

ATTACHMENT J.2

WAGE DETERMINATION

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REGISTER OF WAGE DETERMINATIONS UNDER THE SERVICE CONTRACT ACT		U.S. DEPARTMENT OF LABOR EMPLOYMENT STANDARDS ADMINISTRATION
By direction of the Secretary of Labor		WAGE AND HOUR DIVISION WASHINGTON D.C. 20210

Shirley F. Ebbesen	Division of		Wage Determination No.: 2005-2103
Director	Wage Determinations		Revision No.: 8
			Date Of Revision: 05/26/2009

States: District of Columbia, Maryland, Virginia

Area: District of Columbia Statewide  
 Maryland Counties of Calvert, Charles, Frederick, Montgomery, Prince  
 George's, St Mary's  
 Virginia Counties of Alexandria, Arlington, Fairfax, Falls Church, Fauquier,  
 King George, Loudoun, Prince William, Stafford

\*\*Fringe Benefits Required Follow the Occupational Listing\*\*

OCCUPATION CODE - TITLE	FOOTNOTE	RATE
01000 - Administrative Support And Clerical Occupations		
01011 - Accounting Clerk I		14.05
01012 - Accounting Clerk II		15.78
01013 - Accounting Clerk III		20.27
01020 - Administrative Assistant		28.55
01040 - Court Reporter		19.95
01051 - Data Entry Operator I		14.38
01052 - Data Entry Operator II		15.69
01060 - Dispatcher, Motor Vehicle		16.94
01070 - Document Preparation Clerk		14.21
01090 - Duplicating Machine Operator		14.21
01111 - General Clerk I		13.92
01112 - General Clerk II		15.32
01113 - General Clerk III		18.74
01120 - Housing Referral Assistant		25.29
01141 - Messenger Courier		12.38
01191 - Order Clerk I		14.85
01192 - Order Clerk II		16.29
01261 - Personnel Assistant (Employment) I		17.31
01262 - Personnel Assistant (Employment) II		19.36
01263 - Personnel Assistant (Employment) III		21.66
01270 - Production Control Clerk		22.03
01280 - Receptionist		14.12
01290 - Rental Clerk		16.55
01300 - Scheduler, Maintenance		17.49
01311 - Secretary I		17.49
01312 - Secretary II		19.70
01313 - Secretary III		25.29
01320 - Service Order Dispatcher		16.10
01410 - Supply Technician		28.55
01420 - Survey Worker		19.46
01531 - Travel Clerk I		12.92
01532 - Travel Clerk II		13.89
01533 - Travel Clerk III		14.92
01611 - Word Processor I		14.21
01612 - Word Processor II		16.65
01613 - Word Processor III		19.95
05000 - Automotive Service Occupations		

05005 - Automobile Body Repairer, Fiberglass	25.26
05010 - Automotive Electrician	23.51
05040 - Automotive Glass Installer	22.15
05070 - Automotive Worker	22.15
05110 - Mobile Equipment Servicer	19.04
05130 - Motor Equipment Metal Mechanic	24.78
05160 - Motor Equipment Metal Worker	22.15
05190 - Motor Vehicle Mechanic	24.78
05220 - Motor Vehicle Mechanic Helper	18.49
05250 - Motor Vehicle Upholstery Worker	21.63
05280 - Motor Vehicle Wrecker	22.15
05310 - Painter, Automotive	23.51
05340 - Radiator Repair Specialist	22.15
05370 - Tire Repairer	14.44
05400 - Transmission Repair Specialist	24.78
07000 - Food Preparation And Service Occupations	
07010 - Baker	13.48
07041 - Cook I	11.97
07042 - Cook II	13.28
07070 - Dishwasher	9.82
07130 - Food Service Worker	10.66
07210 - Meat Cutter	17.04
07260 - Waiter/Waitress	9.70
09000 - Furniture Maintenance And Repair Occupations	
09010 - Electrostatic Spray Painter	18.05
09040 - Furniture Handler	12.78
09080 - Furniture Refinisher	18.39
09090 - Furniture Refinisher Helper	14.11
09110 - Furniture Repairer, Minor	16.31
09130 - Upholsterer	18.05
11000 - General Services And Support Occupations	
11030 - Cleaner, Vehicles	10.50
11060 - Elevator Operator	10.50
11090 - Gardener	16.22
11122 - Housekeeping Aide	11.25
11150 - Janitor	11.25
11210 - Laborer, Grounds Maintenance	12.47
11240 - Maid or Houseman	11.03
11260 - Pruner	11.37
11270 - Tractor Operator	14.66
11330 - Trail Maintenance Worker	12.47
11360 - Window Cleaner	11.68
12000 - Health Occupations	
12010 - Ambulance Driver	19.46
12011 - Breath Alcohol Technician	18.55
12012 - Certified Occupational Therapist Assistant	21.01
12015 - Certified Physical Therapist Assistant	21.01
12020 - Dental Assistant	16.97
12025 - Dental Hygienist	40.68
12030 - EKG Technician	25.95
12035 - Electroneurodiagnostic Technologist	25.95
12040 - Emergency Medical Technician	20.41
12071 - Licensed Practical Nurse I	18.82
12072 - Licensed Practical Nurse II	21.09
12073 - Licensed Practical Nurse III	23.47
12100 - Medical Assistant	14.89
12130 - Medical Laboratory Technician	18.04
12160 - Medical Record Clerk	16.06
12190 - Medical Record Technician	18.27
12195 - Medical Transcriptionist	18.77
12210 - Nuclear Medicine Technologist	34.18

12221 - Nursing Assistant I	10.47
12222 - Nursing Assistant II	11.77
12223 - Nursing Assistant III	13.02
12224 - Nursing Assistant IV	14.62
12235 - Optical Dispenser	20.17
12236 - Optical Technician	14.41
12250 - Pharmacy Technician	16.47
12280 - Phlebotomist	14.62
12305 - Radiologic Technologist	28.28
12311 - Registered Nurse I	26.73
12312 - Registered Nurse II	32.41
12313 - Registered Nurse II, Specialist	32.41
12314 - Registered Nurse III	38.98
12315 - Registered Nurse III, Anesthetist	38.98
12316 - Registered Nurse IV	46.73
12317 - Scheduler (Drug and Alcohol Testing)	19.75
13000 - Information And Arts Occupations	
13011 - Exhibits Specialist I	19.86
13012 - Exhibits Specialist II	24.61
13013 - Exhibits Specialist III	30.09
13041 - Illustrator I	20.48
13042 - Illustrator II	25.38
13043 - Illustrator III	31.03
13047 - Librarian	30.80
13050 - Library Aide/Clerk	14.21
13054 - Library Information Technology Systems Administrator	27.82
13058 - Library Technician	19.89
13061 - Media Specialist I	18.73
13062 - Media Specialist II	20.95
13063 - Media Specialist III	23.36
13071 - Photographer I	16.14
13072 - Photographer II	18.90
13073 - Photographer III	23.67
13074 - Photographer IV	28.65
13075 - Photographer V	30.69
13110 - Video Teleconference Technician	19.35
14000 - Information Technology Occupations	
14041 - Computer Operator I	18.54
14042 - Computer Operator II	20.74
14043 - Computer Operator III	23.12
14044 - Computer Operator IV	25.69
14045 - Computer Operator V	28.45
14071 - Computer Programmer I	(see 1) 25.43
14072 - Computer Programmer II	(see 1)
14073 - Computer Programmer III	(see 1)
14074 - Computer Programmer IV	(see 1)
14101 - Computer Systems Analyst I	(see 1)
14102 - Computer Systems Analyst II	(see 1)
14103 - Computer Systems Analyst III	(see 1)
14150 - Peripheral Equipment Operator	18.54
14160 - Personal Computer Support Technician	25.69
15000 - Instructional Occupations	
15010 - Aircrew Training Devices Instructor (Non-Rated)	35.71
15020 - Aircrew Training Devices Instructor (Rated)	43.84
15030 - Air Crew Training Devices Instructor (Pilot)	52.55
15050 - Computer Based Training Specialist / Instructor	34.39
15060 - Educational Technologist	32.75
15070 - Flight Instructor (Pilot)	52.55
15080 - Graphic Artist	26.80
15090 - Technical Instructor	25.08

15095 - Technical Instructor/Course Developer	30.67
15110 - Test Proctor	20.20
15120 - Tutor	20.20
16000 - Laundry, Dry-Cleaning, Pressing And Related Occupations	
16010 - Assembler	9.44
16030 - Counter Attendant	9.44
16040 - Dry Cleaner	12.21
16070 - Finisher, Flatwork, Machine	9.44
16090 - Presser, Hand	9.44
16110 - Presser, Machine, Drycleaning	9.44
16130 - Presser, Machine, Shirts	9.44
16160 - Presser, Machine, Wearing Apparel, Laundry	9.44
16190 - Sewing Machine Operator	13.07
16220 - Tailor	13.90
16250 - Washer, Machine	10.41
19000 - Machine Tool Operation And Repair Occupations	
19010 - Machine-Tool Operator (Tool Room)	19.22
19040 - Tool And Die Maker	23.38
21000 - Materials Handling And Packing Occupations	
21020 - Forklift Operator	17.90
21030 - Material Coordinator	22.03
21040 - Material Expediter	22.03
21050 - Material Handling Laborer	12.92
21071 - Order Filler	13.87
21080 - Production Line Worker (Food Processing)	17.90
21110 - Shipping Packer	14.46
21130 - Shipping/Receiving Clerk	14.46
21140 - Store Worker I	11.44
21150 - Stock Clerk	16.46
21210 - Tools And Parts Attendant	17.90
21410 - Warehouse Specialist	17.90
23000 - Mechanics And Maintenance And Repair Occupations	
23010 - Aerospace Structural Welder	25.68
23021 - Aircraft Mechanic I	24.46
23022 - Aircraft Mechanic II	25.68
23023 - Aircraft Mechanic III	26.97
23040 - Aircraft Mechanic Helper	16.61
23050 - Aircraft, Painter	23.42
23060 - Aircraft Servicer	18.71
23080 - Aircraft Worker	19.90
23110 - Appliance Mechanic	21.62
23120 - Bicycle Repairer	14.43
23125 - Cable Splicer	25.61
23130 - Carpenter, Maintenance	20.99
23140 - Carpet Layer	19.33
23160 - Electrician, Maintenance	27.43
23181 - Electronics Technician Maintenance I	23.70
23182 - Electronics Technician Maintenance II	25.15
23183 - Electronics Technician Maintenance III	26.50
23260 - Fabric Worker	19.01
23290 - Fire Alarm System Mechanic	22.78
23310 - Fire Extinguisher Repairer	17.52
23311 - Fuel Distribution System Mechanic	22.81
23312 - Fuel Distribution System Operator	19.38
23370 - General Maintenance Worker	21.43
23380 - Ground Support Equipment Mechanic	24.46
23381 - Ground Support Equipment Servicer	18.71
23382 - Ground Support Equipment Worker	19.90
23391 - Gunsmith I	17.52
23392 - Gunsmith II	20.38
23393 - Gunsmith III	22.78

23410 - Heating, Ventilation And Air-Conditioning Mechanic	22.94
23411 - Heating, Ventilation And Air Contditioning Mechanic (Research Facility)	24.37
23430 - Heavy Equipment Mechanic	22.78
23440 - Heavy Equipment Operator	22.78
23460 - Instrument Mechanic	22.59
23465 - Laboratory/Shelter Mechanic	21.62
23470 - Laborer	14.27
23510 - Locksmith	21.11
23530 - Machinery Maintenance Mechanic	22.99
23550 - Machinist, Maintenance	21.78
23580 - Maintenance Trades Helper	16.61
23591 - Metrology Technician I	22.59
23592 - Metrology Technician II	23.80
23593 - Metrology Technician III	24.96
23640 - Millwright	28.19
23710 - Office Appliance Repairer	22.96
23760 - Painter, Maintenance	21.62
23790 - Pipefitter, Maintenance	23.19
23810 - Plumber, Maintenance	20.99
23820 - Pneudraulic Systems Mechanic	22.78
23850 - Rigger	22.78
23870 - Scale Mechanic	20.38
23890 - Sheet-Metal Worker, Maintenance	22.78
23910 - Small Engine Mechanic	20.38
23931 - Telecommunications Mechanic I	27.74
23932 - Telecommunications Mechanic II	29.24
23950 - Telephone Lineman	26.38
23960 - Welder, Combination, Maintenance	22.78
23965 - Well Driller	22.78
23970 - Woodcraft Worker	22.78
23980 - Woodworker	17.52
24000 - Personal Needs Occupations	
24570 - Child Care Attendant	12.79
24580 - Child Care Center Clerk	17.77
24610 - Chore Aide	10.52
24620 - Family Readiness And Support Services Coordinator	15.68
24630 - Homemaker	18.43
25000 - Plant And System Operations Occupations	
25010 - Boiler Tender	27.10
25040 - Sewage Plant Operator	20.73
25070 - Stationary Engineer	27.10
25190 - Ventilation Equipment Tender	19.08
25210 - Water Treatment Plant Operator	20.73
27000 - Protective Service Occupations	
27004 - Alarm Monitor	20.57
27007 - Baggage Inspector	12.66
27008 - Corrections Officer	22.25
27010 - Court Security Officer	23.33
27030 - Detection Dog Handler	20.57
27040 - Detention Officer	22.25
27070 - Firefighter	22.39
27101 - Guard I	12.66
27102 - Guard II	20.57
27131 - Police Officer I	26.14
27132 - Police Officer II	28.99
28000 - Recreation Occupations	
28041 - Carnival Equipment Operator	13.59
28042 - Carnival Equipment Repairer	14.63

28043 - Carnival Equipment Worker	9.24
28210 - Gate Attendant/Gate Tender	13.01
28310 - Lifeguard	11.59
28350 - Park Attendant (Aide)	14.56
28510 - Recreation Aide/Health Facility Attendant	10.62
28515 - Recreation Specialist	18.04
28630 - Sports Official	11.59
28690 - Swimming Pool Operator	18.21
29000 - Stevedoring/Longshoremen Occupational Services	
29010 - Blocker And Bracer	23.13
29020 - Hatch Tender	23.13
29030 - Line Handler	23.13
29041 - Stevedore I	21.31
29042 - Stevedore II	24.24
30000 - Technical Occupations	
30010 - Air Traffic Control Specialist, Center (HFO) (see 2)	38.00
30011 - Air Traffic Control Specialist, Station (HFO) (see 2)	26.21
30012 - Air Traffic Control Specialist, Terminal (HFO) (see 2)	28.86
30021 - Archeological Technician I	18.93
30022 - Archeological Technician II	21.11
30023 - Archeological Technician III	27.56
30030 - Cartographic Technician	27.56
30040 - Civil Engineering Technician	24.01
30061 - Drafter/CAD Operator I	19.89
30062 - Drafter/CAD Operator II	22.25
30063 - Drafter/CAD Operator III	24.80
30064 - Drafter/CAD Operator IV	30.52
30081 - Engineering Technician I	21.63
30082 - Engineering Technician II	24.29
30083 - Engineering Technician III	27.17
30084 - Engineering Technician IV	33.66
30085 - Engineering Technician V	41.16
30086 - Engineering Technician VI	49.81
30090 - Environmental Technician	24.92
30210 - Laboratory Technician	23.38
30240 - Mathematical Technician	28.94
30361 - Paralegal/Legal Assistant I	21.36
30362 - Paralegal/Legal Assistant II	26.47
30363 - Paralegal/Legal Assistant III	32.36
30364 - Paralegal/Legal Assistant IV	39.16
30390 - Photo-Optics Technician	27.56
30461 - Technical Writer I	21.84
30462 - Technical Writer II	26.70
30463 - Technical Writer III	32.31
30491 - Unexploded Ordnance (UXO) Technician I	24.15
30492 - Unexploded Ordnance (UXO) Technician II	29.22
30493 - Unexploded Ordnance (UXO) Technician III	35.03
30494 - Unexploded (UXO) Safety Escort	24.15
30495 - Unexploded (UXO) Sweep Personnel	24.15
30620 - Weather Observer, Combined Upper Air Or (see 2)	24.80
Surface Programs	
30621 - Weather Observer, Senior (see 2)	27.56
31000 - Transportation/Mobile Equipment Operation Occupations	
31020 - Bus Aide	13.02
31030 - Bus Driver	18.95
31043 - Driver Courier	12.71
31260 - Parking and Lot Attendant	10.07
31290 - Shuttle Bus Driver	14.69
31310 - Taxi Driver	13.98
31361 - Truckdriver, Light	14.69
31362 - Truckdriver, Medium	17.18

31363 - Truckdriver, Heavy	18.42
31364 - Truckdriver, Tractor-Trailer	18.42
99000 - Miscellaneous Occupations	
99030 - Cashier	10.03
99050 - Desk Clerk	11.58
99095 - Embalmer	23.05
99251 - Laboratory Animal Caretaker I	11.30
99252 - Laboratory Animal Caretaker II	12.35
99310 - Mortician	31.73
99410 - Pest Controller	16.01
99510 - Photofinishing Worker	12.75
99710 - Recycling Laborer	16.82
99711 - Recycling Specialist	20.65
99730 - Refuse Collector	14.91
99810 - Sales Clerk	12.09
99820 - School Crossing Guard	13.43
99830 - Survey Party Chief	21.94
99831 - Surveying Aide	13.63
99832 - Surveying Technician	20.85
99840 - Vending Machine Attendant	14.43
99841 - Vending Machine Repairer	18.73
99842 - Vending Machine Repairer Helper	14.43

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ALL OCCUPATIONS LISTED ABOVE RECEIVE THE FOLLOWING BENEFITS:

HEALTH & WELFARE: \$3.35 per hour or \$134.00 per week or \$580.66 per month

VACATION: 2 weeks paid vacation after 1 year of service with a contractor or successor; 3 weeks after 5 years, and 4 weeks after 15 years. Length of service includes the whole span of continuous service with the present contractor or successor, wherever employed, and with the predecessor contractors in the performance of similar work at the same Federal facility. (Reg. 29 CFR 4.173)

HOLIDAYS: A minimum of ten paid holidays per year, New Year's Day, Martin Luther King Jr's Birthday, Washington's Birthday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans' Day, Thanksgiving Day, and Christmas Day. (A contractor may substitute for any of the named holidays another day off with pay in accordance with a plan communicated to the employees involved.) (See 29 CFR 4174)

THE OCCUPATIONS WHICH HAVE NUMBERED FOOTNOTES IN PARENTHESES RECEIVE THE FOLLOWING:

1) COMPUTER EMPLOYEES: Under the SCA at section 8(b), this wage determination does not apply to any employee who individually qualifies as a bona fide executive, administrative, or professional employee as defined in 29 C.F.R. Part 541. Because most Computer System Analysts and Computer Programmers who are compensated at a rate not less than \$27.63 (or on a salary or fee basis at a rate not less than \$455 per week) an hour would likely qualify as exempt computer professionals, (29 C.F.R. 541.400) wage rates may not be listed on this wage determination for all occupations within those job families. In addition, because this wage determination may not list a wage rate for some or all occupations within those job families if the survey data indicates that the prevailing wage rate for the occupation equals or exceeds \$27.63 per hour conformances may be necessary for certain nonexempt employees. For example, if an individual employee is nonexempt but nevertheless performs duties within the scope of one of the Computer Systems Analyst or Computer Programmer

occupations for which this wage determination does not specify an SCA wage rate, then the wage rate for that employee must be conformed in accordance with the conformance procedures described in the conformance note included on this wage determination.

Additionally, because job titles vary widely and change quickly in the computer industry, job titles are not determinative of the application of the computer professional exemption. Therefore, the exemption applies only to computer employees who satisfy the compensation requirements and whose primary duty consists of:

(1) The application of systems analysis techniques and procedures, including consulting with users, to determine hardware, software or system functional specifications;

(2) The design, development, documentation, analysis, creation, testing or modification of computer systems or programs, including prototypes, based on and related to user or system design specifications;

(3) The design, documentation, testing, creation or modification of computer programs related to machine operating systems; or

(4) A combination of the aforementioned duties, the performance of which requires the same level of skills. (29 C.F.R. 541.400).

2) AIR TRAFFIC CONTROLLERS AND WEATHER OBSERVERS - NIGHT PAY & SUNDAY PAY: If you work at night as part of a regular tour of duty, you will earn a night differential and receive an additional 10% of basic pay for any hours worked between 6pm and 6am.

If you are a full-time employed (40 hours a week) and Sunday is part of your regularly scheduled workweek, you are paid at your rate of basic pay plus a Sunday premium of 25% of your basic rate for each hour of Sunday work which is not overtime (i.e. occasional work on Sunday outside the normal tour of duty is considered overtime work).

**HAZARDOUS PAY DIFFERENTIAL:** An 8 percent differential is applicable to employees employed in a position that represents a high degree of hazard when working with or in close proximity to ordnance, explosives, and incendiary materials. This includes work such as screening, blending, dying, mixing, and pressing of sensitive ordnance, explosives, and pyrotechnic compositions such as lead azide, black powder and photoflash powder. All dry-house activities involving propellants or explosives.

Demilitarization, modification, renovation, demolition, and maintenance operations on sensitive ordnance, explosives and incendiary materials. All operations involving regrading and cleaning of artillery ranges.

A 4 percent differential is applicable to employees employed in a position that represents a low degree of hazard when working with, or in close proximity to ordnance, (or employees possibly adjacent to) explosives and incendiary materials which involves potential injury such as laceration of hands, face, or arms of the employee engaged in the operation, irritation of the skin, minor burns and the like; minimal damage to immediate or adjacent work area or equipment being used. All operations involving, unloading, storage, and hauling of ordnance, explosive, and incendiary ordnance material other than small arms ammunition. These differentials are only applicable to work that has been specifically designated by the agency for ordnance, explosives, and incendiary material differential pay.

**\*\* UNIFORM ALLOWANCE \*\***

If employees are required to wear uniforms in the performance of this contract (either by the terms of the Government contract, by the employer, by the state or local law, etc.), the cost of furnishing such uniforms and maintaining (by laundering or dry cleaning) such uniforms is an expense that may not be borne by an employee where such cost reduces the hourly rate below that required by the wage determination. The Department of Labor will accept payment in accordance with the following standards as compliance:

The contractor or subcontractor is required to furnish all employees with an adequate number of uniforms without cost or to reimburse employees for the actual cost of the uniforms. In addition, where uniform cleaning and maintenance is made the responsibility of the employee, all contractors and subcontractors subject to this wage determination shall (in the absence of a bona fide collective bargaining agreement providing for a different amount, or the furnishing of contrary affirmative proof as to the actual cost), reimburse all employees for such cleaning and maintenance at a rate of \$3.35 per week (or \$.67 cents per day). However, in those instances where the uniforms furnished are made of "wash and wear" materials, may be routinely washed and dried with other personal garments, and do not require any special treatment such as dry cleaning, daily washing, or commercial laundering in order to meet the cleanliness or appearance standards set by the terms of the Government contract, by the contractor, by law, or by the nature of the work, there is no requirement that employees be reimbursed for uniform maintenance costs.

The duties of employees under job titles listed are those described in the "Service Contract Act Directory of Occupations", Fifth Edition, April 2006, unless otherwise indicated. Copies of the Directory are available on the Internet. A links to the Directory may be found on the WHD home page at <http://www.dol.gov/esa/whd/> or through the Wage Determinations On-Line (WDOL) Web site at <http://wdol.gov/>.

REQUEST FOR AUTHORIZATION OF ADDITIONAL CLASSIFICATION AND WAGE RATE {Standard Form 1444 (SF 1444)}

#### Conformance Process:

The contracting officer shall require that any class of service employee which is not listed herein and which is to be employed under the contract (i.e., the work to be performed is not performed by any classification listed in the wage determination), be classified by the contractor so as to provide a reasonable relationship (i.e., appropriate level of skill comparison) between such unlisted classifications and the classifications listed in the wage determination. Such conformed classes of employees shall be paid the monetary wages and furnished the fringe benefits as are determined. Such conforming process shall be initiated by the contractor prior to the performance of contract work by such unlisted class(es) of employees. The conformed classification, wage rate, and/or fringe benefits shall be retroactive to the commencement date of the contract. {See Section 4.6 (C) (vi)} When multiple wage determinations are included in a contract, a separate SF 1444 should be prepared for each wage determination to which a class(es) is to be conformed.

The process for preparing a conformance request is as follows:

- 1) When preparing the bid, the contractor identifies the need for a conformed occupation(s) and computes a proposed rate(s).
- 2) After contract award, the contractor prepares a written report listing in order proposed classification title(s), a Federal grade equivalency (FGE) for each proposed classification(s), job description(s), and rationale for proposed wage rate(s), including information regarding the agreement or disagreement of the authorized representative of the employees involved, or where there is no authorized representative, the employees themselves. This report should be submitted to the contracting officer no later than 30 days after such unlisted class(es) of employees performs any contract work.
- 3) The contracting officer reviews the proposed action and promptly submits a report of the action, together with the agency's recommendations and pertinent information including the position of the contractor and the employees, to the Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor, for review. (See section 4.6(b)(2) of Regulations 29 CFR Part 4).

4) Within 30 days of receipt, the Wage and Hour Division approves, modifies, or disapproves the action via transmittal to the agency contracting officer, or notifies the contracting officer that additional time will be required to process the request.

5) The contracting officer transmits the Wage and Hour decision to the contractor.

6) The contractor informs the affected employees.

Information required by the Regulations must be submitted on SF 1444 or bond paper.

When preparing a conformance request, the "Service Contract Act Directory of Occupations" (the Directory) should be used to compare job definitions to insure that duties requested are not performed by a classification already listed in the wage determination. Remember, it is not the job title, but the required tasks that determine whether a class is included in an established wage determination. Conformances may not be used to artificially split, combine, or subdivide classifications listed in the wage determination.

ATTACHMENT J.5

LIVING WAGE NOTICE



## **“LIVING WAGE ACT OF 2006”**

Title I of the Way to Work Amendment Act of 2006, effective June 8, 2006 (D.C. Law 16-118, D.C. Official Code §2-220.01 *et seq.*), as amended, (“Living Wage Act of 2006”) applies to all contracts for services in the amount of \$100,000 or more in a 12-month period.

The Living Wage Act of 2006 requires a contractor to:

1. pay its employees and subcontractors who perform services under the contract no less than the current living wage rate;
2. include in any subcontract for \$15,000 or more a provision requiring the subcontractor to pay its employees who perform services under the contract no less than the current living wage rate;
3. provide a copy of the Living Wage Act Fact Sheet to each employee and subcontractor who performs services under the contract;
4. post the Living Wage Act Notice in a conspicuous place in its place of business;
5. include in any subcontract for \$15,000 or more a provision requiring the subcontractor to post the Living Wage Act Notice in a conspicuous place in its place of business;
6. maintain its payroll records under the contract in the regular course of business for a period of at least three (3) years from the payroll date; and
7. require its subcontractors with subcontracts for \$15,000 or more under the contract to maintain its payroll records under the contract in the regular course of business for a period of at least three (3) years from the payroll date.

**EFFECTIVE JANUARY 1, 2008, THE  
CURRENT LIVING WAGE RATE IS \$12.10.**

Starting in 2008, the Department of Employment Services may adjust the living wage annually. The OCP will publish the current living wage rate on its website at [www.ocp.dc.gov](http://www.ocp.dc.gov).

The payment of wages required under the Living Wage Act of 2006 shall be consistent with and subject to the provisions of D.C. Official Code §32-1301 *et seq.*

The requirements of the Living Wage Act of 2006 **do not apply** to:

1. Contracts or other agreements that are subject to higher wage level determinations required by federal law (i.e., if a contract is subject to the Service Contract Act and certain wage rates are lower than the District's current living wage, the contractor must pay the higher of the two rates);
2. Existing and future collective bargaining agreements, provided, that the future collective bargaining agreement results in the employee being paid no less than the established living wage;
3. Contracts for electricity, telephone, water, sewer or other services provided by a regulated utility;
4. Contracts for services needed immediately to prevent or respond to a disaster or eminent threat to public health or safety declared by the Mayor;
5. Contracts or other agreements that provide trainees with additional services including, but not limited to, case management and job readiness services; provided that the trainees do not replace employees subject to the Living Wage Act of 2006;
6. An employee under 22 years of age employed during a school vacation period, or enrolled as a full-time student, as defined by the respective institution, who is in high school or at an accredited institution of higher education and who works less than 25 hours per week; provided that he or she does not replace employees subject to the Living Wage Act of 2006;
7. Tenants or retail establishments that occupy property constructed or improved by receipt of government assistance from the District of Columbia; provided, that the tenant or retail establishment did not receive direct government assistance from the District;
8. Employees of nonprofit organizations that employ not more than 50 individuals and qualify for taxation exemption pursuant to section 501(c)(3) of the Internal Revenue Code of 1954, approved August 16, 1954 (68A Stat. 163; 26 U.S.C. § 501(c)(3));
9. Medicaid provider agreements for direct care services to Medicaid recipients, provided, that the direct care service is not provided through a home care agency, a community residence facility, or a group home for mentally retarded persons as those terms are defined in section 2 of the Health-Care and Community Residence Facility, Hospice, and Home Care Licensure Act of 1983, effective February 24, 1984 (D.C. Law 5-48; D.C. Official Code § 44-501); and
- (10) Contracts or other agreements between managed care organizations and the Health Care Safety Net Administration or the Medicaid Assistance Administration to provide health services.

The Mayor may exempt a contractor from the requirements of the Living Wage Act of 2006, subject to the approval of Council, in accordance with the provisions of Section 109 of the Act.

# **“THE LIVING WAGE ACT OF 2006”**

**Title I, D.C. Law No. 16-118, (D.C. Official Code §§ 2-220.01-.11)**

**Effective June 9, 2006, recipients of new contracts or government assistance shall pay affiliated employees and subcontractors who perform services under the contracts no less than the current living wage.**

**Effective January 1, 2008, the living wage rate is \$12.10 per hour.**

## **The requirement to pay a living wage applies to:**

- All recipients of contracts in the amount of \$100,000 or more; and, all subcontractors of these recipients receiving \$15,000 or more from the funds received by the recipient from the District of Columbia, and,
- All recipients of government assistance in the amount of \$100,000 or more; and, all subcontractors of these recipients of government assistance receiving \$50,000 or more in funds from government assistance received from the District of Columbia.

**“Contract” means a written agreement between a recipient and the District government.**

**“Government assistance” means a grant, loan or tax increment financing that result in a financial benefit from an agency, commission, instrumentality, or other entity of the District government.**

**“Affiliated employee” means any individual employed by a recipient who received compensation directly from government assistance or a contract with the District of Columbia government, including any employee of a contractor or subcontractor of a recipient who performs services pursuant to government assistance or contract. The term “affiliated employee” does not include those individuals who perform only intermittent or incidental services with respect to the contract or government assistance or who are otherwise employed by the contractor, recipient or subcontractor.**

Certain exceptions may apply where contracts or agreements are subject to wage determinations required by federal law which are higher than the wage required by this Act; contracts for electricity, telephone, water, sewer other services delivered by regulated utility; contracts for services needed immediately to prevent or respond to a disaster or eminent threat to the public health or safety declared by the Mayor; contracts awarded to recipients that provide trainees with additional services provided the trainee does not replace employees; tenants or retail establishments that occupy property constructed or improved by government assistance, provided there is no receipt of direct District government assistance; Medicaid provider agreements for direct care services to Medicaid recipients, provided that the direct care service is not provided through a home care agency, a community residential facility or a group home for mentally retarded persons; and contracts or other agreements between managed care organizations and the Health Care Safety Net Administration or the Medicaid Assistance Administration to provide health services.

Exemptions are provided for employees under 22 years of age employed during a school vacation period, or enrolled as a full-time student who works less than 25 hours per week, provided that other employees are not replaced, and for employees of nonprofit organizations that employ not more than 50 individuals.

**Each recipient and subcontractor of a recipient shall provide this notice to each affiliate employee covered by this notice, and shall also post this notice concerning these requirements in a conspicuous site in the place of business.**

**All recipients and subcontractors shall retain payroll records created and maintained in the regular course of business under District of Columbia law for a period of at least 3 years.**

This is a summary of the “Living Wage Act of 2006”. For the complete text go to:

[www.does.dc.gov](http://www.does.dc.gov) or [www.ocp.dc.gov](http://www.ocp.dc.gov)

**To file a complaint contact: Department of Employment Services**

**Office of Wage-Hour**

**64 New York Avenue, N.E., Room 3105, Washington, D.C. 20002**

**(202) 671-1880**

ATTACHMENT J.6

LIVING WAGE FACT SHEET



## LIVING WAGE ACT FACT SHEET

The “Living Wage Act of 2006,” Title I of D.C. Law 16-18, (D.C. Official Code §§2-220.01-.11) became effective June 9, 2006. It provides that District of Columbia government contractors and recipients of government assistance (grants, loans, tax increment financing) in the amount of \$100,000 or more shall pay affiliated employees wages no less than the current living wage rate.

**Effective January 1, 2008, the living wage rate is \$12.10 per hour.**

Subcontractors of D.C. government contractors who receive \$15,000 or more from the contract and subcontractors of the recipients of government assistance who receive \$50,000 or more from the assistance are also required to pay their affiliated employees no less than the current living wage rate.

“Affiliated employee” means any individual employed by a recipient who receives compensation directly from government assistance or a contract with the District of Columbia government, including any employee of a contractor or subcontractor of a recipient who performs services pursuant to government assistance or a contract. The term “affiliated employee” does not include those individuals who perform only intermittent or incidental services with respect to the government assistance or contract, or who are otherwise employed by the contractor, recipient or subcontractor.

**Exemptions** – The following contracts and agreements are exempt from the Living Wage Act:

1. Contracts or other agreements that are subject to higher wage level determinations required by federal law (i.e., if a contract is subject to the Service Contract Act and certain wage rates are lower than the District’s current living wage, the contractor must pay the higher of the two rates);
2. Existing and future collective bargaining agreements, provided that the future collective bargaining agreement results in the employee being paid no less than the current living wage;
3. Contracts for electricity, telephone, water, sewer or other services provided by a regulated utility;
4. Contracts for services needed immediately to prevent or respond to a disaster or eminent threat to public health or safety declared by the Mayor;
5. Contracts or other agreements that provide trainees with additional services including, but not limited to, case management and job readiness services, provided that the trainees do not replace employees subject to the Living Wage Act;

6. An employee, under 22 years of age, employed during a school vacation period, or enrolled as full-time student, as defined by the respective institution, who is in high school or at an accredited institution of higher education and who works less than 25 hours per week; provided that he or she does not replace employees subject to the Living Wage Act;
7. Tenants or retail establishments that occupy property constructed or improved by receipt of government assistance from the District of Columbia; provided, that the tenant or retail establishment did not receive direct government assistance from the District of Columbia;
8. Employees of nonprofit organizations that employ not more than 50 individuals and qualify for taxation exemption pursuant to Section 501 (c) (3) of the Internal Revenue Code of 1954, approved August 16, 1954 (68A Stat. 163; 26. U.S.C. §501(c)(3));
9. Medicaid provider agreements for direct care services to Medicaid recipients, provided, that the direct care service is not provided through a home care agency, a community residence facility, or a group home for mentally retarded persons as those terms are defined in section 2 of the Health-Care and Community Residence Facility, Hospice, and Home Care Licensure Act of 1983, effective February 24, 1984 (D.C. Law 5-48; D.C. Official Code §44-501); and
10. Contracts or other agreements between managed care organizations and the Health Care Safety Net Administration or the Medicaid Assistance Administration to provide health services.

## Enforcement

The Department of Employment Services (DOES) and the D.C. Office of Contracting and Procurement (OCP) share monitoring responsibilities.

If you learn that a contractor subject to this law is not paying at least the current living wage you should report it to the Contracting Officer.

If you believe that your employer is subject to this law and is not paying you at least the current living wage, you may file a complaint with the DOES Office of Wage – Hour, located at 64 New York Ave., NE, Room 3105, (202) 671-1880.

For questions and additional information, contact the Office of Contracting and Procurement at (202) 727-0252 or the Department of Employment Services on (202) 671-1880.

**Please note:** *This fact sheet is for informational purposes only as required by Section 106 of the Living Wage Act. It should not be relied on as a definitive statement of the Living Wage Act or any regulations adopted pursuant to the law.*

ATTACHMENT J.9

DISTRICT-WIDE CUSTOMER SERVICE TELEPHONE AND VOICE  
MAIL STANDARDS

### Voicemail while OUT OF OFFICE

Please change you message before you leave.

Hello, you have reached \_\_\_\_\_, Title \_\_\_\_\_, in the Office of Contracting and Procurement in the \_\_\_\_\_ (office, unit, or commodity management group).

Please leave a brief message with your name and telephone number. I am out of the office until (DAY, DATE OF YOUR RETURN); I will return your call (**within one business day**) or (**within 24 hours**) after my return.

If you need immediate assistance, please contact (NAME OF YOUR ALTERNATE CONTACT) at 202-\_\_\_\_\_ between the hours of \_\_\_\_ and \_\_\_\_ Monday through Friday.

Thank you and have a nice day.

### Voicemail while IN YOUR OFFICE

Hello you have reached (state your name) \_\_\_\_\_, (state your title) \_\_\_\_\_ in the Office of Contracting and Procurement in the (office, unit, or commodity management group) \_\_\_\_\_.

I am not able to take your call right now. Please leave a brief message with your name and telephone number and I will return your call (**within one business day**) or (**within 24 hours**).

If you need immediate assistance, please contact (NAME OF YOUR ALTERNATE CONTACT) at 202-\_\_\_\_\_ between the hours of \_\_\_\_ and \_\_\_\_ Monday through Friday.

Thank you and have a nice day. (Optional: In the future, if you wish to skip this message, please press pound.)

### Out-of-Office Email Message

When you are out of the office for more than two business days, please provide an "out of office" message on your email system. The message must state that the sender will receive a response **within one business day or within 24 hours** after the day of your return. The following script is suggested:

YOUR NAME, YOUR TITLE, Office of Contracting and Procurement, \_\_\_\_\_ (office, unit, or commodity management group), will be out of the office through DATE. Your message will be responded to (**within one business day**) or (**within 24 hours**) of my return. If you need immediate assistance, please contact (YOUR ALTERNATE) at 202-\_\_\_\_\_ or via email at [ssss.sssss@dc.gov](mailto:ssss.sssss@dc.gov). Thank you very much for your message and have a nice day.

ATTACHMENT J.10

PAST PERFORMANCE EVALUATION FORM

**PAST PERFORMANCE EVALUATION FORM**

(Check appropriate box)

Performance Elements	Excellent	Good	Acceptable	Poor	Unacceptable
Quality of Services/ Work					
Timeliness of Performance					
Cost Control					
Business Relations					
Customer Satisfaction					

1. Name & Title of Evaluator: \_\_\_\_\_
2. Signature of Evaluator: \_\_\_\_\_
3. Name of Organization: \_\_\_\_\_
4. Telephone Number of Evaluator: \_\_\_\_\_
5. State type of service received: \_\_\_\_\_
6. State Contract Number, Amount and period of Performance \_\_\_\_\_  
\_\_\_\_\_
7. Remarks on Excellent Performance: Provide data supporting this observation. Continue on separate sheet if needed)
8. Remarks on unacceptable performance: Provide data supporting this observation. (Continue on separate sheet if needed)

## RATING GUIDELINES

Summarize Contractor performance in each of the rating areas. Assign each area a rating of 0 (Unacceptable), 1 (Poor), 2 (Acceptable), 3 (Good), 4(Excellent), or ++ (Plus). Use the following instructions a guidance in making these evaluations.

	<b>Quality Product/Service</b>	<b>Cost Control</b>	<b>Timeless of Performance</b>	<b>Business Relations</b>
	<ul style="list-style-type: none"> <li>-Compliance with contract requirements</li> <li>-Accuracy of reports</li> <li>-Appropriateness of personnel</li> <li>-Technical excellence</li> </ul>	<ul style="list-style-type: none"> <li>-Within budget (over/under target costs)</li> <li>-Current, accurate, and complete billings</li> <li>-Relationship of negated costs to actual</li> <li>-Cost efficiencies</li> <li>-Change order issue</li> </ul>	<ul style="list-style-type: none"> <li>-Meet Interim milestones</li> <li>-Reliable</li> <li>-Responsive to technical directions</li> <li>-Completed on time, including wrap-up and contract administration</li> <li>-No liquidated damages assessed</li> </ul>	<ul style="list-style-type: none"> <li>-Effective management</li> <li>-Businesslike correspondence</li> <li>-Responsive to contract requirements</li> <li>-Prompt notification of contract problems</li> <li>-Reasonable/cooperative</li> <li>-Flexible</li> <li>-Pro-active</li> <li>-effective contractor recommended solutions</li> <li>-Effective snail/small disadvantaged business Subcontracting program</li> </ul>
<b>0. Zero</b>	Nonconformances are comprises the achievement of contract requirements, despite use of Agency resources	Cost issues are comprising performance of contract requirements.	Delays are comprising the achievement of contract requirements, Despite use of Agency resources.	Response to inquiries, technical/ service/administrative issues is not effective and responsive.
<b>1, Unacceptable</b>	Nonconformances require major Agency resources to ensure achievement of contract requirements.	Cost issues require major Agency resources to ensure achievement of contract requirements.	Delays require major Agency resources to ensure achievement of contract requirements.	response to inquiries, technical/ service/administrative issues is marginally effective and responsive.
<b>2. Poor</b>	Nonconformances require minor Agency resources to ensure achievement of contract requirements.	Costs issues require minor Agency resources to ensure achievement of contract requirements.	Delays require minor Agency resources to ensure achievement of contract requirements.	Responses to inquiries, technical/ service/administrative issues is somewhat effective and responsive.
<b>3. Acceptable</b>	Nonconformances do not impact achievement of contract requirements.	Cost issues do not impact achievement of contract requirements.	Delays do not impact achievement of contract requirements.	Responses to inquires, technical/ service/administrative issues is usually effective and responsive.
<b>4. Good</b>	There are no quality problems.	There are no cost issues.	There are not delays.	Responses to inquiries, technical/ service/administrative issues is effective and responsive,
<b>5. Excellent</b>	The contractor has demonstrated an exceptional performance level in some or all of the above categories.			

ATTACHMENT J.11

ACTUARIAL ANALYSIS



Friday Systems Services, Inc.  
7501 Greenway Center Drive, Suite 450  
Greenbelt, MD 20770  
(301) 220-2121  
Fax: (301) 220-2555  
[www.fridaysystems.com](http://www.fridaysystems.com)

December 23, 2009

Ms. Kelly Valentine, Director  
D.C. Office of Risk Management  
441 4<sup>th</sup> Street NW  
Suite 800 South  
Washington, D.C. 20001

Re: Actuarial Study FY09- DCAA-2009-R-4242

Dear Ms. Valentine:

Friday Systems Services, Inc. (FSS) is pleased to submit the final report the Actuarial Study FY09 for Contract No. DCAA-2009-R-4242.

If you have any questions, comments, or require any further information, please do not hesitate to contact me at (301) 220-2121 or via email at [rfriday@fridaysystems.com](mailto:rfriday@fridaysystems.com).

Sincerely,

A handwritten signature in black ink that reads "Roy Friday". The signature is written in a cursive, flowing style.

Roy Friday  
President and CEO

Enclosures

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District of Columbia  
Office of Risk Management  
Workers Compensation, General Liability, and Automobile Liability  
Loss and Loss Expense Reserves as of September 30, 2009

**INTRODUCTION**

This FY 2009 Actuarial Report (hereafter the report) is being provided at the request of the Government of the District of Columbia's Office of Risk Management (hereafter the ORM).

This report is an actuarial loss reserve opinion that meets the requirements of the Statements of Actuarial Opinion Regarding Property/Casualty Loss and Loss Adjustment Expense Reserves. Therefore, the loss reserves contained herein can be relied upon as the final version of the report. The conditions and limitations section of this report, including its distribution and use, apply only to this report.

This report provides an actuarial estimate of the loss and loss expense reserves for the workers compensation, general (non-auto) liability, and automobile liability for the Government of the District of Columbia (here after, the District Government) as of September 30, 2009. The estimated reserves developed in the report are required to be included in the District's Comprehensive Annual Financial Report (hereafter CAFR) for the fiscal year ended September 30, 2009. The workers compensation program for civilian (non-uniform) District Government employees is known as the Disability Compensation Program (hereafter the DCP). The workers compensation program for the sworn/uniformed District Government uniform employees (primarily police and FEMS personnel) is known as the District Government's Work Injury Program (hereafter, the Work Injury Program). The estimate of the loss and loss expense reserve is for known claims and unreported claims arising from accidents that have occurred through September 30, 2009.

The reserve includes two components as follows:

1. The amount expected to be paid for a claim as determined by a claims administrator after a review of the facts of the claim. This amount is known as the case loss reserve.
2. An incurred but not reported (IBNR) reserve as estimated in this actuarial report. This estimated IBNR amount includes the loss and loss expense amount to be paid in the future for known and unknown claims (with an accident date on or before September 30, 2009) that are in excess of the case loss reserve.

Loss expenses are expenses associated with the adjustment of claims. These expenses can include claim administration costs, attorney fees, court costs, expert witness fees, and other expenses associated with adjusting a claim. Unallocated expenses, which are not directly associated with the adjustment of claims, are not included in our calculations.

The loss and loss expense reserve for the ORM in this report is defined to include the following:

- (i) claims provided by the ORM,
- (ii) claims provided by the District Government's Metropolitan Police Department (hereafter MPD); and
- (iii) claims provided by the District Government's Fire and Medical Emergency Medical Services Department (here after FEMS).

For the purpose of completing this report, ORM provided medical and indemnity workers' compensation claims for their Disability Compensation Program, which covers all civilian workers of the District of Columbia. ORM also

provided us with the general and automobile liability claims against the District Government. The general liability claims include all claims relating to judgments against the District Government and its non-automobile properties. MPD provided us with indemnity compensation claims data for its uniform/sworn personnel who were on or completed injury leave during the fiscal year ending September 30, 2009. FEMS provided indemnity compensation claims data for its uniform/sworn officers who were on or completed injury leave during the fiscal year ending September 30, 2009

MPD has informed us that the United States Secret Service and United States Park Police workers are actually covered under the federal Department of Labor workers' compensation program. Therefore, statistics relating to the United States Secret Service and United States Park Police workers are not included in the calculation of loss reserves. These two agencies reimburse the District Government for the occupational medical services they receive through PFC Associates, LLC (hereafter PFC Associates) related facilities and medical providers. The Department of Public Social Services (DPSS) and the Department of Probation, Parole, and Pardon Services (DPPP) are covered under their own federal workers' compensation program. Uniform employees of the District Government's Housing Authority (hereafter Housing Authority) and District Government's Department of Corrections (hereafter Department of Corrections) are covered under the District Government DCP program along with their respective civilian employees from the Housing Authority and the Department of Corrections.

For the purpose of this report, the phrases "fiscal year" and "policy year" are used interchangeably and Fiscal Year 2009 is defined as the period beginning October 1, 2008 through and including September 30, 2009.

**SUMMARY OF RESULTS**

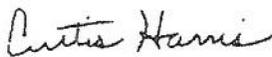
The estimated case and IBNR loss and loss expense reserve as of September 30, 2009 are as follows for each program:

	Case Loss and Loss Expense Reserve	IBNR Loss and Loss Expense Reserve	Case and IBNR Loss and Loss Expense Reserve	Case Present Value of and IBNR Loss and Loss Expense Reserve
<u>Workers Compensation</u>				
DCP	\$88,135,789	\$58,786,433	\$146,922,222	\$130,075,121
Police	1,893,906	66,757	1,960,663	1,960,663
Fire	<u>446,952</u>	<u>505,346</u>	<u>952,298</u>	<u>952,298</u>
Total	\$90,476,647	\$59,358,536	\$149,835,183	\$132,988,082
<u>Tort Liability</u>				
General	\$3,036,874	\$4,685,787	\$7,722,661	\$6,903,546
Automobile	<u>1,364,655</u>	<u>1,208,543</u>	<u>2,573,198</u>	<u>2,424,499</u>
Total Liability	\$4,401,529	\$5,894,330	\$10,295,859	\$9,328,045
<u>ORM and Police and Fire Self-Insured Program</u>				
WC Total	\$90,476,647	\$59,358,536	\$149,835,183	\$132,988,082
Liability Total	<u>4,401,529</u>	<u>5,894,330</u>	<u>10,295,859</u>	<u>9,328,045</u>
Total	\$94,878,176	\$65,252,866	\$160,131,042	\$142,316,127

The loss and loss expense reserve amount is an estimate of the total cost of claims that will be paid in the future for claims with a date of loss as of September 30, 2009 and prior. The discounted loss and loss expense reserve for the District Government's workers compensation and liability programs will be reported in the CAFR for the fiscal year ended September 30, 2009.

We look forward to reviewing and discussing the contents of this report with ORM and other appropriate agencies of the District government.

Sincerely,



Curtis Harris, ASA, MAAA, EA



Chester Kido, ACAS, MAAA

## BACKGROUND

The District of Columbia covers approximately 61 square miles and has a population of 553,523 people, according to a July 2004 United States Census Bureau estimate. The District of Columbia's economy is primarily comprised of private sector business and industry; local government; and tourism. The District of Columbia is home to many federal government departments and agencies; several prestigious colleges and universities; and more association headquarters than anywhere else in the country.

The District government operates under the executive-legislative form of government, governed by the Mayor, his cabinet and the Council of the District of Columbia (hereafter the Council). The Council is the legislative branch of the District government. All legislative powers are vested in the Council, and the Council approves the District's annual budget and financial plan, as well as sets the revenue required to fund the budget, including oversight of all programs and operations of government agencies.

The ORM operates within the executive branch of the District of Columbia government with direct oversight by the City Administrator. ORM became an official agency in the District of Columbia government structure in fiscal year 2003, with a mission to provide risk identification, analyses, control and financing direction, and guidance and support to District agencies so that they can minimize the total cost of risk.

ORM, through the Risk Financing Division, has direct oversight for claims filed against the District. The Claims Bureau manages the adjudication process for property, liability and disability compensation (workers' compensation) claims.

The DCP is a self-insured program of the ORM that is administered by a Third Party Claims Administrator (hereafter the TPA). This program currently excludes sworn/uniform police and firefighters covered under the Police and Firefighters Disability Act. It also excludes the United States Secret Service and Park Police sworn/uniform workers who are covered under a federal workers' compensation program.

ORM property, automobile and liability claims are the responsibility of in-house staff. They conduct investigations and make liability determinations and settlements prior to lawsuits being filed. The Settlements and Judgments Fund (S&J Fund) is used to provide the fiscal resources to settle claims and lawsuits and pay judgments in most types of civil cases filed against the District. If a lawsuit is filed, the resolution of suit claims falls under the Office of the Attorney General. Nonetheless, ORM makes all final decisions about the use of the S&J Fund.

The ORM workers' compensation, general liability, automobile and property programs are completely self-insured with no excess insurance policy for all policy years.

The workers' compensation program for sworn/uniformed District members is a part of the Occupational Health and Medical Services Program for the MPD and FEMS and is called the Work Injury Program. The indemnity compensation component of the Work Injury Program is self-insured with no excess insurance policy for all policy years. Under the Work Injury Program for sworn/uniform officers, covered personnel are paid 100 percent of their compensation for the period of non-full duty work days for performance of duty (hereafter, POD) injuries.

The District's Work Injury Program for medical services is funded with capitation payments paid to a fully insured contract arrangement with PFC Associates. Capitation rates are paid to PFC Associates for each full-time sworn/uniform MPD and FEMS member, as well as certain covered Secret Service, Park Police, Housing Authority, and Department of Corrections members, reported at the end of each two-week pay period. The injured worker receives medical services for performance-of-duty (POD) injuries through physicians and medical facilities affiliated with PFC Associates.

The Work Injury program also includes a limited medical services program for certain civilian employees of MPD and FEMS, including: employment physicals, wellness exams and fitness duty exams. These services are also provided by PFC Associates-affiliated physicians and medical facilities. Costs associated with these services are also included in the capitation rates paid to PFC Associates.

Payments by the District to PFC for these medical services are made based on the number of covered employees. PFC Associates has no liability for services provided outside its affiliates unless PFC Associates provides prior authorization. Under its contract with MPD, PFC Associates carries insurance, within the fully insured arrangement, to ensure liability for on duty injury related lawsuits. Reinsurance is also provided to cover large levels of claims.

Effective October 1, 2004, the Council passed the Omnibus Public Safety Agency Reform Amendment Act of 2004 (hereafter the Public Safety Act). The Public Safety Act requires that police members who spend 172 cumulative work days in less-than-full-duty status for any single injury or illness over any two-year period be processed for disability retirement. A status of 192 cumulative work days in less-than-full-duty status applies to FEMS employees.

Pursuant to an assessment made by the District Government, the workers' compensation medical program for uniformed officers is deemed a fully insured arrangement administered by the MPD. Based on the assessment, no medical workers' compensation loss and loss expense reserve is required to be reported for uniformed employees on the District's financial statement for the fiscal year ended September 30, 2009. Only the indemnity compensation paid to injured sworn/uniform members is required to be valued as a liability for financial accounting purposes.

The workers' compensation indemnity compensation benefits for sworn/uniform workers are paid by the appropriate agency of the injured employee and are not considered to be a payroll payment. Thus, indemnity compensation benefits for uniformed officers are self-funded and their liabilities are included in the District Government's workers' compensation loss and loss expense reserve for the fiscal year ended September 30, 2009.

A more complete narrative background of each program is included in the Appendix.

## CONDITIONS AND LIMITATIONS

Individual claim data has been provided by the ORM, MPD and FEMS with a loss evaluation date of September 30, 2009. We relied on these agencies for the accuracy of the data and completeness of claims and related reserves. The loss data was reviewed for reasonableness and consistency and claim reserve adjustments made during the fiscal year are noted in the report. Additional information to complete the report was provided through November 2, 2009.

We understand the intended use of the loss and loss expense reserve estimate as of September 30, 2009 is for external financial reporting and internal management reporting. We are unaware of any potential conflicts that may arise from this dual usage.

There were no significant constraints (such as limited data, access to staff, or limited time) on our ability to conduct this actuarial analysis.

The District Government has no insurance on its workers' compensation, general liability, and automobile liability risks except for the workers' compensation medical Work Injury Program for uniformed officers. Large claims can have a large impact on the estimate of the ultimate loss and loss expense for a policy year. It does not appear that all of the closed claims, for all reported years, were included for the civilian DCP program claims. Thus, a portion of the paid loss and loss expense for some policy years is not included in the DCP program claims database.

Based on the contract terms and representation of the administration and financing of the Occupational Medical Services portion of the Work Injury Program for uniformed employees and the assessment that the Occupational Medical Services portion of the Program is a fully insured contractual arrangement with PFC Associates, no loss reserves for medical services are determined.

We relied on the interpretation of provisions for the Work Injury Program's workers compensation coverage effective October 1, 2004. These provisions establish that medical and indemnity benefits would be provided for no longer than two years from the later of October 1, 2004 or date of injury. After 172 (192 for DCFD) working days in a less-than-full-duty status over a two-year period, MPD and FEMS employees will be processed for disability retirement. Any liability associated with medical costs incurred, after processing as a disability retirement, is not considered in this loss reserve liability study for workers' compensation coverage. Furthermore, no loss and loss expense reserve is included for the medical liabilities associated with the Work Injury Program.

Due to the practical application of the two-year limitation of benefits and the uncertainty in the estimate of the loss reserve for the MPD and FEMS Self-Insured Program, there is no discounting of the indemnity compensation loss and loss expense reserve for this program.

Results of this study are based on generally accepted actuarial procedures and methods, and professional judgment. The projections reflect assumptions regarding loss development, trend, and claim reporting patterns. The projections are based on data sources external to the ORM data. In general, the estimate of the loss and loss expense reserve is subject to significant variation due to the uncertainty of future contingent events. Changes in the economic, legal, and social environment may have significant impact on the frequency or severity of claims. We have assumed there will not be any extraordinary changes to factors that might impact the future cost of claims or expenses. Due to the inherent uncertainty associated with estimating future loss and expense payments, actual results will vary from the projections in this report.

This report produces an actuarial central estimate of the loss and loss expense reserve. The actuarial central estimate is defined as an estimate that represents an expected value over the range of reasonably possible outcomes. Such range of reasonably possible outcomes may not include all conceivable outcomes. For example, it would not include conceivable extreme events where the contribution of such events to an expected value is not reliably

estimable. There is no guarantee that the actual unpaid claim amount will necessarily fall within a range of reasonable estimates surrounding the actuarial central estimate. Using the actuarial central estimate is appropriate for use in internal management and external financial reporting.

The present value of the loss and loss expense reserve estimate is included in the report assuming a three percent annual interest rate. No opinion is expressed regarding the appropriateness of the interest rate used in this report.

Defense costs, also known as allocated loss adjustment expense or defense and cost containment expense (called loss expense in this report), are included in the estimate. There is no provision in the loss and loss expense reserve for other adjusting costs.

## DISTRIBUTION AND USE

This actuarial report has been prepared solely for the internal business use of ORM. However, the ORM may provide this report to a third party without our prior consent. The report must be provided to the third party in its entirety and this party must understand that this report was not prepared for its benefit. Distribution of this report to a third party will not result in the creation of any duty or liability to the third party. The third party must understand the assumptions and uncertainties inherent in the estimates made in this report.

## ANALYSIS

### WORKERS COMPENSATION DISABILITY COMPENSATION PROGRAM (DCP)

The loss data received from the ORM included claim detail such as claim type (medical only, loss time, death benefit, permanent total disability, etc.), claim number, claimant name, incident date, received date, claim status (open or closed), amounts paid, amounts outstanding, and amounts incurred. The expense contained in the loss data will be referred to as loss expense (these are the loss expenses that are "allocated" to an individual claim).

There are 9,310 claims in the workers compensation loss database (there were 8,400 in last year's actuarial report), of which, 7,719 are closed claims (there were 6,400 in last year's actuarial report) and 1,591 are open claims (there were 2,000 in last year's actuarial report).

The case loss and loss expense reserve for claims incurred (i.e., with a date of loss) prior to October 1, 1983 is \$16.1 million as of September 30, 2009. The case loss and loss expense reserve for this period was \$14.3 million as of September 30, 2008. This represents a case loss and loss expense reserve increase of \$1.8 million for claims that are over 25 years old. A number of policy years prior to and including 10/1/2000-01 show rather large changes in the incurred loss between the September 30, 2008 and September 30, 2009 evaluations. Per ORM staff analysis, a significant portion of these claim increases are due to the following three types of claim adjustments:

1. Certain individuals are certified as deemed permanently disabled from work and vocational rehabilitation is not an option,
2. Others are participants certified for active rehabilitation as an effort to return to work, and
3. Others are certified as active medical with some surgical intervention.

Although we cannot anticipate when these claim adjustments will be made, we have made an explicit adjustment for these older claim increases in our loss reserve evaluation.

A summary of the closed and open claims as of September 30, 2009 is in Exhibit WC-6, page 1. The number of claims, total paid amount, and case reserve amount are shown by policy year separately for closed and open claims. For comparison purposes, the summary of closed and open claims used in the previous actuarial reports from year ending 2008 to 2005 are in Exhibit WC-6, page 2 through 5, respectively.

#### Estimated Loss and Loss Expense Reserve

As the loss database does not appear to include all of the closed claims for most of the older policy years, a method to estimate the IBNR loss and loss expense reserve will use factors applied to the case reserve amount. It is assumed that we have received the correct dollar amounts for the case reserve. The IBNR to case reserve factors are based on the paid loss development factor and the incurred loss development factor.

The District Government's history of paid and incurred loss development is in Exhibit WC-10 and Exhibit WC-11, respectively. The District Government's history of reported claim counts is in Exhibit WC-12. The exhibits show the paid (or incurred) loss dollars or reported claim counts starting with policy year 10/1/2004-05, evaluated as of September 30 of each year. For example, the 12 month evaluation of policy year 10/1/2004-05 is the losses evaluated as of September 30, 2005; the 12 month evaluation of policy year 10/1/2005-06 is the losses evaluated as of September 30, 2006; and the 24 month evaluation of policy year 10/1/2005-06 is the losses evaluated as of September 30, 2007. The losses include all of the paid (or incurred) losses for all claims with a loss date in the policy year. The historical loss development data begins with policy year 10/1/2004-05 as that policy year appears

to be the first year where the data for all claims with a loss date in the policy year are included in the loss data received from the District Government.

The District Government's historical loss development data can be used in the process of selecting loss development factors for the methods to estimate the ultimate loss and loss expense. A comparison of the loss development factors for the District Government and insurance industry data is shown in Exhibit WC-9, page 2. The selected paid and incurred loss development factors are shown in Exhibit WC-9, page 2. The insurance industry data factors were selected for use for the District Government. The District Government factors are somewhat stable, However, there is enough variation in the individual policy years that the insurance industry factors are selected at this time. As more years of loss development become available and the factors become more consistent, the District Government data may be used in the selection process.

The selected loss development factors are used to estimate the ultimate loss and loss expense using paid and incurred loss and loss expense at various months of development. The number of months of development for a policy year is based on the beginning date of the policy year to the evaluation date of the losses. For example, policy year 10/1/2007-08 losses evaluated at September 30, 2009 are at 24 months of development. This policy year would use the 24 month to ultimate loss development factor in the loss development factor method to estimate the ultimate loss and expense for the policy year.

Policy years 10/1/2000-01 and prior do not appear to include the paid and incurred loss and loss expense data for all claims with a loss date in the policy year. For these policy years, another method is used to estimate the IBNR reserve. This method uses an IBNR to case reserve factor and applies it to the case loss and loss expense reserve to estimate the IBNR reserve. The IBNR to case reserve factor can be derived from the paid and incurred loss development factors as shown in Exhibit WC-7, page 1. However, many of the older policy years appear to contain significant changes in the case loss reserves and incurred loss and loss expense from one evaluation to another. In the past, it has been assumed that these significant changes would not continue, however, given these changes have occurred over the past three years (since the September 30, 2007 evaluation), some adjustment should be made to the IBNR case reserve factor method to provide a reasonable estimate of the IBNR for these older policy years.

An adjustment is made based on the change in the average incurred loss and loss expense per reported claim (loss severity) shown in Exhibit WC-7, page 2. The average loss severity in policy years 10/1/2000-01 and prior has increased over 30 percent per year over the past three years. This suggests the average loss severity over a number of policy years continues to increase at a fairly substantial rate, well above the insurance industry average. Thus, it is reasonable to increase the IBNR to case reserve factor to consider the District Government's higher development of losses for these older policy years. A factor of 1.30 has been selected and is applied to the IBNR to case reserve factor in Exhibit WC-7, page 1 to determine the adjusted IBNR to case reserve factor. This adjusted factor will help recognize the additional amount of IBNR loss reserves that is necessary for these older policy years based on the recent historical changes in the case loss reserve and incurred loss amount. Using the adjusted IBNR to case reserve factors from Exhibit WC-7, page 1, an estimate of the IBNR reserves for each policy year is shown in Exhibit WC-5, page 2.

Four methods were used to estimate ultimate loss and loss expense. One estimate of the ultimate loss and loss expense is to apply a factor (ultimate to case and IBNR reserve) to the case and estimated IBNR reserve. This procedure is used for policy years 10/1/2001-02 to the current policy year in Exhibit WC-5, page 2. This exhibit also shows another estimate of the ultimate loss and loss expense (for the same policy years) if the paid loss is added to the case reserve and estimated IBNR reserve.

Two generally accepted actuarial methods used to project the ultimate loss and loss expenses are shown in Exhibit WC-5, page 1. These methods apply a paid (or incurred) loss development factor to the paid (or incurred) loss and loss expense. These methods are applied to policy years 10/1/2001-02 to the current policy year.

Exhibit WC-4, page 1 summarizes the estimated ultimate loss and loss expense using the four methods described above for policy years 10/1/2001-02 to the current policy year. The ultimate loss and loss expense is selected for each policy year by applying weights to each method. The two methods that appear to provide the most reasonable and consistent estimates are the incurred loss development factor method and the paid loss development factor method.

Exhibit WC-2 shows the estimated case and IBNR reserves for each policy year. The estimated IBNR reserves for policy years 10/1/2000-01 and prior use the estimate from Exhibit WC-5, page 2. Policy years 10/1/2001-02 to current policy year use the selected ultimate loss and loss expense to determine the estimated IBNR for each policy year.

For all policy years combined, the estimated IBNR reserve is \$58.8 million (it was \$40.2 million as of 9/30/2008). With case loss and loss expense reserves of \$88.1 million (it was \$62.8 million as of 9/30/2008), the total case and IBNR reserve for loss and loss expense is \$146.9 million (it was \$103.0 million as of 9/30/2008). The ratio of the IBNR reserve to case reserve is 0.667 (it was 0.640 as of 9/30/2008). Thus, the relationship between IBNR and case loss reserves has not increased significantly from the prior estimate.

The total (case and IBNR) loss and loss expense reserve increase is due to two main factors:

1. The case loss and loss expense reserves increased \$25.3 million from September 30, 2008 to September 30, 2009. About \$17.0 million of the increase in the case loss and loss expense reserve is from open claims in policy years 10/1/2000-01 and prior. Given the maturity of these policy years, it is generally expected that the case loss and loss expense reserves will decrease as the loss and loss expense amounts are paid during the current fiscal year.
2. The method used to estimate the IBNR loss and loss expense reserve for policy years 10/1/2000-01 and prior has been adjusted by applying an additional multiplicative factor of 1.30. This factor takes into consideration the additional loss development expected that is greater than anticipated by the insurance industry loss development factors. The expected additional loss development is observed in the historical loss data received from the District Government from 9/30/2006 to 9/30/2009. The 1.30 factor is derived by observing the annual change in the average incurred loss per reported claim for the older policy years.

#### Exposure Analysis

Exhibit WC-4, page 2 shows the selected ultimate loss and loss expense rate per \$100 of payroll for policy years 10/1/2002-03 to the current policy year. The loss rate per \$100 of payroll provides management information on the ultimate cost of workers compensation for claims that occur in a policy period. The loss rate also may help determine trends in the cost of workers compensation losses to assist in the risk management process.

#### Run-Off Development

A run-off test of the paid losses is performed in Exhibit WC-3. The run-off test compares the expected and actual paid loss for the selected policy periods (10/1/2001-02 to 10/1/2008-09) from October 1, 2008 to September 30, 2009. The expected paid loss is calculated using the selected ultimate loss and loss expense in Exhibit WC-4, page 1 and the paid loss development factors from Exhibit WC-9. The total expected paid loss and loss expense for the selected policy periods is \$11.7 million. The actual paid loss and loss expense is \$12.1 million.

## Present Value

As it takes a number of years for all of the workers compensation claims to be paid and closed for a given policy year, the present value of the loss and loss expense reserve considers the timing of when the loss amounts will be paid and an implicit real rate of return accrued on District Government funds set aside to pay claims. That implicit rate of return is comparable to interest earned on money deposited into an interest bearing account with a similar duration to the claim. Exhibit WC-8 shows the calculation of the present value factor at a three percent annual interest rate of return.

The calculation of the present value of the loss and loss expense reserve is shown in Exhibit WC-1. After consideration of a three percent annual interest rate of return, the present value of the loss and loss expense reserve as of September 30, 2009 is \$130.1 million.

## WORKERS' COMPENSATION - MPD AND FEMS

### Work Injury Program For Uniform Workers

Each agency with uniform workers is responsible for paying 100 percent of compensation indemnity payment to their members on performance of duty (POD) injuries. Medical services for POD injuries are provided through PFC Associates-affiliated physicians and medical facilities. Since the medical services are fully insured, only the indemnity loss reserves are analyzed.

### Indemnity Compensation Paid While on Disability Reserves

The indemnity reserves are determined separately for MPD and FEMS.

### METROPOLITAN POLICE DEPARTMENT - MPD

The data received (on November 2, 2009) from MPD includes a list of closed and open claims as of September 30, 2009. The workers compensation system for MPD provides a maximum benefit within a two-year period of time beginning October 1, 2004. The average hourly rate is calculated using the data received from MPD.

The first component of the indemnity loss reserve is the estimate for known claims. Exhibit PF-2 shows there are 85 open claims as of September 30, 2009. The data received from the MPD includes the number of POD hours used thus far for each claim. The estimated IBNR reserve for the open POD claims assumes that the open claims, on average, will attain the maximum number of hours available to MPD officers, 172 days (172 days x 8 hours is 1,376 hours). Column (5) in Exhibit PF-2 shows the estimated number of hours used in the calculation of the indemnity loss reserve for the open claims.

The second component of the indemnity loss reserve is the estimate for those claims with a date of injury on or before September 30, 2009 but not yet reported. The estimate of the number of claims to be reported is based on the average number of claims reported in the past year. On average, there are approximately 67 claims assumed per month. Exhibit PF-2 shows the estimated future number of claims is four (67 expected claims per month less 63 total claims reported thus far) for the month of September and zero for the prior months.

For the closed claims that were paid for over 20 days (160 hours), the average number of hours these claims were paid was for approximately 500 hours. The four expected new claims multiplied by the average number of hours for claims paid for over 20 days (160 hours) multiplied by the average hourly rate produces an estimate of the indemnity reserve for the expected incurred but not yet reported claims for injury dates on and prior to September 30, 2009 (\$66,757).

The total indemnity case and IBNR loss reserve is \$1,960,663 for MPD officers on POD as of September 30, 2009. The calculation of the indemnity reserve for open claims is somewhat conservative given that all of the remaining open claims, on average, will not reach the allowed maximum number of hours. However, given the uncertainty in the calculation of the loss reserve, the estimated indemnity case and IBNR loss reserve is in the range of reasonableness.

**DISTRICT OF COLUMBIA FIRE AND EMERGENCY MEDICAL SERVICES DEPARTMENT - FEMS**

The data received (on November 2, 2009) from FEMS includes a list of closed and open claims as of September 30, 2009. The workers compensation system provides a maximum benefit for a two-year period of time beginning October 1, 2004. The average hourly rate is calculated using the data received from FEMS.

The first component of the indemnity loss reserve is the estimate for known claims. Exhibit PF-3 shows that there are 26 open claims as of September 30, 2009. The data received from the FEMS includes the number of POD hours used thus far for each claim and the estimated number of future hours each of the open claims is expected to use. Thus, the case reserve estimate is the FEMS estimate of the future hours multiplied by the average hourly rate for the open claims. The estimated IBNR reserve for the open POD claims assumes that, on average, they will attain the maximum number of hours available to DCFD workers, 192 days (192 days x 8 hours is 1,536 hours). Columns (7) and (8) in Exhibit PF-3 show the estimated indemnity case and IBNR loss reserve for the open claims.

The second component of the indemnity loss reserve is the estimate for those claims with a date of injury on or before September 30, 2009 but not yet reported. The estimate of the number of claims to be reported is based on the average number of claims reported in the past year. On the average, there are about 30 claims per month. Exhibit PF-3 shows the estimated future number of claims is two (30 expected claims per month less 28 total claims reported thus far) for the month of September and zero for the prior months. Thus, the estimate of the indemnity reserve for the estimated incurred but not yet reported claims for injury dates on September 30, 2009 and prior is \$22,421.

The total indemnity case and IBNR loss reserve is \$952,298 for DCFD employees on POD as of September 30, 2009. The calculation of the indemnity reserve for open claims is somewhat conservative, given that all of the remaining open claims, on average, will not reach the allowed maximum number of hours. However, given the uncertainty in the calculation of the loss reserve, the estimated indemnity case and IBNR loss reserve is in the range of reasonableness.

## GENERAL LIABILITY (Non-Automobile)

There are 6,856 claims (compared to 6,313 in the 9/30/2008 study) in the general liability loss database, of which 6,278 (compared to 5,611 in the 9/30/2008 study) are closed claims and 578 (compared to 702 in the 9/30/2008 study) are open claims.

A summary of the closed and open claims is in Exhibit GL-6. The number of claims, total paid amount, and case reserve amount are shown by policy year separately for closed and open claims. Page 1 shows the data as of September 30, 2009. For comparison purposes, page 2 shows the data as of September 30, 2008, page 3 shows the data as of September 30, 2007, page 4 shows the data as of September 30, 2006, and page 5 shows the data as of September 30, 2005.

There is very little, if any, claim data for the property self-insurance program. Thus, it has been ignored in this study as it is immaterial to the financial results.

### Estimated Loss and Loss Expense Reserve

As the loss database does not appear to include all of the closed claims for most of the policy years, a method to estimate the IBNR loss and loss expense reserve will use factors applied to the case reserve amount (similar to the procedure described in the Workers' Compensation section). The IBNR to case reserve factors are based on the paid loss development factor and the incurred loss development factor.

The selected paid and incurred loss development factors are shown in Exhibit GL-9. These factors are based on nationwide insurance industry data for general liability. These factors are used to estimate the ultimate loss and loss expense using paid and incurred loss and loss expense at various months of development. The number of months of development for a policy year is based on the beginning date of the policy year to the evaluation date of the losses.

The IBNR to case reserve factor can be derived with some manipulation of the paid and incurred loss development factors. The ratio of the IBNR to case reserve factors are developed in Exhibit GL-7. For example, the ratio of the IBNR to case reserve for a policy year at 12 months of development is 4.087. This implies that the IBNR reserve is 4.087 times the case reserve for policy year 10/1/2008-09.

Using the IBNR to case reserve factors from Exhibit GL-7, the estimated IBNR reserves for each policy year is shown in Exhibit GL-5, page 2. One estimate of the ultimate loss and loss expense is to apply a factor (i.e. ultimate to case and IBNR reserve) to the case and estimated IBNR reserve. This procedure is used for policy year 10/1/2002-03 through the current policy year. This exhibit also shows another estimate of the ultimate loss and loss expense (for the same policy years), if the paid loss is added to the case reserve and estimated IBNR reserve.

Two generally accepted actuarial methods used to project the ultimate loss and loss expenses are shown in Exhibit GL-5, page 1. These methods apply a paid (or incurred) loss development factor to the paid (or incurred) loss and loss expense. These methods are applied to policy years 10/1/2001-02 through the current policy year.

Exhibit GL-4 summarizes the estimated ultimate loss and loss expense using the four methods described above for policy years 10/1/2001-02 to the current policy year. The ultimate loss and loss expense is selected for each policy year by applying weights to each method. The two methods that appear to provide the most reasonable and consistent estimates are the incurred loss development factor method and the method that adds the paid loss to the case reserve and estimated IBNR reserve.

Exhibit GL-2 shows the estimated case and IBNR reserves for each policy year. The estimated IBNR reserve for policy year 10/1/2000-01 and prior years use the estimate from Exhibit GL-5, page 2. Policy year 10/1/2001-02 and later years use the selected ultimate loss and loss expense to determine the estimated IBNR for each policy year. For all policy years combined, the estimated IBNR reserve is \$4.7 million. With case loss and loss expense reserves of \$3 million, the total case and IBNR reserve for loss and loss expense before discounting is \$7.7 million as of September 30, 2009.

For comparison purposes, the case loss and loss expense reserves was \$4.7 million and the estimated IBNR reserve was \$6.5 million as of September 30, 2008. The total case and IBNR reserve for loss and loss expense before discounting was \$11.2 million as of September 30, 2008.

### **Run-Off Development**

A run-off test of the paid losses is performed in Exhibit GL-3. The run-off test compares the expected and actual paid loss for the selected policy periods 10/1/2001-02 to 10/1/2008-09. The expected paid loss is calculated using the selected ultimate loss and loss expense in Exhibit GL-4, page 1 and the paid loss development factors from Exhibit GL-9. The total expected paid loss and loss expense for the selected policy periods is \$1.6 million. The actual paid loss and loss expense is \$1 million.

The run-off test for general liability may not necessarily be a valid comparison of the expected and actual paid loss and loss expense as it is likely the actual paid loss and loss expense from 9/30/2008 to 9/30/2009 for each policy year does not contain the paid loss and loss expense data for all general liability claims with a loss date in the policy year. As an example, policy year 10/1/2001-02 has paid loss and loss expense of \$503,652 as of 9/30/2008 and \$481,652 as of 9/30/2009, resulting in a paid loss and loss expense decrease of \$22,000 during the 9/30/2008 to 9/30/2009 time period for policy year 10/1/2001-02.

### **Present Value**

As it takes a number of years for all of the general liability claims to be paid and closed for a given policy year, the present value of the loss and loss expense reserve considers the timing of when the loss amounts will be paid and an implicit real rate of return accrued on District Government funds set aside to pay claims. That implicit rate of return is comparable to interest earned on money deposited into an interest bearing account with a similar duration to the claim. Exhibit GL-8 shows the calculation of the present value factor at a three percent annual interest rate of return.

The calculation of the present value of the loss and loss expense reserve is shown in Exhibit GL-1. After consideration of a three percent annual interest rate of return, the present value of the loss and loss expense reserve after discounting as of September 30, 2009 is \$6.9 million.

## AUTOMOBILE LIABILITY

There are 5,469 claims (compared to 4,529 in the 9/30/2008 study) in the automobile liability loss database, of which 4,718 (compared to 3,823 in the 9/30/2008 study) are closed claims and 751 (compared to 706 in the 9/30/2008 study) are open claims.

A summary of the closed and open claims is in Exhibit AL-6. The number of claims, total paid amount, and case reserve amount are shown by policy year separately for closed and open claims. Page 1 shows the data as of September 30, 2009. For comparison purposes, page 2 shows the data as of September 30, 2008, page 3 shows the data as of September 30, 2007, page 4 shows the data as of September 30, 2006, and page 5 shows the data as of September 30, 2005.

There are several policy years that show an unexpected drop in the claim counts from the 9/30/2008 to 9/30/2009 evaluation. However, the change in the paid and incurred loss appears to be reasonable for these policy years.

### Estimated Loss and Loss Expense Reserve

As the loss database does not appear to include all of the closed claims for most of the policy years, a method to estimate the IBNR loss and loss expense reserve will use factors applied to the case reserve amount (similar to the procedure described in the Workers' Compensation section). The IBNR to case reserve factors are based on the paid loss development factor and the incurred loss development factor.

The selected paid and incurred loss development factors are shown in Exhibit AL-9. These factors are based on nationwide insurance industry data for commercial automobile liability business. These factors are used to estimate the ultimate loss and loss expense using paid and incurred loss and loss expense at various months of development. The number of months of development for a policy year is based on the beginning date of the policy year to the evaluation date of the losses.

The IBNR to case reserve factor can be derived with some manipulation of the paid and incurred loss development factors. The ratio of the IBNR to case reserve factors are developed in Exhibit AL-7. For example, the ratio of the IBNR to case reserve for a policy year at 12 months of development is 1.116. This implies that the IBNR reserve is 1.116 times the case reserve for policy year 10/1/2008-09.

Using the IBNR to case reserve factors from Exhibit AL-7, the estimated IBNR reserves for each policy year is shown in Exhibit AL-5, page 2. One estimate of the ultimate loss and loss expense is to apply a factor (i.e. ultimate to case and IBNR reserve) to the case and estimated IBNR reserve. This procedure is used for policy years 10/1/2001-02 through the current policy year). This exhibit also shows another estimate of the ultimate loss and loss expense (for the same policy years) if the paid loss is added to the case reserve and estimated IBNR reserve.

Two generally accepted actuarial methods used to project the ultimate loss and loss expenses are shown in Exhibit AL-5, page 1. These methods apply a paid (or incurred) loss development factor to the paid (or incurred) loss and loss expense. These methods are applied to policy years 10/1/2001-02 to the current policy year.

Exhibit AL-4 summarizes the estimated ultimate loss and loss expense using the four methods described above for policy years 10/1/2001-02 to the current policy year. The ultimate loss and loss expense is selected for each policy year by applying weights to each method. The two methods that appear to provide the most reasonable and consistent estimates are the incurred loss development factor method and the method that adds the paid loss to the case reserve and estimated IBNR reserve. All of the policy years use an equal weighting of these two methods to determine the selected ultimate loss and loss expense.

Exhibit AL-2 shows the estimated case and IBNR reserves for each policy year. The estimated IBNR reserve for policy year 10/1/2000-01 and prior years uses the estimate from Exhibit AL-5, page 2. From policy year 10/1/2001-02 to the current policy year, the selected ultimate loss and loss expense is used to determine the estimated IBNR for each policy year. For all policy years combined, the estimated IBNR reserve is \$1.2 million. With case loss and loss expense reserves of \$1.4 million, the total case and IBNR reserve for loss and loss expense before discounting is \$2.6 million as of September 30, 2009.

For comparison purposes, as of September 30, 2008, the case loss and loss expense reserves were \$3 million with an estimated IBNR reserve of \$1.6 million. The total case and IBNR reserve for loss and loss expense before discounting was \$4.6 million as of September 30, 2008.

### **Run-Off Development**

A run-off test of the paid losses is performed in Exhibit AL-3. The run-off test compares the expected and actual paid loss for the selected policy periods 10/1/2001-02 to 10/1/2008-09. The expected paid loss is calculated using the selected ultimate loss and loss expense in Exhibit AL-4, page 1 and the paid loss development factors from Exhibit AL-9. The total expected paid loss and loss expense for the selected policy periods is \$1.14 million. The actual paid loss and loss expense is \$1.23 million.

### **Present Value**

As it takes a number of years for all of the automobile liability claims to be paid and closed for a given policy year, for funding purposes, it is necessary to fund the present value (discounted) of the entire case and IBNR loss and loss expense reserve amount. The present value of the loss and loss expense reserve considers the timing of when the loss amounts will be paid and an implicit real rate of return accrued on District Government funds set aside to pay claims. That implicit rate of return is comparable to interest earned on money deposited into an interest bearing account with a similar duration to the claim. Exhibit AL-8 shows the calculation of the present value factor at a three percent annual interest rate of return.

The calculation of the present value of the loss and loss expense reserve is shown in Exhibit AL-1. After consideration of three percent annual interest rate of return, the present value of the loss and loss expense reserve after discounting as of September 30, 2009 is \$2.4 million.

District of Columbia  
Self-Insured Program  
Workers Compensation, General Liability, and Automobile Liability

Summary of Loss and Loss Expense Reserve as of 9/30/2009

	Case Loss and Loss Expense Reserve (1)	IBNR Loss and Loss Expense Reserve (2)	Case & IBNR Loss and Loss Expense Reserve (3)	Present Value of Case and IBNR Loss and Loss Expense Reserve (4)
<u>Workers Compensation</u>				
DCP	88,135,789	58,786,433	146,922,222	130,075,121
Police	1,893,906	66,757	1,960,663	1,960,663
Fire	446,952	505,346	952,298	952,298
<u>Total Workers Compensation</u>	90,476,647	59,358,536	149,835,183	132,988,082
<u>Tort Liability</u>				
General Liability	3,036,874	4,685,787	7,722,661	6,903,546
Automobile Liability	1,364,655	1,208,543	2,573,198	2,424,499
<u>Total Tort Liability</u>	4,401,529	5,894,330	10,295,859	9,328,045
<u>DCORM and Police and Fire Self-Insured Program</u>				
Workers Compensation Total	90,476,647	59,358,536	149,835,183	132,988,082
General and Automobile Liability Total	4,401,529	5,894,330	10,295,859	9,328,045
<u>Total</u>	94,878,176	65,252,866	160,131,042	142,316,127

NOTES:

- Summary of figures from Exhibit WC-1, Exhibit WC-2, Exhibit GL-1, Exhibit GL-2, Exhibit AL-1, Exhibit AL-2 and Exhibit PF-1.
- Present value of the Case and IBNR for Loss and Loss Expense Reserve as of 9/30/2008:

	Present Value of Case and IBNR Loss and Loss Expense Reserve
<u>Workers Compensation</u>	
DCP	89,894,906
Police	784,146
Fire	858,209
<u>Total Workers Compensation</u>	91,537,261
General Liability	9,864,676
Automobile Liability	4,349,295
<u>Total Tort Liability</u>	14,213,971
<u>DCORM and Police and Fire Self-Insured Program</u>	
Workers Compensation Total	91,537,262
General and Automobile Liability Total	14,213,970
<u>Total</u>	105,751,232

District of Columbia  
Disability Compensation Program  
Workers Compensation

Present Value of Case and IBNR Loss and Loss Expense Reserve  
Estimate as of 9/30/2009

Policy Year	Month of Development (1)	Estimated Case and IBNR Reserves (2)	Present Value Factor (3)	Present Value of Case and IBNR Reserves (2) x (3) (4)
Prior	324	17,797,340	0.957	17,030,435
10/1/1983-84	312	6,419,470	0.952	6,108,475
10/1/1984-85	300	2,070,028	0.941	1,948,741
10/1/1985-86	288	4,175,557	0.935	3,905,776
10/1/1986-87	276	2,245,496	0.930	2,088,757
10/1/1987-88	264	3,890,198	0.921	3,584,340
10/1/1988-89	252	1,600,112	0.917	1,467,684
10/1/1989-90	240	4,895,311	0.912	4,464,183
10/1/1990-91	228	1,914,982	0.906	1,734,733
10/1/1991-92	216	5,063,740	0.898	4,544,730
10/1/1992-93	204	2,724,120	0.891	2,428,165
10/1/1993-94	192	5,001,692	0.885	4,425,481
10/1/1994-95	180	4,083,415	0.879	3,590,534
10/1/1995-96	168	3,072,169	0.873	2,682,269
10/1/1996-97	156	8,416,437	0.868	7,301,270
10/1/1997-98	144	3,254,655	0.862	2,806,167
10/1/1998-99	132	3,382,862	0.856	2,896,133
10/1/1999-00	120	3,493,633	0.850	2,967,961
10/1/2000-01	108	8,370,933	0.843	7,053,585
10/1/2001-02	96	2,095,565	0.836	1,752,374
10/1/2002-03	84	4,715,844	0.830	3,914,956
10/1/2003-04	72	2,792,487	0.832	2,324,578
10/1/2004-05	60	5,379,107	0.835	4,490,143
10/1/2005-06	48	5,361,532	0.843	4,521,966
10/1/2006-07	36	7,088,117	0.853	6,047,974
10/1/2007-08	24	8,853,453	0.861	7,625,925
10/1/2008-09	12	18,763,967	0.872	16,367,784
Total		146,922,222		130,075,121

NOTES:

1. Column (2) is from Exhibit WC-2.
2. Column (3) is from Exhibit WC-8.

District of Columbia  
Disability Compensation Program  
Workers Compensation

Case and IBNR Loss and Loss Expense Reserve Estimate as of 9/30/2009

Policy Year	Total Paid Loss and Loss Expense (1)	Total Case Loss and Loss Exp. Reserves (2)	Total Incurred Loss and Loss Expense (3)	Selected Ultimate Loss and Loss Expense (4)	Estimated IBNR Reserves (5)	Estimated Case and IBNR Reserves (2) + (5) (6)
Prior	12,750,685	16,118,176	28,868,861		1,679,164	17,797,340
10/1/1983-84	2,375,387	5,725,074	8,100,462		694,396	6,419,470
10/1/1984-85	1,867,165	1,796,456	3,663,621		273,573	2,070,028
10/1/1985-86	1,378,156	3,524,890	4,903,046		650,667	4,175,557
10/1/1986-87	1,526,310	1,795,408	3,321,718		450,088	2,245,496
10/1/1987-88	2,537,751	2,817,857	5,355,608		1,072,341	3,890,198
10/1/1988-89	1,189,032	1,037,548	2,226,580		562,564	1,600,112
10/1/1989-90	2,954,418	3,007,655	5,962,073		1,887,656	4,895,311
10/1/1990-91	1,577,798	1,152,307	2,730,105		762,675	1,914,982
10/1/1991-92	1,934,253	2,928,666	4,862,919		2,135,074	5,063,740
10/1/1992-93	2,335,196	1,548,808	3,884,003		1,175,312	2,724,120
10/1/1993-94	2,261,238	2,785,860	5,047,098		2,215,832	5,001,692
10/1/1994-95	3,394,448	2,225,570	5,620,018		1,857,845	4,083,415
10/1/1995-96	1,965,523	1,638,572	3,604,095		1,433,597	3,072,169
10/1/1996-97	3,481,063	4,395,575	7,876,638		4,020,862	8,416,437
10/1/1997-98	2,457,767	1,641,555	4,099,322		1,613,100	3,254,655
10/1/1998-99	3,582,424	1,633,523	5,215,946		1,749,339	3,382,862
10/1/1999-00	3,611,722	1,531,576	5,143,298		1,962,057	3,493,633
10/1/2000-01	3,707,461	3,269,835	6,977,296		5,101,098	8,370,933
10/1/2001-02	4,702,736	1,743,469	6,446,205	6,798,301	352,096	2,095,565
10/1/2002-03	6,160,092	4,718,239	10,878,332	10,875,936	-2,396	4,715,844
10/1/2003-04	6,668,489	1,474,393	8,142,881	9,460,975	1,318,094	2,792,487
10/1/2004-05	10,335,139	2,771,256	13,106,395	15,714,247	2,607,852	5,379,107
10/1/2005-06	7,738,568	2,318,616	10,057,184	13,100,100	3,042,916	5,361,532
10/1/2006-07	6,844,530	2,825,774	9,670,303	13,932,647	4,262,343	7,088,117
10/1/2007-08	5,264,308	3,174,449	8,438,757	14,117,760	5,679,003	8,853,453
10/1/2008-09	2,617,993	8,534,684	11,152,677	21,381,960	10,229,283	18,763,967
Total	107,219,651	88,135,789	195,355,440		58,786,433	146,922,222

**NOTES:**

1. Columns (1) to (3) are from Exhibit WC-6.
2. Column (4) is from Exhibit WC-4.
3. Column (5) is from Exhibit WC-5, Page 2 for policy years 10/1/2000-01 and prior.  
The remaining years are Column (4) minus Column (3).

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Paid Loss and Loss Expense - Run Off Test of Actual versus Expected

Policy Year	Selected Ultimate Loss and Loss Expense (1)	Percent of Ultimate Loss Paid as of 9/30/2008 (2)	Percent of Ultimate Loss Paid as of 9/30/2009 (3)	Expected Paid Loss as of	
				9/30/2008 (1) x (2) (4)	9/30/2009 (1) x (3) (5)
10/1/2001-02	6,798,301	0.763	0.788	5,184,402	5,355,450
10/1/2002-03	10,875,936	0.722	0.763	7,852,147	8,294,017
10/1/2003-04	9,460,975	0.673	0.722	6,367,569	6,830,582
10/1/2004-05	15,714,247	0.597	0.673	9,374,538	10,576,241
10/1/2005-06	13,100,100	0.492	0.597	6,442,900	7,815,035
10/1/2006-07	13,932,647	0.357	0.492	4,979,319	6,852,364
10/1/2007-08	14,117,760	0.152	0.357	2,148,021	5,045,476
10/1/2008-09	21,381,960	0.000	0.152	0	3,253,271

Policy Year	Actual Paid Loss as of		Paid Loss From 9/30/2008 to 9/30/2009		Difference Between Expected and Actual (9) - (8) (10)
	9/30/2008 (6)	9/30/2009 (7)	Expected (5) - (4) (8)	Actual (7) - (6) (9)	
10/1/2001-02	3,972,492	4,702,736	171,049	730,244	559,195
10/1/2002-03	5,188,494	6,160,092	441,870	971,598	529,729
10/1/2003-04	6,276,901	6,668,489	463,013	391,587	-71,425
10/1/2004-05	9,113,160	10,335,139	1,201,703	1,221,979	20,277
10/1/2005-06	6,566,692	7,738,568	1,372,135	1,171,875	-200,259
10/1/2006-07	5,108,681	6,844,530	1,873,045	1,735,849	-137,195
10/1/2007-08	2,036,924	5,264,308	2,897,455	3,227,383	329,928
10/1/2008-09		2,617,993	3,253,271	2,617,993	-635,278
<b>Total</b>			<b>11,673,539</b>	<b>12,068,509</b>	<b>394,971</b>

**NOTES:**

1. Column (1) is from Exhibit WC-4.
2. Columns (2) and (3) are the reciprocal of the paid loss development factors from Exhibit WC-9.
3. Columns (6) and (7) are from Exhibit WC-6.

District of Columbia  
Disability Compensation Program  
Workers Compensation

Selected Ultimate Loss and Loss Expense

Policy Year	Total Paid Loss and Loss Expense	Total Case Loss and Loss Expense Reserve	Total Incurred Loss and Loss Expense	Estimated Ultimate Loss and Loss Expense Based on:	
	(1)	(2)	(3)	Paid Loss Dev. (4)	Incurred Loss Dev. (5)
10/1/2001-02	4,702,736	1,743,469	6,446,205	5,969,734	7,350,679
10/1/2002-03	6,160,092	4,718,239	10,878,332	8,077,723	12,741,411
10/1/2003-04	6,668,489	1,474,393	8,142,881	9,236,462	9,610,651
10/1/2004-05	10,335,139	2,771,256	13,106,395	15,356,016	15,953,067
10/1/2005-06	7,738,568	2,318,616	10,057,184	12,971,920	13,185,552
10/1/2006-07	6,844,530	2,825,774	9,670,303	13,916,718	13,943,266
10/1/2007-08	5,264,308	3,174,449	8,438,757	14,730,073	13,709,552
10/1/2008-09	2,617,993	8,534,684	11,152,677	17,206,627	24,165,516

Policy Year	Estimated Ultimate Loss and Loss Expense Based on:		Prior Report Selected Ult. Loss and Loss Expense	Selected Ult. Loss and Loss Expense
	IBNR To Case Reserve Est. #1 (6)	IBNR To Case Reserve Est. #2 (7)	(8)	(9)
10/1/2001-02	29,831,815	9,573,054	6,553,177	6,798,301
10/1/2002-03	79,705,037	20,715,300	10,302,580	10,875,936
10/1/2003-04	17,817,479	10,479,039	9,417,646	9,460,975
10/1/2004-05	28,227,489	17,434,674	15,731,619	15,714,247
10/1/2005-06	21,338,270	14,360,605	12,097,545	13,100,100
10/1/2006-07	21,504,881	15,250,942	13,877,664	13,932,647
10/1/2007-08	18,854,954	14,584,674	15,579,850	14,117,760
10/1/2008-09	42,697,935	30,465,249		21,381,960

**NOTES:**

- Columns (1) to (3) are from Exhibit WC-6.
- Columns (4) to (7) are from Exhibit WC-5.
- Column (8) is the estimate from the prior year's actuarial report.
- The selected ultimate loss and loss expense in Column (9) is shown for the seven recent policy years. The following weights are applied to Columns (4) to (7) for each policy year:

Policy Year	Column (4)	Column (5)	Column (6)	Column (7)
10/1/2001-02	40%	60%	0%	0%
10/1/2002-03	40%	60%	0%	0%
10/1/2003-04	40%	60%	0%	0%
10/1/2004-05	40%	60%	0%	0%
10/1/2005-06	40%	60%	0%	0%
10/1/2006-07	40%	60%	0%	0%
10/1/2007-08	40%	60%	0%	0%
10/1/2008-09	40%	60%	0%	0%

District of Columbia  
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Selected Ultimate Loss and Loss Expense Rate Per \$100 of Payroll

Policy Year	Total Paid Loss and Loss Expense (1)	Total Case Loss and Loss Expense Reserve (2)	Total Incurred Loss and Loss Expense (3)	Selected Ultimate Loss and Loss Expense (4)	Payroll (5)	Sel. Ultimate Loss Rate Per \$100 of Payroll (4) / [(5) / 100] (6)
10/1/2002-03	6,160,092	4,718,239	10,878,332	10,875,936	1,875,430,130	0.58
10/1/2003-04	6,668,489	1,474,393	8,142,881	9,460,975	1,980,932,980	0.48
10/1/2004-05	10,335,139	2,771,256	13,106,395	15,714,247	2,071,988,010	0.76
10/1/2005-06	7,738,568	2,318,616	10,057,184	13,100,100	2,241,123,055	0.58
10/1/2006-07	6,844,530	2,825,774	9,670,303	13,932,647	2,369,740,716	0.59
10/1/2007-08	5,264,308	3,174,449	8,438,757	14,117,760	2,564,292,467	0.55
10/1/2008-09	2,617,993	8,534,684	11,152,677	21,381,960	2,700,000,000	0.79
Total	45,629,118	25,817,410	71,446,528	98,583,625	15,803,507,357	0.62
Last 3 Years	14,726,830	14,534,907	29,261,737	49,432,367	7,634,033,183	0.65

NOTES:

- Columns (1) to (4) are from Exhibit WC-4, Page 1.
- Column (5) is provided by the DCORM. For the 10/1/2008-09 policy year, payroll is estimated.

District of Columbia  
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Estimated Ultimate Loss and Loss Expense  
Based on the Loss Development Factor Method

<u>Policy Year</u>	<u>Total Paid Loss and Loss Expense</u> (1)	<u>Total Incurred Loss and Loss Expense</u> (2)	<u>Paid Loss Dev. Factor</u> (3)	<u>Incurred Loss Dev. Factor</u> (4)
10/1/2001-02	4,702,736	6,446,205	1.269	1.140
10/1/2002-03	6,160,092	10,878,332	1.311	1.171
10/1/2003-04	6,668,489	8,142,881	1.385	1.180
10/1/2004-05	10,335,139	13,106,395	1.486	1.217
10/1/2005-06	7,738,568	10,057,184	1.676	1.311
10/1/2006-07	6,844,530	9,670,303	2.033	1.442
10/1/2007-08	5,264,308	8,438,757	2.798	1.625
10/1/2008-09	2,617,993	11,152,677	6.572	2.167

Estimated Ultimate Loss and  
Loss Expense Based on:

<u>Policy Year</u>	<u>Paid Loss Dev.</u> (1) x (3) (5)	<u>Inc. Loss Dev.</u> (2) x (4) (6)
10/1/2001-02	5,969,734	7,350,679
10/1/2002-03	8,077,723	12,741,411
10/1/2003-04	9,236,462	9,610,651
10/1/2004-05	15,356,016	15,953,067
10/1/2005-06	12,971,920	13,185,552
10/1/2006-07	13,916,718	13,943,266
10/1/2007-08	14,730,073	13,709,552
10/1/2008-09	17,206,627	24,165,516

NOTES:

1. Columns (1) and (2) are from Exhibit WC-6.
2. Columns (3) and (4) are from Exhibit WC-7.

District of Columbia  
Disability Compensation Program  
Workers Compensation

Estimated Ultimate Loss and Loss Expense  
Based on the Ratio of IBNR to Case Reserves

Policy Year	Month of Development	Ratio of IBNR to Case Reserve	Ultimate to Case and IBNR Reserve	All Claims Total Case Reserve	Estimated IBNR Reserve (2) x (4)	Case and IBNR Reserve (4) + (5)	Est. #1 of Ult. Loss and Loss Exp. (3) x (6)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Prior	324	0.104	482,318	16,118,176	1,679,164	17,797,340	---
10/1/1983-84	312	0.121	277,425	5,725,074	694,396	6,419,470	---
10/1/1984-85	300	0.152	194,827	1,796,456	273,573	2,070,028	---
10/1/1985-86	288	0.185	134,803	3,524,890	650,667	4,175,557	---
10/1/1986-87	276	0.251	95,663	1,795,408	450,088	2,245,496	---
10/1/1987-88	264	0.381	70,282	2,817,857	1,072,341	3,890,198	---
10/1/1988-89	252	0.542	53,387	1,037,548	562,564	1,600,112	---
10/1/1989-90	240	0.628	41,757	3,007,655	1,887,656	4,895,311	---
10/1/1990-91	228	0.662	33,486	1,152,307	762,675	1,914,982	---
10/1/1991-92	216	0.729	27,429	2,928,666	2,135,074	5,063,740	---
10/1/1992-93	204	0.759	22,876	1,548,808	1,175,312	2,724,120	---
10/1/1993-94	192	0.795	19,114	2,785,860	2,215,832	5,001,692	---
10/1/1994-95	180	0.835	16,073	2,225,570	1,857,845	4,083,415	---
10/1/1995-96	168	0.875	13,634	1,638,572	1,433,597	3,072,169	---
10/1/1996-97	156	0.915	11,675	4,395,575	4,020,862	8,416,437	---
10/1/1997-98	144	0.983	10,095	1,641,555	1,613,100	3,254,655	---
10/1/1998-99	132	1.071	8,812	1,633,523	1,749,339	3,382,862	---
10/1/1999-00	120	1.281	7,761	1,531,576	1,962,057	3,493,633	---
10/1/2000-01	108	1.560	6,893	3,269,835	5,101,098	8,370,933	---
10/1/2001-02	96	1.793	6,125	1,743,469	3,126,848	4,870,317	29,831,815
10/1/2002-03	84	2.085	5,476	4,718,239	9,636,968	14,555,208	79,705,037
10/1/2003-04	72	1.584	4,676	1,474,393	2,336,158	3,810,551	17,817,479
10/1/2004-05	60	1.562	3,976	2,771,256	4,328,280	7,099,535	28,227,489
10/1/2005-06	48	1.856	3,222	2,318,616	4,303,421	6,622,037	21,338,270
10/1/2006-07	36	1.975	2,558	2,825,774	5,580,638	8,406,412	21,504,881
10/1/2007-08	24	1.936	2,023	3,174,449	6,145,916	9,320,366	18,854,954
10/1/2008-09	12	2.263	1,533	8,534,684	19,312,572	27,847,256	42,697,935
<b>Total</b>				<b>88,135,789</b>	<b>86,268,043</b>	<b>174,403,832</b>	

Policy Year	Total Paid (8)	Est. #2 of Ult. Loss and Loss Exp. (6) + (8) (9)
10/1/2001-02	4,702,736	9,573,054
10/1/2002-03	6,160,092	20,715,300
10/1/2003-04	6,668,489	10,479,039
10/1/2004-05	10,335,139	17,434,674
10/1/2005-06	7,738,568	14,360,605
10/1/2006-07	6,844,530	15,250,942
10/1/2007-08	5,264,308	14,584,674
10/1/2008-09	2,617,993	30,465,249

**NOTES:**

1. The month of development is the number of months from the beginning of the policy year to the loss evaluation date of 9/30/2009.
2. Columns (2) and (3) are from Exhibit WC-7.
3. Columns (4) and (8) are from Exhibit WC-6, Page 1. The losses include allocated expenses (ALAE).

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Loss Data as of 9/30/2009

Policy Year	Closed Claims				Open Claims				All Claims			
	# of	Total	Total Case	Total	# of	Total	Total Case	Total	# of	Total	Total Case	Total
	Claims	Paid	Reserve	Incurred	Claims	Paid	Reserve	Incurred	Claims	Paid	Reserve	Incurred
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	
Prior	54	1,529,770	0	1,529,770	112	11,220,915	16,118,176	27,339,091	166	12,750,685	16,118,176	28,868,861
10/1/1983-84	6	93,784	0	93,784	18	2,281,604	5,725,074	8,006,678	24	2,375,387	5,725,074	8,100,462
10/1/1984-85	12	184,533	0	184,533	16	1,682,632	1,796,456	3,479,088	28	1,867,165	1,796,456	3,663,621
10/1/1985-86	2	28,556	0	28,556	15	1,349,599	3,524,890	4,874,489	17	1,378,156	3,524,890	4,903,046
10/1/1986-87	13	259,254	0	259,254	15	1,267,056	1,795,408	3,062,464	28	1,526,310	1,795,408	3,321,718
10/1/1987-88	8	302,927	0	302,927	24	2,234,824	2,817,857	5,052,681	32	2,537,751	2,817,857	5,355,608
10/1/1988-89	9	231,133	0	231,133	11	957,900	1,037,548	1,995,448	20	1,189,032	1,037,548	2,226,580
10/1/1989-90	9	182,711	0	182,711	24	2,771,706	3,007,655	5,779,361	33	2,954,418	3,007,655	5,962,073
10/1/1990-91	13	436,936	0	436,936	14	1,140,863	1,152,307	2,293,170	27	1,577,798	1,152,307	2,730,105
10/1/1991-92	13	502,719	0	502,719	14	1,431,534	2,928,666	4,360,200	27	1,934,253	2,928,666	4,862,919
10/1/1992-93	21	419,246	0	419,246	15	1,915,949	1,548,808	3,464,757	36	2,335,196	1,548,808	3,884,003
10/1/1993-94	23	165,437	0	165,437	25	2,095,801	2,785,860	4,881,661	48	2,261,238	2,785,860	5,047,098
10/1/1994-95	17	404,238	0	404,238	21	2,990,210	2,225,570	5,215,780	38	3,394,448	2,225,570	5,620,018
10/1/1995-96	24	470,025	126	470,150	17	1,495,498	1,638,447	3,133,945	41	1,965,523	1,638,572	3,604,095
10/1/1996-97	26	613,954	0	613,954	26	2,867,109	4,395,575	7,262,684	52	3,481,063	4,395,575	7,876,638
10/1/1997-98	27	620,632	0	620,632	18	1,837,135	1,641,555	3,478,690	45	2,457,767	1,641,555	4,099,322
10/1/1998-99	21	953,101	0	953,101	16	2,629,323	1,633,523	4,262,845	37	3,582,424	1,633,523	5,215,946
10/1/1999-00	49	1,559,553	0	1,559,553	20	2,052,170	1,531,576	3,583,745	69	3,611,722	1,531,576	5,143,298
10/1/2000-01	120	1,337,444	148	1,337,592	23	2,370,017	3,269,687	5,639,704	143	3,707,461	3,269,835	6,977,296
10/1/2001-02	160	1,637,207	0	1,637,207	28	3,065,529	1,743,469	4,808,998	188	4,702,736	1,743,469	6,446,205
10/1/2002-03	300	2,193,249	0	2,193,249	30	3,966,844	4,718,239	8,685,083	330	6,160,092	4,718,239	10,878,332
10/1/2003-04	855	4,000,180	0	4,000,180	36	2,668,308	1,474,393	4,142,701	891	6,668,489	1,474,393	8,142,881
10/1/2004-05	1,392	5,365,437	0	5,365,437	56	4,969,703	2,771,256	7,740,958	1,448	10,335,139	2,771,256	13,106,395
10/1/2005-06	1,428	3,850,684	92	3,850,775	59	3,887,884	2,318,524	6,206,408	1,487	7,738,568	2,318,616	10,057,184
10/1/2006-07	1,264	2,284,968	0	2,284,968	108	4,559,562	2,825,774	7,385,335	1,372	6,844,530	2,825,774	9,670,303
10/1/2007-08	1,160	1,839,279	514	1,839,793	184	3,425,028	3,173,936	6,598,964	1,344	5,264,308	3,174,449	8,438,757
10/1/2008-09	693	478,187	703	478,890	646	2,139,806	8,533,981	10,673,787	1,339	2,617,993	8,534,684	11,152,677
Total	7,719	31,945,143	1,582	31,946,724	1,591	75,274,509	88,134,207	163,408,716	9,310	107,219,651	88,135,789	195,355,440

NOTES:

- Summary of loss data received from the District of Columbia.
- Total Paid Loss is the sum of columns titled "Indemnity Paid", "Medical Paid", and "Expense Paid".
- Total Incurred is the sum of columns titled "Indemnity Incurred", "Medical Incurred", and "Expense Incurred".
- Claims are organized into the policy year based on the "Date of Loss".

District of Columbia  
Disability Compensation Program  
Workers Compensation

Loss Data as of 9/30/2008

Policy Year	Closed Claims				Open Claims				All Claims			
	# of	Total	Total Case	Total	# of	Total	Total Case	Total	# of	Total	Total Case	Total
	Claims	Paid	Reserve	Incurred	Claims	Paid	Reserve	Incurred	Claims	Paid	Reserve	Incurred
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Prior	46	871,419	0	871,419	119	9,407,866	14,298,900	23,706,766	165	10,279,285	14,298,900	24,578,185
10/1/1983-84	4	2,149	0	2,149	20	1,944,575	4,109,029	6,053,604	24	1,946,725	4,109,029	6,055,753
10/1/1984-85	10	158,389	0	158,389	18	1,380,346	1,891,278	3,271,624	28	1,538,735	1,891,278	3,430,013
10/1/1985-86	3	29,961	0	29,961	13	971,520	1,737,407	2,708,928	16	1,001,482	1,737,407	2,738,889
10/1/1986-87	13	259,254	0	259,254	14	985,026	1,459,797	2,444,824	27	1,244,281	1,459,797	2,704,078
10/1/1987-88	9	321,663	0	321,663	24	1,804,002	3,173,963	4,977,966	33	2,125,665	3,173,963	5,299,628
10/1/1988-89	9	242,192	0	242,192	11	711,887	421,402	1,133,289	20	954,079	421,402	1,375,481
10/1/1989-90	10	181,324	0	181,324	23	2,263,256	1,567,923	3,831,179	33	2,444,580	1,567,923	4,012,502
10/1/1990-91	12	413,792	0	413,792	13	946,559	1,153,813	2,100,372	25	1,360,352	1,153,813	2,514,165
10/1/1991-92	13	502,719	0	502,719	14	1,099,841	1,402,969	2,502,810	27	1,602,560	1,402,969	3,005,529
10/1/1992-93	19	364,780	0	364,780	16	1,598,810	1,243,339	2,842,149	35	1,963,590	1,243,339	3,206,929
10/1/1993-94	22	128,026	0	128,026	26	1,646,474	1,387,750	3,034,224	48	1,774,500	1,387,750	3,162,250
10/1/1994-95	13	265,918	0	265,918	25	2,521,910	1,488,599	4,010,509	38	2,787,828	1,488,599	4,276,427
10/1/1995-96	21	363,948	0	363,948	18	1,320,141	398,246	1,718,387	39	1,684,089	398,246	2,082,336
10/1/1996-97	25	519,020	0	519,020	26	2,358,926	2,755,515	5,114,442	51	2,877,946	2,755,515	5,633,461
10/1/1997-98	27	497,568	0	497,568	19	1,512,235	1,310,691	2,822,926	46	2,009,803	1,310,691	3,320,494
10/1/1998-99	16	465,533	0	465,533	20	2,511,091	1,345,001	3,856,092	36	2,976,624	1,345,001	4,321,625
10/1/1999-00	44	1,178,996	0	1,178,996	20	1,841,085	1,285,810	3,126,875	64	3,020,061	1,285,810	4,305,871
10/1/2000-01	113	1,162,988	0	1,162,988	29	1,818,464	1,162,452	2,980,916	142	2,981,452	1,162,452	4,143,904
10/1/2001-02	159	1,373,469	0	1,373,469	29	2,599,024	1,619,727	4,218,751	188	3,972,492	1,619,727	5,592,219
10/1/2002-03	293	1,915,660	0	1,915,660	39	3,272,834	3,706,712	6,979,546	332	5,188,494	3,706,712	8,895,206
10/1/2003-04	847	3,532,214	0	3,532,214	46	2,744,687	1,519,592	4,264,279	893	6,276,901	1,519,592	7,796,494
10/1/2004-05	1,364	4,197,474	0	4,197,474	124	4,915,686	2,586,258	7,501,943	1,488	9,113,160	2,586,258	11,699,418
10/1/2005-06	1,408	3,359,615	0	3,359,615	117	3,207,077	1,739,646	4,946,723	1,525	6,566,692	1,739,646	8,306,338
10/1/2006-07	1,216	1,831,465	0	1,831,465	317	3,277,216	3,111,552	6,388,767	1,533	5,108,661	3,111,552	8,220,232
10/1/2007-08	684	382,936	0	382,936	860	1,653,988	4,950,397	6,604,385	1,544	2,036,924	4,950,397	6,987,321
<b>Total</b>	<b>6,400</b>	<b>24,522,473</b>	<b>0</b>	<b>24,522,473</b>	<b>2,000</b>	<b>60,314,507</b>	<b>62,827,769</b>	<b>123,142,276</b>	<b>8,400</b>	<b>84,836,980</b>	<b>62,827,769</b>	<b>147,664,748</b>

**NOTES:**

- Summary of loss data received from the District of Columbia. Excel file name is "FinalDCPData", received from Jumain Jackson in an e-mail dated November 18, 2008
- Total Paid Loss is the sum of columns titled "Indemnity Paid", "Medical Paid", and "Expense Paid".
- Total Incurred is the sum of columns titled "Indemnity Incurred", "Medical Incurred", and "Expense Incurred".
- Claims are organized into the policy year based on the "Date of Loss".

District of Columbia  
Disability Compensation Program  
Workers Compensation

Loss Data as of 9/30/2007

Policy Year	Closed Claims				Open Claims				All Claims			
	# of Claims	Total Paid	Total Case Reserve	Total Incurred	# of Claims	Total Paid	Total Case Reserve	Total Incurred	# of Claims	Total Paid	Total Case Reserve	Total Incurred
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Prior	40	650,200	0	650,200	122	6,697,884	9,312,045	16,009,929	162	7,348,084	9,312,045	16,660,129
10/1/1983-84	3	1,167	0	1,167	21	1,463,807	1,356,368	2,820,175	24	1,464,974	1,356,368	2,821,342
10/1/1984-85	8	95,729	0	95,729	20	1,048,440	653,962	1,702,402	28	1,144,169	653,962	1,798,131
10/1/1985-86	1	28,534	0	28,534	15	690,502	1,359,374	2,049,875	16	719,035	1,359,374	2,078,409
10/1/1986-87	12	144,410	0	144,410	15	841,409	1,150,153	1,991,562	27	985,819	1,150,153	2,135,972
10/1/1987-88	6	99,045	0	99,045	27	1,504,017	1,613,456	3,117,473	33	1,603,062	1,613,456	3,216,518
10/1/1988-89	6	88,285	0	88,285	14	670,229	204,458	874,687	20	758,515	204,458	982,972
10/1/1989-90	6	34,409	0	34,409	26	1,446,384	733,277	2,179,660	32	1,480,792	733,277	2,214,069
10/1/1990-91	10	235,132	0	235,132	16	945,801	936,454	1,882,255	26	1,180,932	936,454	2,117,386
10/1/1991-92	11	124,242	0	124,242	15	889,199	943,869	1,833,068	28	1,013,441	943,869	1,957,309
10/1/1992-93	13	96,766	0	96,766	22	1,257,127	1,644,814	2,901,940	35	1,353,692	1,644,814	2,998,706
10/1/1993-94	23	128,650	0	128,650	25	1,294,298	692,010	1,926,309	48	1,362,948	692,010	2,054,958
10/1/1994-95	10	165,202	0	165,202	25	1,798,513	571,676	2,370,189	35	1,963,716	571,676	2,535,391
10/1/1995-96	20	306,066	0	306,066	19	1,043,938	461,080	1,505,017	39	1,350,004	461,080	1,811,094
10/1/1996-97	22	416,408	0	416,408	29	1,674,254	1,094,019	2,768,273	51	2,090,662	1,094,019	3,184,681
10/1/1997-98	23	287,658	0	287,658	23	1,344,895	1,392,616	2,737,511	46	1,632,554	1,392,616	3,025,170
10/1/1998-99	13	250,990	0	250,990	23	1,797,068	1,078,158	2,875,227	36	2,054,059	1,078,158	3,132,217
10/1/1999-00	39	861,715	0	861,715	23	1,550,854	488,163	2,039,017	62	2,412,569	488,163	2,900,732
10/1/2000-01	103	695,772	0	695,772	35	1,469,641	1,042,812	2,512,452	138	2,165,413	1,042,812	3,208,224
10/1/2001-02	155	787,196	0	787,196	33	2,225,481	1,181,431	3,406,911	188	3,012,677	1,181,431	4,194,107
10/1/2002-03	284	1,498,660	0	1,498,660	45	2,815,772	2,794,643	5,611,414	328	4,315,432	2,794,643	7,110,075
10/1/2003-04	835	2,918,250	0	2,918,250	58	2,771,423	2,204,095	4,975,518	893	5,689,673	2,204,095	7,893,768
10/1/2004-05	1,392	3,987,055	0	3,987,055	96	3,844,050	1,441,545	5,285,595	1,488	7,831,105	1,441,545	9,272,651
10/1/2005-06	1,385	2,411,074	0	2,411,074	139	2,963,023	2,006,144	4,969,168	1,524	5,374,097	2,006,144	7,380,242
10/1/2006-07	836	415,003	0	415,003	658	1,609,047	6,093,357	7,702,403	1,494	2,024,050	6,093,357	8,117,407
Total	5,256	16,733,618	0	16,733,618	1,544	45,598,055	42,449,978	88,048,033	6,800	62,331,673	42,449,978	104,781,651

NOTES:

- Summary of loss data received from the District of Columbia. Excel file name is "DC Govt. Actuarial Report as of 9-30-07".
- Total Paid Loss is the sum of columns titled "Indemnity Paid", "Medical Paid", and "Expense Paid".
- Total Incurred is the sum of columns titled "Indemnity Incurred", "Medical Incurred", and "Expense Incurred".
- Claims are organized into the policy year based on the "Date of Loss".

District of Columbia  
Disability Compensation Program  
Workers Compensation

Loss Data as of 9/30/2006

Policy Year	Closed Claims				Open Claims				All Claims			
	# of Claims (1)	Total Paid (2)	Total Case Reserve (3)	Total Incurred (4)	# of Claims (5)	Total Paid (6)	Total Case Reserve (7)	Total Incurred (8)	# of Claims (9)	Total Paid (10)	Total Case Reserve (11)	Total Incurred (12)
Prior	24	250,856	0	250,856	137	4,474,897	5,347,032	9,821,929	161	4,725,753	5,347,032	10,072,785
10/1/1983-84	1	480	0	480	23	1,064,207	682,903	1,747,110	24	1,064,687	682,903	1,747,590
10/1/1984-85	6	49,982	0	49,982	20	689,380	1,086,913	1,776,293	26	739,362	1,086,913	1,826,275
10/1/1985-86	1	260	0	260	14	467,423	519,194	986,617	15	467,683	519,194	986,877
10/1/1986-87	10	89,161	0	89,161	16	567,415	643,973	1,211,388	26	656,576	643,973	1,300,549
10/1/1987-88	3	37,215	0	37,215	30	1,048,149	763,374	1,811,523	33	1,085,364	763,374	1,848,739
10/1/1988-89	3	1,132	0	1,132	17	527,990	445,015	973,005	20	529,122	445,015	974,138
10/1/1989-90	2	1,050	0	1,050	30	908,123	650,826	1,558,949	32	909,173	650,826	1,559,999
10/1/1990-91	6	160,546	0	160,546	20	687,887	461,219	1,149,106	26	848,433	461,219	1,309,652
10/1/1991-92	4	21,994	0	21,994	22	715,862	414,847	1,130,709	26	737,856	414,847	1,152,703
10/1/1992-93	11	69,347	0	69,347	23	831,273	1,486,156	2,317,429	34	900,620	1,486,156	2,386,775
10/1/1993-94	16	10,291	0	10,291	32	949,747	663,506	1,613,253	48	960,038	663,506	1,623,544
10/1/1994-95	6	15,435	0	15,435	28	1,192,014	528,164	1,720,178	34	1,207,449	528,164	1,735,613
10/1/1995-96	14	155,018	0	155,018	23	757,941	373,391	1,131,332	37	912,959	373,391	1,286,350
10/1/1996-97	13	87,171	0	87,171	39	1,481,480	1,181,185	2,662,666	52	1,568,652	1,181,185	2,749,837
10/1/1997-98	18	76,536	0	76,536	27	1,149,287	1,211,577	2,360,864	45	1,225,823	1,211,577	2,437,400
10/1/1998-99	7	13,718	0	13,718	29	1,208,174	717,654	1,925,828	36	1,221,892	717,654	1,939,546
10/1/1999-00	26	478,629	0	478,629	36	1,376,255	816,123	2,192,377	62	1,854,884	816,123	2,671,007
10/1/2000-01	78	353,658	0	353,658	61	1,392,517	953,562	2,346,079	139	1,746,175	953,562	2,699,737
10/1/2001-02	120	427,702	0	427,702	56	1,713,862	823,048	2,536,910	176	2,141,564	823,048	2,964,612
10/1/2002-03	244	579,414	0	579,414	75	2,813,727	1,343,677	4,157,404	319	3,393,141	1,343,677	4,736,818
10/1/2003-04	784	1,613,839	0	1,613,839	111	3,179,674	2,254,423	5,434,098	895	4,793,513	2,254,423	7,047,937
10/1/2004-05	1,265	2,031,967	0	2,031,967	224	4,253,622	2,816,476	7,070,099	1,489	6,285,590	2,816,476	9,102,066
10/1/2005-06	800	583,404	0	583,404	667	1,763,989	4,702,408	6,466,397	1,467	2,347,392	4,702,408	7,049,801
Total	3,462	7,108,805	0	7,108,805	1,760	35,214,896	30,886,647	66,101,543	5,222	42,323,701	30,886,647	73,210,349

NOTES:

- Summary of loss data received from the District of Columbia. Excel file name is "Data Dump 10-3-06".
- Total Paid Loss is the sum of columns titled "Indemnity Paid", "Medical Paid", and "Expense Paid".
- Total Incurred is the sum of columns titled "Indemnity Incurred", "Medical Incurred", and "Expense Incurred".
- Claims are organized into the policy year based on the "Incident Date".

District of Columbia  
Self-Insured Program  
General Liability

Present Value of Case and IBNR Loss and Loss Expense Reserve  
Estimate as of 9/30/2009

<u>Policy Year</u>	<u>Month of Development</u> (1)	<u>Estimated Case and IBNR Reserves</u> (2)	<u>Present Value Factor</u> (3)	<u>Present Value of Case and IBNR Reserves (2) x (3)</u> (4)
Prior	204	10,633	0.973	10,346
10/1/1993-94	192	0	0.963	0
10/1/1994-95	180	0	0.955	0
10/1/1995-96	168	0	0.945	0
10/1/1996-97	156	0	0.939	0
10/1/1997-98	144	0	0.934	0
10/1/1998-99	132	0	0.927	0
10/1/1999-00	120	0	0.920	0
10/1/2000-01	108	0	0.899	0
10/1/2001-02	96	27,412	0.901	24,706
10/1/2002-03	84	222,158	0.892	198,242
10/1/2003-04	72	42,023	0.899	37,761
10/1/2004-05	60	246,835	0.891	219,837
10/1/2005-06	48	276,694	0.890	246,171
10/1/2006-07	36	653,136	0.893	583,326
10/1/2007-08	24	3,963,981	0.895	3,547,617
10/1/2008-09	12	2,279,787	0.893	2,035,540
<u>Total</u>		<u>7,722,661</u>		<u>6,903,546</u>

NOTES:

1. Column (2) is from Exhibit GL-2.
2. Column (3) is from Exhibit GL-8.

District of Columbia  
Self-Insured Program  
General Liability

Estimated Ultimate Loss and Loss Expense

Policy Year	Total Paid Loss and Loss Expense (1)	Total Case Loss and Loss Exp. Reserves (2)	Total Incurred Loss and Loss Expense (3)	Selected Ultimate Loss and Loss Expense (4)	Estimated IBNR Reserves (5)	Estimated Case and IBNR Reserves (2) + (5) (6)
Prior	54,481	3,023	57,504		7,610	10,633
10/1/1993-94	0	0	0		0	0
10/1/1994-95	0	0	0		0	0
10/1/1995-96	0	0	0		0	0
10/1/1996-97	0	0	0		0	0
10/1/1997-98	11,424	0	11,424		0	0
10/1/1998-99	0	0	0		0	0
10/1/1999-00	0	0	0		0	0
10/1/2000-01	20,227	0	20,227		0	0
10/1/2001-02	481,652	0	481,652	509,064	27,412	27,412
10/1/2002-03	235,660	115,000	350,660	457,818	107,158	222,158
10/1/2003-04	452,738	0	452,738	494,761	42,023	42,023
10/1/2004-05	1,397,492	55,000	1,452,492	1,644,327	191,835	246,835
10/1/2005-06	381,128	134,582	515,710	657,822	142,112	276,694
10/1/2006-07	666,548	265,406	931,954	1,319,684	387,730	653,136
10/1/2007-08	249,976	1,872,320	2,122,295	4,213,957	2,091,661	3,963,981
10/1/2008-09	63,108	591,543	654,651	2,342,895	1,688,244	2,279,787
Total	4,014,433	3,036,874	7,051,307		4,685,787	7,722,661

NOTES:

1. Columns (1) to (3) are from Exhibit GL-6.
2. Column (4) is from Exhibit GL-4.
3. Column (5) is from Exhibit GL-5, Page 2 for policy years 10/1/2000-01 and prior. The remaining years are Column (4) minus Column (3).

District of Columbia  
Self-Insured Program  
General Liability

Paid Loss and Loss Expense - Run Off Test of Actual versus Expected

Policy Year	Selected Ultimate Loss and Loss Expense (1)	Percent of Ultimate Loss Paid as of 9/30/2008 (2)	Percent of Ultimate Loss Paid as of 9/30/2009 (3)	Expected Paid Loss as of	
				9/30/2008 (1) x (2) (4)	9/30/2009 (1) x (3) (5)
10/1/2001-02	509,064	0.809	0.839	411,712	426,995
10/1/2002-03	457,818	0.738	0.809	337,769	370,266
10/1/2003-04	494,761	0.687	0.738	340,052	365,025
10/1/2004-05	1,644,327	0.606	0.687	995,724	1,130,154
10/1/2005-06	657,822	0.480	0.606	315,782	398,345
10/1/2006-07	1,319,684	0.320	0.480	421,945	633,503
10/1/2007-08	4,213,957	0.143	0.320	604,289	1,347,337
10/1/2008-09	2,342,895	0.000	0.143	0	335,975
					Difference Between Expected and Actual (9) - (8) (10)
Policy Year	Actual Paid Loss as of		Paid Loss From 9/30/2008 to 9/30/2009		Difference Between Expected and Actual (9) - (8) (10)
	9/30/2008 (6)	9/30/2009 (7)	Expected (5) - (4) (8)	Actual (7) - (6) (9)	
10/1/2001-02	503,652	481,652	15,283	-22,000	-37,283
10/1/2002-03	219,160	235,660	32,497	16,500	-15,997
10/1/2003-04	369,132	452,738	24,973	83,606	58,633
10/1/2004-05	1,024,520	1,397,492	134,430	372,971	238,541
10/1/2005-06	306,250	381,128	82,563	74,878	-7,685
10/1/2006-07	237,136	666,548	211,558	429,412	217,854
10/1/2007-08	246,634	249,976	743,049	3,341	-739,707
10/1/2008-09	0	63,108	335,975	63,108	-272,867
Total			1,580,328	1,021,816	-558,511

**NOTES:**

- Column (1) is from Exhibit GL-4.
- Columns (2) and (3) are the reciprocal of the paid loss development factors from Exhibit GL-9.
- Columns (6) and (7) are from Exhibit GL-6.

District of Columbia  
Self-Insured Program  
General Liability

Selected Ultimate Loss and Loss Expense

Policy Year	Total Paid Loss and Loss Expense (1)	Total Case Loss and Loss Expense Res. (2)	Total Incurred Loss and Loss Expense (3)
10/1/2001-02	481,652	0	481,652
10/1/2002-03	235,660	115,000	350,660
10/1/2003-04	452,738	0	452,738
10/1/2004-05	1,397,492	55,000	1,452,492
10/1/2005-06	381,128	134,582	515,710
10/1/2006-07	666,548	265,406	931,954
10/1/2007-08	249,976	1,872,320	2,122,295
10/1/2008-09	63,108	591,543	654,651

Policy Year	Estimated Ultimate Loss and Loss Expense Based on:				Prior Report Sel. Ult. Loss and Loss Expense (8)	Selected Ult. Loss and Loss Expense (9)
	Paid Loss Dev. (4)	Incurred Loss Dev. (5)	IBNR To Case Reserve Estimate #1 (6)	IBNR To Case Reserve Estimate #2 (7)		
10/1/2001-02	574,226	536,476	---	481,652	536,012	509,064
10/1/2002-03	291,383	395,721	1,486,401	519,916	250,506	457,818
10/1/2003-04	613,650	536,785	0	452,738	423,757	494,761
10/1/2004-05	2,033,293	1,764,558	404,880	1,524,096	1,624,811	1,644,327
10/1/2005-06	629,390	653,606	733,533	670,469	4,541,400	657,822
10/1/2006-07	1,388,520	1,329,295	1,200,678	1,290,850	2,113,356	1,319,684
10/1/2007-08	781,829	3,779,464	7,743,215	5,517,436	4,586,177	4,213,957
10/1/2008-09	440,079	2,099,708	3,513,138	3,072,456		2,342,895

**NOTES:**

- Columns (1) and (3) are from Exhibit GL-6.
- Columns (4) to (7) are from Exhibit GL-5.
- The selected ultimate loss and loss expense in Column (8) is from the prior actuarial report.
- Column (9) uses the following weights for (4) to (7) for each policy year:

Policy Year	Column (4)	Column (5)	Column (6)	Column (7)
10/1/2001-02	0%	50%	0%	50%
10/1/2002-03	0%	50%	0%	50%
10/1/2003-04	0%	50%	0%	50%
10/1/2004-05	0%	50%	0%	50%
10/1/2005-06	0%	75%	0%	25%
10/1/2006-07	0%	75%	0%	25%
10/1/2007-08	0%	75%	0%	25%
10/1/2008-09	0%	75%	0%	25%

District of Columbia  
Self-Insured Program  
General Liability

Estimated Ultimate Loss and Loss Expense  
based on the Loss Development Factor Method

<u>Policy Year</u>	<u>Total Paid Loss and Loss Expense</u> (1)	<u>Total Incurred Loss and Loss Expense</u> (2)	<u>Paid Loss Dev. Factor</u> (3)	<u>Incurred Loss Dev. Factor</u> (4)
10/1/2001-02	481,652	481,652	1.192	1.114
10/1/2002-03	235,660	350,660	1.236	1.129
10/1/2003-04	452,738	452,738	1.355	1.186
10/1/2004-05	1,397,492	1,452,492	1.455	1.215
10/1/2005-06	381,128	515,710	1.651	1.267
10/1/2006-07	666,548	931,954	2.083	1.426
10/1/2007-08	249,976	2,122,295	3.128	1.781
10/1/2008-09	63,108	654,651	6.973	3.207

Estimated Ultimate Loss and  
Loss Expense based on:

<u>Policy Year</u>	<u>Paid Loss Dev.</u> (1) x (3) (5)	<u>Inc. Loss Dev.</u> (2) x (4) (6)
10/1/2001-02	574,226	536,476
10/1/2002-03	291,383	395,721
10/1/2003-04	613,650	536,785
10/1/2004-05	2,033,293	1,764,558
10/1/2005-06	629,390	653,606
10/1/2006-07	1,388,520	1,329,295
10/1/2007-08	781,829	3,779,464
10/1/2008-09	440,079	2,099,708

NOTES:

- Columns (1) and (2) are from Exhibit GL-6.
- Columns (3) and (4) are from Exhibit GL-7.

District of Columbia  
Self-Insured Program  
General Liability

Estimated Ultimate Loss and Loss Expense  
Based on the Ratio of IBNR to Case Reserves

Policy Year	Month of Development (1)	Ratio Of IBNR to Case Reserve (2)	Ultimate to Case and IBNR Reserve (3)	All Claims Total Case Reserve (4)	Estimated IBNR Reserve (2) x (4) (5)	Case and IBNR Reserve (4) + (5) (6)	Est. #1 of Ult. Loss and Loss Exp. (3) x (6) (7)
Prior	204	2.517	143.857	3,023	7,610	10,633	---
10/1/1993-94	192	5.571	77.923	0	0	0	---
10/1/1994-95	180	7.333	47.825	0	0	0	---
10/1/1995-96	168	11.319	32.676	0	0	0	---
10/1/1996-97	156	5.251	22.257	0	0	0	---
10/1/1997-98	144	2.884	15.709	0	0	0	---
10/1/1998-99	132	2.097	11.562	0	0	0	---
10/1/1999-00	120	1.784	8.842	0	0	0	---
10/1/2000-01	108	1.715	8.300	0	0	0	---
10/1/2001-02	96	1.731	6.203	0	0	0	---
10/1/2002-03	84	1.472	5.229	115,000	169,256	284,256	1,486,401
10/1/2003-04	72	1.482	3.814	0	0	0	0
10/1/2004-05	60	1.302	3.198	55,000	71,604	126,604	404,880
10/1/2005-06	48	1.150	2.535	134,582	154,760	289,342	733,533
10/1/2006-07	36	1.352	1.923	265,406	358,896	624,303	1,200,678
10/1/2007-08	24	1.813	1.470	1,872,320	3,395,141	5,267,460	7,743,215
10/1/2008-09	12	4.087	1.167	591,543	2,417,805	3,009,348	3,513,138
<b>Total</b>				<b>3,036,874</b>	<b>6,575,072</b>	<b>9,611,946</b>	

Policy Year	Total Paid (8)	Est. #2 of Ult. Loss and Loss Exp. (6) + (8) (9)
10/1/2001-02	481,652	481,652
10/1/2002-03	235,660	519,916
10/1/2003-04	452,738	452,738
10/1/2004-05	1,397,492	1,524,096
10/1/2005-06	381,128	670,469
10/1/2006-07	666,548	1,290,850
10/1/2007-08	249,976	5,517,436
10/1/2008-09	63,108	3,072,456

**NOTES:**

1. The month of development is the number of months from the beginning of the policy year to the loss evaluation date of 9/30/2009.
2. Columns (2) and (3) are from Exhibit GL-7.
3. Columns (4) and (8) are from Exhibit GL-6.

District of Columbia  
Self-Insured Program  
General Liability

Loss Data as of 9/30/2009

Policy Year	Closed Claims				Open Claims				All Claims			
	# of Claims (1)	Total Paid (2)	Total Case Reserve (3)	Total Incurred (4)	# of Claims (5)	Total Paid (6)	Total Case Reserve (7)	Total Incurred (8)	# of Claims (9)	Total Paid (10)	Total Case Reserve (11)	Total Incurred (12)
Prior	11	28,903	0	28,903	1	25,578	3,023	28,601	12	54,481	3,023	57,504
10/1/1993-94	7	0	0	0	0	0	0	0	7	0	0	0
10/1/1994-95	7	0	0	0	0	0	0	0	7	0	0	0
10/1/1995-96	18	0	0	0	0	0	0	0	18	0	0	0
10/1/1996-97	145	0	0	0	0	0	0	0	145	0	0	0
10/1/1997-98	206	11,424	0	11,424	0	0	0	0	206	11,424	0	11,424
10/1/1998-99	358	0	0	0	0	0	0	0	358	0	0	0
10/1/1999-00	78	0	0	0	0	0	0	0	78	0	0	0
10/1/2000-01	145	20,227	0	20,227	0	0	0	0	145	20,227	0	20,227
10/1/2001-02	251	481,652	0	481,652	0	0	0	0	251	481,652	0	481,652
10/1/2002-03	619	235,660	0	235,660	3	0	115,000	115,000	622	235,660	115,000	350,660
10/1/2003-04	870	452,738	0	452,738	2	0	0	0	872	452,738	0	452,738
10/1/2004-05	1,155	1,397,492	0	1,397,492	4	0	55,000	55,000	1,159	1,397,492	55,000	1,452,492
10/1/2005-06	697	381,128	0	381,128	28	0	134,582	134,582	725	381,128	134,582	515,710
10/1/2006-07	726	663,314	500	663,814	50	3,234	264,906	268,140	776	666,548	265,406	931,954
10/1/2007-08	753	247,313	857	248,170	235	2,662	1,871,463	1,874,125	988	249,976	1,872,320	2,122,295
10/1/2008-09	232	63,108	3,500	66,608	255	0	588,043	588,043	487	63,108	591,543	654,851
<b>Total</b>	<b>6,278</b>	<b>3,982,959</b>	<b>4,857</b>	<b>3,987,816</b>	<b>578</b>	<b>31,474</b>	<b>3,032,017</b>	<b>3,063,491</b>	<b>6,856</b>	<b>4,014,433</b>	<b>3,036,874</b>	<b>7,051,307</b>
<b>Total Thru</b>												
10/1/2004-05	3,870	2,628,096	0	2,628,096	10	25,578	173,023	198,601	3,880	2,653,674	173,023	2,826,697
10/1/2005-06	4,567	3,009,224	0	3,009,224	38	25,578	307,605	333,183	4,605	3,034,802	307,605	3,342,407
10/1/2006-07	5,293	3,672,537	500	3,673,037	88	28,812	572,511	601,323	5,381	3,701,349	573,011	4,274,360
10/1/2007-08	6,046	3,919,851	1,357	3,921,208	323	31,474	2,443,974	2,475,448	6,369	3,951,325	2,445,331	6,396,656

NOTES:

- Summary of loss data received from the District of Columbia.
- Total Incurred, Columns (4), (8), and (12), is the sum of the paid and case reserve.
- Claims are organized into the policy year based on the "Loss Date".

District of Columbia  
Self-Insured Program  
General Liability

Loss Data as of 9/30/2008

Policy Year	Closed Claims				Open Claims				All Claims			
	# of Claims	Total Paid	Total Case Reserve	Total Incurred	# of Claims	Total Paid	Total Case Reserve	Total Incurred	# of Claims	Total Paid	Total Case Reserve	Total Incurred
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Prior	262	154,699	0	154,699	15	0	21,473	21,473	277	154,699	21,473	176,172
10/1/1993-94	5	0	0	0	0	0	0	0	5	0	0	0
10/1/1994-95	5	0	0	0	0	0	0	0	5	0	0	0
10/1/1995-96	15	0	0	0	0	0	0	0	15	0	0	0
10/1/1996-97	140	2,000	0	2,000	1	0	100	100	141	2,000	100	2,100
10/1/1997-98	193	11,424	0	11,424	2	0	2,600	2,600	195	11,424	2,600	14,024
10/1/1998-99	285	0	0	0	1	0	800	800	286	0	800	800
10/1/1999-00	82	3,500	0	3,500	2	0	1,150	1,150	84	3,500	1,150	4,650
10/1/2000-01	142	13,750	0	13,750	0	0	0	0	142	13,750	0	13,750
10/1/2001-02	253	503,652	0	503,652	0	0	0	0	253	503,652	0	503,652
10/1/2002-03	602	219,160	0	219,160	2	0	6,000	6,000	604	219,160	6,000	225,160
10/1/2003-04	862	369,132	0	369,132	3	0	8,514	8,514	865	369,132	8,514	377,646
10/1/2004-05	1,164	1,017,304	0	1,017,304	31	7,216	271,158	278,374	1,195	1,024,520	271,158	1,295,678
10/1/2005-06	667	306,250	0	306,250	52	0	2,495,567	2,495,567	719	306,250	2,495,567	2,801,817
10/1/2006-07	597	207,590	0	207,590	210	29,546	852,074	881,620	807	237,136	852,074	1,089,210
10/1/2007-08	357	228,925	0	228,925	383	17,709	1,069,040	1,086,750	740	246,634	1,069,040	1,315,675
<b>Total</b>	<b>5,611</b>	<b>3,037,386</b>	<b>0</b>	<b>3,037,386</b>	<b>702</b>	<b>54,472</b>	<b>4,728,476</b>	<b>4,782,948</b>	<b>6,313</b>	<b>3,091,858</b>	<b>4,728,476</b>	<b>7,820,334</b>
<b>Total Thru</b>												
10/1/2004-05	3,990	2,294,621	0	2,294,621	57	7,216	311,795	319,011	4,047	2,301,837	311,795	2,613,632
10/1/2005-06	4,657	2,600,871	0	2,600,871	109	7,216	2,807,362	2,814,578	4,766	2,608,087	2,807,362	5,415,449
10/1/2006-07	5,254	2,808,461	0	2,808,461	319	36,762	3,659,436	3,696,198	5,573	2,845,223	3,659,436	6,504,659

**NOTES:**

- Summary of loss data received from the District of Columbia.
- Total Incurred, Columns (4), (8), and (12), is the sum of the paid and case reserve.
- Claims are organized into the policy year based on the "Event Date".

District of Columbia  
Self-Insured Program  
General Liability

Loss Data as of 9/30/2007

Policy Year	Closed Claims				Open Claims				All Claims			
	# of Claims	Total Paid	Total Case Reserve	Total Incurred	# of Claims	Total Paid	Total Case Reserve	Total Incurred	# of Claims	Total Paid	Total Case Reserve	Total Incurred
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Prior	78	127,487	0	127,487	22	0	151,161	151,161	100	127,487	151,161	278,648
10/1/1993-94	4	0	0	0	0	0	0	0	4	0	0	0
10/1/1994-95	5	0	0	0	0	0	0	0	5	0	0	0
10/1/1995-96	17	0	0	0	0	0	0	0	17	0	0	0
10/1/1996-97	126	0	0	0	1	0	2,000	2,000	127	0	2,000	2,000
10/1/1997-98	197	0	0	0	1	0	5,000	5,000	198	0	5,000	5,000
10/1/1998-99	355	0	65	65	2	0	10,652	10,652	357	0	10,717	10,717
10/1/1999-00	81	0	5,000	5,000	4	0	5,500	5,500	85	0	10,500	10,500
10/1/2000-01	172	49,178	13,000	62,178	8	0	96,200	96,200	180	49,178	109,200	158,378
10/1/2001-02	336	537,387	0	537,387	26	0	194,910	194,910	362	537,387	194,910	732,297
10/1/2002-03	798	196,568	1,000	197,568	88	3,700	600,347	604,047	886	200,268	601,347	801,616
10/1/2003-04	1,108	505,586	0	505,586	155	12,093	838,445	850,538	1,263	517,679	838,445	1,356,124
10/1/2004-05	805	156,074	110	156,184	132	13,650	1,136,866	1,150,516	937	169,724	1,136,976	1,306,700
10/1/2005-06	264	187,796	0	187,796	193	0	3,196,977	3,196,977	457	187,796	3,196,977	3,384,773
10/1/2006-07	75	2,203	0	2,203	231	0	903,323	903,323	306	2,203	903,323	905,525
Total	4,421	1,762,279	19,175	1,781,454	863	29,443	7,141,381	7,170,824	5,284	1,791,722	7,160,556	8,952,278
Total Thru												
10/1/2004-05	4,082	1,572,281	19,175	1,591,456	439	29,443	3,041,081	3,070,524	4,521	1,601,724	3,060,256	4,661,980
10/1/2005-06	4,346	1,760,077	19,175	1,779,252	632	29,443	6,238,058	6,267,501	4,978	1,789,520	6,257,233	8,046,753

NOTES:

- Summary of loss data received from the District of Columbia.
- Total Paid Loss, Column (2), (6), and (10), is the sum of columns titled "Indemnity Paid", "Medical Paid", "Expense Paid", "Other Paid", "Bodily Injury Paid", "Property Damage Paid", "Equipment Paid", and "Litigation Paid".
- Total Case Reserve, Columns (3), (7), and (11), is the sum of columns titled "Indemnity Res", "Medical Res", "Expense Res", "Other Res", "Bodily Injury Res", "Property Damage Res", "Equipment Res", and "Litigation Res".
- Total Incurred, Columns (4), (8), and (12), is the sum of the paid and case reserve.
- Claims are organized into the policy year based on the "Event Date".

District of Columbia  
Self-Insured Program  
General Liability  
  
Loss Data as of 9/30/2006

Policy Year	Closed Claims				Open Claims				All Claims			
	# of Claims	Total Paid	Total Case Reserve	Total Incurred	# of Claims	Total Paid	Total Case Reserve	Total Incurred	# of Claims	Total Paid	Total Case Reserve	Total Incurred
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Prior	43	487	0	487	37	0	124,300	124,300	80	487	124,300	124,787
10/1/1993-94	4	0	0	0	0	0	0	0	4	0	0	0
10/1/1994-95	4	0	0	0	0	0	0	0	4	0	0	0
10/1/1995-96	17	0	0	0	0	0	0	0	17	0	0	0
10/1/1996-97	122	0	0	0	6	0	27,450	27,450	128	0	27,450	27,450
10/1/1997-98	183	0	0	0	15	0	26,700	26,700	198	0	26,700	26,700
10/1/1998-99	337	0	65	65	17	0	41,162	41,162	354	0	41,227	41,227
10/1/1999-00	75	0	5,000	5,000	10	0	30,750	30,750	85	0	35,750	35,750
10/1/2000-01	148	0	13,000	13,000	20	41,000	141,800	182,800	168	41,000	154,800	195,800
10/1/2001-02	249	28,919	0	28,919	50	0	255,450	255,450	299	28,919	255,450	284,369
10/1/2002-03	575	46,886	1,000	47,886	167	3,321	807,348	810,668	742	50,206	808,348	858,554
10/1/2003-04	745	216,876	0	216,876	270	24,137	821,195	845,333	1,015	241,013	821,195	1,062,209
10/1/2004-05	670	43,066	110	43,176	206	40,518	712,572	753,091	876	83,584	712,682	796,267
10/1/2005-06	89	2,030	0	2,030	223	0	1,003,724	1,003,724	312	2,030	1,003,724	1,005,754
<b>Total</b>	<b>3,261</b>	<b>338,264</b>	<b>19,175</b>	<b>357,439</b>	<b>1,021</b>	<b>108,977</b>	<b>3,992,451</b>	<b>4,101,427</b>	<b>4,282</b>	<b>447,240</b>	<b>4,011,626</b>	<b>4,458,866</b>
<b>Total Thru 10/1/2004-05</b>	<b>3,172</b>	<b>336,234</b>	<b>19,175</b>	<b>355,409</b>	<b>798</b>	<b>108,977</b>	<b>2,988,727</b>	<b>3,097,704</b>	<b>3,970</b>	<b>445,210</b>	<b>3,007,902</b>	<b>3,453,112</b>

NOTES:

- Summary of loss data received from the District of Columbia.
- Total Paid Loss, Column (2), (6), and (10), is the sum of columns titled "Indemnity Paid", "Medical Paid", "Expense Paid", "Other Paid", "Bodily Injury Paid", "Property Damage Paid", "Equipment Paid", "Legal Paid", and "Litigation Paid".
- Total Case Reserve, Columns (3), (7), and (11), is the sum of columns titled "Indemnity Res", "Medical Res", "Expense Res", "Other Res", "Bodily Injury Res", "Property Damage Res", "Equipment Res", "Legal Res", and "Litigation Res".
- Total Incurred, Columns (4), (8), and (12), is the sum of the paid and case reserve.
- Claims are organized into the policy year based on the "Event Date".

District of Columbia  
Self-Insured Program  
General Liability

Loss Data as of 9/30/2005

Policy Year	Closed Claims				Open Claims				All Claims			
	# of Claims	Total Paid	Total Case Reserve	Total Incurred	# of Claims	Total Paid	Total Case Reserve	Total Incurred	# of Claims	Total Paid	Total Case Reserve	Total Incurred
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Prior	5	0	0	0	2	0	5,200	5,200	7	0	5,200	5,200
10/1/1993-94	4	0	0	0	0	0	0	0	4	0	0	0
10/1/1994-95	3	0	0	0	2	0	2,100	2,100	5	0	2,100	2,100
10/1/1995-96	14	0	0	0	1	0	500	500	15	0	500	500
10/1/1996-97	118	0	0	0	24	0	31,050	31,050	142	0	31,050	31,050
10/1/1997-98	176	0	0	0	23	0	42,000	42,000	199	0	42,000	42,000
10/1/1998-99	318	0	65	65	35	0	47,595	47,595	353	0	47,660	47,660
10/1/1999-00	69	0	5,000	5,000	6	0	30,650	30,650	75	0	35,650	35,650
10/1/2000-01	113	0	13,000	13,000	24	0	84,830	84,830	137	0	97,830	97,830
10/1/2001-02	200	74	0	74	28	0	68,110	68,110	228	74	68,110	68,184
10/1/2002-03	406	0	1,000	1,000	146	0	514,669	514,669	552	0	515,669	515,669
10/1/2003-04	523	1,888	0	1,888	260	0	260,530	260,530	783	1,888	260,530	262,418
10/1/2004-05	430	0	110	110	623	0	320,688	320,688	1,053	0	320,798	320,798
Total	2,379	1,962	19,175	21,137	1,174	0	1,407,922	1,407,922	3,553	1,962	1,427,097	1,429,060

NOTES:

- Summary of loss data received from the District of Columbia. Excel file name is "Losses By Claim and Event Date", received on 12/1/2005.
- Total Paid Loss, Column (2), (6), and (10), is the sum of columns titled "Indemnity Paid", "Medical Paid", "Expense Paid", and "Litigation Paid".
- Total Case Reserve, Columns (3), (7), and (11), is the sum of columns titled "Indemnity Res", "Medical Res", "Expense Res", and "Litigation Res".
- Total Incurred, Columns (4), (8), and (12), is the sum of the paid and case reserve.
- Claims are organized into the policy year based on the "Event Date".

District of Columbia  
Self-Insured Program  
General Liability

IBNR Ratios to Case Loss Reserves

Month of Dev.	Paid Loss Dev. Factor (1)	Percent Paid 1 / (1) (2)	Incurred Loss Dev. Factor (3)	Percent Incurred 1 / (3) (4)	Percent of Case Reserves (4) - (2) (5)	Percent of IBNR Reserves 1 - (4) (6)	Ratio of IBNR to Case Reserves (6) / (5) (7)	Ultimate to Case and IBNR Reserves 1 / [(5)+(6)] (8)
12	6.973	14.3%	3.207	31.2%	16.8%	68.8%	4.087	1.167
24	3.128	32.0%	1.781	56.2%	24.2%	43.8%	1.813	1.470
36	2.083	48.0%	1.426	70.1%	22.1%	29.9%	1.352	1.923
48	1.651	60.6%	1.267	78.9%	18.3%	21.1%	1.150	2.535
60	1.455	68.7%	1.215	82.3%	13.6%	17.7%	1.302	3.198
72	1.355	73.8%	1.186	84.3%	10.6%	15.7%	1.482	3.814
84	1.236	80.9%	1.129	88.6%	7.7%	11.4%	1.472	5.229
96	1.192	83.9%	1.114	89.8%	5.9%	10.2%	1.731	6.203
108	1.137	88.0%	1.082	92.4%	4.4%	7.6%	1.715	8.300
120	1.128	88.7%	1.078	92.8%	4.1%	7.2%	1.784	8.842
132	1.095	91.4%	1.062	94.1%	2.8%	5.9%	2.097	11.562
144	1.068	93.6%	1.050	95.3%	1.6%	4.7%	2.884	15.709
156	1.047	95.5%	1.039	96.2%	0.7%	3.8%	5.251	22.257
168	1.032	96.9%	1.029	97.2%	0.2%	2.8%	11.319	32.676
180	1.021	97.9%	1.019	98.2%	0.3%	1.8%	7.333	47.825
192	1.013	98.7%	1.011	98.9%	0.2%	1.1%	5.571	77.923
204	1.007	99.3%	1.005	99.5%	0.2%	0.5%	2.517	143.857
216	1.003	99.7%	1.000	100.0%	0.3%	0.0%	0.000	334.333
228	1.000	100.0%	1.000	100.0%	0.0%	0.0%	0.000	0.000

NOTES:

1. Columns (1) and (3) are from Exhibit GL-9.

District of Columbia  
Self-Insured Program  
General Liability

Present Value Factor

Month of Development	Paid Loss Development Factor	Percent Paid 1 / (1)	Incremental Percent Paid (3)	Present Value Factor at 3 Percent Per Year (4)	Pres. Value Factor for Future Policy Year (3) x (4) (5)	Pres. Value Factor for the Month of Development (6)
12	6.973	14.3%	14.3%	0.985	0.141	0.893
24	3.128	32.0%	17.6%	0.957	0.169	0.895
36	2.083	48.0%	16.0%	0.929	0.149	0.893
48	1.651	60.6%	12.6%	0.902	0.113	0.890
60	1.455	68.7%	8.2%	0.875	0.072	0.891
72	1.355	73.8%	5.0%	0.850	0.043	0.899
84	1.236	80.9%	7.1%	0.825	0.059	0.892
96	1.192	83.9%	3.0%	0.801	0.024	0.901
108	1.137	88.0%	4.1%	0.778	0.032	0.899
120	1.128	88.7%	0.7%	0.755	0.006	0.920
132	1.095	91.4%	2.7%	0.733	0.020	0.927
144	1.068	93.6%	2.3%	0.712	0.016	0.934
156	1.047	95.5%	1.9%	0.691	0.013	0.939
168	1.032	96.9%	1.4%	0.671	0.010	0.945
180	1.021	97.9%	1.0%	0.651	0.006	0.955
192	1.013	98.7%	0.8%	0.632	0.005	0.963
204	1.007	99.3%	0.6%	0.614	0.004	0.973
216	1.003	99.7%	0.4%	0.596	0.002	0.985
228	1.000	100.0%	0.3%	0.579	0.002	
			100.0%		0.884	

NOTES:

1. Column (1) is from Exhibit GL-9.
2. The Present Value Factor in Column (4) assumes the average payment is in the middle of the year.
3. The Present Value Factor in Column (5), (Total), is the present value factor applicable to a future policy period.
4. The Present Value Factors in Column (6) are the factors applicable to past policy years at various stages of development. For example, the factor at 12 months is for a policy year that is 1 year (or 12 months) old, counting the number of months from the beginning of the policy year.

District of Columbia  
Self-Insured Program  
General Liability

Selected Insurance Industry Loss Development Factors

Month of Development	Paid Loss Development Factor (1)	Incurred Loss Development Factor		Selected Incurred Loss Development Factor (4)
		RAA	Best's	
		(2)	(3)	
12	6.973	15.730	3.207	3.207
24	3.128	4.231	1.781	1.781
36	2.083	2.200	1.426	1.426
48	1.651	1.578	1.267	1.267
60	1.455	1.319	1.215	1.215
72	1.355	1.188	1.186	1.186
84	1.236	1.128	1.129	1.129
96	1.192	1.084	1.114	1.114
108	1.137	1.065	1.082	1.082
120	1.128	1.057	1.078	1.078
132	1.095			1.062
144	1.068			1.050
156	1.047			1.039
168	1.032			1.029
180	1.021			1.019
192	1.013			1.011
204	1.007			1.005
216	1.003			1.000
228	1.000			1.000

NOTES:

1. Loss development factors are from Pages 2 and 3.
2. The selected incurred loss development factors use the factors from Column (3).
3. Factors up through 120 months are from the industry data. Factors beyond 120 months are estimates.

District of Columbia  
Self-Insured Program  
General Liability

Direct Business  
Selected Loss Development Factors

Accident Year	Paid Loss (1)	Paid ALAE (2)	Paid Loss and ALAE (1) + (2) (3)	Case Loss Reserve (4)	Case ALAE Reserve (5)	Case Loss and ALAE Reserve (4) + (5) (6)	Incurred Loss and ALAE (3) + (6) (7)
1991	8,185,350	1,977,149	10,162,499	427,227	38,238	465,465	10,627,964
1992	8,132,463	1,934,069	10,066,532	474,660	33,196	507,856	10,574,388
1993	8,067,605	1,950,092	10,017,697	646,829	58,079	704,908	10,722,605
1994	8,579,752	2,029,837	10,609,589	922,459	92,479	1,014,938	11,624,527
1995	8,166,856	1,860,502	10,027,358	1,316,601	119,269	1,435,870	11,463,228
1996	7,814,276	1,600,134	9,414,410	1,705,873	154,845	1,860,718	11,275,128
1997	7,498,637	1,382,047	8,880,684	2,450,885	239,799	2,690,684	11,571,368
1998	7,506,127	951,068	8,457,195	3,535,631	358,691	3,894,322	12,351,517
1999	5,354,229	413,284	5,767,513	3,988,841	372,911	4,361,752	10,129,265
2000	2,479,407	138,354	2,617,761	2,769,344	304,393	3,073,737	5,691,498

Accident Year	IBNR Loss Reserve (8)	IBNR ALAE Reserve (9)	IBNR Loss and ALAE Reserve (8) + (9) (10)	Ultimate Loss and ALAE (7) + (10) (11)	Ratio of Paid to Incurred (3) / (7) (12)	Loss Dev Factor	
						Paid Loss and ALAE (11) / (3) (13)	Incurred Loss and ALAE (11) / (7) (14)
1991	653,174	177,323	830,497	11,458,461	0.956	1.128	1.078
1992	671,998	199,205	871,203	11,445,591	0.952	1.137	1.082
1993	983,874	236,636	1,220,510	11,943,115	0.934	1.192	1.114
1994	1,169,695	324,080	1,493,775	13,118,302	0.913	1.236	1.129
1995	1,710,768	417,272	2,128,040	13,591,268	0.875	1.355	1.186
1996	1,894,364	528,085	2,422,449	13,697,577	0.835	1.455	1.215
1997	2,400,595	693,496	3,094,091	14,665,459	0.767	1.651	1.267
1998	4,188,391	1,077,721	5,266,112	17,617,629	0.685	2.083	1.426
1999	6,512,247	1,397,065	7,909,312	18,038,577	0.569	3.128	1.781
2000	10,543,143	2,020,095	12,563,238	18,254,736	0.460	6.973	3.207

NOTES:

- Source: Best's Aggregates and Averages. Consolidated Industry Totals, Year 2000 Annual Statement, Schedule P - Part 1H, Other Liability - Occurrence.

District of Columbia  
Self-Insured Program  
General Liability

General Liability Excluding Mass Torts  
Treaty and Facultative Business

Selected Loss Development Factors

<u>Month of Development</u>	<u>Incurred Loss Development Factor</u>
12	15.730
24	4.231
36	2.200
48	1.578
60	1.319
72	1.188
84	1.128
96	1.084
108	1.065
120	1.057
132	1.046
144	1.031
156	1.024
168	1.014
180	1.012
192	1.010
204	1.008
216	1.008
228	1.004
240	1.003

NOTES:

1. Source: Reinsurance Association of America, Historical Loss Development Study, 2003 Edition.

District of Columbia  
Disability Compensation Program  
Workers Compensation

Loss Data as of 9/30/2005

Policy Year	Closed Claims				Open Claims				All Claims			
	# of Claims (1)	Total Paid (2)	Total Case Reserve (3)	Total Incurred (4)	# of Claims (5)	Total Paid (6)	Total Case Reserve (7)	Total Incurred (8)	# of Claims (9)	Total Paid (10)	Total Case Reserve (11)	Total Incurred (12)
Prior	6	11,290	0	11,290	123	2,188,401	2,964,078	5,470,443	129	2,199,690	2,964,078	5,481,733
10/1/1983-84	0	0	0	0	22	486,429	592,514	1,138,176	22	486,429	592,514	1,138,176
10/1/1984-85	0	0	0	0	25	334,128	1,100,942	1,477,078	25	334,128	1,100,942	1,477,078
10/1/1985-86	0	0	0	0	15	214,996	413,782	649,203	15	214,996	413,782	649,203
10/1/1986-87	1	393	-393	0	23	326,216	380,906	740,859	24	326,609	380,513	740,859
10/1/1987-88	1	58	-58	0	26	487,408	579,797	1,104,995	27	487,466	579,739	1,104,995
10/1/1988-89	1	0	0	0	18	238,540	349,321	646,697	19	238,540	349,321	646,697
10/1/1989-90	1	0	0	0	27	406,267	263,850	752,596	28	406,267	263,850	752,596
10/1/1990-91	1	0	0	0	24	402,742	322,947	801,838	25	402,742	322,947	801,838
10/1/1991-92	1	832	1,176	2,008	24	372,552	323,760	721,827	25	373,384	324,936	723,835
10/1/1992-93	1	0	0	0	28	465,267	1,475,110	1,963,397	29	465,267	1,475,110	1,963,397
10/1/1993-94	1	353	0	353	42	436,421	630,153	1,150,403	43	436,774	630,153	1,150,756
10/1/1994-95	1	0	0	0	32	559,485	408,719	1,012,655	33	559,485	408,719	1,012,655
10/1/1995-96	1	6,054	0	6,054	27	419,846	329,208	794,588	28	425,900	329,208	800,641
10/1/1996-97	1	0	0	0	46	730,719	975,676	1,770,565	47	730,719	975,676	1,770,565
10/1/1997-98	3	334	135	469	36	571,017	1,092,021	1,782,713	39	571,350	1,092,156	1,783,182
10/1/1998-99	1	2,108	0	2,108	27	576,752	451,126	1,074,287	28	578,860	451,126	1,076,395
10/1/1999-00	8	3,791	-53	3,738	46	756,730	841,898	1,707,971	54	760,521	841,845	1,711,709
10/1/2000-01	12	66,878	299	67,176	79	835,027	821,918	1,747,346	91	901,905	822,217	1,814,523
10/1/2001-02	20	16,369	-750	15,618	85	1,043,576	853,154	1,970,618	105	1,059,945	852,404	1,986,237
10/1/2002-03	38	55,409	876	56,371	191	1,492,053	1,534,695	3,047,063	229	1,547,462	1,535,571	3,103,434
10/1/2003-04	207	98,750	36,306	133,466	574	2,655,373	2,723,413	5,548,288	781	2,754,123	2,759,719	5,681,754
10/1/2004-05	125	83,302	-340	82,962	848	2,246,092	4,083,853	6,497,139	973	2,329,395	4,083,513	6,580,102
<b>Total</b>	<b>431</b>	<b>345,920</b>	<b>37,197</b>	<b>381,613</b>	<b>2,388</b>	<b>18,246,036</b>	<b>23,512,840</b>	<b>43,570,746</b>	<b>2,819</b>	<b>18,591,956</b>	<b>23,550,037</b>	<b>43,952,359</b>

NOTES:

- Summary of loss data received from the District of Columbia. Excel file name is "WC loss run by claim type".
- Total Paid Loss, Column (2), (6), and (10), is the sum of columns titled "Comp Paid", "Medical Paid", "Rehab Paid", and "Other Paid".
- Total Case Reserve, Columns (3), (7), and (11), is the sum of columns titled "Comp Res", "Medical Res", "Rehab Res", and "Other Res".
- Total Incurred, Columns (4), (8), and (12), is the column titled "Total Incurred" from the excel file named in Note 1.
- The sum of the Paid Loss and Case Reserve does not equal to the Total Incurred in all policy years. This inconsistency has been discussed with the District of Columbia. The Total Case Reserve is assumed to be correct.
- Claims are organized into the policy year based on the "Event Date".

District of Columbia  
Disability Compensation Program  
Workers Compensation

IBNR Ratios to Case Loss Reserves

Month of Dev.	Paid Loss Dev. Factor	Percent Paid 1 / (1)	Incurred Loss Dev. Factor	Percent Incurred 1 / (3)	Percent of Case Reserves (4) - (2)	Percent of IBNR Reserves 1 - (4)	Adjusted Ratio of IBNR to Case Reserves (7)	Adjusted Ultimate to Case and IBNR Reserves (8)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
12	6.572	15.2%	2.167	46.2%	30.94%	53.85%	2.263	1.533
24	2.798	35.7%	1.625	61.6%	25.82%	38.45%	1.936	2.023
36	2.033	49.2%	1.442	69.4%	20.17%	30.65%	1.975	2.558
48	1.676	59.7%	1.311	76.3%	16.62%	23.73%	1.856	3.222
60	1.486	67.3%	1.217	82.2%	14.85%	17.84%	1.562	3.976
72	1.385	72.2%	1.180	84.7%	12.53%	15.27%	1.584	4.676
84	1.311	76.3%	1.171	85.4%	9.12%	14.62%	2.085	5.476
96	1.269	78.8%	1.140	87.7%	8.92%	12.30%	1.793	6.125
108	1.232	81.1%	1.115	89.7%	8.57%	10.29%	1.560	6.893
120	1.201	83.2%	1.091	91.7%	8.44%	8.31%	1.281	7.761
132	1.173	85.2%	1.071	93.3%	8.09%	6.66%	1.071	8.812
144	1.148	87.1%	1.059	94.5%	7.33%	5.54%	0.983	10.095
156	1.125	88.9%	1.048	95.4%	6.54%	4.60%	0.915	11.675
168	1.105	90.5%	1.040	96.2%	5.70%	3.84%	0.875	13.634
180	1.088	91.9%	1.033	96.8%	4.93%	3.16%	0.835	16.073
192	1.073	93.2%	1.027	97.4%	4.22%	2.58%	0.795	19.114
204	1.060	94.3%	1.021	97.9%	3.59%	2.09%	0.759	22.876
216	1.050	95.3%	1.017	98.3%	3.04%	1.70%	0.729	27.429
228	1.040	96.1%	1.013	98.7%	2.57%	1.31%	0.662	33.486
240	1.032	96.9%	1.010	99.0%	2.10%	1.01%	0.628	41.757
252	1.025	97.6%	1.007	99.3%	1.72%	0.72%	0.542	53.387
264	1.019	98.2%	1.004	99.6%	1.43%	0.42%	0.381	70.282
276	1.014	98.6%	1.002	99.8%	1.14%	0.22%	0.251	95.663
288	1.010	99.0%	1.001	99.9%	0.84%	0.12%	0.185	134.803
300	1.007	99.3%	1.001	99.9%	0.60%	0.07%	0.152	194.827
312	1.005	99.5%	1.000	100.0%	0.43%	0.04%	0.121	277.425
324	1.003	99.7%	1.000	100.0%	0.25%	0.02%	0.104	482.318
336	1.002	99.8%	1.000	100.0%	0.16%	0.01%	0.081	765.601
348	1.001	99.9%	1.000	100.0%	0.09%	0.00%	0.000	1,445.456
360	1.000	100.0%	1.000	100.0%	0.03%	0.00%	0.000	4,334.633
372	1.000	100.0%	1.000	100.0%	0.00%	0.00%	0.000	0.000
384	1.000	100.0%	1.000	100.0%	0.00%	0.00%	0.000	0.000

NOTES:

- Columns (1) and (3) are from Exhibit WC-9, Page 1.
- Column (7) is Col (6) / Col (5) multiplied by the adjustment factor selected in Exhibit WC-7, Page 2.
- Column (8) is 1 / [Col (5) + Col (6)] multiplied by the adjustment factor selected in Exhibit WC-7, Page 2.

District of Columbia  
Disability Compensation Program  
Workers Compensation

Adjustment Factor for IBNR Ratios to Case Loss Reserves

Policy Year	Average Incurred Per Reported Claim				Percent Change in Average Severity		
	as of	as of	as of	as of	from	from	from
	9/30/2006	9/30/2007	9/30/2008	9/30/2009	9/30/2006 to 9/30/2007 (2) / (1) - 1	9/30/2007 to 9/30/2008 (3) / (2) - 1	9/30/2008 to 9/30/2009 (4) / (3) - 1
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Prior	62,564	102,840	148,959	173,909	64.4%	44.8%	16.7%
10/1/1983-84	72,816	117,556	252,323	337,519	61.4%	114.6%	33.8%
10/1/1984-85	70,241	64,219	122,500	130,844	-8.6%	90.8%	6.8%
10/1/1985-86	65,792	129,901	171,181	288,414	97.4%	31.8%	68.5%
10/1/1986-87	50,021	79,110	100,151	118,633	58.2%	26.6%	18.5%
10/1/1987-88	56,022	97,470	160,595	167,363	74.0%	64.8%	4.2%
10/1/1988-89	48,707	48,149	68,774	111,329	-1.1%	42.8%	61.9%
10/1/1989-90	48,750	69,190	121,591	180,669	41.9%	75.7%	48.6%
10/1/1990-91	50,371	81,438	100,567	101,115	61.7%	23.5%	0.5%
10/1/1991-92	44,335	75,281	111,316	180,108	69.8%	47.9%	61.8%
10/1/1992-93	70,199	85,677	91,627	107,889	22.0%	6.9%	17.7%
10/1/1993-94	33,824	42,812	65,880	105,148	26.6%	53.9%	59.6%
10/1/1994-95	51,047	72,440	112,538	147,895	41.9%	55.4%	31.4%
10/1/1995-96	34,766	46,438	53,393	87,905	33.6%	15.0%	64.6%
10/1/1996-97	52,881	62,445	110,460	151,474	18.1%	76.9%	37.1%
10/1/1997-98	54,164	65,765	72,185	91,096	21.4%	9.8%	26.2%
10/1/1998-99	53,876	87,006	120,045	140,972	61.5%	38.0%	17.4%
10/1/1999-00	43,081	46,786	67,279	74,541	8.6%	43.8%	10.8%
10/1/2000-01	19,423	23,248	29,182	48,792	19.7%	25.5%	67.2%
10/1/2001-02	16,844	22,309	29,746	34,288	32.4%	33.3%	15.3%
10/1/2002-03	14,849	21,611	26,793	32,965	45.5%	24.0%	23.0%
10/1/2003-04	7,875	8,840	8,731	9,139	12.3%	-1.2%	4.7%
10/1/2004-05	6,113	6,232	7,863	9,051	1.9%	26.2%	15.1%
10/1/2005-06	4,806	4,843	5,447	6,763	0.8%	12.5%	24.2%
10/1/2006-07		5,433	5,362	7,048		-1.3%	31.4%
10/1/2007-08			4,525	6,279			38.7%
Total					36.1%	39.3%	31.0%
First 10 Yrs					51.9%	56.3%	32.1%
First 20 Yrs					40.2%	46.1%	33.4%

Selected Adjustment Factor For IBNR to Case Loss Reserve Ratio

1.30

NOTES:

1. Column (1) is the average incurred loss per reported claim from Exhibit WC-6, Page 4.
2. Column (2) is the average incurred loss per reported claim from Exhibit WC-6, Page 3.
2. Column (3) is the average incurred loss per reported claim from Exhibit WC-6, Page 2.
2. Column (4) is the average incurred loss per reported claim from Exhibit WC-6, Page 1.

District of Columbia  
Disability Compensation Program  
Workers Compensation

Present Value Factor

Month of Development	Paid Loss Development Factor	Percent Paid 1 / (1)	Incremental Percent Paid	Present Value Factor at 3 Percent Per Year	Pres. Value Factor for Future Policy Year (3) x (4)	Pres. Value Factor for the Month of Development (6)
	(1)	(2)	(3)	(4)	(5)	(6)
12	6.572	15.2%	15.2%	0.985	0.1498	0.872
24	2.798	35.7%	20.5%	0.957	0.1961	0.861
36	2.033	49.2%	13.5%	0.929	0.1254	0.853
48	1.676	59.7%	10.5%	0.902	0.0947	0.843
60	1.486	67.3%	7.6%	0.875	0.0665	0.835
72	1.385	72.2%	4.9%	0.850	0.0416	0.832
84	1.311	76.3%	4.1%	0.825	0.0338	0.830
96	1.269	78.8%	2.5%	0.801	0.0200	0.836
108	1.232	81.1%	2.3%	0.778	0.0179	0.843
120	1.201	83.2%	2.1%	0.755	0.0159	0.850
132	1.173	85.2%	2.0%	0.733	0.0147	0.856
144	1.148	87.1%	1.9%	0.712	0.0135	0.862
156	1.125	88.9%	1.8%	0.691	0.0124	0.868
168	1.105	90.5%	1.6%	0.671	0.0107	0.873
180	1.088	91.9%	1.4%	0.651	0.0091	0.879
192	1.073	93.2%	1.3%	0.632	0.0082	0.885
204	1.060	94.3%	1.1%	0.614	0.0068	0.891
216	1.050	95.3%	1.0%	0.596	0.0060	0.898
228	1.040	96.1%	0.8%	0.579	0.0046	0.906
240	1.032	96.9%	0.8%	0.562	0.0045	0.912
252	1.025	97.6%	0.7%	0.546	0.0038	0.917
264	1.019	98.2%	0.6%	0.530	0.0032	0.921
276	1.014	98.6%	0.4%	0.514	0.0021	0.930
288	1.010	99.0%	0.4%	0.499	0.0020	0.935
300	1.007	99.3%	0.3%	0.485	0.0015	0.941
312	1.005	99.5%	0.2%	0.471	0.0009	0.952
324	1.003	99.7%	0.2%	0.457	0.0009	0.957
336	1.002	99.8%	0.1%	0.444	0.0004	0.971
348	1.001	99.9%	0.1%	0.431	0.0004	0.985
360	1.000	100.0%	0.1%	0.418	0.0004	1.000
372	1.000	100.0%	0.0%	0.406	0.0000	1.000
384	1.000	100.0%	0.0%	0.394	0.0000	1.000
					0.8679	

**NOTES:**

1. Column (1) is from Exhibit WC-9.
2. The Present Value Factor in Column (4) assumes the average payment is in the middle of the year.
3. The Present Value Factor in Column (5), (Total), is the present value factor applicable to a future policy period.
4. The Present Value Factors in Column (6) are the factors applicable to past policy years at various stages of development. For example, the factor at 12 months is for a policy year that is 1 year (or 12 months) old, counting the number of months from the beginning of the policy year.

District of Columbia  
Disability Compensation Program  
Workers Compensation

Selected Loss Development Factors

Month of Development	Age to Age Paid Loss Development Factor (1)	Cumulative Paid Loss Development Factor (2)	Age to Age Incurred Loss Development Factor (3)	Cumulative Incurred Loss Development Factor (4)
12	2.349	6.572	1.334	2.167
24	1.376	2.798	1.127	1.625
36	1.213	2.033	1.100	1.442
48	1.128	1.676	1.077	1.311
60	1.073	1.486	1.031	1.217
72	1.056	1.385	1.008	1.180
84	1.033	1.311	1.027	1.171
96	1.030	1.269	1.023	1.140
108	1.026	1.232	1.022	1.115
120	1.024	1.201	1.018	1.091
132	1.022	1.173	1.012	1.071
144	1.020	1.148	1.010	1.059
156	1.018	1.125	1.008	1.048
168	1.016	1.105	1.007	1.040
180	1.014	1.088	1.006	1.033
192	1.012	1.073	1.005	1.027
204	1.010	1.060	1.004	1.021
216	1.009	1.050	1.004	1.017
228	1.008	1.040	1.003	1.013
240	1.007	1.032	1.003	1.010
252	1.006	1.025	1.003	1.007
264	1.005	1.019	1.002	1.004
276	1.004	1.014	1.001	1.002
288	1.003	1.010	1.0005	1.001
300	1.002	1.007	1.0003	1.001
312	1.002	1.0047	1.0002	1.0004
324	1.0010	1.0027	1.0001	1.0002
336	1.0008	1.0017	1.0001	1.0001
348	1.0006	1.0009	1.0000	1.0000
360	1.0003	1.0003	1.0000	1.0000
372	1.0000	1.0000	1.0000	1.0000
384	1.0000	1.0000	1.0000	1.0000

NOTES:

1. Columns (1) and (3) selected age to age factors up to 84-96 months are from Exhibit WC-9, Page 2.
2. The remaining selected age to age factors from 96-108 months and on are based on judgment.

District of Columbia  
Disability Compensation Program  
Workers Compensation

District of Columbia and Insurance Industry Age to Age Loss Development Factors

Month of Development	Age to Age Paid Loss Development Factor			Age to Age Incurred Loss Development Factor		
	Insurance Industry	District of Columbia	Selected	Insurance Industry	District of Columbia	Selected
	(1)	(2)	(3)	(4)	(5)	(6)
12	2.349	2.522	2.349	1.334	1.153	1.334
24	1.376	1.267	1.376	1.127	1.103	1.127
36	1.213	1.170	1.213	1.100	1.238	1.100
48	1.128	1.134	1.128	1.077	1.120	1.077
60	1.073		1.073	1.031		1.031
72	1.056		1.056	1.008		1.008
84	1.033		1.033	1.027		1.027

NOTES:

1. Columns (1) and (4) are based on the factors from Exhibit WC-9, Page 3.
2. Column (2) is based on the factors from Exhibit WC-10.
3. Column (5) is based on the factors from Exhibit WC-11.
4. Columns (3) and (6) are selected using the insurance industry factors.

District of Columbia  
Disability Compensation Program  
Workers Compensation

Insurance Industry Loss Development Factors

<u>Month of Development</u>	<u>Cumulative Paid Loss Development Factor</u> (1)	<u>Age to Age Paid Loss Development Factor</u> (2)	<u>Cumulative Incurred Loss Development Factor</u> (3)	<u>Age to Age Incurred Loss Development Factor</u> (4)
12	6.591	2.349	2.170	1.334
24	2.806	1.376	1.627	1.127
36	2.039	1.213	1.444	1.100
48	1.681	1.128	1.313	1.077
60	1.490	1.073	1.219	1.031
72	1.389	1.056	1.182	1.008
84	1.315	1.033	1.173	1.027
96	1.273		1.142	

NOTES:

1. Source: NCCI Annual Statistical Bulletin, 2009 Edition.
2. Loss development factors are for Total Indemnity and Medical Combined. Cumulative Latest 5 Year factors are selected.

District of Columbia  
Disability Compensation Program  
Workers Compensation

Paid Loss Development

Month of Development

<u>Policy Year</u>	<u>12</u>	<u>24</u>	<u>36</u>	<u>48</u>	<u>60</u>
10/1/2004-05	2,329,395	6,285,590	7,831,105	9,113,160	10,335,139
10/1/2005-06	2,347,392	5,374,097	6,566,692	7,738,568	
10/1/2006-07	2,024,050	5,108,681	6,844,530		
10/1/2007-08	2,036,924	5,264,308			
10/1/2008-09	2,617,993				

Age to Age Development Factors

<u>Policy Year</u>	<u>12 to 24</u>	<u>24 to 36</u>	<u>36 to 48</u>	<u>48 to 60</u>
10/1/2004-05	2.698	1.246	1.164	1.134
10/1/2005-06	2.289	1.222	1.178	
10/1/2006-07	2.524	1.340		
10/1/2007-08	2.584			
<u>Average</u>				
All Years	2.522	1.267	1.170	1.134
Last 3 Years	2.457	1.267		
<u>Selected</u>				
Age to Age	2.522	1.267	1.170	1.134

NOTES:

1. Data is from Exhibit WC-6.
2. The selected age to age factors are from the All Years Average.

District of Columbia  
Disability Compensation Program  
Workers Compensation

Incurred Loss Development

Month of Development

Policy Year	12	24	36	48	60
10/1/2004-05	6,580,102	9,102,066	9,272,651	11,699,418	13,106,395
10/1/2005-06	7,049,801	7,380,242	8,306,338	10,057,184	
10/1/2006-07	8,117,407	8,220,232	9,670,303		
10/1/2007-08	6,987,321	8,438,757			
10/1/2008-09	11,152,677				

Age to Age Development Factors

Policy Year	12 to 24	24 to 36	36 to 48	48 to 60
10/1/2004-05	1.383	1.019	1.262	1.120
10/1/2005-06	1.047	1.125	1.211	
10/1/2006-07	1.013	1.176		
10/1/2007-08	1.208			
<u>Average</u>				
All Years	1.153	1.103	1.238	1.120
Last 3 Years	1.085	1.103		
<u>Selected</u>				
Age to Age	1.153	1.103	1.238	1.120

NOTES:

1. Data is from Exhibit WC-6.
2. The selected age to age factors are from the All Years Average.

ATTACHMENT J.11 - CONTD

ACTUARIAL ANALYSIS

District of Columbia  
Disability Compensation Program  
Workers Compensation

Reported Claim Count Development

Month of Development

<u>Policy Year</u>	<u>12</u>	<u>24</u>	<u>36</u>	<u>48</u>	<u>60</u>
10/1/2004-05	973	1,489	1,488	1,488	1,448
10/1/2005-06	1,467	1,524	1,525	1,487	
10/1/2006-07	1,494	1,533	1,372		
10/1/2007-08	1,544	1,344			
10/1/2008-09	1,339				

Age to Age Development Factors

<u>Policy Year</u>	<u>12 to 24</u>	<u>24 to 36</u>	<u>36 to 48</u>	<u>48 to 60</u>
10/1/2004-05	1.530	0.999	1.000	0.973
10/1/2005-06	1.039	1.001	0.975	
10/1/2006-07	1.026	0.895		
10/1/2007-08	0.870			
<u>Average</u>				
All Years	1.075	0.965	0.987	0.973
Last 3 Years	0.977	0.965		
<u>Selected</u>				
Age to Age	1.075	0.965	0.987	0.973

NOTES:

1. Data is from Exhibit WC-6.
2. The selected age to age factors are from the All Years Average.

District of Columbia  
Disability Compensation Program  
Workers Compensation  
Direct Business

Insurance Industry Factor for Loss and Loss Expense

Accident Year	Paid Loss (1)	Paid ALAE (2)	Paid ULAE (3)	Case Loss Reserve (4)	Case ALAE Reserve (5)	ULAE Reserve (6)
1991	31,566,571	2,158,778	1,777,287	2,238,712	38,431	105,387
1992	25,007,242	1,841,307	1,705,687	2,117,601	38,189	117,342
1993	20,891,201	1,539,427	1,637,367	2,021,196	34,860	112,556
1994	17,756,200	1,553,781	1,629,114	2,032,807	46,547	130,070
1995	15,499,344	1,473,970	1,707,644	2,259,525	49,026	161,427
1996	15,088,646	1,448,230	1,718,271	2,507,057	74,280	192,902
1997	15,047,399	1,392,544	1,851,390	3,374,262	110,670	236,765
1998	15,047,422	1,236,877	1,824,496	5,009,899	193,847	368,768
1999	12,099,193	858,010	1,540,815	7,106,790	297,310	591,015
2000	5,535,586	387,617	1,039,328	8,458,321	390,735	1,195,736
Total	173,538,804	13,890,541	16,431,399	37,126,170	1,273,895	3,211,968
Last 5 Yrs	62,818,246	5,323,278	7,974,300	26,456,329	1,066,842	2,585,186

Accident Year	IBNR Loss Reserve (7)	IBNR ALAE Reserve (8)	Ultimate Loss (1) + (4) + (7) (9)	Ultimate ALAE (2)+(5)+(8) (10)	Ultimate ULAE (3) + (6) (11)	Ratio of ULAE Expense to Loss and ALAE (11) / [(9)+(10)] (12)
1991	1,395,334	167,273	35,200,617	2,364,482	1,882,674	5.0%
1992	1,491,083	191,619	28,615,926	2,071,115	1,823,029	5.9%
1993	1,500,264	221,699	24,412,661	1,795,986	1,749,923	6.7%
1994	1,579,728	238,468	21,368,735	1,838,796	1,759,184	7.6%
1995	1,773,433	281,701	19,532,302	1,804,697	1,869,071	8.8%
1996	1,965,472	334,622	19,561,175	1,857,132	1,911,173	8.9%
1997	2,225,059	442,325	20,646,720	1,945,539	2,088,155	9.2%
1998	2,995,728	645,373	23,053,049	2,076,097	2,193,264	8.7%
1999	4,874,449	989,744	24,080,432	2,145,064	2,131,830	8.1%
2000	10,353,546	1,498,737	24,347,453	2,277,089	2,235,064	8.4%
Total	30,154,096	5,011,561	240,819,070	20,175,997	19,643,367	7.5%
Last 5 Yrs	22,414,254	3,910,801	111,688,829	10,300,921	10,559,486	8.7%
					Selected:	8.7%

**NOTES:**

- Source: Best's Aggregates and Averages. Consolidated Industry Totals, Year 2000 Annual Statement, Schedule P - Part 1D, Workers Compensation.

District of Columbia  
Police and Fire Self-Insured Program  
Workers Compensation - Indemnity Only

Summary of Indemnity Loss Reserves as of 9/30/2009

	Indemnity Case Loss Reserve <u>(1)</u>	Indemnity IBNR Loss Reserve (3) - (1) <u>(2)</u>	Indemnity Case and IBNR Loss Reserve <u>(3)</u>
1. Police Department (From Exhibit PF-2)	1,893,906	66,757	1,960,663
2. Fire Department (From Exhibit PF-3)	446,952	505,346	952,298
3. Total (1) + (2)	<u>2,340,858</u>	<u>572,104</u>	<u>2,912,961</u>

NOTES:

1. The Departments included in this analysis are the Metropolitan Police Department and Fire Department.
2. The case indemnity loss reserve, Column (1), is from data provided by the Metropolitan Police Department and Fire Department.

District of Columbia  
Police and Fire Self-Insured Program  
Workers Compensation - Indemnity Only

Metropolitan Police Department  
Indemnity Case and IBNR Loss Reserve Estimate as of 9/30/2009

Injury Month	Officers on POD				Estimated Additional Hours for Open Claims	Average Hourly Rate for Open Claims	Number Of New Claims Expected to be Reported	Average Hourly Rate for all Officers on POD
	Closed Claims in 9/30/2009 Report	Open Claims as of 9/30/2009	Total Claims 9/30/2009 Report	Open Claim Hours Used				
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
pre-October 2008	80	17	97	15,100	13,112	34.736	0	34.767
October-08	72	1	73	544	832	37.270	0	32.973
November-08	66	5	71	1,304	72	34.340	0	31.692
December-08	45	2	47	1,168	1,584	38.845	0	33.309
January-09	71	2	73	616	2,136	37.990	0	33.498
February-09	49	2	51	1,024	3,104	38.888	0	33.670
March-09	61	1	62	1,104	272	37.270	0	33.227
April-09	40	3	43	904	1,848	37.270	0	35.255
May-09	59	4	63	1,216	2,912	32.613	0	31.528
June-09	54	6	60	512	3,616	34.473	0	32.302
July-09	63	6	69	1,119	4,385	37.205	0	31.495
August-09	61	13	74	480	10,528	32.246	0	35.288
September-09	40	23	63	232	9,400	36.269	4	34.856
<b>Total</b>	<b>761</b>	<b>85</b>	<b>846</b>	<b>25,323</b>	<b>53,801</b>		<b>4</b>	<b>33.379</b>

9. Estimated Indemnity Reserve for Open Known POD Claims Sum of (5) x (6)	1,893,906
10. Estimated Indemnity IBNR Reserve for New Claims Expected to be Reported Total Of Column (7) x 500 Hours x Total Average of Column (8)	66,757
11. Total Indemnity Case and IBNR Reserve As Of 9/30/2009 (9) + (10)	1,960,663

**NOTES:**

- Columns (1) to (4) and (6) are based on a list of claims for officers on a POD report as of 9/30/2009 received from the Metropolitan Police Department. Column (8) is an average of the officers listed in the report.
- Column (5) assumes that, on average, the open claims will reach 1,376 hours (172 days @ 8 hours per day).
- Column (7) is the estimated number of new POD claims with injury date prior to 10/1/2009 and reported after 9/30/2009. It is assumed that there are, on average, 67 POD claims per month. It is assumed that newly reported claims will only occur for injury dates in September 2009, thus, Column (7) is 67 claims less the number of total (reported) claims for September 2009.
- Line (10) is based on the assumption that the average claim is for 500 hours. This average is derived using closed claims in the database that have been paid for over 20 days (160 hours). Last year the average claim was 450 hours.

District of Columbia  
Police and Fire Self-Insured Program  
Workers Compensation - Indemnity Only

Fire Department  
Indemnity Case and IBNR Loss Reserve Estimate as of 9/30/2009

Injury Month	Number of Workers on POD				Estimated Additional Hours for Open Claims	Average Hourly Rate for Open Claims	Case Reserve (5) x (6)	IBNR Reserve for Open Claims	Number of New Claims Expected to be Reported	Average Hourly Rate for all Workers on POD
	Closed Claims in 9/30/2009 Report	Open Claims as of 9/30/2009	Total Claims 9/30/2009 Report	Open Claim Hours Used						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
pre-October 2008	1	0	1	0	0	0.00	0	0	0	41.090
October-08	21	0	21	0	0	0.00	0	0	0	27.041
November-08	25	1	26	144	0	46.12	0	64,199	0	31.706
December-08	24	0	24	0	0	0.00	0	0	0	26.774
January-09	31	1	32	1,208	328	31.52	10,339	0	0	30.844
February-09	22	1	23	1,439	97	35.69	3,462	0	0	27.826
March-09	36	1	37	1,407	129	33.02	4,260	0	0	31.342
April-09	25	2	27	1,809	456	36.33	16,566	29,318	0	33.643
May-09	21	0	21	0	0	0.00	0	0	0	30.075
June-09	24	3	27	1,523	344	32.92	11,323	90,225	0	31.997
July-09	32	6	38	1,675	5,301	33.00	174,915	73,913	0	28.170
August-09	21	1	22	240	168	35.16	5,907	39,660	0	32.865
September-09	18	10	28	769	7,917	27.81	220,180	185,611	2	30.274
<b>Total</b>	<b>301</b>	<b>26</b>	<b>327</b>	<b>10,214</b>	<b>14,740</b>		<b>446,952</b>	<b>482,926</b>	<b>2</b>	<b>30.30</b>

- 11. Indemnity Case Reserve for Open POD Claims ( Column (7) ) 446,952
- 12. Estimated Indemnity IBNR Reserve for Open POD Claims ( Column (8) ) 482,926
- 13. Estimated Indemnity IBNR Reserve for New Claims Expected to be Reported  
Total Of Column (9) x 370 Hours x Total Average of Column (10) 22,421
- 14. Total Indemnity Case and IBNR Reserve as of 9/30/2009  
(11) + (12) + (13) 952,298

**NOTES:**

1. Columns (1) to (6) is based on a list of employees on a POD report as of 9/30/2009 prepared by the Fire Department on November 2, 2009. Column (10) is an average of the employees listed in the report.
2. Column (8) assumes that, on average, the open claims will reach 1,536 hours (192 days @ 8 hours per day). The hourly rate used for Column (8) is the hourly rate from Column (6).
3. Column (9) is the estimated number of new POD claims with injury date prior to 10/1/2009 and reported after 9/30/2009. It is assumed that there are, on average, 30 POD claims per month. It is assumed that newly reported claims will only occur for injury dates in September 2009, thus, Column (9) is 30 claims less the number of total (reported) claims for September 2009.
4. Line (13) is based on the assumption that the average claim is for 370 hours. This average is derived using closed claims in the database that have been paid for over 20 days (160 hours). Last year the average claim was 410 hours.

District of Columbia  
Self-Insured Program  
General Liability

Paid Loss Development

Month of Development

<u>Policy Year</u>	<u>12</u>	<u>24</u>	<u>36</u>	<u>48</u>	<u>60</u>
10/1/2004-05	0	83,584	169,724	1,024,520	1,397,492
10/1/2005-06	2,030	187,796	306,250	381,128	
10/1/2006-07	2,203	237,136	666,548		
10/1/2007-08	246,634	249,976			
10/1/2008-09	63,108				

Age to Age Development Factors

<u>Policy Year</u>	<u>12 to 24</u>	<u>24 to 36</u>	<u>36 to 48</u>	<u>48 to 60</u>
10/1/2004-05	0.000	2.031	6.036	1.364
10/1/2005-06	92.510	1.631	1.244	
10/1/2006-07	107.667	2.811		
10/1/2007-08	1.014			

NOTES:

1. Data is from Exhibit GL-6.

District of Columbia  
Self-Insured Program  
General Liability

Incurred Loss Development

Month of Development

<u>Policy Year</u>	<u>12</u>	<u>24</u>	<u>36</u>	<u>48</u>	<u>60</u>
10/1/2004-05	320,798	796,267	1,306,700	1,295,678	1,452,492
10/1/2005-06	1,005,754	3,384,773	2,801,817	515,710	
10/1/2006-07	905,525	1,089,210	931,954		
10/1/2007-08	1,315,675	2,122,295			
10/1/2008-09	654,651				

Age to Age Development Factors

<u>Policy Year</u>	<u>12 to 24</u>	<u>24 to 36</u>	<u>36 to 48</u>	<u>48 to 60</u>
10/1/2004-05	2.482	1.641	0.992	1.121
10/1/2005-06	3.365	0.828	0.184	
10/1/2006-07	1.203	0.856		
10/1/2007-08	1.613			

NOTES:

1. Data is from Exhibit GL-6.

District of Columbia  
Self-Insured Program  
General Liability

Reported Claim Count Development

Policy Year	<u>Month of Development</u>				
	12	24	36	48	60
10/1/2004-05	1,053	876	937	1,195	1,159
10/1/2005-06	312	457	719	725	
10/1/2006-07	306	807	776		
10/1/2007-08	740	988			
10/1/2008-09	487				

Policy Year	<u>Age to Age Development Factors</u>			
	12 to 24	24 to 36	36 to 48	
10/1/2004-05	0.832	1.070	1.275	0.970
10/1/2005-06	1.465	1.573	1.008	
10/1/2006-07	2.637	0.962		
10/1/2007-08	1.335			

NOTES:

1. Data is from Exhibit GL-6.

District of Columbia  
Self-Insured Program  
Automobile Liability

Present Value of Case and IBNR Loss and Loss Expense Reserve  
Estimate as of 9/30/2009

<u>Policy Year</u>	<u>Month of Development</u>	<u>Estimated Case and IBNR Reserves</u>	<u>Present Value Factor</u>	<u>Present Value of Case and IBNR Reserves (2) x (3)</u>
	(1)	(2)	(3)	(4)
Prior	156	0	1.000	0
10/1/1997-98	144	0	1.000	0
10/1/1998-99	132	0	0.985	0
10/1/1999-00	120	0	0.971	0
10/1/2000-01	108	0	0.953	0
10/1/2001-02	96	321	0.942	302
10/1/2002-03	84	1,481	0.941	1,393
10/1/2003-04	72	19,357	0.943	18,262
10/1/2004-05	60	8,446	0.945	7,978
10/1/2005-06	48	41,717	0.947	39,489
10/1/2006-07	36	109,721	0.948	104,011
10/1/2007-08	24	526,878	0.946	498,206
10/1/2008-09	12	1,865,277	0.941	1,754,859
<u>Total</u>		<u>2,573,198</u>		<u>2,424,499</u>

NOTES:

1. Column (2) is from Exhibit AL-2.
2. Column (3) is from Exhibit AL-8.

District of Columbia  
Self-Insured Program  
Automobile Liability

Estimated Ultimate Loss and Loss Expense

Policy Year	Total Paid Loss and Loss Expense (1)	Total Case Loss and Loss Exp. Reserves (2)	Total Incurred Loss and Loss Expense (3)	Selected Ultimate Loss and Loss Expense (4)	Estimated IBNR Reserves (5)	Estimated Case and IBNR Reserves (2) + (5) (6)
Prior	0	0	0		0	0
10/1/1997-98	0	0	0		0	0
10/1/1998-99	0	0	0		0	0
10/1/1999-00	0	0	0		0	0
10/1/2000-01	49,178	0	49,178		0	0
10/1/2001-02	76,129	0	76,129	76,449	321	321
10/1/2002-03	213,091	0	213,091	214,572	1,481	1,481
10/1/2003-04	478,024	10,500	488,524	497,381	8,857	19,357
10/1/2004-05	488,550	0	488,550	496,995	8,446	8,446
10/1/2005-06	713,210	16,675	729,885	754,927	25,042	41,717
10/1/2006-07	699,140	57,728	756,868	808,861	51,994	109,721
10/1/2007-08	679,398	323,902	1,003,299	1,206,275	202,976	526,878
10/1/2008-09	195,613	955,850	1,151,464	2,060,890	909,426	1,865,277
Total	3,592,331	1,364,655	4,956,986		1,208,542	2,573,198

NOTES:

1. Columns (1) to (3) are from Exhibit AL-6.
2. Column (4) is from Exhibit AL-4, .
3. Column (5) is from Exhibit AL-5, Page 2 for policy years 10/1/2000-01 and prior.  
The remaining years are Column (4) minus Column (3).

District of Columbia  
Self-Insured Program  
Automobile Liability

Paid Loss and Loss Expense - Run Off Test of Actual versus Expected

Policy Year	Selected Ultimate Loss and Loss Expense (1)	Percent of Ultimate Loss Paid as of 9/30/2008 (2)	Percent of Ultimate Loss Paid as of 9/30/2009 (3)	Expected Paid Loss as of	
				9/30/2008 (1) x (2) (4)	9/30/2009 (1) x (3) (5)
10/1/2001-02	76,449	0.967	0.979	73,922	74,856
10/1/2002-03	214,572	0.943	0.967	202,346	207,478
10/1/2003-04	497,381	0.903	0.943	449,136	469,041
10/1/2004-05	496,995	0.829	0.903	412,080	448,788
10/1/2005-06	754,927	0.697	0.829	526,067	625,942
10/1/2006-07	808,861	0.504	0.697	407,937	563,651
10/1/2007-08	1,206,275	0.251	0.504	302,701	608,366
10/1/2008-09	2,060,890	0.000	0.251	0	517,156

Policy Year	Actual Paid Loss as of		Paid Loss From 9/30/2008 to 9/30/2009		Difference Between Expected and Actual (9) - (8) (10)
	9/30/2008 (6)	9/30/2009 (7)	Expected (5) - (4) (8)	Actual (7) - (6) (9)	
10/1/2001-02	59,219	76,129	934	16,910	15,976
10/1/2002-03	191,631	213,091	5,131	21,460	16,328
10/1/2003-04	410,060	478,024	19,905	67,964	48,059
10/1/2004-05	478,836	488,550	36,708	9,713	-26,995
10/1/2005-06	588,298	713,210	99,875	124,912	25,037
10/1/2006-07	446,127	699,140	155,715	253,013	97,298
10/1/2007-08	138,430	679,398	305,666	540,967	235,302
10/1/2008-09	0	195,613	517,156	195,613	-321,543
Total			1,141,090	1,230,552	89,462

**NOTES:**

- Column (1) is from Exhibit AL-4.
- Columns (2) and (3) are the reciprocal of the paid loss development factors from Exhibit AL-9.
- Columns (6) and (7) are from Exhibit AL-6.

District of Columbia  
Self-Insured Program  
Automobile Liability

Selected Ultimate Loss and Loss Expense

Policy Year	Total Paid Loss and Loss Expense (1)	Total Case Loss and Loss Expense Res. (2)	Total Incurred Loss and Loss Expense (3)
10/1/2001-02	76,129	0	76,129
10/1/2002-03	213,091	0	213,091
10/1/2003-04	478,024	10,500	488,524
10/1/2004-05	488,550	0	488,550
10/1/2005-06	713,210	16,675	729,885
10/1/2006-07	699,140	57,728	756,868
10/1/2007-08	679,398	323,902	1,003,299
10/1/2008-09	195,613	955,850	1,151,464

Policy Year	Estimated Ultimate Loss and Loss Expense Based on:				Prior Report Sel. Ult. Loss and Loss Expense (8)	Selected Ult. Loss and Loss Expense (9)
	Paid Loss Dev. (4)	Incurred Loss Dev. (5)	IBNR to Case Reserve Estimate #1 (6)	IBNR to Case Reserve Estimate #2 (7)		
10/1/2001-02	77,749	76,770	0	76,129	73,118	76,449
10/1/2002-03	220,377	216,053	0	213,091	244,146	214,572
10/1/2003-04	506,906	499,574	301,231	495,187	1,749,197	497,381
10/1/2004-05	541,027	505,441	0	488,550	979,651	496,995
10/1/2005-06	860,177	772,117	143,554	737,737	774,988	754,927
10/1/2006-07	1,003,293	835,057	275,522	782,666	1,107,366	808,861
10/1/2007-08	1,347,117	1,224,026	1,027,159	1,188,525	1,992,809	1,206,275
10/1/2008-09	779,528	1,903,494	2,700,274	2,218,285		2,060,890

**NOTES:**

- Columns (1) and (3) are from Exhibit AL-6.
- Columns (4) to (7) are from Exhibit AL-5.
- The selected ultimate loss and loss expense in Column (8) is from the prior actuarial report.
- Column (9) uses the following weights for (4) to (7) for each policy year:

Policy Year	Column (4)	Column (5)	Column (6)	Column (7)
10/1/2001-02	0%	50%	0%	50%
10/1/2002-03	0%	50%	0%	50%
10/1/2003-04	0%	50%	0%	50%
10/1/2004-05	0%	50%	0%	50%
10/1/2005-06	0%	50%	0%	50%
10/1/2006-07	0%	50%	0%	50%
10/1/2007-08	0%	50%	0%	50%
10/1/2008-09	0%	50%	0%	50%

District of Columbia  
Self-Insured Program  
Automobile Liability

Estimated Ultimate Loss and Loss Expense  
Based on the Loss Development Factor Method

<u>Policy Year</u>	<u>Total Paid Loss and Loss Expense</u> (1)	<u>Total Incurred Loss and Loss Expense</u> (2)	<u>Paid Loss Dev. Factor</u> (3)	<u>Incurred Loss Dev. Factor</u> (4)
10/1/2001-02	76,129	76,129	1.021	1.008
10/1/2002-03	213,091	213,091	1.034	1.014
10/1/2003-04	478,024	488,524	1.060	1.023
10/1/2004-05	488,550	488,550	1.107	1.035
10/1/2005-06	713,210	729,885	1.206	1.058
10/1/2006-07	699,140	756,868	1.435	1.103
10/1/2007-08	679,398	1,003,299	1.983	1.220
10/1/2008-09	195,613	1,151,464	3.985	1.653

<u>Policy Year</u>	<u>Estimated Ultimate Loss and Loss Expense Based on:</u>	
	<u>Paid Loss Dev.</u>	<u>Inc. Loss Dev.</u>
	<u>(1) x (3)</u> (5)	<u>(2) x (4)</u> (6)
10/1/2001-02	77,749	76,770
10/1/2002-03	220,377	216,053
10/1/2003-04	506,906	499,574
10/1/2004-05	541,027	505,441
10/1/2005-06	860,177	772,117
10/1/2006-07	1,003,293	835,057
10/1/2007-08	1,347,117	1,224,026
10/1/2008-09	779,528	1,903,494

NOTES:

1. Columns (1) and (2) are from Exhibit AL-6.
2. Columns (3) and (4) are from Exhibit AL-7.

District of Columbia  
Self-Insured Program  
Automobile Liability

Estimated Ultimate Loss and Loss Expense  
Based on the Ratio of IBNR to Case Reserves

Policy Year	Month of Development (1)	Ratio of IBNR to Case Reserve (2)	Ultimate to Case and IBNR Reserve (3)	All Claims Total Case Reserve (4)	Estimated IBNR Reserve (2) x (4) (5)	Case and IBNR Reserve (4) + (5) (6)	Est. #1 Of Ult. Loss and Loss Exp. (3) x (6) (7)
Prior	156	0.000	0.000	0	0	0	---
10/1/1997-98	144	0.000	0.000	0	0	0	---
10/1/1998-99	132	0.541	177.062	0	0	0	---
10/1/1999-00	120	0.523	86.369	0	0	0	---
10/1/2000-01	108	0.392	66.207	0	0	0	---
10/1/2001-02	96	0.669	47.971	0	0	0	0
10/1/2002-03	84	0.708	30.246	0	0	0	0
10/1/2003-04	72	0.635	17.551	10,500	6,663	17,163	301,231
10/1/2004-05	60	0.526	10.310	0	0	0	0
10/1/2005-06	48	0.471	5.853	16,675	7,852	24,527	143,554
10/1/2006-07	36	0.447	3.299	57,728	25,798	83,526	275,522
10/1/2007-08	24	0.572	2.017	323,902	185,226	509,128	1,027,159
10/1/2008-09	12	1.116	1.335	955,850	1,066,821	2,022,672	2,700,274
<b>Total</b>				<b>1,364,655</b>	<b>1,292,361</b>	<b>2,657,016</b>	

Policy Year	Total Paid (8)	Est. #2 Of Ult. Loss and Loss Exp. (6) + (8) (9)
10/1/2001-02	76,129	76,129
10/1/2002-03	213,091	213,091
10/1/2003-04	478,024	495,187
10/1/2004-05	488,550	488,550
10/1/2005-06	713,210	737,737
10/1/2006-07	699,140	782,666
10/1/2007-08	679,398	1,188,525
10/1/2008-09	195,613	2,218,285

**NOTES:**

1. The month of development is the number of months from the beginning of the policy year to the loss evaluation date of 9/30/2009.
2. Columns (2) and (3) are from Exhibit AL-7.
3. Column (4) is from Exhibit AL-6.

District of Columbia  
Self-Insured Program  
Automobile Liability

Loss Data as of 9/30/2009

Policy Year	Closed Claims				Open Claims				All Claims			
	# of Claims	Total Paid	Total Case Reserve	Total Incurred	# of Claims	Total Paid	Total Case Reserve	Total Incurred	# of Claims	Total Paid	Total Case Reserve	Total Incurred
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Prior	5	0	0	0	0	0	0	0	5	0	0	0
10/1/1997-98	6	0	0	0	0	0	0	0	6	0	0	0
10/1/1998-99	17	0	0	0	0	0	0	0	17	0	0	0
10/1/1999-00	22	0	0	0	0	0	0	0	22	0	0	0
10/1/2000-01	55	49,178	0	49,178	0	0	0	0	55	49,178	0	49,178
10/1/2001-02	123	76,129	0	76,129	0	0	0	0	123	76,129	0	76,129
10/1/2002-03	347	213,091	0	213,091	0	0	0	0	347	213,091	0	213,091
10/1/2003-04	653	478,024	0	478,024	1	0	10,500	10,500	654	478,024	10,500	488,524
10/1/2004-05	519	488,550	0	488,550	0	0	0	0	519	488,550	0	488,550
10/1/2005-06	797	705,250	2,500	707,750	8	7,960	14,175	22,135	805	713,210	16,675	729,885
10/1/2006-07	788	695,377	0	695,377	21	3,763	57,728	61,491	809	699,140	57,728	756,868
10/1/2007-08	782	675,260	0	675,260	109	4,137	323,902	328,039	891	679,398	323,902	1,003,299
10/1/2008-09	604	183,626	13,738	197,365	612	11,987	942,112	954,099	1,216	195,613	955,850	1,151,464
Total	4,718	3,564,484	16,238	3,580,722	751	27,847	1,348,417	1,376,264	5,469	3,592,331	1,364,655	4,956,986

NOTES:

1. Summary of loss data received from the District of Columbia.
2. Total Incurred, Columns (4), (8), and (12), is the sum of the paid and case reserve.
3. Claims are organized into the policy year based on the "Loss Date".

District of Columbia  
Self-Insured Program  
Automobile Liability

Loss Data as of 9/30/2008

Policy Year	Closed Claims				Open Claims				All Claims			
	# of Claims	Total Paid	Total Case Reserve	Total Incurred	# of Claims	Total Paid	Total Case Reserve	Total Incurred	# of Claims	Total Paid	Total Case Reserve	Total Incurred
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Prior	26	487	0	487	1	0	850	850	27	487	850	1,337
10/1/1997-98	6	0	0	0	0	0	0	0	6	0	0	0
10/1/1998-99	16	0	0	0	0	0	0	0	16	0	0	0
10/1/1999-00	22	0	0	0	0	0	0	0	22	0	0	0
10/1/2000-01	56	49,178	0	49,178	0	0	0	0	56	49,178	0	49,178
10/1/2001-02	120	59,219	0	59,219	3	0	9,909	9,909	123	59,219	9,909	69,128
10/1/2002-03	343	188,511	0	188,511	7	3,120	37,895	41,015	350	191,631	37,895	229,526
10/1/2003-04	656	410,060	0	410,060	11	0	1,040,574	1,040,574	667	410,060	1,040,574	1,450,634
10/1/2004-05	563	472,762	0	472,762	16	6,074	385,144	391,218	579	478,836	385,144	863,980
10/1/2005-06	871	583,363	0	583,363	53	4,934	122,581	127,515	924	588,298	122,581	710,879
10/1/2006-07	783	405,608	0	405,608	171	40,519	428,384	468,902	954	446,127	428,384	874,510
10/1/2007-08	361	103,851	0	103,851	444	34,579	1,010,015	1,044,594	805	138,430	1,010,015	1,148,445
Total	3,823	2,273,039	0	2,273,039	706	89,226	3,035,351	3,124,576	4,529	2,362,266	3,035,351	5,397,617

NOTES:

1. Summary of loss data received from the District of Columbia.
2. Total Incurred, Columns (4), (8), and (12), is the sum of the paid and case reserve.
3. Claims are organized into the policy year based on the "Event Date".

District of Columbia  
Self-Insured Program  
Automobile Liability

Loss Data as of 9/30/2007

Policy Year	Closed Claims				Open Claims				All Claims			
	# of Claims (1)	Total Paid (2)	Total Case Reserve (3)	Total Incurred (4)	# of Claims (5)	Total Paid (6)	Total Case Reserve (7)	Total Incurred (8)	# of Claims (9)	Total Paid (10)	Total Case Reserve (11)	Total Incurred (12)
Prior	8	0	0	0	2	0	1,304	1,304	10	0	1,304	1,304
10/1/1997-98	6	0	0	0	0	0	0	0	6	0	0	0
10/1/1998-99	12	0	0	0	0	0	0	0	12	0	0	0
10/1/1999-00	21	0	0	0	0	0	0	0	21	0	0	0
10/1/2000-01	47	0	2,500	2,500	0	0	0	0	47	0	2,500	2,500
10/1/2001-02	88	0	23,500	23,500	0	0	0	0	88	0	23,500	23,500
10/1/2002-03	228	5,613	0	5,613	2	0	1,000	1,000	230	5,613	1,000	6,613
10/1/2003-04	506	86,205	0	86,205	33	10,504	1,156,716	1,167,220	539	76,709	1,156,716	1,233,425
10/1/2004-05	784	381,469	0	381,469	131	24,737	898,381	923,117	915	406,205	898,381	1,304,586
10/1/2005-06	634	455,247	0	455,247	217	40,419	817,129	857,548	851	495,666	817,129	1,112,795
10/1/2006-07	229	92,014	0	92,014	446	1,465	1,089,036	1,090,501	675	93,479	1,089,036	1,182,515
<b>Total</b>	<b>2,563</b>	<b>1,000,547</b>	<b>26,000</b>	<b>1,026,547</b>	<b>831</b>	<b>77,125</b>	<b>3,763,565</b>	<b>3,840,691</b>	<b>3,394</b>	<b>1,077,672</b>	<b>3,789,565</b>	<b>4,867,238</b>

NOTES:

- Summary of loss data received from the District of Columbia.
- Total Paid Loss, Column (2), (6), and (10), is the sum of columns titled "Indemnity Paid", "Medical Paid", "Expense Paid", "Other Paid", "Bodily Injury Paid", "Property Damage Paid", "Equipment Paid", and "Litigation Paid".
- Total Case Reserve, Columns (3), (7), and (11), is the sum of columns titled "Indemnity Res", "Medical Res", "Expense Res", "Other Res", "Bodily Injury Res", "Property Damage Res", "Equipment Res", and "Litigation Res".
- Total Incurred, Columns (4), (8), and (12), is the sum of the paid and case reserve.
- Claims are organized into the policy year based on the "Event Date".

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Loss Data as of 9/30/2006

Policy Year	Closed Claims				Open Claims				All Claims			
	# of Claims	Total Paid	Total Case Reserve	Total Incurred	# of Claims	Total Paid	Total Case Reserve	Total Incurred	# of Claims	Total Paid	Total Case Reserve	Total Incurred
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Prior	5	0	0	0	1	0	100	100	6	0	100	100
10/1/1997-98	6	0	0	0	0	0	0	0	6	0	0	0
10/1/1998-99	12	0	0	0	0	0	0	0	12	0	0	0
10/1/1999-00	21	0	0	0	0	0	0	0	21	0	0	0
10/1/2000-01	47	0	2,500	2,500	0	0	0	0	47	0	2,500	2,500
10/1/2001-02	86	0	23,500	23,500	0	0	0	0	86	0	23,500	23,500
10/1/2002-03	224	1,899	0	1,899	3	0	4,915	4,915	227	1,899	4,915	6,814
10/1/2003-04	469	30,167	0	30,167	61	6,159	293,781	299,940	530	36,326	293,781	330,107
10/1/2004-05	509	157,063	0	157,063	290	20,278	1,217,059	1,237,337	799	177,341	1,217,059	1,394,400
10/1/2005-06	217	53,124	0	53,124	446	6,090	1,028,477	1,034,567	663	59,213	1,028,477	1,087,690
Total	1,596	242,252	26,000	268,252	801	32,527	2,544,332	2,576,859	2,397	274,779	2,570,332	2,845,111

NOTES:

- Summary of loss data received from the District of Columbia.
- Total Paid Loss, Column (2), (6), and (10), is the sum of columns titled "Indemnity Paid", "Medical Paid", "Expense Paid", "Other Paid", "Bodily Injury Paid", "Property Damage Paid", "Equipment Paid", "Legal Paid", and "Litigation Paid".
- Total Case Reserve, Columns (3), (7), and (11), is the sum of columns titled "Indemnity Res", "Medical Res", "Expense Res", "Other Res", "Bodily Injury Res", "Property Damage Res", "Equipment Res", "Legal Res", and "Litigation Res".
- Total Incurred, Columns (4), (8), and (12), is the sum of the paid and case reserve.
- Claims are organized into the policy year based on the "Event Date".

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Loss Data as of 9/30/2005

Policy Year	Closed Claims				Open Claims				All Claims			
	# of Claims (1)	Total Paid (2)	Total Case Reserve (3)	Total Incurred (4)	# of Claims (5)	Total Paid (6)	Total Case Reserve (7)	Total Incurred (8)	# of Claims (9)	Total Paid (10)	Total Case Reserve (11)	Total Incurred (12)
Prior	1	0	0	0	2	0	2,500	2,500	3	0	2,500	2,500
10/1/1997-98	6	0	0	0	0	0	0	0	6	0	0	0
10/1/1998-99	12	0	0	0	4	0	3,000	3,000	16	0	3,000	3,000
10/1/1999-00	21	0	0	0	1	0	100	100	22	0	100	100
10/1/2000-01	47	0	2,500	2,500	6	0	4,000	4,000	53	0	6,500	6,500
10/1/2001-02	85	0	23,500	23,500	26	0	65,408	65,408	111	0	88,908	88,908
10/1/2002-03	220	1,899	0	1,899	117	0	409,372	409,372	337	1,899	409,372	411,270
10/1/2003-04	412	0	0	0	231	0	290,327	290,327	643	0	290,327	290,327
10/1/2004-05	183	0	0	0	262	0	15,049	15,049	445	0	15,049	15,049
Total	987	1,899	26,000	27,899	649	0	789,756	789,756	1,636	1,899	815,756	817,654

**NOTES:**

- Summary of loss data received from the District of Columbia. Excel file name is "Losses By Claim and Event Date", received on 12/1/2005.
- Total Paid Loss, Column (2), (6), and (10), is the sum of columns titled "Indemnity Paid", "Medical Paid", "Expense Paid", and "Litigation Paid".
- Total Case Reserve, Columns (3), (7), and (11), is the sum of columns titled "Indemnity Res", "Medical Res", "Expense Res", and "Litigation Res".
- Total Incurred, Columns (4), (8), and (12), is the sum of the paid and case reserve.
- Claims are organized into the policy year based on the "Event Date".

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IBNR Ratios to Case Loss Reserves

Month of Dev.	Paid Loss Dev. Factor	Percent Paid 1 / (1)	Incurred Loss Dev. Factor	Percent Incurred 1 / (3)	Percent of Case Reserves (4) - (2)	Percent of IBNR Reserves 1 - (4)	Ratio of IBNR to Case Reserves (6) / (5)	Ultimate to Case and IBNR Reserves 1 / [(5)+(6)]
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
12	3.985	25.1%	1.653	60.5%	35.4%	39.5%	1.116	1.335
24	1.983	50.4%	1.220	82.0%	31.5%	18.0%	0.572	2.017
36	1.435	69.7%	1.103	90.6%	21.0%	9.4%	0.447	3.299
48	1.206	82.9%	1.058	94.5%	11.6%	5.5%	0.471	5.853
60	1.107	90.3%	1.035	96.7%	6.4%	3.3%	0.526	10.310
72	1.060	94.3%	1.023	97.8%	3.5%	2.2%	0.635	17.551
84	1.034	96.7%	1.014	98.6%	1.9%	1.4%	0.708	30.246
96	1.021	97.9%	1.008	99.2%	1.2%	0.8%	0.669	47.971
108	1.015	98.5%	1.004	99.6%	1.1%	0.4%	0.392	66.207
120	1.012	98.8%	1.004	99.6%	0.8%	0.4%	0.523	86.369
132	1.006	99.4%	1.002	99.8%	0.4%	0.2%	0.541	177.062
144	1.000	100.0%	1.000	100.0%	0.0%	0.0%	0.000	0.000
156	1.000	100.0%	1.000	100.0%	0.0%	0.0%	0.000	0.000
168	1.000	100.0%	1.000	100.0%	0.0%	0.0%	0.000	0.000
180	1.000	100.0%	1.000	100.0%	0.0%	0.0%	0.000	0.000

NOTES:

1. Columns (1) and (3) are from Exhibit AL-9.

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Present Value Factor

<u>Month of Development</u>	<u>Paid Loss Development Factor</u>	<u>Percent Paid 1 / (1)</u>	<u>Incremental Percent Paid</u>	<u>Present Value Factor at 3 Percent Per Year</u>	<u>Pres. Value Factor for Future Policy Year (3) x (4)</u>	<u>Pres. Value Factor For the Month of Development (6)</u>
	(1)	(2)	(3)	(4)	(5)	(6)
12	3.985	25.1%	25.1%	0.985	0.247	0.941
24	1.983	50.4%	25.3%	0.957	0.242	0.946
36	1.435	69.7%	19.3%	0.929	0.179	0.948
48	1.206	82.9%	13.2%	0.902	0.119	0.947
60	1.107	90.3%	7.4%	0.875	0.065	0.945
72	1.060	94.3%	4.0%	0.850	0.034	0.943
84	1.034	96.7%	2.4%	0.825	0.020	0.941
96	1.021	97.9%	1.2%	0.801	0.010	0.942
108	1.015	98.5%	0.6%	0.778	0.004	0.953
120	1.012	98.8%	0.4%	0.755	0.003	0.971
132	1.006	99.4%	0.6%	0.733	0.004	0.985
144	1.000	100.0%	0.6%	0.712	0.004	
			100.0%		0.931	

NOTES:

1. Column (1) is from Exhibit AL-9.
2. The Present Value Factor in Column (4) assumes the average payment is in the middle of the year.
3. The Present Value Factor in Column (5), (Total), is the present value factor applicable to a future policy period.
4. The Present Value Factors in Column (6) are the factors applicable to past policy years at various stages of development. For example, the factor at 12 months is for a policy year that is 1 year (or 12 months) old, counting the number of months from the beginning of the policy year.

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Selected Insurance Industry Loss Development Factors

Month of Development	Paid Loss Development Factor (1)	Incurred Loss Development Factor		Selected Incurred Loss Development Factor (4)
		RAA	Best's	
		(2)	(3)	
12	3.985	5.122	1.653	1.653
24	1.983	2.114	1.220	1.220
36	1.435	1.450	1.103	1.103
48	1.206	1.215	1.058	1.058
60	1.107	1.115	1.035	1.035
72	1.060	1.062	1.023	1.023
84	1.034	1.039	1.014	1.014
96	1.021	1.017	1.008	1.008
108	1.015	1.014	1.004	1.004
120	1.012	1.011	1.004	1.004
132	1.006			1.002
144	1.000			1.000
156	1.000			1.000
168	1.000			1.000
180	1.000			1.000

NOTES:

1. Loss development factors are from Pages 2 and 3.
2. The selected incurred loss development factors use the factors from Column (3).
3. Factors up through 120 months are from the industry data. Factors beyond 120 months are estimates.

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Direct Business - Commercial Auto Liability  
Selected Loss Development Factors

Accident Year	Paid Loss (1)	Paid ALAE (2)	Paid Loss and ALAE (1) + (2) (3)	Case Loss Reserve (4)	Case ALAE Reserve (5)	Case Loss and ALAE Reserve (4) + (5) (6)	Incurred Loss and ALAE (3) + (6) (7)
1991	9,109,986	991,176	10,101,162	75,079	2,623	77,702	10,178,864
1992	9,077,041	1,030,204	10,107,245	108,094	3,238	111,332	10,218,577
1993	9,759,428	1,111,854	10,871,282	134,318	4,318	138,636	11,009,918
1994	10,648,833	1,227,228	11,876,061	226,986	10,697	237,683	12,113,744
1995	10,508,123	1,187,123	11,695,246	406,192	26,099	432,291	12,127,537
1996	10,801,528	1,168,570	11,970,098	791,030	51,745	842,775	12,812,873
1997	10,544,719	995,898	11,540,617	1,510,379	106,433	1,616,812	13,157,429
1998	9,234,903	681,644	9,916,547	2,795,936	185,676	2,981,612	12,898,159
1999	6,929,932	365,652	7,295,584	4,303,962	257,635	4,561,597	11,857,181
2000	3,493,243	124,284	3,617,527	4,842,400	260,619	5,103,019	8,720,546

Accident Year	IBNR Loss Reserve (8)	IBNR ALAE Reserve (9)	IBNR Loss and ALAE Reserve (8) + (9) (10)	Ultimate Loss and ALAE (7) + (10) (11)	Ratio of Paid to Incurred (3) / (7) (12)	Loss Dev Factor	
						Paid Loss and ALAE (11) / (3) (13)	Incurred Loss and ALAE (11) / (7) (14)
1991	30,109	10,513	40,622	10,219,486	0.992	1.012	1.004
1992	25,917	17,753	43,670	10,262,247	0.989	1.015	1.004
1993	63,931	28,882	92,813	11,102,731	0.987	1.021	1.008
1994	126,680	41,706	168,386	12,282,130	0.980	1.034	1.014
1995	210,661	63,667	274,328	12,401,865	0.964	1.060	1.023
1996	338,820	104,180	443,000	13,255,873	0.934	1.107	1.035
1997	587,925	173,381	761,306	13,918,735	0.877	1.206	1.058
1998	1,028,598	303,867	1,332,465	14,230,624	0.769	1.435	1.103
1999	2,107,691	500,897	2,608,588	14,465,769	0.615	1.983	1.220
2000	4,913,464	781,998	5,695,462	14,416,008	0.415	3.985	1.653

NOTES:

- Source: Best's Aggregates and Averages. Consolidated Industry Totals, Year 2000 Annual Statement, Schedule P - Part 1C - Commercial Auto Liability/Medical.

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Treaty and Facultative Business  
Commercial Automobile Liability  
Selected Loss Development Factors

<u>Month of Development</u>	<u>Incurred Loss Development Factor</u>
12	5.122
24	2.114
36	1.450
48	1.215
60	1.115
72	1.062
84	1.039
96	1.017
108	1.014
120	1.011
132	1.008
144	1.005

NOTES:

1. Source: Reinsurance Association of America, Historical Loss Development Study, 2003 Edition.

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Paid Loss Development

Month of Development

<u>Policy Year</u>	<u>12</u>	<u>24</u>	<u>36</u>	<u>48</u>	<u>60</u>
10/1/2004-05	0	177,341	406,205	478,836	488,550
10/1/2005-06	59,213	495,666	588,298	713,210	
10/1/2006-07	93,479	446,127	699,140		
10/1/2007-08	138,430	679,398			
10/1/2008-09	195,613				

Age to Age Development Factors

<u>Policy Year</u>	<u>12 to 24</u>	<u>24 to 36</u>	<u>36 to 48</u>	<u>48 to 60</u>
10/1/2004-05	0.000	2.291	1.179	1.020
10/1/2005-06	8.371	1.187	1.212	
10/1/2006-07	4.772	1.567		
10/1/2007-08	4.908			

NOTES:

1. Data is from Exhibit AL-6.

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Incurred Loss Development

Month of Development

<u>Policy Year</u>	<u>12</u>	<u>24</u>	<u>36</u>	<u>48</u>	<u>60</u>
10/1/2004-05	15,049	1,394,400	1,304,586	863,980	488,550
10/1/2005-06	1,087,690	1,112,795	710,879	729,885	
10/1/2006-07	1,182,515	874,510	756,868		
10/1/2007-08	1,148,445	1,003,299			
10/1/2008-09	1,151,464				

Age to Age Development Factors

<u>Policy Year</u>	<u>12 to 24</u>	<u>24 to 36</u>	<u>36 to 48</u>	<u>48 to 60</u>
10/1/2004-05	92.660	0.936	0.662	0.565
10/1/2005-06	1.023	0.639	1.027	
10/1/2006-07	0.740	0.865		
10/1/2007-08	0.874			

NOTES:

1. Data is from Exhibit AL-6.

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Reported Claim Count Development

Policy Year	<u>Month of Development</u>				
	12	24	36	48	60
10/1/2004-05	445	799	915	579	519
10/1/2005-06	663	851	924	805	
10/1/2006-07	675	954	809		
10/1/2007-08	805	891			
10/1/2008-09	1,216				

Policy Year	<u>Age to Age Development Factors</u>			
	12 to 24	24 to 36	36 to 48	48 to 60
10/1/2004-05	1.796	1.145	0.633	0.896
10/1/2005-06	1.284	1.086	0.871	
10/1/2006-07	1.413	0.848		
10/1/2007-08	1.107			

NOTES:

1. Data is from Exhibit AL-6.

ATTACHMENT J.13

CLIENT SERVICE PLAN

## **1. Executive Summary**

The attached Client Service Plan (CSP) is a compilation of information and requirements agreed to between the Third Party Administrator (TPA) and Medical Management Services Contractor (MMS) and the District of Columbia Government Office of Risk Management for the administration of the Disability Compensation Program. It is designed as a reference for DCORM and representatives of the TPA for claims handling guidelines above and beyond basic claims handling techniques and the TPA's Standards and Procedures. The manual is divided into 18 sections with sub-topics in each section.

The TPA staff shall work with key DCORM contacts in the day to day management of DCORM's Disability Compensation Program. The key contacts at DCORM are as follows: Disability Compensation Manager; Disability Compensation Specialist; Disability Compensation Specialist and the DCP Program Analyst. The TPA and the Return-To-Work Coordinator shall work in conjunction. The DC Office of Attorney General (OAG) is the contact on litigated claims.

The TPA, in conjunction with the Medical Management Services Contractor shall service this account. There shall be dedicated adjusters and staff in each of these units responsible for the overall claims handling.

## **2. Introduction**

The attached Client Service Plan (CSP) is a completion of information and requirements between the TPA and MMS Contractors and the DC Office of Risk Management (DCORM) for the administration of the Disability Compensation Claims Management Program. It is designed as a reference for DCORM and representatives of the TPA and MMS Contractors for claims handling guidelines above and beyond basic claims handling techniques and Standards and Procedures.

The Client Service Plan documents key elements of basic and value added services. The Client Service Plan is designed as a reference guide to answer questions regarding requirements or procedures that impact overall program results for ORM and the selected TPA and MMS Contractors.

### **2.1 Client Claims Philosophy**

The District of Columbia Office of Risk Management (DCORM) believes in handling all claims promptly and fairly, treating each injured worker with concern, compassion and understanding in accordance with the law of the DC Government jurisdiction. DCORM will use all available resources to administer legitimate claims as well as to investigate and resist fraudulent and questionable claims.

### **2.2 Client Background**

The District of Columbia Office of Risk Management (DCORM) Claims Bureau is responsible for the oversight, supervision and administration of the Disability Compensation Program (DCP), which covers approximately 33,378 employees. The DCP is a comprehensive, statutorily mandated, self-insured workers compensation program applicable to District government employees. Its purpose is threefold:

To award compensation benefits to injured workers covered by the statute and to eligible survivors of employees whose cause of death was directly attributable to a work injury or occupational illness;

To provide funding for appropriate medical treatment, including emergency medical care, after a District employee sustains an injury or an illness on the job:  
and;

To facilitate expeditious Return to Work for the injured workers.

### **3. Account Management**

#### **3.1 Client Service Visits**

The Client will conduct bi-weekly meetings with DCORM. The purpose of these visits are to:

- Establish program goals and objectives
- Maintain service relationship
- Evaluate and measure program results

#### **3.2 Phone Call Responsiveness**

The prompt return of all calls is essential. Calls from an injured worker, OAG, ORM contact or key vendor contact must be returned the same business day or within 24hrs. Under no circumstances, shall a call be returned in excess of twenty-four (24) hours from date of receipt.

#### **3.3 Conversion/Re-classification of Claims**

Any claim originally reported as a medical only claim, which requires additional investigation on compensability or denial issues, will be converted immediately to a lost time case.

Medical only claims will be immediately converted to indemnity claims as soon as verification of lost time is received. An explanation of the claim conversion will be documented in the claim notes as soon as the conversion occurs.

Closed files will be immediately re-opened upon notification that a recurrence has taken place. All pertinent information shall be stored and maintained in the TPA and or MMS claim system.

#### **3.4 File Retention**

#### **3.5 Assigned Examining Staff**

The TPA and MMS Contractor shall immediately notify ORM in the event of any reassignment of an adjuster servicing this program. ORM reserves the right to participate in the interview and selection of candidates considered for the program.

#### **3.6 Claims Closure**

The TPA and MMS shall conduct regular reviews of all open Workers' Compensation indemnity files and promptly close all files as permitted by DC regulation. All indemnity files without substantive activity will be considered for

closure at six-month intervals. At the time of claims closure, the ORM claims contact will receive notification of said closure.

### **3.7 States/Jurisdictions Serviced**

District of Columbia

### **3.8 Client Service Plan**

The Client Service Plan will be distributed to each Contractor/Subcontractor and the DCP staff.

## **4. Claims Management**

The TPA and MMS Contractors shall perform all necessary claims management functions including determination of compensability, eligibility for benefits, payment of medical benefits, identification and referral of cases to rehabilitation, establishing reserves and developing an appropriate payment system. The following identifies the components of our claims management program.

### **4.1 Claims Reporting**

Claims will be reported by the employee's supervisors directly to the TPA's call center. The operator will conduct a comprehensive interview and produce a claim report. All claims will be assigned a system generated claim number within twenty-four (24) hours of receipt.

### **4.2 Acknowledgment**

Within 24 hours of receipt of a claim, the claims adjuster will send an acknowledgment letter to the injured worker. The acknowledgment letter will contain the system generated claim number assigned to the file, adjuster's name and contact information.

### **4.3 Indexing**

The TPA shall index all Workers' Compensation indemnity claims utilizing an Index Bureau number upon receipt of a claim. All open claims will be reviewed by the TPA at six (6) month intervals to determine if there has been any new information updated from the claims bureau.

### **4.4 Initial Three Point Contact**

The TPA shall ensure that three-point 24-hour contact is completed on each new lost time claim or that reasonable attempts to complete the three-point 24-hour requirement is evidenced and documented in each file. Reasonable attempts shall mean three or more spaced telephone calls on the day of assignment and the day

after. Unsuccessful attempts to contact the parties by phone shall be followed by a letter to that party advising that the adjuster must speak to the party. Efforts of attempt to contact all three parties must be included in the claim file notes. If after 21 calendar days of the initial attempt to complete the three-point contact, contact is not made, the adjuster shall send a notice of determination to the claimant controverting the claim and or notice of abandonment.

The notification to injured worker of adjuster assignment, claim number and contact information in writing. Notification shall be sent whenever there is a change of adjuster.

#### **4.5. Medical-Only Claims Contact**

When warranted the TPA adjusters or MMS staff are required to contact the injured worker and treating physician. Contact will be initiated as deemed necessary in the course of investigating compensability and to screen claims for consideration of Early Intervention.

##### **4.5.1 Indemnity Claims Contact**

Within twenty-four hours (24) hours of receipt of an indemnity claim, the TPA adjuster will initiate contact with the supervisor, injured worker, and treating physician for a determination of return-to-work status and compensability of the claim. All discoveries will be documented.

If the injured worker is unable to be contacted within the first twenty-four hours from the time the claim is reported, a contact letter will be mailed to the injured worker within the first 24 hours after claim receipt.

##### **4.5.2 Internal Investigation**

The investigations shall include consideration of severity of injury, potential extent of disability, questions of eligibility for compensation, verification that the accident or injury occurred on the job and opportunities for subrogation.

The TPA shall research past claims information and document all ISO reports, including former claims, if any, and injuries reported from those claims in the case file.

The TPA's adjusters should conduct a telephone investigation whenever possible. To the extent the adjuster determines there is a need for outside investigation, the Claims Manager should be contacted. At all times the name of the person spoken to should be documented in the file notes: name of adjuster at Commission, name of nurse at doctor's office or name of DCP contact, etc.

A twenty-one (21) day investigative summary should be included in all files. It should be succinct and address, compensability and a strategy for claim resolution.

#### **4.6 External Investigations (Preapproved Service)**

The TPA/Medical Management Service Contractor shall recommend the use of an external investigation as the need arises on a per claim basis. The claims adjuster will select the surveillance company based on the quality of past work, references and pricing. All other external investigations (e.g. AOE/COE, subrogation, etc.) will require notification of and discussion with the Claims Manager, a Disability Specialist or the Disability Compensation Manager prior to completing the referral initiating the service. All fees will be coded as an allocated expense.

The TPA claims adjuster, in collaboration with the Disability Compensation Branch, will arrange for on-site investigation of catastrophic cases within twenty-four (24) hours of occurrence.

#### **4.7 Recorded Statements**

The TPA adjusters will take recorded statements within 72 hours of the call from the injured worker and all witnesses on:

- All claims involving questions of compensability, injury severity and/or subrogation.
- Late notice claims
- Stress claims

All recorded statements shall include a description of the accident, witnesses, treating physician and previous injuries, etc.

#### **4.8 Compensability Determination**

Each claim should be reviewed with the MMS Contractor to ensure that the claim meets all criteria for compensability. The review must include a determination as to whether the claimant is eligible to receive benefits under any other coverage (i.e: injured workers who are eligible for PIP benefits). Evaluate potential coordination of concurrent or conflicting laws or benefits such as ADA, FMLA, LTD, PTO, Sick Leave, wage continuation, etc.

Should questions of compensability arise, the claims adjuster shall identify a clear plan of action (POA) to investigate compensability of the claim. The investigation should proceed with a final determination being made within twenty-one (21) days of notification. If a determination of compensability cannot be made within twenty-one (21) days, a clear rationale for the inability must be documented in the case history. All proper and timely filings must be completed with the appropriate jurisdiction. Any claims involving suspected fraudulent

activities or questionable actions are to be reported to the Claim Manager, Disability Compensation Branch and Office of Attorney General.

**Each claim must be evaluated for the presence of "fraud triggers".**

#### **4.9 Benefit Payments**

Benefits are to be accurately calculated and documented on all files to include calculation workup and all related changes during the life of the claim. All wage benefits will be processed and payment issued within 5 calendar days of benefits due after Continuation of Pay (COP) period ends. Ongoing payments will be paid on a bi-weekly basis or weekly basis, if a supplemental check is required consistent with the DPM Instruction.

Payments are to be accurately calculate payment for employee compensation, health and life benefits including but not limited to verification of an employee's average wage from the appropriate District agency contact person and calculation of loss of wage benefits.

Verify the relationship of dependents for assigned payments (via birth certificates, guardianship and or adoptions papers).

Documentation regarding disability should be current in order to validate issuance of disability benefits.

Medical bills are to be appropriately paid on compensable claims within 30 days of receipt.

#### **4.10 Reserves**

Initial reserves should be posted within ten (10) days of receipt of the claim. Indemnity, medical and allocated expenses must be included when calculating reserves. Reserves should be documented in the file as soon as supporting medical and/or legal information is received. All cases should be reserved to ultimate exposure as soon as sufficient information has been received to justify the proposed reserve changes.

Reserve amount shall be determined based on current medical diagnosis and other actual information, including disability duration guidelines and shall confirm the reserve accuracy at each diary review.

The TPA shall avoid using "stepladder" or stair step reserving to meet the current expenditures on the claim and reserve to meet the probable or expected total cost of the claim based on current available information

DCORM in writing of any initial or subsequent reserve change of \$25,000 or more. Any reserve greater than \$25,000 must be approved by a Compensation Specialist or the Disability Compensation Manager.

#### 4.11 File Documentation

An initial file summary including compensability resolution, medical documentation, reserve justification and plan of action will be completed and documented in the case notes on all Workers' Compensation claims within twenty-one (21) days of receipt of the claim. Updated case analysis summaries will be completed and documented no less than twenty-one (21) days after completion of the initial summary. These summaries will include any and all information that relates to the direction and value of the case, plan of action and target date of completion and closure of the claim.

The adjuster will set forth a factual account of the loss occurrence, steps taken toward verification of factual events and documentation and preservation of related factual data. An outline of further intended actions and necessary investigation with specific time frames for completion must be included.

#### 4.12 Diary/ Plan of Action

The TPA adjusters are required to maintain a thirty (30) day diary on all files unless circumstances of the file development warrant extending the diary. In the event the diary is extended, the basis for the extension must be clearly documented in the file notes.

The Contractor shall develop a plan of action in the file with a timeline that provides information on how the claim adjuster intends to move the claim to closure.

#### 4.13 Reporting Requirements

A formal narrative status report will be filed on all claims with an incurred value of \$100,000 or more. All other than maintenance files.

Claims involving the following are to be reported **regardless of reserves**:

- Fatalities
- Brain injuries resulting in impairment of physical functions
- Spinal injuries resulting in partial or total paralysis of upper or lower extremities
- Amputation or permanent loss of use of upper or lower extremities
- All other injuries resulting in disability of 6 months or more
- Severe burn injuries
- Loss of sight of one or both eyes or sensory loss
- Injuries with significant psychoneurotic involvement

#### **4.13 Supervision**

The TPA Claims Supervisor will be pro-actively involved in the supervision and management of individual claims. Supervisors shall review all files at setup and at fourteen (14) days. Supervisors should review medical-only claims if open longer than six (6) months. Supervisors should review cases with material triggers, including physician's PPD ratings, significant reserve changes, legal representation, and consideration of assigned surveillance, subrogation, fraud triggers and referral to Early Assessment.

Supervisory direction should be clearly documented as a value-added contribution to the overall claim file. The claim file will reflect supervisory guidance by direct memorandum or file entries in the case history.

#### **4.15 Settlement Authority (Claims Not in Litigation)**

Settlement evaluations will be made promptly, based on information included in the file and other relevant information. Where warranted, settlement will be pursued in a timely and aggressive manner and all negotiations will be handled internally by the claims adjuster. In order to obtain settlement authority, a **Settlement Evaluation Form** must be completed by the claims adjuster and sent to the Disability Compensation Branch for review. Structured settlements should be pro-actively pursued where it is cost effective to do so.

### **5. Subrogation**

The TPA will immediately evaluate and monitor all cases for potential subrogation recoveries. The adjuster will discuss all potential subrogation cases with the DCP Branch or General Counsel on litigated claims. If the TPA claims adjuster does not pursue subrogation, the adjuster will contact the DCP Manager in writing regarding this decision and document the claim file accordingly. A final decision will be obtained by the Account Manager from DCP's Workers' Compensation Manager and or Workers' Compensation Specialist.

The claims examiners will document subrogation activities in the claim history and send lien letters and updated lien letters. Liens will not be compromised without approval of the Disability Compensation Manager or OAG in litigated claims.

#### **a. Recovery Accounting**

- All subrogation/recovery checks are to be sent to DCORM, located at 441 4<sup>th</sup> Street, NW Suite 800 South, Washington, DC 20001 made payable to the DC Treasurer.

- A monthly tally of all subrogation payments must be provided to the Contracting Officers Technical Representative (COTR).
- No payment plans with claimants can be negotiated by the TPA without prior written approval of the COTR.
- All checks must be endorsed for **deposit only** and deposited within 24 hours or one business day.
- Subrogation/Recovery checks are to be included in the Monthly Detail Loss Summary Reports.

## **6. Medical Management**

The TPA, in consultation with the MMS Contractor, shall establish and maintain a panel of local preferred physicians, orthopedic, neurology and specialist (neurology) for the Disability Compensation Program (DCP) based on the District's population and type of claims.

The TPA, shall maintain and provide a listing of Preferred Provider Organizations (PPO) to employees upon notification of injury or illness. The listing shall be customized to provide a District-specific PPO including the addition or deletion of specific providers to meet the needs of the District.

## **7 Independent Medical Examinations**

After consultation with the MMS Contractor, the claims adjuster is responsible for scheduling/coordinating IMEs. If a nurse case manager is assigned to the claim, a discussion is to be held by all parties to discuss case strategy. The results of the IME will be shared with both parties so that case resolution goals can remain a coordinated effort.

When claims are in litigation, IME results will not be shared with anyone without prior approval of the Office of the Attorney General.

### **7.1 Medical Case Management**

Cases involving the following loss factors are to be reviewed by the MMS Contractor for telephonic medical case management:

- Cases with an anticipated lost time of 14 days or more
- Cases involving the back, neck, head, shoulder, knee or multiple body parts
- Stress claims
- Occupational disease claims
- Cases that have reached \$2,500 in incurred medical expenses.

After consultation with and direction from the MMS Contractor, the early intervention nurse (in-house), will contact the injured worker and treating

physician. The nurse case manager will make three aggressive attempts to make these contacts and will document attempts in the case history notes. Contacts are to be made within 24 hours of receipt of the claim. The nurse case manager's goal is to obtain information regarding the treatment plan and expected return to work date. This information is to be compared with medical and return-to-work criteria to ensure that effective and efficient medical care and return-to-work parameters are followed.

The MMS Contractor will address the following issues with the provider: diagnosis, complaints and prognosis. The case manager will develop treatment plan alternatives, if the current treatment plan varies from standard protocols for similar injuries. There must be an explanation of how the proposed plan will maximize the employee's recovery and expedite the date of return to full or modified duty.

The MMS Contractor will obtain current physical capabilities and or work restrictions, the worker's medical history and pre-injury job duties as well as light duty opportunities. The identity of any additional medical providers involved will be obtained, along with the date of the next appointment.

All parties are responsible for timely documentation of claims and medical information in the case history notes.

#### **8. Return to Work Programs**

All adjusters, in consultation with the MMS Contractor, are expected to proactively work with treating physicians to determine what employees **can** do, as well as to obtain objective work restrictions.

The TPA is responsible for establishing a robust light duty/return to work program, which is coordinated with the limitations approved by the MMS Contractor.

#### **9. Vocational Rehabilitation Services**

The MMS Contractor, shall actively manage and direct the rehabilitation process, in an effort to assist the injured worker in returning to suitable employment. Quality of services and cost must be taken into consideration when selecting a rehabilitation vendor. All updates will be communicated by phone and activities documented in file notes.

The claims adjuster must request permission from DCP before assigning vocational rehabilitation to a case.

All rehabilitation reports on litigated claims shall be copied to the Office of the Attorney General.

**10. Medical Cost Containment**

**10.1 Fee Bill Audit and PPO Discounts**

The TPA, in conjunction with the MMS Contractor, will utilize its bill fee review software to review and adjust each medical bill to usual and customary or state-mandated fee schedules. Sedgwick CMS will review all medical bills for availability of PPO discounts where applicable.

**10.2 Pharmacy Benefit Program**

The District will provide a Pharmacy Benefit Program to be used exclusively for the injured employees. The program will allow injured workers to conveniently fill their prescriptions for treatment of occupational injuries at more than 55,000 pharmacies nationwide, with **NO** out of pocket expenses and **NO** waiting for approvals.

**11. Client Audits**

The customer's claim files will be available for audit during normal business hours. DCP will identify the files to be reviewed and the list will be sent to the TPA at least two weeks in advance of the audit. Advance notice will provide sufficient time to prepare the necessary claims records for auditing. **The Account Manager will be given prompt notification of the audit schedule.**

**11.1 Formal Audit Program**

The purpose of the formal audit is to conduct a quality review of randomly selected claim files in order to ensure that employees are receiving the Workers' Compensation benefits due them, the claims handling is cost effective and that the program is managed in a technically competent and proactive manner.

**11.2 Formal Audit**

A formal audit will be conducted at least quarterly at the selected field location. The audit team will consist of personnel from the DCP Branch.

**11.3 Follow-up Audit**

Follow-up audits may be conducted, where required, based on the results of the formal audit. Subsequent developments, adverse trends or deficiencies may require a follow-up audit. A report will be issued no later than 30 days after the follow-up audit.

**11.4 Corrective Action Plan**

In all instances where the formal audit reveals deficiencies, the account manager must prepare a corrective action plan. The corrective action plan must be submitted to the audit team within 30 days of receipt of the audit report. In the

event intolerable situations or conditions persist, the audit team will collaborate with the TPA on an early resolution of problems.

### **11.5 Scope**

The scope of the audit will comply with contract terms and conditions.

### **11.6 File Submission**

Original claim files should be submitted for review with all of the activity notes, payment records and reserve calculations. Any information not submitted may have an adverse effect on the final evaluation of the file. The file will be rated on the information contained within the file jacket.

### **11.7 Rating the Entire File**

The entire handling of the file is considered for rating purposes. If the initial handling was done by one adjuster, that portion of the work would be considered along with the current adjuster's work in arriving at the rating. This will hold true for files where two or more adjusters are handling separate aspects of the same accident. If the deficiencies are attributable to someone other than the current adjuster, the comment section should contain a notation of where the deficiencies occurred.

It is the responsibility of the handling adjuster to review all files transferred to him/her and identify all elements of work which may not meet requirements. The ability of the new adjuster to correct prior deficiencies will have a positive effect on the overall file rating.

## **12. Litigation Management**

If a Workers' Compensation file is in litigation, file activities are directed by the claims adjuster in consultation with the Office of Attorney General. All direction on the file will be provided by the adjuster to OAG, except that a file shall continue to be adjusted in the normal course by the adjuster. A file shall be designated in litigation whenever the following triggering events occur:

- Upon the issuance of a notice of informal conference.
- Upon the application for a formal hearing.

A file shall also be designated in litigation whenever benefits, being paid pursuant to an order, are terminated without an agreement by the parties..

Whenever one of the above events occurs, the file shall be forwarded to OAG within **2 business days** of notice of the triggering event and the date that the file is forwarded to OAG shall be documented.

When a file is in litigation, settlement authority lies within ORM. All settlement discussions, including requests for demands, shall emanate from ORM or claim representative unless the claims adjuster has been given explicit authority by ORM to request a demand or make an offer.

It is established that a litigated claim is directed by OAG; however, the DCORM expects the claims adjuster to offer suggestions and propose strategies for file resolution when the case is transitioned to OAG as well as during the litigation process. All final decisions must be approved by DCORM before OAG or the TPA proceeds with the action.

There will be monthly roundtables to determine the best course of action for claims that have been set for hearing within 30 days. The roundtable will include OAG, DCP, DCORM, the TPA and the MMS Contractor.