITH LEGAL COUNSEL–ANTICIPATED LITIGATION

Authority: Government Code Section 54956.9(b) – Significant Exposure to Litigation
(2 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 2, 2021, 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. Dated this 27th day of August 2020.

Maria D. Huizar, CMC
Clerk of the Authority

UPCOMING MEETINGS:

Executive Committee Meeting
Board of Directors Meeting
Budget and Finance Committee

Thursday, November 19, 2020, 5:30 p.m.
Thursday, November 19, 2020, 6:00 p.m.
Wednesday, January 13, 2021 at 12 noon

AGENDA ITEM NO. 1A

Presentation Item No. 1A

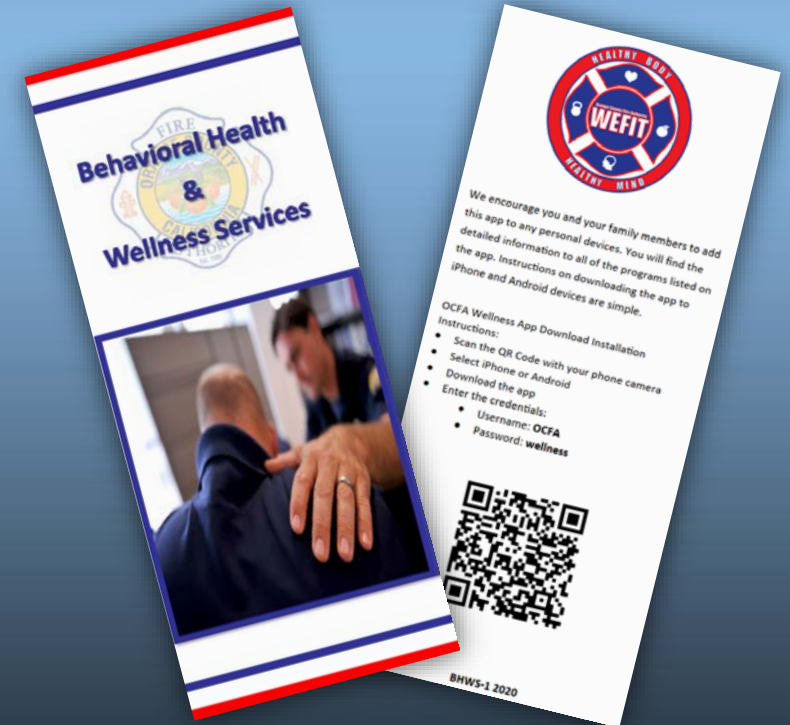
Behavioral Health Month – Weekly Overview

Week 1

- Introduction of Wellness App
- Ben Gonzalez Behavioral Health Video
<https://vimeo.com/453488984>

Week 2

- Suicide Safety Stand-Down
- Behavioral Health & Wellness Services Brochure



Behavioral Health Month – Weekly Overview

Week 3

- Cordico Poster “Healthy Body, Healthy Mind”

Week 4

- Kelly Lucas – Strong Mind
<https://vimeo.com/456772774>



Orange County Fire Authority

MINUTES ORANGE COUNTY FIRE AUTHORITY

Human Resources Committee Special Meeting
Tuesday, September 1, 2020
12:00 Noon

Regional Fire Operations and Training Center
Board Room
1 Fire Authority Road
Irvine, CA 92602

CALL TO ORDER

A special meeting of the Human Resources Committee was called to order on September 1, 2020, at 12:01 p.m. by Chair Rossini.

PLEDGE OF ALLEGIANCE

Director Hatch led the assembly in the Pledge of Allegiance to our Flag.

ROLL CALL

Present: Vince Rossini, Villa Park, Chair
Michele Steggell, La Palma, Vice Chair*
Gene Hernandez, Yorba Linda*
Noel Hatch, Laguna Woods*
Rob Johnson, Cypress*
Ed Sachs, Mission Viejo*
Dave Shawver, Stanton*

Absent: None

Also present were:

Fire Chief Brian Fennessy
Assistant Chief Randy Black
Assistant Chief Jim Ruane

Director of Human Resources Stephanie Holloman
Clerk of the Authority Maria Huizar

Deputy Chief Lori Zeller
Assistant Chief Robert Cortez
Assistant Chief Lori Smith

Director of Communications Colleen Windsor
Legal Counsel Keith Dobyns

*Human Resources Committee Members participating via Teleconferencing**

1. PRESENTATIONS

No items.

PUBLIC COMMENTS

Chair Rossini opened the Public Comments portion of the meeting. Chair Rossini closed the Public Comments portion from the meeting without any comments from the general public.

2. CONSENT CALENDAR

On motion of Director Johnson and second by Director Hernandez, and following a roll call vote, declared passed 6-1, with Director Sachs abstained.

A. Minutes for the February 4, 2020, Human Resources Committee Meeting (FILE 12.02D2)

Action: Approve as submitted.

3. DISCUSSION CALENDAR

A. Fleet Services Classification and Compensation Study Update (FILE 17.18A)

Deputy Chief Zeller introduced Human Resources Manager Tamaryn Boston to present the Fleet Services Classification and Compensation Study Update.

On motion of Director Johnson and second by Director Hernandez, and following a roll call vote, declared passed 7-0, to receive and file the report.

B. Orange County Fire Authority Management Association (OCFAMA) Classification and Compensation Study Update (FILE 17.18A)

Deputy Chief Zeller introduced Human Resources Manager Tamaryn Boston to present the Orange County Fire Authority Management Association (OCFAMA) Classification and Compensation Study Update.

On motion of Director Hatch and second by Director Johnson, and following a roll call vote, declared passed 7-0, to receive and file the report.

C. Amended and New Classification Specifications (FILE 17.18)

Human Resources Manager Tamaryn Boston presented the Amended and New Classification Specifications.

On motion of Director Johnson and second by Director Hernandez, and following a roll call vote, declared passed 6-1, (with Director Sachs opposed) to review the proposed agenda item and direct staff to place the item on the agenda for the Executive Committee meeting of September 24, 2020, with the Human Resources Committee's recommendation that the Executive Committee adopt the following amended and new classification specifications:

1. Amend the Wildland Resource Planner classification with a change to the salary allocation from SM80 (high of \$50.52/hour) to SM100 (high of \$62.82/hour).
2. Adopt the new Payroll Supervisor classification and assign the salary allocation to SM 88 (high of \$54.75).
3. Adopt the new Training Program Analyst classification and assign the salary allocation to GE380 (high of \$49.30).

COMMENTS

- **HUMAN RESOURCES DIRECTOR'S COMMENTS (FILE 12.02D6)**

Deputy Chief Zeller introduced newly appointed Human Resources Director Stephanie Holloman and Human Resources Manager Christy Dycus.

- **COMMITTEE MEMBER COMMENTS (FILE 12.02D4)**

Chair Rossini welcomed both Director Holloman and Manager Dycus to OCFA.

Director Hernandez welcomed newly appointed Director Holloman and Manager Dycus.

Director Hatch welcomed the newly appointed Director and Manager noting the Committee would be looking forward to working with them.

RECESS TO CLOSED SESSION

Chair Rossini recessed the Open Session meeting to Closed Session at 12:40 p.m.

CS1. CONFERENCE WITH LEGAL COUNSEL–ANTICIPATED LITIGATION (FILE 12.02D5)

Authority: Government Code Section 54956.9(b) – Significant Exposure to Litigation
(16 Cases)

RECONVENE TO OPEN SESSION

Chair Rossini reconvened to open session meeting at 12:55 p.m. with all Directors present.

CLOSED SESSION REPORT (FILE 12.02D5)

Legal Counsel Dobyns stated there were no reportable actions.

ADJOURNMENT – Chair Rossini adjourned the meeting at 12:56 p.m. The next regular meeting of the Human Resources Committee is scheduled for Tuesday, November 3, 2020, at 12:00 noon.

Maria D. Huizar, CMC
Clerk of the Authority



Orange County Fire Authority **AGENDA STAFF REPORT**

**Human Resource Committee Meeting
November 10, 2020**

**Agenda Item No. 2B
Consent Calendar**

Annual Workers' Compensation Program Update

Contact(s) for Further Information

Stephanie Holloman, Assistant Chief
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

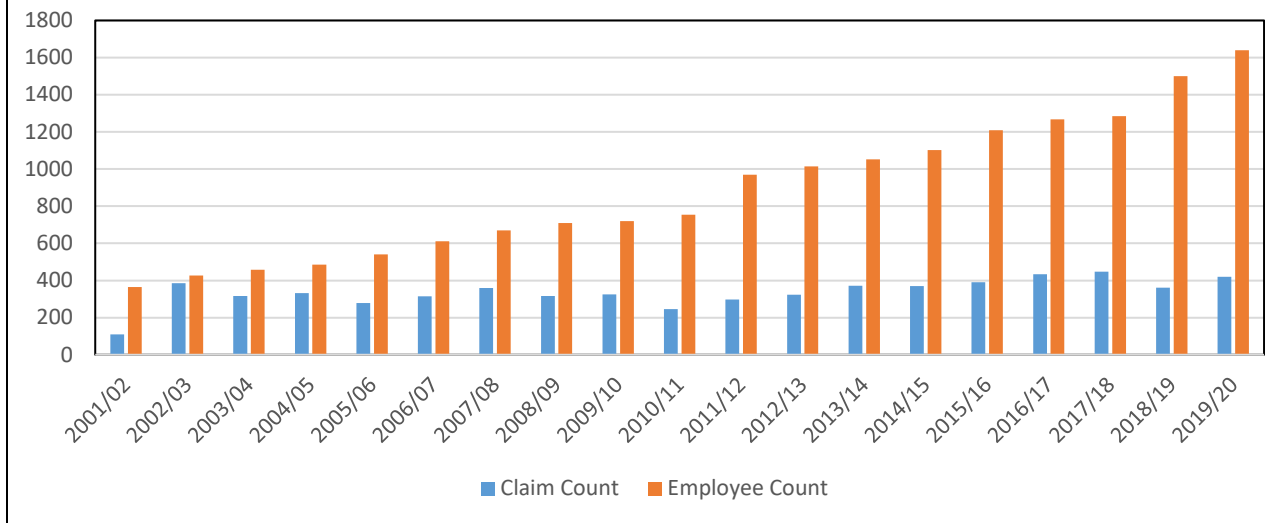
The Orange County Fire Authority (OCFA) was approved by the Division of Industrial Relations Self-Insurance Plans in 2002 to have a self-insured workers' compensation program administered through a Third-Party Administrator (TPA). The TPA for the OCFA self-insured workers' compensation program has been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

Budgeting for Self-Insurance Fund

An independent actuary is used twice a year to project future workers' compensation costs and update the amount of 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 1004 open claims dating back to the inception of the self-insured workers' compensation program.

Open Claims	2017	2018	2019	2020	Percent Change
Death	6	6	6	1	-83.3%
Indemnity	641	535	537	594	10.6%
Maintenance	169	342	397	380	-4.3%
Medical Only	50	59	35	29	-17.1%
Grand Total	866	942	975	1004	3.0%

Workers' Compensation Claims & Employee Count FY 2002-2020



Over the past year, the OCFA averaged approximately 34.9 claims a month or 419 claims during the year (not including first aid injuries). The OCFA experienced a 16.1% increase in actual claims reported during FY 19/20 compared to the prior FY 18/19. However, OCFA also experienced a 9.3% increase in employee count during FY 19/20 compared to FY 18/19, with the addition of frontline operational positions, support positions, and the transition of Garden Grove.

Claims Reported	2016	2017	2018	2019	2020	Percent Change
Total	361	414	447	361	419	16.1%

It's important to note that the total 419 claims listed above represents all claims that were filed for FY 19/20. Of the 419 total claims filed, 287 were indemnity claims, and 261 of those 287 claims resulted in days away from work. The remaining 26 of these indemnity claims were denied where the OCFA expects to have no liability. An additional 131 of the 419 total claims filed were medical-only claims with a short case-life expectancy of 30-to-90-days. Finally, 1 of the 419 claims was a death claim. To date, 205 of the 419 claims resulted in claims cost less than \$5,000 per claim.

See the attached extended background that provides additional, comprehensive details and explanation of the programmatic enhancements and savings.

Attachment(s)

1. Background
2. Actuarial Analysis with data valued as of December 2019

Background

Analysis of Actuary Projections Based on Claims Data as of December 31, 2019

The OCFA policy is to fund 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), allocated and unallocated expenses. The actuarial projection for long-term liabilities at the 50% confidence level as of June 30, 2020, is \$103,945,795.

The actuary has projected the liabilities incurred in FY 19/20 to be \$21,724,158, 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 reserves estimates on the self-insurance program.

The actuary attributed the increase in projected ultimate losses to an increase in payroll, open claims count, and claim severity.

Workers' Compensation Program Overview

Risk Management conducted a significant overhaul of the self-insured Workers' Compensation Program in 2014. We continue 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, medical provider network, utilization review, nurse advocacy, Pharmacy Benefits Management Program, and a *new* Claims Liaison feature added in January 2020.

The OCFA currently has 1004 open workers' compensation claims administered by the third-party administrator (TPA), ranging from indemnity (loss time), medical only, and future medical cases. There has been a 3.0% increase in total open claims, from 975 to 1004 during this reporting period, impacting our long-term liabilities.

Open Claims	2017	2018	2019	2020	Percent Change
Death	6	6	6	1	-83.3%
Indemnity	641	535	537	594	10.6%
Maintenance	169	342	397	380	-4.3%
Medical Only	50	59	35	29	-17.1%
Grand Total	866	942	975	1004	3.0%

Table 1: Summary of Open Claims

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. OCFA employees have experienced reduced medical treatment delays and faster return to work due to the doctors' familiarity with the regulatory requirements. The OCFA experienced several claims that had a significant fiscal impact on our program in FY 2019/20, including major hospitalizations, heart transplant surgeries, cancer, and deaths. The OCFA was able to reap substantial savings off the cost of medical services by utilizing facilities within the MPN, which resulted in a reduction in the OCFA's financial liability.

Occupational Clinics

The OCFA started utilizing occupational clinics on July 1, 2014, which allowed employees to have 24/7 access to a physician within proximity to all seventy-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.

Occupational Clinic Usage	2018	2019	2020
Total Claims Reported	447	361	419
Total Claims using Occupational Clinics	303	217	294
Clinic Usage %	67.8%	74.0%	75.4%
Satisfaction Rating for Occupational Clinics	98.1%	98.1%	97.4%
*Total MPN Usage %	78.6%	77.5%	80.2%
**Total Bills Received	14,043	15,042	14,979
Total Bills in MPN	11,037	11,658	12,015
MPN Savings	\$7,149,274	\$5,588,069	\$6,436,425

Table 2: MPN and Occupational Clinic Usage and Savings

**Represents percent of claims with actual treatment*

***does not include med-legal, DME, or Rx bills*

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 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.

Pharmacy Benefits Program Usage	2018	2019	2020
Total Prescriptions Dispensed	2,347	2,438	2,295
Prescriptions Dispensed through PBM	2,074	2,270	2,193
CorVel PBM Usage %	88.4%	93.1%	95.6%
Prescription Charges	\$796,413	\$846,299	\$824,021
Total Paid	\$493,178	\$516,275	\$488,310
Pharmacy Savings	\$303,235	\$330,023	\$335,711

Table 3: PBM Program Usage and Savings

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 of the traditional workers' compensation system when disputes arise. The Department of Industrial Relations approved the program, and it became effective on October 1, 2014. The OCFA has experienced fewer delays, less litigation, faster medical treatment, and earlier resolution of disputes than in the traditional workers' compensation system, since the implementation of this program. OCFA's litigation rate is at 6% and remains below industry standards which is currently at 11%.

ADR Tracking	2018	2019	2020
Total Claims Incurred	475	361	419
Count of claims eligible for ADR	427	339	391
Number of claims that entered into ADR	55	46	42
Percentage of Litigated Claims	5.8%	8.9%	6.6%
Average # of Days Until ADR Resolution	70	67	71

Table 4: ADR vs. Traditional Workers' Compensation System Comparison

Enhanced Transitional Return to Work Program

Risk Management has been able to expedite the return to work process and returned more employees to a light-duty assignment through the 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.

Transitional Return to Work Program	2018	2019	2020
Employees Returned to Light Duty	55	33	36
Returned to Light Duty Within 4 Business Days	54	31	31
Percent of Employees Returned to Light Duty Within 4 Business Days	85.7%	77.5%	72.09%
Number of Assignments Filled with One or More Employees	20	13	17
Average Days on Light Duty	30	40	46
Total Employees Eligible to Return to Light Duties	63	40	43

Table 5: Transitional Return to Work Program Summary

Claims Settlement

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 2019/20.

Settlement Approvals	2018	2019	2020
Fire Chief or Designee (Compromise and Release Settlements)	5	10	13
Fire Chief or Designee (Stipulation and Award Settlements)	68	151	127
Claims Settlement Committee (Compromise and Release Settlements)	8	3	0
Claims Settlement Committee (Stipulation and Award Settlements)	15	0	0
Board of Directors	0	0	0
Total Claims	96	164	140

Table 6: Settlements Approved

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 involved workers' compensation process and improve overall claims experience.

Contact Type	2018	2019	2020
Settlement	-	-	16
Medical Issue	-	-	385
Legal Issue	-	-	2
General Q&A	-	-	205
Benefit Question	-	-	5

Table 7: Claims Liaison

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.

	2018	2019	2020
TPA Administrative Fees	\$560,952	\$583,614	\$618,540
Bill Review Fee	\$647,782	\$708,176	\$653,177
Utilization Review Fees	\$165,895	\$202,440	\$157,557
Utilization Review Savings	(\$222,903)	(\$672,001)	(\$121,885)
PBM Savings	(\$303,209)	(\$329,415)	(\$335,711)
Bill Review Savings	(\$7,019,646)	(\$7,046,098)	(\$7,673,822)
Total Costs/Savings	(\$6,171,129)	(\$6,553,284)	(\$6,702,144)

Table 7: Overall Workers' Compensation Program Savings

Actuarial Study of the Workers Compensation Program
of

ORANGE COUNTY FIRE AUTHORITY

Based on Claims Data Valued as of December 31, 2019
("Valuation Date") to Estimate Loss Reserves as of
June 30, 2020 ("Accounting Date") and Information
Received through February 19, 2020 ("Review Date")

Prepared by: Marn Rivelle, FCA, ACAS, MAAA
Principal
Rivelle Consulting Services
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Report Date: February 20, 2020

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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. The current excess insurer is California State Association of Counties, Excess Insurance Authority (“CSAC-EIA”).

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, 2020.** Estimate the outstanding losses (including allocated loss adjustment expenses [ALAE]) and Unallocated Loss Adjustment Expenses as of June 30, 2020.

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 Periods Effective July 1, 2019-20 through July 1, 2023-24.** Project the ultimate limited losses including ALAE and ULAE for claims with dates of loss during the next three upcoming periods.

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. **Project Losses Paid for the Next Five Fiscal Years.** Project the losses paid (including allocated loss adjustment expenses ALAE and ULAE for claims disbursements made during 2019/20 through 2023/24.

4. **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, 2020.**

We estimate the outstanding losses as of June 30, 2020 to be as shown in Table II-1.

Table II-1
Estimated Outstanding Losses (including ALAE) and ULAE
As of June 30, 2020

Confidence Level (1)	Estimated Outstanding Losses (2)	Present Value of Estimated Outstanding Losses (3)
(A) Expected (i.e., 50%)	\$108,684,439	\$103,945,795
(B) 60%	\$113,031,817	\$108,103,627
(C) 70%	\$120,639,727	\$115,379,832
(D) 80%	\$130,421,327	\$124,734,954
(E) 90%	\$141,289,771	\$135,129,534
(F) ULAE	\$7,607,911	\$7,276,206

Note: (A) is extracted from Appendix C, Exhibit WC-12, page 1, columns (9) and (11).
(B) through (E) are based on (A) and confidence level factors derived from a loss distribution with a Coefficient of Variation of 0.20 and actuarial judgment.
(F) = (A) x 0.07 based previous analyses and actuarial judgment.

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 1% interest rate on earnings assumption.

Row (F), column (3) shows the discounted ULAE provision. Both provisions should be recognized on the Authority's financial statements.

The estimated ULAE in Table II-1, row (F) is the total dollar amount required to handle all claims that have occurred on or before June 30, 2020 to their final settlement.

Current Liabilities vs. Long-Term Liabilities

Current liabilities are the amount of estimated outstanding losses that OCFA is expected to pay off during the next fiscal year. Long-term liabilities are the remaining estimated outstanding losses (i.e., the portion of estimated outstanding losses that will be paid off in fiscal years beyond the upcoming fiscal year.)

The forecast of current liabilities for the estimated outstanding losses as of June 30, 2020 total approximately \$17.7 million (cf. Exhibit WC-12, page 2, column (8), excluding the projected payments for claim period 2020/21). The estimate of long-term liabilities is the difference between the amounts shown in Table II-1 and the forecast of current liabilities.

2. **Project the Ultimate Limited Losses (including ALAE) and ULAE for 2019/20 through 2023/24.**

We project the ultimate limited losses (including ALAE) and ULAE for claims with dates of loss in 2019/20 through 2023/24 to be as shown in Table II-2A through Table II-2E, respectively.

Table II-2A
Projected Ultimate Limited Losses (including ALAE) and ULAE
July 1, 2019-20

Confidence Level (1)	Projected Ultimate Limited Losses (2)	Present Value of Ultimate Limited Losses (3)
(A) Expected (i.e., 50%)	\$23,115,543	\$21,724,158
(B) 60%	\$24,271,320	\$22,810,366
(C) 70%	\$26,351,719	\$24,765,540
(D) 80%	\$29,125,584	\$27,372,439
(E) 90%	\$33,517,537	\$31,500,029
(F) ULAE	\$1,618,088	\$1,520,691

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

(A) is based on projected payroll of approximately \$185,518,000.

(B) through (E) are based on a (A) and confidence level factors derived from a loss distribution with a Coefficient of Variation of 0.25 and actuarial judgment.

(F) = 7.0% of (A), which is based on historical TPA fees, other similar programs with which we are familiar and actuarial judgment.

The projected ultimate limited losses reflect OCFA's SIR of \$2,000,000 per occurrence. The ULAE funding recommendation reflects the ultimate third party administration fees to handle those claims that occur during 2019/20. We emphasize the third party administration fees to be paid during the period will exceed this amount because the third party administrator will be handling claims that occurred in prior periods. However, the fees associated with handling these prior claims during the period have been accounted for in our estimated outstanding ULAE from Table II-1, row (F).

We project the ultimate limited losses (including ALAE) and ULAE for 2020/21 to be as shown in Table II-2B

Table II-2B
Projected Ultimate Limited Losses (including ALAE) and ULAE
July 1, 2020-21

Confidence Level (1)	Projected Ultimate Limited Losses (2)	Present Value of Ultimate Limited Losses (3)
(A) Expected (i.e., 50%)	\$23,690,592	\$22,262,107
(B) 60%	\$24,875,122	\$23,375,212
(C) 70%	\$27,007,275	\$25,378,802
(D) 80%	\$29,850,146	\$28,050,255
(E) 90%	\$34,351,358	\$32,280,055
(F) ULAE	\$1,658,341	\$1,558,347

Note: (A) is extracted from Appendix C, Exhibit WC-9, columns (9) and (12).
 (A) is based on projected payroll of approximately \$185,518,000.
 (B) through (E) are based on a (A) and confidence level factors derived from a loss distribution with a Coefficient of Variation of 0.25 and actuarial judgment.
 (F) = 7.0% of (A), which is based on historical TPA fees, other similar programs with which we are familiar and actuarial judgment.

The projected ultimate limited losses (including ALAE) assume OCFA will retain the first \$2,000,000 per occurrence in 2020/21. The projected ultimate ULAE for 2020/21 assumes OCFA will contract with a third party administrator subject to similar terms and conditions that are in effect with the current contract.

We project the ultimate limited losses (including ALAE) and ULAE for 2021/22 to be as shown in Table II-2C.

Table II-2C
Projected Ultimate Limited Losses (including ALAE) and ULAE
July 1, 2021-22

Confidence Level (1)	Projected Ultimate Limited Losses (2)	Present Value of Ultimate Limited Losses (3)
(A) Expected (i.e., 50%)	\$24,284,248	\$22,818,660
(B) 60%	\$25,498,460	\$23,959,593
(C) 70%	\$27,684,043	\$26,013,272
(D) 80%	\$30,598,152	\$28,751,512
(E) 90%	\$35,212,160	\$33,087,057
(F) ULAE	\$1,699,897	\$1,597,306

Note: (A) is extracted from Appendix C, Exhibit WC-9, columns (9) and (12).
 (A) is based on projected payroll of approximately \$185,518,000.
 (B) through (E) are based on a (A) and confidence level factors derived from a loss distribution with a Coefficient of Variation of 0.25 and actuarial judgment.
 (F) = 7.0% of (A), which is based on historical TPA fees, other similar programs with which we are familiar and actuarial judgment.

The projected ultimate limited losses (including ALAE) assume OCFA will retain the first \$2,000,000 per occurrence in 2021/22. The projected ultimate ULAE for 2021/22 assumes OCFA will contract with a third party administrator subject to similar terms and conditions that are in effect with the current contract.

We project the ultimate limited losses (including ALAE) and ULAE for 2022/23 to be as shown in Table II-2D.

Table II-2D
Projected Ultimate Limited Losses (including ALAE) and ULAE
July 1, 2022-23

Confidence Level (1)	Projected Ultimate Limited Losses (2)	Present Value of Ultimate Limited Losses (3)
(A) Expected (i.e., 50%)	\$24,896,456	\$23,393,764
(B) 60%	\$26,141,279	\$24,563,452
(C) 70%	\$28,381,960	\$26,668,891
(D) 80%	\$31,369,535	\$29,476,143
(E) 90%	\$36,099,861	\$33,920,958
(F) ULAE	\$1,742,752	\$1,637,563

Note: (A) is extracted from Appendix C, Exhibit WC-9, columns (9) and (12).
 (A) is based on projected payroll of approximately \$185,518,000.
 (B) through (E) are based on a (A) and confidence level factors derived from a loss distribution with a Coefficient of Variation of 0.25 and actuarial judgment.
 (F) = 7.0% of (A), which is based on historical TPA fees, other similar programs with which we are familiar and actuarial judgment.

The projected ultimate limited losses (including ALAE) assume OCFA will retain the first \$2,000,000 per occurrence in 2022/23. The projected ultimate ULAE for 2022/23 assumes OCFA will contract with a third party administrator subject to similar terms and conditions that are in effect with the current contract.

We project the ultimate limited losses (including ALAE) and ULAE for 2023/24 to be as shown in Table II-2E.

Table II-2E
Projected Ultimate Limited Losses (including ALAE) and ULAE
July 1, 2023-24

Confidence Level (1)	Projected Ultimate Limited Losses (2)	Present Value of Ultimate Limited Losses (3)
(A) Expected (i.e., 50%)	\$25,508,664	\$23,987,420
(B) 60%	\$26,784,097	\$25,186,791
(C) 70%	\$29,079,877	\$27,345,659
(D) 80%	\$32,140,917	\$30,224,149
(E) 90%	\$36,987,563	\$34,781,759
(F) ULAE	\$1,785,606	\$1,679,119

Note: (A) is extracted from Appendix C, Exhibit WC-9, columns (9) and (12).
 (A) is based on projected payroll of approximately \$185,518,000.
 (B) through (E) are based on a (A) and confidence level factors derived from a loss distribution with a Coefficient of Variation of 0.25 and actuarial judgment.
 (F) = 7.0% of (A), which is based on historical TPA fees, other similar programs with which we are familiar and actuarial judgment.

The projected ultimate limited losses (including ALAE) assume OCFA will retain the first \$2,000,000 per occurrence in 2023/24. The projected ultimate ULAE for 2023/24 assumes OCFA will contract with a third party administrator subject to similar terms and conditions that are in effect with the current contract.

3. **Project the Losses (including ALAE) and ULAE to be Paid in 2019/20 through 2023/24.**

We project the losses (including ALAE) and ULAE to be paid in 2019/20 through 2023/24 to be as shown in Table II-3.

Table II-3
Projected Losses (including ALAE) and ULAE To Be Paid in
2019/20 through 2023/24

Fiscal Period (1)	Projected Losses (including ALAE) Paid (2)	Projected ULAE Paid (3)
(A) July 1, 2019-20	\$17,579,564	\$1,230,569
(B) July 1, 2020-21	\$20,057,235	\$1,404,006
(C) July 1, 2021-22	\$20,804,622	\$1,456,324
(D) July 1, 2022-23	\$21,162,979	\$1,481,409
(E) July 1, 2023-24	\$21,667,502	\$1,516,725

Note: (2) is extracted from Appendix C, Exhibit WC-12, pages 1 through 5, column (8).

(3) = (2) x 7%. The percentage is selected based on the ratio of historical payments.

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.

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 30th and December 31st valuations.) We compiled the data in these files and compared the results. We found all files to be internally consistent.

In addition, we compared the compiled data with the data shown in previous actuarial report prepared by us last year. Our data compilation proved consistent with the summarized data shown in the previous actuarial report.

Comparisons with Previous Report

Our previous report (based on claims data valued as of June 30, 2019), showed estimated the outstanding losses as of June 30, 2019 to total approximately \$103.1 million (undiscounted, expected confidence level). The current report shows estimated outstanding losses (as of December 31, 2019) to be approximately \$106.9 million (undiscounted, expected confidence level.); the referenced amounts may be found in Exhibit WC-10 of this report. In the previous report, we projected ultimate losses for 2018/19 and prior to total \$225.0 million. In the current report, we project ultimate losses for 2018/19 and prior to total \$225.1 million.

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 express no opinion regarding the appropriateness of the interest rate(s) used in this report.
- **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, Paragraph 4, 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).

Standard Premium

Most often used in connection with retrospective rating for Workers Compensation and General Liability Insurance, it is the premium of which the basic premium is a percentage and is developed by applying the regular rates to an insured's payroll.

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 - Expected Confidence Level

Exhibit WC-1

Data Valued as of December 31, 2019

Claim Period (1)	Specific Self-Insured Retention (2)	Months of Development 12/31/19 (3)	Reported Claims 12/31/19 (4)	Open Claims 12/31/19 (5)	Limited Paid Losses 12/31/19 (6)	Limited Case Reserves 12/31/19 (7)	Limited Reported Incurred Losses 12/31/19 (8)
1997/98	N/A	270.0	0	0	\$0	\$0	\$0
1998/99	N/A	258.0	0	0	0	0	0
1999/00	N/A	246.0	0	0	0	0	0
2000/01	N/A	234.0	0	0	0	0	0
2001/02	600,000	222.0	132	6	2,166,331	300,960	2,467,291
2002/03	600,000	210.0	406	14	7,018,340	944,282	7,962,623
2003/04	2,000,000	198.0	321	8	4,612,602	675,434	5,288,037
2004/05	2,000,000	186.0	337	14	5,291,741	902,198	6,193,939
2005/06	2,000,000	174.0	395	12	6,881,459	825,075	7,706,535
2006/07	2,000,000	162.0	422	12	8,221,269	1,186,161	9,407,430
2007/08	2,000,000	150.0	475	14	7,765,986	1,482,599	9,248,585
2008/09	2,000,000	138.0	458	15	7,227,422	747,177	7,974,599
2009/10	2,000,000	126.0	469	14	8,319,757	1,493,315	9,813,072
2010/11	2,000,000	114.0	392	21	8,552,189	2,814,858	11,367,047
2011/12	2,000,000	102.0	472	25	8,124,177	1,904,372	10,028,548
2012/13	2,000,000	90.0	483	45	8,380,424	2,187,155	10,567,580
2013/14	2,000,000	78.0	528	52	8,326,793	3,027,863	11,354,656
2014/15	2,000,000	66.0	385	61	7,862,328	2,849,475	10,711,804
2015/16	2,000,000	54.0	400	81	8,123,187	4,622,517	12,745,705
2016/17	2,000,000	42.0	456	117	8,334,760	6,709,691	15,044,451
2017/18	2,000,000	30.0	477	176	9,348,506	8,529,732	17,878,238
2018/19	2,000,000	18.0	387	160	4,549,972	7,868,823	12,418,795
2019/20	2,000,000	6.0	229	141	649,524	2,696,758	3,346,282
Total			7,624	988	\$129,756,768 #	\$51,768,445 #	\$181,525,213 #

- 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 - 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	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	99.9%	100.0%	100.0%	312.0	99.9%	100.0%	100.0%
300.0	99.9%	100.0%	100.0%	300.0	99.9%	100.0%	100.0%
288.0	99.9%	100.0%	100.0%	288.0	99.9%	100.0%	100.0%
276.0	99.8%	100.0%	100.0%	276.0	99.8%	100.0%	100.0%
264.0	99.7%	100.0%	100.0%	264.0	99.7%	100.0%	100.0%
252.0	99.6%	100.0%	100.0%	252.0	99.6%	100.0%	100.0%
240.0	99.4%	100.0%	100.0%	240.0	99.4%	100.0%	100.0%
228.0	99.2%	100.0%	100.0%	228.0	99.2%	100.0%	100.0%
216.0	98.8%	100.0%	100.0%	216.0	98.8%	100.0%	100.0%
204.0	98.4%	100.0%	100.0%	204.0	98.4%	100.0%	100.0%
192.0	97.6%	99.9%	100.0%	192.0	97.6%	99.9%	100.0%
180.0	96.6%	99.6%	100.0%	180.0	96.6%	99.6%	100.0%
168.0	95.2%	97.6%	100.0%	168.0	95.2%	97.6%	100.0%
156.0	93.5%	96.2%	100.0%	156.0	93.5%	96.2%	100.0%
144.0	91.5%	94.4%	100.0%	144.0	91.5%	94.4%	100.0%
132.0	85.6%	91.2%	100.0%	132.0	85.6%	91.2%	100.0%
120.0	81.5%	90.3%	100.0%	120.0	81.5%	90.3%	100.0%
108.0	74.9%	84.9%	100.0%	108.0	74.9%	84.9%	100.0%
96.0	69.8%	80.2%	100.0%	96.0	69.8%	80.2%	100.0%
84.0	65.2%	78.9%	100.0%	84.0	65.2%	78.9%	100.0%
72.0	60.4%	77.3%	100.0%	72.0	60.4%	77.3%	100.0%
60.0	50.0%	75.0%	99.6%	60.0	50.0%	75.0%	99.6%
48.0	41.1%	73.3%	99.3%	48.0	41.1%	73.3%	99.3%
36.0	31.1%	67.7%	98.9%	36.0	31.1%	67.7%	98.9%
24.0	22.1%	58.0%	97.9%	24.0	22.1%	58.0%	97.9%
12.0	9.7%	36.7%	91.6%	12.0	9.7%	36.7%	91.6%

ORANGE COUNTY FIRE AUTHORITY
WORKERS' COMPENSATION - 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	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	99.9%	100.0%	100.0%
312.0	99.9%	100.0%	100.0%	306.0	99.9%	100.0%	100.0%
300.0	99.9%	100.0%	100.0%	294.0	99.9%	100.0%	100.0%
288.0	99.9%	100.0%	100.0%	282.0	99.8%	100.0%	100.0%
276.0	99.8%	100.0%	100.0%	270.0	99.8%	100.0%	100.0%
264.0	99.7%	100.0%	100.0%	258.0	99.7%	100.0%	100.0%
252.0	99.6%	100.0%	100.0%	246.0	99.5%	100.0%	100.0%
240.0	99.4%	100.0%	100.0%	234.0	99.3%	100.0%	100.0%
228.0	99.2%	100.0%	100.0%	222.0	99.0%	100.0%	100.0%
216.0	98.8%	100.0%	100.0%	210.0	98.6%	100.0%	100.0%
204.0	98.4%	100.0%	100.0%	198.0	98.0%	100.0%	100.0%
192.0	97.6%	99.9%	100.0%	186.0	97.1%	99.8%	100.0%
180.0	96.6%	99.6%	100.0%	174.0	95.9%	98.6%	100.0%
168.0	95.2%	97.6%	100.0%	162.0	94.4%	96.9%	100.0%
156.0	93.5%	96.2%	100.0%	150.0	92.5%	95.3%	100.0%
144.0	91.5%	94.4%	100.0%	138.0	88.6%	92.8%	100.0%
132.0	85.6%	91.2%	100.0%	126.0	83.6%	90.8%	100.0%
120.0	81.5%	90.3%	100.0%	114.0	78.2%	87.6%	100.0%
108.0	74.9%	84.9%	100.0%	102.0	72.4%	82.6%	100.0%
96.0	69.8%	80.2%	100.0%	90.0	67.5%	79.6%	100.0%
84.0	65.2%	78.9%	100.0%	78.0	62.8%	78.1%	100.0%
72.0	60.4%	77.3%	100.0%	66.0	55.2%	76.2%	99.8%
60.0	50.0%	75.0%	99.6%	54.0	45.6%	74.2%	99.5%
48.0	41.1%	73.3%	99.3%	42.0	36.1%	70.5%	99.1%
36.0	31.1%	67.7%	98.9%	30.0	26.6%	62.9%	98.4%
24.0	22.1%	58.0%	97.9%	18.0	15.9%	47.4%	94.8%
12.0	9.7%	36.7%	91.6%	6.0	4.9%	18.4%	45.8%

(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 - Expected Confidence Level

Historical Limited Paid Losses and Limited Paid Loss Development

I. Historical Limited Paid Losses (\$000)

Claim Period	12	24	Months of Development:		60	72	84	96	108	120	132	144	156	168	180	192
			36	48												
1996/97																
1997/98																
1998/99																
1999/00																
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
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
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
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	
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		
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			
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				
2008/09	468	1,706	2,465	3,259	3,837	4,519	4,903	5,347	5,698	7,121	7,190					
2009/10	591	2,196	3,473	4,077	4,841	5,578	5,877	6,052	8,087	8,268						
2010/11	1,032	2,191	3,301	4,008	4,620	5,198	5,539	7,636	7,977							
2011/12	603	1,891	2,433	2,924	3,480	4,550	7,677	8,061								
2012/13	696	1,846	3,429	4,845	6,156	7,996	8,162									
2013/14	580	2,268	3,457	4,725	7,330	7,652										
2014/15	1,411	3,662	4,898	6,780	7,655											
2015/16	2,193	4,683	6,600	7,754												
2016/17	2,409	5,378	7,598													
2017/18	3,421	7,441														
2018/19	2,596															

ORANGE COUNTY FIRE AUTHORITY
WORKERS' COMPENSATION - Expected Confidence Level

Historical Limited Paid Losses and Limited Paid Loss Development

II. Limited Paid 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
			36-48	48-60												
1996/97																
1997/98																
1998/99																
1999/00																
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
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
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	
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		
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			
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				
2007/08	2.308	1.392	1.201	1.263	1.168	1.089	1.058	1.091	1.097	1.239	1.017					
2008/09	3.645	1.444	1.322	1.178	1.178	1.085	1.090	1.066	1.250	1.010						
2009/10	3.714	1.581	1.174	1.187	1.152	1.054	1.030	1.336	1.022							
2010/11	2.123	1.507	1.214	1.153	1.125	1.066	1.378	1.045								
2011/12	3.134	1.286	1.202	1.190	1.308	1.687	1.050									
2012/13	2.653	1.857	1.413	1.271	1.299	1.021										
2013/14	3.909	1.525	1.367	1.551	1.044											
2014/15	2.595	1.338	1.384	1.129												
2015/16	2.135	1.409	1.175													
2016/17	2.232	1.413														
2017/18	2.175															
2018/19																
Average																
All	2.773	1.436	1.264	1.213	1.150	1.136	1.084	1.084	1.081	1.058	1.063	1.070	1.050	1.025	1.039	1.026
Wtd 3	2.181	1.392	1.288	1.293	1.191	1.205	1.139	1.143	1.111	1.092	1.103	1.105	1.068	1.024	1.040	
Last 3	2.181	1.387	1.309	1.317	1.217	1.258	1.153	1.149	1.123	1.097	1.111	1.119	1.064	1.027	1.039	
Last 5	2.334	1.449	1.318	1.204	1.192	1.068	1.066	1.072	1.081	1.050	1.069	1.033	1.047			
x-hi,low																
Industry																
Previous	2.282	1.409	1.322	1.216	1.210	1.080	1.070	1.072	1.089	1.050	1.069	1.023	1.018	1.050		
Selected	2.282	1.409	1.322	1.216	1.210	1.080	1.070	1.072	1.089	1.050	1.069	1.023	1.018	1.050		
Cumulative	10.349	4.535	3.218	2.435	2.002	1.655	1.533	1.432	1.336	1.227	1.168	1.093	1.069	1.050		
Percent	9.7%	22.1%	31.1%	41.1%	50.0%	60.4%	65.2%	69.8%	74.9%	81.5%	85.6%	91.5%	93.5%	95.2%		

Amounts exclude 4850 benefits.

Amounts are limited (net of excess insurance).

Data was provided by Corvel.

ORANGE COUNTY FIRE AUTHORITY
WORKERS' COMPENSATION - 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
			36	48												
1996/97																
1997/98																
1998/99																
1999/00																
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
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
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
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	
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		
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			
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				
2008/09	2,725	3,801	4,523	6,535	6,573	6,387	6,330	6,620	6,809	8,033	7,946					
2009/10	3,105	5,763	7,798	8,153	8,067	8,112	7,442	8,092	9,959	9,920						
2010/11	3,607	6,753	7,314	7,593	7,730	7,861	7,877	9,630	10,318							
2011/12	3,253	5,931	6,182	6,367	6,245	6,681		10,000	10,176							
2012/13	3,376	5,604	6,775	8,299	8,810	10,117	10,292									
2013/14	4,625	6,487	6,919	7,432		9,988	11,211									
2014/15	4,020	7,034	8,744	9,929	10,723											
2015/16	6,025	9,083	10,707	12,575												
2016/17	7,530	11,643	14,249													
2017/18	9,377	16,437														
2018/19	9,309															

ORANGE COUNTY FIRE AUTHORITY
WORKERS' COMPENSATION - Expected Confidence Level

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
			36-48	48-60												
1996/97																
1997/98																
1998/99																
1999/00																
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
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
2003/04		1.147	1.065	1.099	1.158	1.049	1.057	1.095	1.049	1.013	1.063	0.947	0.970	1.008	1.098	
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		1.061		
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			
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				
2007/08	1.270	1.332	1.101	1.152	1.112	0.947	0.923	1.127	1.045	1.209	0.976					
2008/09	1.395	1.190	1.445	1.006	0.972	0.991	1.046	1.029	1.180	0.989						
2009/10	1.856	1.353	1.046	0.989	1.006	0.917	1.087	1.231								
2010/11	1.872	1.083	1.038	1.018	1.017	1.002	1.223	1.071								
2011/12	1.823	1.042	1.030	0.981	1.070	1.497	1.018									
2012/13	1.660	1.209	1.225	1.062	1.148	1.017										
2013/14	1.402	1.067	1.074	1.344	1.122											
2014/15	1.750	1.243	1.135	1.080												
2015/16	1.508	1.179	1.175													
2016/17	1.546	1.224														
2017/18	1.753															
2018/19																
Average																
All	1.615	1.186	1.121	1.100	1.082	1.046	1.038	1.077	1.054	1.031	1.040	1.076	1.007	1.014	1.021	1.018
Wtd 3	1.621	1.214	1.135	1.150	1.118	1.142	1.102	1.113	1.063	1.059	1.040	1.167	0.964	1.026	1.037	
Last 3	1.602	1.215	1.128	1.162	1.114	1.172	1.109	1.110	1.074	1.061	1.046	1.184	0.965	1.026	1.021	
Last 5	1.601	1.204	1.128	1.053	1.070	1.003	1.050	1.076	1.050	1.005	1.050	1.052	0.981			
x-hi,low																
Industry																
Previous	1.580	1.167	1.083	1.023	1.031	1.021	1.016	1.059	1.063	1.010	1.036	1.018	1.014	1.025		
Selected	1.580	1.167	1.083	1.023	1.031	1.021	1.016	1.059	1.063	1.010	1.036	1.018	1.014	1.025		
Cumulative	2.723	1.724	1.478	1.365	1.334	1.294	1.267	1.247	1.178	1.108	1.097	1.059	1.040	1.025		
Percent	36.7%	58.0%	67.7%	73.3%	75.0%	77.3%	78.9%	80.2%	84.9%	90.3%	91.2%	94.4%	96.2%	97.6%		

Amounts exclude 4850 benefits.

Amounts are limited (net of excess insurance).

Data was provided by Corvel.

ORANGE COUNTY FIRE AUTHORITY
WORKERS' COMPENSATION - Expected Confidence Level

Historical Reported Claims and Reported Claim Development

I. Historical Reported Claims

Claim Period	12	24	Months of Development:		36	48	60	72	84	96	108	120	132	144	156	168	180	192
1996/97																		
1997/98																		
1998/99																		
1999/00																		
2000/01																		
2001/02						130	130	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
2003/04						318	320	320	321	322	322	321	321	321	320	320	320	321
2004/05	283	325	331	334	334	336	336	336	336	337	337	337	337	337	337	337	337	337
2005/06	347	381	386	389	390	391	391	391	391	393	393	393	393	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
2007/08	445	470	472	474	475	476	475	475	475	475	475	475	475	475	475	475	475	475
2008/09	431	448	452	451	454	457	458	458	459	459	459	459	458	458	458	458	458	458
2009/10	433	460	465	466	467	467	468	468	468	468	469	469	469	469	469	469	469	469
2010/11	365	388	389	389	389	391	391	391	392	392	392	392	392	392	392	392	392	392
2011/12	435	464	470	471	471	471	471	471	471	471	471	471	471	471	471	471	471	471
2012/13	443	479	481	482	482	482	483	483	483	483	483	483	483	483	483	483	483	483
2013/14	487	517	523	526	529	528	528	528	528	528	528	528	528	528	528	528	528	528
2014/15	348	375	379	382	385	385	385	385	385	385	385	385	385	385	385	385	385	385
2015/16	402	391	396	399	399	399	399	399	399	399	399	399	399	399	399	399	399	399
2016/17	417	449	454	454	454	454	454	454	454	454	454	454	454	454	454	454	454	454
2017/18	447	475	475	475	475	475	475	475	475	475	475	475	475	475	475	475	475	475
2018/19	367	367	367	367	367	367	367	367	367	367	367	367	367	367	367	367	367	367

ORANGE COUNTY FIRE AUTHORITY
WORKERS' COMPENSATION - Expected Confidence Level

Historical Reported Claims and Reported Claim Development

II. Reported Claim 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
			36-48	48-60												
1996/97																
1997/98																
1998/99																
1999/00																
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
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
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
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	
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		
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		
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			
2008/09	1.039	1.009	0.998	1.007	1.007	1.002	1.002	1.000	1.000	0.998						
2009/10	1.062	1.011	1.002	1.002	1.000	1.002	1.000	1.002	1.000							
2010/11	1.063	1.003	1.000	1.000	1.005	1.000	1.003	1.000								
2011/12	1.067	1.013	1.002	1.000	1.000	1.000	1.002									
2012/13	1.081	1.004	1.002	1.000	1.002	1.000										
2013/14	1.062	1.012	1.006	1.006	0.998											
2014/15	1.078	1.011	1.008	1.008												
2015/16	0.973	1.013	1.008													
2016/17	1.077	1.011														
2017/18	1.063															
2018/19																
Average																
All	1.069	1.010	1.004	1.003	1.004	1.000	1.001	1.001	1.000	1.000	1.001	0.999	1.000	1.000	1.001	1.000
Wtd 3	1.039	1.012	1.007	1.004	1.000	1.000	1.002	1.001	1.000	0.999	1.002	1.000	1.000	1.000	1.001	
Last 3	1.037	1.012	1.007	1.005	1.000	1.000	1.002	1.001	1.000	0.999	1.002	1.000	1.000	1.000	1.001	
Last 5	1.067	1.011	1.005	1.002	1.001	1.001	1.001	1.001	1.000	1.000	1.000	1.000	1.000			
x-hi,low																
Similar																
Previous	1.070	1.010	1.004	1.003	1.004	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000		
Selected	1.069	1.010	1.004	1.003	1.004	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000		
Cumulative	1.092	1.021	1.011	1.007	1.004	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Percent	91.6%	97.9%	98.9%	99.3%	99.6%	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 - 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	12	24	Months of Development:		60	72	84	96	108	120	132	144	156	168	180	192
			36	48												
1996/97																
1997/98																
1998/99																
1999/00																
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%
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%
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%
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%	
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%		
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%			
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%				
2008/09	17.2%	44.9%	54.5%	49.9%	58.4%	70.8%	77.5%	80.8%	83.7%	88.7%	90.5%					
2009/10	19.0%	38.1%	44.5%	50.0%	60.0%	68.8%	79.0%	74.8%	81.2%							
2010/11	28.6%	32.4%	45.1%	52.8%	59.8%	66.1%	70.3%	79.3%	77.3%							
2011/12	18.6%	31.9%	39.4%	45.9%	55.7%	68.1%	76.8%	79.2%								
2012/13	20.6%	32.9%	50.6%	58.4%	69.9%	79.0%	79.3%									
2013/14	12.5%	35.0%	50.0%	63.6%	73.4%	68.3%										
2014/15	35.1%	52.1%	56.0%	68.3%	71.4%											
2015/16	36.4%	51.6%	61.6%	61.7%												
2016/17	32.0%	46.2%	53.3%													
2017/18	36.5%	45.3%														
2018/19	27.9%															
Average																
All	26.3%	43.7%	52.9%	60.3%	66.1%	69.7%	75.6%	78.4%	78.8%	80.9%	82.6%	83.4%	83.0%	85.8%	85.7%	87.9%
Last 3	32.1%	47.7%	57.0%	64.5%	71.5%	71.8%	75.5%	77.8%	80.7%	83.6%	84.7%	85.8%	82.3%	88.0%	87.4%	87.9%
Last 5	34.5%	47.7%	52.2%	61.2%	67.0%	68.4%	77.7%	78.7%	77.9%	80.2%	83.1%	85.1%	82.6%	87.3%		
X-Hi,Low																
Implicit	26.4%	38.1%	45.9%	56.1%	66.7%	78.1%	82.6%	87.0%	88.2%	90.3%	93.9%	96.9%	97.2%	97.5%		

ORANGE COUNTY FIRE AUTHORITY
WORKERS' COMPENSATION - 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 12/31/19 (2)	Limited Paid Losses 12/31/19 (3)	Percent Losses Paid (4)	Developed Limited Paid Losses (3)/(4) (5)
1997/98	270	\$0	99.8%	\$0
1998/99	258	0	99.7%	0
1999/00	246	0	99.5%	0
2000/01	234	0	99.3%	0
2001/02	222	2,166,331	99.0%	2,187,762
2002/03	210	7,018,340	98.6%	7,117,952
2003/04	198	4,612,602	98.0%	4,706,699
2004/05	186	5,291,741	97.1%	5,447,316
2005/06	174	6,881,459	95.9%	7,174,165
2006/07	162	8,221,269	94.4%	8,713,587
2007/08	150	7,765,986	92.5%	8,395,661
2008/09	138	7,227,422	88.6%	8,161,967
2009/10	126	8,319,757	83.6%	9,957,819
2010/11	114	8,552,189	78.2%	10,936,303
2011/12	102	8,124,177	72.4%	10,464,653
2012/13	90	8,380,424	67.5%	11,452,480
2013/14	78	8,326,793	62.8%	13,259,224
2014/15	66	7,862,328	55.2%	14,243,348
2015/16	54	8,123,187	45.6%	17,833,561
2016/17	42	8,334,760	36.1%	23,087,977
2017/18	30	9,348,506	26.6%	35,144,758
2018/19	18	4,549,972	15.9%	28,616,177

ORANGE COUNTY FIRE AUTHORITY
WORKERS' COMPENSATION - 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 12/31/19 (2)	Limited Reported Incurred Losses 12/31/19 (3)	Percent Losses Reported (4)	Developed Limited Reported Incurred Losses (3)/(4) (5)
1997/98	270	\$0	100.0%	\$0
1998/99	258	0	100.0%	0
1999/00	246	0	100.0%	0
2000/01	234	0	100.0%	0
2001/02	222	2,467,291	100.0%	2,467,308
2002/03	210	7,962,623	100.0%	7,962,994
2003/04	198	5,288,037	100.0%	5,289,679
2004/05	186	6,193,939	99.8%	6,206,787
2005/06	174	7,706,535	98.6%	7,814,373
2006/07	162	9,407,430	96.9%	9,708,390
2007/08	150	9,248,585	95.3%	9,704,706
2008/09	138	7,974,599	92.8%	8,593,318
2009/10	126	9,813,072	90.8%	10,813,303
2010/11	114	11,367,047	87.6%	12,976,081
2011/12	102	10,028,548	82.6%	11,725,679
2012/13	90	10,567,580	79.6%	12,770,056
2013/14	78	11,354,656	78.1%	14,538,612
2014/15	66	10,711,804	76.2%	14,066,715
2015/16	54	12,745,705	74.2%	17,189,082
2016/17	42	15,044,451	70.5%	21,339,647
2017/18	30	17,878,238	62.9%	28,445,883
2018/19	18	12,418,795	47.4%	26,227,655

ORANGE COUNTY FIRE AUTHORITY
WORKERS' COMPENSATION - 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 12/31/19 (e)	Limited Case Reserves 12/31/19 (f)	Limited Reported Incurred Losses 12/31/19 (g)
	11/9/12	2012/13	\$2,000,000	\$2,000,000 *	\$0	\$2,000,000 *
	8/12/11	2011/12	2,000,000	2,000,000 *	0	2,000,000 *

ORANGE COUNTY FIRE AUTHORITY
WORKERS' COMPENSATION - Expected Confidence Level

Exhibit WC-4

Developed Limited Case Reserves

Claim Period (1)	Months of Development 12/31/19 (2)	Percent Losses Paid (3)	Percent Losses Reported (4)	Percent Losses Reserved 12/31/19 ((4)-(3))/ (100.0%-(3)) (5)	Limited Paid Losses 12/31/19 (6)	Limited Case Reserves 12/31/19 (7)	Developed Limited Case Reserves (6)+(7)/(5) (8)
1997/98	270	99.8%	100.0%	100.0%	\$0	\$0	\$0
1998/99	258	99.7%	100.0%	100.0%	0	0	0
1999/00	246	99.5%	100.0%	100.0%	0	0	0
2000/01	234	99.3%	100.0%	100.0%	0	0	0
2001/02	222	99.0%	100.0%	99.9%	2,166,331	300,960	2,467,506
2002/03	210	98.6%	100.0%	99.7%	7,018,340	944,282	7,965,776
2003/04	198	98.0%	100.0%	98.4%	4,612,602	675,434	5,298,693
2004/05	186	97.1%	99.8%	92.8%	5,291,741	902,198	6,264,439
2005/06	174	95.9%	98.6%	66.2%	6,881,459	825,075	8,128,240
2006/07	162	94.4%	96.9%	45.1%	8,221,269	1,186,161	10,849,429
2007/08	150	92.5%	95.3%	37.3%	7,765,986	1,482,599	11,737,233
2008/09	138	88.6%	92.8%	37.1%	7,227,422	747,177	9,240,404
2009/10	126	83.6%	90.8%	43.8%	8,319,757	1,493,315	11,731,567
2010/11	114	78.2%	87.6%	43.1%	8,552,189	2,814,858	15,080,263
2011/12	102	72.4%	82.6%	36.9%	8,124,177	1,904,372	13,286,517
2012/13	90	67.5%	79.6%	37.1%	8,380,424	2,187,155	14,279,391
2013/14	78	62.8%	78.1%	41.1%	8,326,793	3,027,863	15,688,656
2014/15	66	55.2%	76.2%	46.8%	7,862,328	2,849,475	13,955,717
2015/16	54	45.6%	74.2%	52.5%	8,123,187	4,622,517	16,923,749
2016/17	42	36.1%	70.5%	53.8%	8,334,760	6,709,691	20,798,401
2017/18	30	26.6%	62.9%	49.4%	9,348,506	8,529,732	26,619,742
2018/19	18	15.9%	47.4%	37.4%	4,549,972	7,868,823	25,591,879

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

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

ORANGE COUNTY FIRE AUTHORITY
WORKERS' COMPENSATION - Expected Confidence Level

Exhibit WC-5 (page 1)

Preliminary Projected Ultimate Limited Losses to 2018/19

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)
1997/98	\$0	\$0	\$0	\$0
1998/99	0	0	0	0
1999/00	0	0	0	0
2000/01	0	0	0	0
2001/02	2,187,762	2,467,308	2,467,506	2,497,387
2002/03	7,117,952	7,962,994	7,965,776	8,057,051
2003/04	4,706,699	5,289,679	5,298,693	5,355,580
2004/05	5,447,316	6,206,787	6,264,439	6,284,159
2005/06	7,174,165	7,814,373	8,128,240	7,811,878
2006/07	8,713,587	9,708,390	10,849,429	9,965,845
2007/08	8,395,661	9,704,706	11,737,233	10,255,908
2008/09	8,161,967	8,593,318	9,240,404	8,765,882
2009/10	9,957,819	10,813,303	11,731,567	11,009,512
2010/11	10,936,303	12,976,081	15,080,263	13,409,798
2011/12	10,464,653	11,725,679	13,286,517	12,097,809
2012/13	11,452,480	12,770,056	14,279,391	13,110,275
2013/14	13,259,224	14,538,612	15,688,656	14,742,752
2014/15	14,243,348	14,066,715	13,955,717	14,057,642
2015/16	17,833,561	17,189,082	16,923,749	17,211,845
2016/17	23,087,977	21,339,647	20,798,401	21,472,814
2017/18	35,144,758	28,445,883	26,619,742	28,202,700
2018/19	28,616,177	26,227,655	25,591,879	26,148,619

ORANGE COUNTY FIRE AUTHORITY
WORKERS' COMPENSATION - Expected Confidence Level

Exhibit WC-5 (page 2)

Preliminary Projected Ultimate Limited Losses to 2018/19

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 10% 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 2004/05	20.0%	40.0%	40.0%
2005/06	20.0%	40.0%	40.0%
2006/07	20.0%	40.0%	40.0%
2007/08	20.0%	40.0%	40.0%
2008/09	20.0%	40.0%	40.0%
2009/10	20.0%	40.0%	40.0%
2010/11	20.0%	40.0%	40.0%
2011/12	20.0%	40.0%	40.0%
2012/13	20.0%	40.0%	40.0%
2013/14	20.0%	40.0%	40.0%
2014/15	20.0%	40.0%	40.0%
2015/16	20.0%	40.0%	40.0%
2016/17	20.0%	40.0%	40.0%
2017/18	10.0%	40.0%	50.0%
2018/19	10.0%	40.0%	50.0%

ORANGE COUNTY FIRE AUTHORITY
WORKERS' COMPENSATION - Expected Confidence Level

Exhibit WC-6

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 (2019/20 = 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)
2014/15	\$14,057,642	\$157,740	\$8.91	1.131	\$10.08	\$11.23
2015/16	17,211,845	174,138	9.88	1.104	10.91	11.51
2016/17	21,472,814	180,114	11.92	1.077	12.84	11.80
2017/18	28,202,700	185,518	15.20	1.051	15.97	12.09
2018/19	26,148,619	185,518	14.09	1.025	14.45	12.39

(7) Projected 2019/20 a-priori loss rate per \$100 of Payrol \$12.70

II. Bornhuetter - Ferguson Analysis Based on Limited Paid Losses:

Claim Period (1)	Limited Paid Losses 12/31/19 (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)
2014/15	\$7,862,328	55.2%	\$11.23	\$157,740	\$7,934,546	\$15,796,875
2015/16	8,123,187	45.6%	11.51	174,138	10,912,339	19,035,526
2016/17	8,334,760	36.1%	11.80	180,114	13,576,838	21,911,598
2017/18	9,348,506	26.6%	12.09	185,518	16,464,742	25,813,248
2018/19	4,549,972	15.9%	12.39	185,518	19,336,538	23,886,511

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

Claim Period (1)	Limited Reported Incurred Losses 12/31/19 (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)
2014/15	\$10,711,804	76.2%	\$11.23	\$157,740	\$4,224,083	\$14,935,887
2015/16	12,745,705	74.2%	11.51	174,138	5,180,605	17,926,310
2016/17	15,044,451	70.5%	11.80	180,114	6,267,867	21,312,318
2017/18	17,878,238	62.9%	12.09	185,518	8,333,313	26,211,550
2018/19	12,418,795	47.4%	12.39	185,518	12,105,455	24,524,249

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 2.5% trend

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

Claim Period	Weight
2014/15	16.7%
2015/16	16.7%
2016/17	16.7%
2017/18	16.7%
2018/19	16.7%
Prior	16.7%

where the prior loss rate = \$11.97
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)

ORANGE COUNTY FIRE AUTHORITY
WORKERS' COMPENSATION - Expected Confidence Level

Exhibit WC-7

Frequency Times Severity Analysis

I. Projected Ultimate Claims

Claim Period (1)	Months of Development 12/31/19 (2)	Reported Claims 12/31/19 (3)	Percent Claims Reported (4)	Projected Ultimate Claims (3)/(4) (5)
2014/15	66	385	99.8%	386
2015/16	54	400	99.5%	402
2016/17	42	456	99.1%	460
2017/18	30	477	98.4%	485
2018/19	18	387	94.8%	408

II. Frequency Times Severity

Claim Period (1)	Preliminary Projected Ultimate Limited Losses (2)	Projected Ultimate Claims (3)	Average Severity (2)/(3) (4)	Severity Trend (2019/20 = 1.000) (5)	Trended Average Claim Severity (4)X(5) (6)	De-Trended Projected 2019/20 Average Claim Severity (7)/(5) (8)	Frequency Times Severity (3)X(8) (9)
2014/15	\$14,057,642	386	\$36,419	1.312	\$47,767	\$43,971	\$16,972,949
2015/16	17,211,845	402	42,816	1.242	53,192	46,423	18,661,955
2016/17	21,472,814	460	46,680	1.177	54,931	49,011	22,544,988
2017/18	28,202,700	485	58,150	1.115	64,814	51,743	25,095,451
2018/19	26,148,619	408	64,090	1.056	67,663	54,628	22,288,176
(7) Projected 2019/20 average claim severity					\$57,673		

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 5.6% trend

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

Claim Period	Weight
2014/15	20.0%
2015/16	20.0%
2016/17	20.0%
2017/18	20.0%
2018/19	20.0%

ORANGE COUNTY FIRE AUTHORITY
WORKERS' COMPENSATION - Expected Confidence Level

Exhibit WC-8 (page 1)

Projected Ultimate Limited Losses to 2018/19

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)
1997/98	\$0	\$0	\$0				\$0
1998/99	0	0	0				0
1999/00	0	0	0				0
2000/01	0	0	0				0
2001/02	2,187,762	2,467,308	2,467,506				2,497,387
2002/03	7,117,952	7,962,994	7,965,776				8,057,051
2003/04	4,706,699	5,289,679	5,298,693				5,355,580
2004/05	5,447,316	6,206,787	6,264,439				6,284,159
2005/06	7,174,165	7,814,373	8,128,240				7,789,042
2006/07	8,713,587	9,708,390	10,849,429				9,538,676
2007/08	8,395,661	9,704,706	11,737,233				9,587,593
2008/09	8,161,967	8,593,318	9,240,404				8,550,195
2009/10	9,957,819	10,813,303	11,731,567				10,832,137
2010/11	10,936,303	12,976,081	15,080,263				12,995,402
2011/12	10,464,653	11,725,679	13,286,517				11,815,623
2012/13	11,452,480	12,770,056	14,279,391				12,827,584
2013/14	13,259,224	14,538,612	15,688,656				14,499,809
2014/15	14,243,348	14,066,715	13,955,717	15,796,875	14,935,887	16,972,949	14,086,406
2015/16	17,833,561	17,189,082	16,923,749	19,035,526	17,926,310	18,661,955	17,302,826
2016/17	23,087,977	21,339,647	20,798,401	21,911,598	21,312,318	22,544,988	21,472,804
2017/18	35,144,758	28,445,883	26,619,742	25,813,248	26,211,550	25,095,451	26,437,175
2018/19	28,616,177	26,227,655	25,591,879	23,886,511	24,524,249	22,288,176	25,136,494

ORANGE COUNTY FIRE AUTHORITY
WORKERS' COMPENSATION - Expected Confidence Level

Exhibit WC-8 (page 2)

Projected Ultimate Limited Losses to 2018/19

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 10% 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 2004/05	30.0%	40.0%	30.0%	0.0%	0.0%	0.0%
2005/06	40.0%	40.0%	20.0%	0.0%	0.0%	0.0%
2006/07	40.0%	40.0%	20.0%	0.0%	0.0%	0.0%
2007/08	40.0%	40.0%	20.0%	0.0%	0.0%	0.0%
2008/09	40.0%	40.0%	20.0%	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	0.0%	30.0%	30.0%	10.0%	10.0%	20.0%
2017/18	0.0%	20.0%	20.0%	20.0%	20.0%	20.0%
2018/19	10.0%	20.0%	20.0%	20.0%	20.0%	10.0%

ORANGE COUNTY FIRE AUTHORITY
WORKERS' COMPENSATION - Expected Confidence Level

Exhibit WC-9

Projected Ultimate Limited Losses for 2019/20 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 (2019/20 = 1.000) (5)	Trended Limited Loss Rate per \$100 of Payroll (4)X(5) (6)
2014/15	\$14,086,406	\$157,740	\$8.93	1.131	\$10.10
2015/16	17,302,826	174,138	9.94	1.104	10.97
2016/17	21,472,804	180,114	11.92	1.077	12.84
2017/18	26,437,175	185,518	14.25	1.051	14.97
2018/19	25,136,494	185,518	13.55	1.025	13.89
Total	\$104,435,704	\$883,027	\$11.83		\$12.55

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)
2019/20	\$12.46	\$185,518	\$23,115,543	0.94	\$11.71	\$21,724,158
2020/21	12.77	185,518	23,690,592	0.94	12.00	22,262,107
2021/22	13.09	185,518	24,284,248	0.94	12.30	22,818,660
2022/23	13.42	185,518	24,896,456	0.94	12.61	23,393,764
2023/24	13.75	185,518	25,508,664	0.94	12.93	23,987,420

(2) is from Exhibit WC-8.

(3) was provided by OCFA.

(5) is based on a 2.5% trend.

(7) for 2019/20 is based on (6) and the following weights

Claim Period	Weights
2014/15	16.7%
2015/16	16.7%
2016/17	16.7%
2017/18	16.7%
2018/19	16.7%
Prior	16.7%

where the prior loss rate =

\$11.97

(7) for 2020/21 and subsequent are based on 2019/20 plus a 2.5% trend

(8) to 2023/24 was provided by OCFA. Other claim periods are based on a 3% trend

(10) is based on a 1% interest rate and the payout pattern in Exhibit WC-2

ORANGE COUNTY FIRE AUTHORITY
WORKERS' COMPENSATION - Expected Confidence Level

Exhibit WC-10

Estimated Outstanding Losses as of December 31, 2019

Claim Period (1)	Limited Paid Losses 12/31/19 (2)	Limited Case Reserves 12/31/19 (3)	Limited Reported Incurred Losses 12/31/19 (4)	Projected Ultimate Limited Losses (5)	Estimated Outstanding Losses 12/31/19 (5)-(2) (6)	Estimated IBNR 12/31/19 (6)-(3) (7)
1997/98	\$0	\$0	\$0	\$0	\$0	\$0
1998/99	0	0	0	0	0	0
1999/00	0	0	0	0	0	0
2000/01	0	0	0	0	0	0
2001/02	2,166,331	300,960	2,467,291	2,497,387	331,056	30,096
2002/03	7,018,340	944,282	7,962,623	8,057,051	1,038,711	94,429
2003/04	4,612,602	675,434	5,288,037	5,355,580	742,978	67,544
2004/05	5,291,741	902,198	6,193,939	6,284,159	992,418	90,220
2005/06	6,881,459	825,075	7,706,535	7,789,042	907,583	82,508
2006/07	8,221,269	1,186,161	9,407,430	9,538,676	1,317,407	131,246
2007/08	7,765,986	1,482,599	9,248,585	9,587,593	1,821,607	339,008
2008/09	7,227,422	747,177	7,974,599	8,550,195	1,322,773	575,596
2009/10	8,319,757	1,493,315	9,813,072	10,832,137	2,512,380	1,019,065
2010/11	8,552,189	2,814,858	11,367,047	12,995,402	4,443,213	1,628,355
2011/12	8,124,177	1,904,372	10,028,548	11,815,623	3,691,446	1,787,075
2012/13	8,380,424	2,187,155	10,567,580	12,827,584	4,447,160	2,260,005
2013/14	8,326,793	3,027,863	11,354,656	14,499,809	6,173,016	3,145,153
2014/15	7,862,328	2,849,475	10,711,804	14,086,406	6,224,077	3,374,602
2015/16	8,123,187	4,622,517	12,745,705	17,302,826	9,179,639	4,557,122
2016/17	8,334,760	6,709,691	15,044,451	21,472,804	13,138,044	6,428,353
2017/18	9,348,506	8,529,732	17,878,238	26,437,175	17,088,669	8,558,937
2018/19	4,549,972	7,868,823	12,418,795	25,136,494	20,586,522	12,717,699
2019/20	649,524	2,696,758	3,346,282	11,557,772	10,908,247	8,211,489
Total	\$129,756,768	\$51,768,445	\$181,525,213	\$236,623,714	\$106,866,946	\$55,098,502
Amounts at 06/30/19	\$121,917,483	\$49,123,027	\$171,040,510	\$225,015,495	\$103,098,013	\$53,974,986

The amounts above reflect aggregate reinsurance

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

(5) to 2018/19 is from Exhibit WC-8. The amount for 2019/20 is from Exhibit WC-9. (50% of the period)

ORANGE COUNTY FIRE AUTHORITY
WORKERS' COMPENSATION - Expected Confidence Level

Exhibit WC-11

Present Value of Estimated Outstanding Losses as of December 31, 2019

Claim Period (1)	Estimated Outstanding Losses 12/31/19 (2)	Present Value Factor (3)	Present Value of Estimated Outstanding Losses 12/31/19 (2)X(3) (4)	Anticipated Future Investment Income (2)-(4) (5)
1997/98	\$0	0.98	\$0	\$0
1998/99	0	0.98	0	0
1999/00	0	0.98	0	0
2000/01	0	0.98	0	0
2001/02	331,056	0.98	322,780	8,276
2002/03	1,038,711	0.97	1,011,705	27,006
2003/04	742,978	0.97	723,661	19,317
2004/05	992,418	0.97	965,623	26,795
2005/06	907,583	0.97	883,078	24,505
2006/07	1,317,407	0.97	1,281,837	35,570
2007/08	1,821,607	0.97	1,770,602	51,005
2008/09	1,322,773	0.97	1,283,090	39,683
2009/10	2,512,380	0.98	2,449,571	62,809
2010/11	4,443,213	0.97	4,318,803	124,410
2011/12	3,691,446	0.97	3,584,394	107,052
2012/13	4,447,160	0.97	4,300,404	146,756
2013/14	6,173,016	0.96	5,938,441	234,575
2014/15	6,224,077	0.96	5,962,666	261,411
2015/16	9,179,639	0.96	8,794,094	385,545
2016/17	13,138,044	0.96	12,559,970	578,074
2017/18	17,088,669	0.95	16,285,502	803,167
2018/19	20,586,522	0.95	19,557,196	1,029,326
2019/20	10,908,247	0.95	10,341,018	567,229
Total	\$106,866,946		\$102,334,435	\$4,532,511

(2) is from Exhibit WC-10.

(3) is based on a 1% interest rate and the payout pattern in Exhibit WC-2

ORANGE COUNTY FIRE AUTHORITY
WORKERS' COMPENSATION - Expected Confidence Level

Projected Losses Paid January 1, 2020 to June 30, 2024

I. Projected Losses Paid January 1, 2020 to June 30, 2024

Claim Period (1)	Months of Development 12/31/19 (2)	Percent Losses Paid (3)	Months of Development 6/30/20 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 1/1/20 to 6/30/20 ((5)-(3))/ (100.0%-(3)) (6)	Estimated Outstanding Losses 12/31/19 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/20 (7)-(8) (9)
1997/98	270.0	99.8%	276.0	99.8%	17.6%	\$0	\$0	\$0
1998/99	258.0	99.7%	264.0	99.7%	17.6%	0	0	0
1999/00	246.0	99.5%	252.0	99.6%	17.6%	0	0	0
2000/01	234.0	99.3%	240.0	99.4%	17.6%	0	0	0
2001/02	222.0	99.0%	228.0	99.2%	17.6%	331,056	58,422	272,634
2002/03	210.0	98.6%	216.0	98.8%	17.6%	1,038,711	183,302	855,409
2003/04	198.0	98.0%	204.0	98.4%	17.6%	742,978	131,114	611,864
2004/05	186.0	97.1%	192.0	97.6%	17.6%	992,418	175,133	817,285
2005/06	174.0	95.9%	180.0	96.6%	17.6%	907,583	160,162	747,421
2006/07	162.0	94.4%	168.0	95.2%	15.0%	1,317,407	198,194	1,119,213
2007/08	150.0	92.5%	156.0	93.5%	13.3%	1,821,607	242,881	1,578,726
2008/09	138.0	88.6%	144.0	91.5%	25.8%	1,322,773	340,802	981,971
2009/10	126.0	83.6%	132.0	85.6%	12.5%	2,512,380	313,093	2,199,287
2010/11	114.0	78.2%	120.0	81.5%	15.1%	4,443,213	672,596	3,770,617
2011/12	102.0	72.4%	108.0	74.9%	9.2%	3,691,446	340,441	3,351,005
2012/13	90.0	67.5%	96.0	69.8%	7.1%	4,447,160	314,722	4,132,438
2013/14	78.0	62.8%	84.0	65.2%	6.5%	6,173,016	398,259	5,774,757
2014/15	66.0	55.2%	72.0	60.4%	11.6%	6,224,077	722,438	5,501,639
2015/16	54.0	45.6%	60.0	50.0%	8.2%	9,179,639	750,218	8,429,421
2016/17	42.0	36.1%	48.0	41.1%	7.8%	13,138,044	1,028,016	12,110,028
2017/18	30.0	26.6%	36.0	31.1%	6.1%	17,088,669	1,047,670	16,040,999
2018/19	18.0	15.9%	24.0	22.1%	7.4%	20,586,522	1,517,675	19,068,847
2019/20	6.0	4.9%	12.0	9.7%	5.1%	22,466,019	1,145,141	21,320,878
Total						\$118,424,718	\$9,740,279	\$108,684,439
Amounts paid from 7/1/19 to 12/31/19							7,839,285	
Projected loss paid from 7/1/19 to 6/30/20							17,579,564	

Rivelle Consulting Services

ORANGE COUNTY FIRE AUTHORITY
WORKERS' COMPENSATION - Expected Confidence Level

Projected Losses Paid January 1, 2020 to June 30, 2024

II. Projected Losses Paid July 1, 2020 to June 30, 2021

Claim Period (1)	Months of Development 6/30/20 (2)	Percent Losses Paid (3)	Months of Development 6/30/21 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/20 to 6/30/21 ((5)-(3))/ (100.0%-(3)) (6)	Estimated Outstanding Losses 6/30/20 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/21 (7)-(8) (9)
1997/98	276.0	99.8%	288.0	99.9%	30.0%	\$0	\$0	\$0
1998/99	264.0	99.7%	276.0	99.8%	30.0%	0	0	0
1999/00	252.0	99.6%	264.0	99.7%	30.0%	0	0	0
2000/01	240.0	99.4%	252.0	99.6%	30.0%	0	0	0
2001/02	228.0	99.2%	240.0	99.4%	30.0%	272,634	81,790	190,844
2002/03	216.0	98.8%	228.0	99.2%	30.0%	855,409	256,623	598,786
2003/04	204.0	98.4%	216.0	98.8%	30.0%	611,864	183,559	428,305
2004/05	192.0	97.6%	204.0	98.4%	30.0%	817,285	245,186	572,099
2005/06	180.0	96.6%	192.0	97.6%	30.0%	747,421	224,226	523,195
2006/07	168.0	95.2%	180.0	96.6%	30.0%	1,119,213	335,764	783,449
2007/08	156.0	93.5%	168.0	95.2%	26.2%	1,578,726	412,898	1,165,828
2008/09	144.0	91.5%	156.0	93.5%	23.5%	981,971	231,052	750,919
2009/10	132.0	85.6%	144.0	91.5%	41.0%	2,199,287	901,097	1,298,190
2010/11	120.0	81.5%	132.0	85.6%	22.2%	3,770,617	835,650	2,934,967
2011/12	108.0	74.9%	120.0	81.5%	26.3%	3,351,005	881,141	2,469,864
2012/13	96.0	69.8%	108.0	74.9%	16.9%	4,132,438	697,862	3,434,576
2013/14	84.0	65.2%	96.0	69.8%	13.2%	5,774,757	763,330	5,011,427
2014/15	72.0	60.4%	84.0	65.2%	12.1%	5,501,639	666,865	4,834,774
2015/16	60.0	50.0%	72.0	60.4%	20.8%	8,429,421	1,753,320	6,676,101
2016/17	48.0	41.1%	60.0	50.0%	15.1%	12,110,028	1,829,868	10,280,160
2017/18	36.0	31.1%	48.0	41.1%	14.5%	16,040,999	2,328,157	13,712,842
2018/19	24.0	22.1%	36.0	31.1%	11.6%	19,068,847	2,203,076	16,865,771
2019/20	12.0	9.7%	24.0	22.1%	13.7%	21,320,878	2,927,784	18,393,094
2020/21	0.0	0.0%	12.0	9.7%	9.7%	23,690,592	2,297,987	21,392,605
Total						\$132,375,031	\$20,057,235	\$112,317,796

Rivelle Consulting Services

ORANGE COUNTY FIRE AUTHORITY
WORKERS' COMPENSATION - Expected Confidence Level

Projected Losses Paid January 1, 2020 to June 30, 2024

III. Projected Losses Paid July 1, 2021 to June 30, 2022

Claim Period (1)	Months of Development 6/30/21 (2)	Percent Losses Paid (3)	Months of Development 6/30/22 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/21 to 6/30/22 ((5)-(3))/ (100.0%-(3)) (6)	Estimated Outstanding Losses 6/30/21 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/22 (7)-(8) (9)
1997/98	288.0	99.9%	300.0	99.9%	30.0%	\$0	\$0	\$0
1998/99	276.0	99.8%	288.0	99.9%	30.0%	0	0	0
1999/00	264.0	99.7%	276.0	99.8%	30.0%	0	0	0
2000/01	252.0	99.6%	264.0	99.7%	30.0%	0	0	0
2001/02	240.0	99.4%	252.0	99.6%	30.0%	190,844	57,253	133,591
2002/03	228.0	99.2%	240.0	99.4%	30.0%	598,786	179,636	419,150
2003/04	216.0	98.8%	228.0	99.2%	30.0%	428,305	128,492	299,813
2004/05	204.0	98.4%	216.0	98.8%	30.0%	572,099	171,630	400,469
2005/06	192.0	97.6%	204.0	98.4%	30.0%	523,195	156,959	366,236
2006/07	180.0	96.6%	192.0	97.6%	30.0%	783,449	235,035	548,414
2007/08	168.0	95.2%	180.0	96.6%	30.0%	1,165,828	349,748	816,080
2008/09	156.0	93.5%	168.0	95.2%	26.2%	750,919	196,394	554,525
2009/10	144.0	91.5%	156.0	93.5%	23.5%	1,298,190	305,456	992,734
2010/11	132.0	85.6%	144.0	91.5%	41.0%	2,934,967	1,202,521	1,732,446
2011/12	120.0	81.5%	132.0	85.6%	22.2%	2,469,864	547,375	1,922,489
2012/13	108.0	74.9%	120.0	81.5%	26.3%	3,434,576	903,116	2,531,460
2013/14	96.0	69.8%	108.0	74.9%	16.9%	5,011,427	846,301	4,165,126
2014/15	84.0	65.2%	96.0	69.8%	13.2%	4,834,774	639,079	4,195,695
2015/16	72.0	60.4%	84.0	65.2%	12.1%	6,676,101	809,224	5,866,877
2016/17	60.0	50.0%	72.0	60.4%	20.8%	10,280,160	2,138,273	8,141,887
2017/18	48.0	41.1%	60.0	50.0%	15.1%	13,712,842	2,072,059	11,640,783
2018/19	36.0	31.1%	48.0	41.1%	14.5%	16,865,771	2,447,862	14,417,909
2019/20	24.0	22.1%	36.0	31.1%	11.6%	18,393,094	2,125,004	16,268,090
2020/21	12.0	9.7%	24.0	22.1%	13.7%	21,392,605	2,937,633	18,454,972
2021/22	0.0	0.0%	12.0	9.7%	9.7%	24,284,248	2,355,572	21,928,676
Total						\$136,602,044	\$20,804,622	\$115,797,422

Rivelle Consulting Services

ORANGE COUNTY FIRE AUTHORITY
WORKERS' COMPENSATION - Expected Confidence Level

Projected Losses Paid January 1, 2020 to June 30, 2024

IV. Projected Losses Paid July 1, 2022 to June 30, 2023

Claim Period (1)	Months of Development 6/30/22 (2)	Percent Losses Paid (3)	Months of Development 6/30/23 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/22 to 6/30/23 ((5)-(3))/ (100.0%-(3)) (6)	Estimated Outstanding Losses 6/30/22 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/23 (7)-(8) (9)
1997/98	300.0	99.9%	312.0	99.9%	30.0%	\$0	\$0	\$0
1998/99	288.0	99.9%	300.0	99.9%	30.0%	0	0	0
1999/00	276.0	99.8%	288.0	99.9%	30.0%	0	0	0
2000/01	264.0	99.7%	276.0	99.8%	30.0%	0	0	0
2001/02	252.0	99.6%	264.0	99.7%	30.0%	133,591	40,077	93,514
2002/03	240.0	99.4%	252.0	99.6%	30.0%	419,150	125,745	293,405
2003/04	228.0	99.2%	240.0	99.4%	30.0%	299,813	89,944	209,869
2004/05	216.0	98.8%	228.0	99.2%	30.0%	400,469	120,141	280,328
2005/06	204.0	98.4%	216.0	98.8%	30.0%	366,236	109,871	256,365
2006/07	192.0	97.6%	204.0	98.4%	30.0%	548,414	164,524	383,890
2007/08	180.0	96.6%	192.0	97.6%	30.0%	816,080	244,824	571,256
2008/09	168.0	95.2%	180.0	96.6%	30.0%	554,525	166,358	388,167
2009/10	156.0	93.5%	168.0	95.2%	26.2%	992,734	259,638	733,096
2010/11	144.0	91.5%	156.0	93.5%	23.5%	1,732,446	407,634	1,324,812
2011/12	132.0	85.6%	144.0	91.5%	41.0%	1,922,489	787,686	1,134,803
2012/13	120.0	81.5%	132.0	85.6%	22.2%	2,531,460	561,026	1,970,434
2013/14	108.0	74.9%	120.0	81.5%	26.3%	4,165,126	1,095,212	3,069,914
2014/15	96.0	69.8%	108.0	74.9%	16.9%	4,195,695	708,545	3,487,150
2015/16	84.0	65.2%	96.0	69.8%	13.2%	5,866,877	775,507	5,091,370
2016/17	72.0	60.4%	84.0	65.2%	12.1%	8,141,887	986,895	7,154,992
2017/18	60.0	50.0%	72.0	60.4%	20.8%	11,640,783	2,421,283	9,219,500
2018/19	48.0	41.1%	60.0	50.0%	15.1%	14,417,909	2,178,597	12,239,312
2019/20	36.0	31.1%	48.0	41.1%	14.5%	16,268,090	2,361,116	13,906,974
2020/21	24.0	22.1%	36.0	31.1%	11.6%	18,454,972	2,132,153	16,322,819
2021/22	12.0	9.7%	24.0	22.1%	13.7%	21,928,676	3,011,247	18,917,429
2022/23	0.0	0.0%	12.0	9.7%	9.7%	24,896,456	2,414,956	22,481,500
Total						\$140,693,878	\$21,162,979	\$119,530,899

Rivelle Consulting Services

ORANGE COUNTY FIRE AUTHORITY
WORKERS' COMPENSATION - Expected Confidence Level

Projected Losses Paid January 1, 2020 to June 30, 2024

V. 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)
1997/98	312.0	99.9%	324.0	100.0%	30.0%	\$0	\$0	\$0
1998/99	300.0	99.9%	312.0	99.9%	30.0%	0	0	0
1999/00	288.0	99.9%	300.0	99.9%	30.0%	0	0	0
2000/01	276.0	99.8%	288.0	99.9%	30.0%	0	0	0
2001/02	264.0	99.7%	276.0	99.8%	30.0%	93,514	28,054	65,460
2002/03	252.0	99.6%	264.0	99.7%	30.0%	293,405	88,022	205,383
2003/04	240.0	99.4%	252.0	99.6%	30.0%	209,869	62,961	146,908
2004/05	228.0	99.2%	240.0	99.4%	30.0%	280,328	84,098	196,230
2005/06	216.0	98.8%	228.0	99.2%	30.0%	256,365	76,910	179,455
2006/07	204.0	98.4%	216.0	98.8%	30.0%	383,890	115,167	268,723
2007/08	192.0	97.6%	204.0	98.4%	30.0%	571,256	171,377	399,879
2008/09	180.0	96.6%	192.0	97.6%	30.0%	388,167	116,450	271,717
2009/10	168.0	95.2%	180.0	96.6%	30.0%	733,096	219,929	513,167
2010/11	156.0	93.5%	168.0	95.2%	26.2%	1,324,812	346,489	978,323
2011/12	144.0	91.5%	156.0	93.5%	23.5%	1,134,803	267,012	867,791
2012/13	132.0	85.6%	144.0	91.5%	41.0%	1,970,434	807,331	1,163,103
2013/14	120.0	81.5%	132.0	85.6%	22.2%	3,069,914	680,359	2,389,555
2014/15	108.0	74.9%	120.0	81.5%	26.3%	3,487,150	916,940	2,570,210
2015/16	96.0	69.8%	108.0	74.9%	16.9%	5,091,370	859,801	4,231,569
2016/17	84.0	65.2%	96.0	69.8%	13.2%	7,154,992	945,775	6,209,217
2017/18	72.0	60.4%	84.0	65.2%	12.1%	9,219,500	1,117,515	8,101,985
2018/19	60.0	50.0%	72.0	60.4%	20.8%	12,239,312	2,545,777	9,693,535
2019/20	48.0	41.1%	60.0	50.0%	15.1%	13,906,974	2,101,393	11,805,581
2020/21	36.0	31.1%	48.0	41.1%	14.5%	16,322,819	2,369,059	13,953,760
2021/22	24.0	22.1%	36.0	31.1%	11.6%	18,917,429	2,185,582	16,731,847
2022/23	12.0	9.7%	24.0	22.1%	13.7%	22,481,500	3,087,161	19,394,339
2023/24	0.0	0.0%	12.0	9.7%	9.7%	25,508,664	2,474,340	23,034,324
Total						\$145,039,563	\$21,667,502	\$123,372,061

Rivelle Consulting Services

ORANGE COUNTY FIRE AUTHORITY
WORKERS' COMPENSATION - Expected Confidence Level

Projected Losses Paid January 1, 2020 to June 30, 2024

Footnotes:

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

Section I, (7) to 2018/19 is from Exhibit WC-10. The amount for 2019/20 is for the full period

Section II, (7) to 2019/20 is from Section I, (9). The amount for 2020/21 is from Exhibit WC-9.

Section III, (7) to 2020/21 is from Section II, (9). The amount for 2021/22 is from Exhibit WC-9.

Section IV, (7) to 2021/22 is from Section III, (9). The amount for 2022/23 is from Exhibit WC-9.

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

Sections I, II, III, IV and V, (10) are based on a 1% interest rate and the payout pattern in Exhibit WC-2



Orange County Fire Authority
AGENDA STAFF REPORT

Human Resources Committee Meeting
November 10, 2020

Agenda Item No. 2C
Consent Calendar

New Classification Specification for Diversity and Inclusion Coordinator

Contact(s) for Further Information

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Summary

This agenda item is submitted for approval to establish a new classification specification for Diversity and Inclusion Coordinator, with corresponding salary range.

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 19, 2020, with the Human Resources Committee's recommendation that the Executive Committee approve the establishment of the new classification and salary range of Diversity and Inclusion Coordinator.

Impact to Cities/County

Not Applicable.

Fiscal Impact

One (1) Diversity and Inclusion Coordinator position in the Human Resources Department is funded in the current fiscal year 2020/21 general fund budget. The funding that we estimated in the budget for this position is greater than ultimately required after developing the class specification and proposed salary range with benefits, resulting in savings of \$84,627 at top step.

Background

Today, the shift in both organizational and public response to issues of diversity, equity, inclusion, discrimination, and harassment have brought more visibility to and increasing demand for the role of Diversity and Inclusion professionals. In OCFA's Strategic Goals for Fiscal Year 2020/21, the organization established a goal to implement actions to increase diversity of OCFA's workforce and to improve the OCFA's inclusive environment, which includes a focus on cultural growth, consistent messaging, and facility accommodations.

The Diversity and Inclusion Coordinator will work across the organization to optimize organizational culture, align the organization's diversity and inclusion goals with measurable outcomes, and will be able to respond to changes or policies that occur outside of the organization that affect the OCFA.

The Diversity and Inclusion Coordinator will be responsible for providing strategic leadership in the areas of diversity, equity, and inclusion (DEI). This position will develop and maintain an organizational DEI Strategic Plan, through a collaborative stakeholder process, to support the OCFA's vision to embrace diversity and inclusion; design, develop and implement innovative outreach programs using DEI best practices in support of recruitment goals, succession planning, and leadership development; and lead discussion across the organization on complex and sensitive topics surrounding race, color, religion, gender, gender identity, gender expression, sexual orientation, marital status, medical condition, genetic information, veteran status, and other protected classes in order to foster positive attitudes and behaviors about diversity and inclusion.

The proposed salary range is AM40 (Monthly Max: \$11,003), which aligns with Senior Human Resources Analyst, Risk Management Analyst, and Risk Management Safety Officer. This position was included in the 2020/2021 budget and is fully funded at this level.

Executive Committee approval is required to add a new classification with accompanying salary range to Master Position Control.

Attachment(s)

Proposed Diversity and Inclusion Coordinator Classification Specification



ORANGE COUNTY FIRE AUTHORITY

CLASS SPECIFICATIONS

JOB TITLE: Diversity and Inclusion Coordinator

REPORTS TO: Human Resources Director FLSA: Exempt

SUPERVISES: N/A

CLASS CODE: TBD

DEPARTMENT: Human Resources

CLASS SUMMARY:

Incumbents are responsible for providing strategic leadership in the areas of diversity, equity, and inclusion (DEI). Duties to be performed will consist of complex professional level work in the creation, development, and performance of DEI programs and activities in the organization. Incumbents are required to work independently and to exercise sound judgment in analyzing highly complex programs and issues.

DISTINGUISHING CHARACTERISTICS:

The Diversity and Inclusion Coordinator is a stand-alone classification. This position is distinguished from other classifications by its responsibility for applying specialized DEI knowledge.

ESSENTIAL FUNCTIONS: (These duties are intended to be representative sample of the duties performed by the class.)

Develops and maintains an organizational DEI Strategic Plan, through a collaborative stakeholder process, to support the OCFA's vision to embrace diversity and inclusion.

Designs, develops and implements innovative outreach programs using DEI best practices in support of recruitment goals, succession planning, and leadership development.

Leads discussion across the organization on complex and sensitive topics surrounding race, color, religion, gender, gender identity, gender expression, sexual orientation, marital status, medical condition, genetic information, veteran status, and other protected classes in order to foster positive attitudes and behaviors about diversity and inclusion.

Collaborates with Fire Academy personnel in maintaining and enhancing a welcoming onboarding process and employee engagement activities.

Develops and delivers education and training programs on diversity and inclusion, implicit bias, sensitivity, and cultural awareness.



ORANGE COUNTY FIRE AUTHORITY

CLASS SPECIFICATIONS

JOB TITLE: Diversity and Inclusion Coordinator

Establishes metrics and conducts periodic reviews to measure success of diversity and inclusion programs and activities; reports findings to the Assistant Chief/Human Resources Director, Executive Management, Fire Chief, and Board of Directors.

Collaborates with Corporate Communications to identify creative approaches to outreach and engagement through a diversity and inclusion lens, to ensure communication efforts are reaching diverse audiences.

Identifies potentially disruptive conditions in the organization and recommends solutions to management; collaborates with Employee Relations Division to investigate allegations of discrimination and harassment based on protected class.

Collaborates with community-based organizations, local schools, colleges and universities, and other external stakeholders on local DEI initiatives; develops new and strengthens existing partnerships across the OCFA service area to improve workforce development programs.

Stays current with Equal Employment Opportunity (EEO) regulations, OCFA policies and procedures, and relevant case law, to inform DEI practices and assist with corresponding training.

Performs other related duties as assigned.

MINIMUM QUALIFICATIONS:

EDUCATION AND EXPERIENCE (position requirements at entry):

Bachelor's Degree in Public Administration, Sociology, Human Resources or a related field, and five years of professional level experience in the area of diversity & inclusion, cultural awareness, social justice or other related field; or, an equivalent combination of education and experience sufficient to successfully perform the essential duties of the job such as those listed above.

Previous experience in a complex public sector organization is preferred.

LICENSES AND CERTIFICATIONS (position requirements at entry):

Possession of a valid California Class C Driver License is required at time of appointment. This classification is subject to enrollment in the California DMV Pull Notice Program, which periodically provides Risk Management with the incumbent's Driver License record and status.



ORANGE COUNTY FIRE AUTHORITY

CLASS SPECIFICATIONS

JOB TITLE: Diversity and Inclusion Coordinator

KNOWLEDGE (position requirements at entry):

Knowledge of:

- Applicable Federal, State, and Local laws, rules, regulations, and policies pertaining to Equal Employment Opportunity;
- Advanced theories and principles in the area of diversity, equity, and inclusion;
- Customer service principles;
- Research methods;
- Supervisory principles
- Conflict resolution techniques;
- Project management techniques;
- Analytical techniques for services
- Investigation techniques.

SKILLS (position requirements at entry):

Skill in:

- Developing strategies, goals, and objectives;
- Analyzing problems and identifying problem areas, identifying alternative solutions, weighing alternatives, projecting consequences of actions, and making recommendations;
- Using a computer and applicable software applications;
- Handling multiple priorities simultaneously;
- Providing customer service;
- Leading discussions on complex topics surrounding race, gender, disability, equity and other sensitive topics
- Conducting research;
- Interpreting applicable Federal, State, and Local laws, rules, regulations, policies, and procedures;
- Representing the organization at meetings and events;
- Planning and managing complex projects and interdepartmental project teams;
- Evaluating performance management processes;
- Communication, interpersonal skills as applied to interaction with coworkers, supervisor, the general public, etc. sufficient to exchange or convey information and to receive work direction and establish and maintain effective working relationships.

PHYSICAL REQUIREMENTS:

Positions in this class typically require: fingering, grasping, talking, hearing, seeing and repetitive motions.

Light Work: Exerting up to 20 pounds of force occasionally, and/or up to 10 pounds of force frequently, and/or negligible amount of force constantly to move objects. If the use of arm and/or leg controls requires exertion of forces greater than that for Sedentary Work and the worker sits most of the time, the job is rated for Light Work.



ORANGE COUNTY FIRE AUTHORITY

CLASS SPECIFICATIONS

JOB TITLE: Diversity and Inclusion Coordinator

WORKING CONDITIONS:

Incumbents work in a standard office environment.

NOTE:

The above job description is intended to represent only the key areas of responsibilities; specific position assignments will vary depending on the needs of the department.

Classification History:

Draft prepared by Human Resources Department
Human Resources Director Review, Stephanie Holloman
Adopted by Board of Directors: TBD

Date: September 2020



Orange County Fire Authority
AGENDA STAFF REPORT

Human Resources Committee Meeting
November 10, 2020

Agenda Item No. 2D
Consent Calendar

**New Classification Specification for Environmental, Health
and Safety Analyst**

Contact(s) for Further Information

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Summary

This agenda item is submitted for approval to establish a new classification specification for Environmental, Health and Safety Analyst with corresponding salary range.

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 19, 2020, with the Human Resources Committee's recommendation that the Executive Committee approve the establishment of the new classification and salary range of Environmental, Health and Safety Analyst.

Impact to Cities/County

Not Applicable.

Fiscal Impact

The single Environmental, Health and Safety Specialist position allocated to the Human Resources Department will need to be reclassified to the new Environmental, Health and Safety Analyst classification. The reclassification of this position will result in a full fiscal impact of \$45,278 at top step.

Background

Human Resources (HR) staff retained CPS HR Consulting (CPS) to conduct a classification and compensation study of the Risk Management section of the Human Resources Department. Included in this study was the position of *Environmental, Health and Safety Specialist*.

Classification Study

After evaluating all the information submitted on the position, the CPS HR consultant determined that the incumbent's duties, as well as the qualifications necessary to perform the work, are not consistent with the existing classification specification for *Environmental, Health and Safety Specialist*. Specifically, the current classification specification is defined as a paraprofessional with administration support functions related to compliance with field related laws and

regulations. The incumbent, however, is functioning at a professional level conducting ongoing assessments of safety, hazard, environmental risks of OCFA facilities, serving as an environmental subject matter expert and primary compliance point of contact for local and state agencies; establishing and maintaining partnerships with agencies and coordinating environmental compliance efforts; facilitating and developing training; and directly impacting the way an operation functions through professional recommendations. These essential functions require at least one additional year of relevant experience, as well as International Code Council (ICC) Underground Storage Tank Designated Operator and HAZWOPER certifications. Overall, the incumbent is performing at a higher level and possesses experience and professional certifications beyond what is defined by the current *Environmental, Health and Safety Specialist* classification. As such, the CPS HR consultant recommended that the incumbent be reclassified to realign the current job duties with the appropriate level of work assigned to the incumbent's position.

Based on the emphasis of professional level duties that require the incumbent be responsible for using independent judgement while performing with a high level of independence, the CPS HR consultant recommended that the incumbent be reclassified to a newly proposed classification of *Environmental, Health and Safety Analyst*. Please see Attachment for the proposed classification specification. Staff recommend reclassifying the sole Environmental, Health and Safety Specialist to this classification.

Compensation Study

A market compensation study was included in the scope of this project to ensure that the compensation is competitive within the established labor market. The labor market agencies chosen for the compensation study were those agencies with either sufficient size and/or organizational structures to include Risk Management classifications (or similar classes) in the organization. Agencies that did not have a specific classification at the specialist level were not suitable for comparison, and therefore not used. Using the labor market median base salary results and considering internal equity, the base salary recommendation for the proposed *Environmental Health and Safety Analyst* is equivalent to OCFA's GE380 salary range (Top monthly salary: \$8,545.33).

Executive Committee approval is required to add a new classification with accompanying salary range to Master Position Control.

Attachment(s)

Proposed Environmental, Health and Safety Analyst Classification Specification



ORANGE COUNTY FIRE AUTHORITY

CLASS SPECIFICATIONS

JOB TITLE: Environmental, Health and Safety Analyst

REPORTS TO: Risk Management Safety Officer

FLSA: Non-Exempt

SUPERVISES: N/A

CLASS CODE: TBD

DEPARTMENT: Human Resources

CLASS SUMMARY:

Incumbent is responsible for performing a variety of professional administrative, technical and analytical office and field Environmental, Health and Safety (EHS) activities in order to ensure OCFA compliance with EHS laws and regulations and maintain EHS management systems. Incumbent is required to work independently and to exercise sound judgment in analyzing complex problems and issues.

DISTINGUISHING CHARACTERISTICS:

The Environmental, Health and Safety Analyst is the second level in a two-level Environmental, Health and Safety (EHS) series. This is the fully qualified journey-level classification in the EHS series. The Environmental, Health and Safety Analyst is distinguished from the Environmental, Health and Safety Specialist level by its professional level responsibilities, working independently, and exercising judgment and initiative. Positions at this level receive only occasional instruction or assistance where budget thresholds are exceeded and for tasks which require cross-functional support.

ESSENTIAL FUNCTIONS: (These duties are intended to be representative sample of the duties performed by the class.)

Oversees environmental programs including spill prevention controls and countermeasures plan, hazardous materials, hazardous waste disposal, underground and aboveground storage tanks; applies for new permits and renewals; ensures required documentation and inspections are completed.

Conducts ongoing inspections and assessments of safety, hazard, environmental risks of OCFA facilities in the following areas: underground storage tanks, aboveground storage tanks, hazardous materials storage, hazardous waste, storm water, air quality, and solid waste.

Serves as an environmental subject-matter expert and primary compliance point of contact for agencies; establishes and maintains partnerships with agencies and coordinates environmental compliance efforts.

Identifies stormwater best management practices at all fire stations; maintains sites by utilizing OCFA maintenance staff and coordinating with outside vendors.



ORANGE COUNTY FIRE AUTHORITY

CLASS SPECIFICATIONS

JOB TITLE: Environmental, Health and Safety Analyst

Designs and administers environmental compliance plans.

Reports non-compliance violations and identifies/recommends best approaches for rectifying non-compliance issues.

Facilitates system certification training and develops internal training programs in support of EHS courses and curriculum.

Updates and completes required California Environmental Reporting System entries for all OCFA fire facilities; verifies status with all hazardous materials, including detailed maps, emergency plans, and inventories.

Assists in the development of policies and procedures for training, permitting strategies, and projects to achieve desired understanding of compliance requirements throughout the Authority.

Prepares and submits a variety of regulatory reports to local, state, and federal regulatory agencies.

Monitors regulatory requirements/trends and conducts impact analyses to ensure compliance with both regulatory and internal standards.

Monitors legislative changes and makes recommendations based on their potential impact to the organization.

Provides budget planning information for environmental fees and permits.

Represents the organization on specific projects and during regulatory agency audits.

Maintains hazard communication including safety data sheet records; verifies OSHA regulated chemicals, quantities, and disposition at all facilities.

Performs other duties of similar nature or level.

MINIMUM QUALIFICATIONS:

EDUCATION AND EXPERIENCE (position requirements at entry):

Associate's Degree in physical or biological sciences, environmental studies, environmental law, environmental health and safety management, or a related field, and three (3) years of directly related environmental, health and safety experience; or equivalent combination of education and experience sufficient to successfully perform the essential duties of the job such as those listed above.



ORANGE COUNTY FIRE AUTHORITY

CLASS SPECIFICATIONS

JOB TITLE: Environmental, Health and Safety Analyst

LICENSES AND CERTIFICATIONS (position requirements at entry):

- International Code Council (ICC) Underground Storage Tank Designated Operator Certification
- HAZWOPER Certification
- Possession of a valid California Class C Driver License is required at time of appointment. This classification is subject to enrollment in the California DMV Pull Notice Program, which periodically provides Risk Management with the incumbent's Driver License record and status.

KNOWLEDGE (position requirements at entry):

Knowledge of:

- Principles and practices of EHS inspection, regulation, and enforcement;
- Federal, state, and local regulations pertaining to environmental health issues;
- Biological agents and effects on public health;
- Environmental permitting regulations and procedures;
- Regulations, principles, and practices related to underground storage tanks, aboveground storage tanks, and solid waste handling and storage;
- Regulations and principles relating to generating, storing, transporting, and disposing of hazardous waste;
- Stormwater Best Management Practices for existing and new developments;
- Emergency response procedures to chemical spills;
- State of California Air Quality Standards;
- OSHA requirements for Safety Data Sheet maintenance;
- Proper and efficient record keeping procedures;
- Standard office procedures;
- Techniques required to gather, evaluate, and communicate information;
- Customer service principles.

SKILLS (position requirements at entry):

Skill in:

- Analyzing situations accurately and taking effective action by inspecting, investigating and evaluating findings to prepare recommendations;
- Analyzing, interpreting, explaining, and applying federal, state, and local laws, rules, regulations, policies and procedures;
- Developing, coordinating, and implementing solid waste and hazardous waste management plans;
- Responding to emergency spills;
- Using a computer and applicable software applications;
- Inspecting and testing sophisticated monitoring equipment during tank inspections and materials testing;
- Inspecting and testing tank monitoring equipment;
- Handling multiple priorities simultaneously;
- Collecting data;



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JOB TITLE: Environmental, Health and Safety Analyst

- Preparing reports;
- Composing business correspondence;
- Making presentations;
- Maintaining records;
- Working independently with minimum supervision;
- Communication and interpersonal skills as applied to interaction with coworkers, supervisors, regulatory agency representatives, the general public, etc. sufficient to exchange or convey information and to receive work direction;
- Establishing and maintaining cooperative working relationships with others.

PHYSICAL REQUIREMENTS:

Must possess mobility to work in outside environment; to sit, stand, climb, and walk; occasionally stoop, kneel, crouch, grasp in the performance of daily duties; to operate a motor vehicle and visit various County sites; vision including color vision and depth perception. Finger dexterity is needed to operate equipment. Employees must possess the ability to lift, carry, push, and pull materials and objects averaging a weight up to 15 pounds or heavier weights with the appropriate equipment on a frequent/occasional basis, in all cases with the use of proper equipment and/or assistance from other staff.

WORKING CONDITIONS:

Employee works in both inside and outside environments. and is occasionally exposed to dry atmosphere, cold and hot temperatures, inclement weather conditions, and road hazards. May be exposed to dust and electrical energy.

NOTE:

The above job description is intended to represent only the key areas of responsibilities; specific position assignments will vary depending on the needs of the department.

Classification History:

Draft prepared by CPS, Date: May 2018

Final prepared by OCFA, Date: October 2020

Human Resources Director Review: Stephanie Holloman

Date: TBD

Adopted by Board of Directors: TBD



Orange County Fire Authority
AGENDA STAFF REPORT

Human Resources Committee Meeting
November 10, 2020

Agenda Item No. 2E
Consent Calendar

MDC Organizational Development Program Update

Contact(s) for Further Information

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Summary

This agenda item is submitted to provide an update on OCFA's Organizational Development Program focused on building the Mission-Driven Culture (MDC).

Prior Board/Committee Action(s)

Not Applicable.

RECOMMENDED ACTION(S)

Receive and file the update.

Impact to Cities/County

Not Applicable.

Fiscal Impact

Not Applicable.

Background

In 2018 the Fire Chief initiated an organizational development initiative with the goals of building leadership strength within the department, and to evolve the culture of operations to improve adaptiveness and resilience. A driving motivation for this project was positioning the department for future challenges. In recent years fire services across the U.S. are facing more complex and severe incidents which are the result of climate change and societal changes that have resulted in greater interconnectivity and inter-reliance.

In 2018 the model of the Mission-Driven Culture (MDC) was selected as a vehicle for this evolution. MDC promotes a system of values that are common to highly effective operational teams and which has been adopted by National Wildfire Coordinating Group (NWCG) and other fire departments in the U.S. While some of the principles and expectations advocated by the initiative are present in some parts of the department, there is no system of formal reinforcement at an organizational level articulating what "right looks like".

The MDC organizational development program has included:

- Providing staff and membership informational briefings (2018)
- Updating the OCFA Way (2019)
- Gathering a baseline measurement of operational culture (2019)
- Establishing an internal team (division level) to author operational doctrine which define the operational values and philosophy for all members.

- Providing an initial offering of leader development training (2018-date)
- Using the program principles to assist with the COVID-19 strategic planning (2020)
- Collecting lessons learned from the initial COVID response and building a repository to collect lessons learned across the organization long-term. (2020)

The organizational development program continues although it has been slowed by the high operations tempo [fire season] in 2019 and 2020, and the effects of COVID-19 in 2020.

The MDC organizational development program initially started with the support from the International Association of Fire Chiefs (IAFC), a survey conducted by the Oklahoma State University, and facilitation and project support provided by Mission-Centered Solutions Inc. (MCS), which is an organizational consulting and training firm with extensive experience with leader and doctrine development for fire agencies worldwide. Given MCS's extensive experience and recent reorganizational restructuring at the IAFC, the OCFA Board of Directors at its September 2020 meeting approved the transition of the MDC organizational development program budget and contract authority from the IAFC to MCS for a three-year term.

The training programs used in the initiative have been approved by the Department of Homeland Security/FEMA and federal grant funds may be used to supplement sustainment training costs beyond the contract term.

The intent of this item is to provide an update on the progress and activities of the MDC Organizational Development Program.

Attachment(s)

None.