

Actuarial Committee Agenda

Thursday, November 18, 2010

William Green Building

Level 2, Room 3

2:00 p.m. to 3:30 p.m.

Call to Order

Chuck Bryan, Committee Chair

Roll Call

Larry Rhodebeck, Scribe

Approve Minutes of October 21, 2010 meeting

Chuck Bryan, Committee Chair

Review and approve Agenda

Chuck Bryan, Committee Chair

New Business/ Action Items

Motions for Board Consideration:

A. For Second Reading

1. Public Employer Taxing Districts Base Rates and Expected Loss Rates – Rules 4123-17-33 and 4123-17-34

John Pedrick, Chief Actuarial Officer

Terry Potts, Supervisor of Rates

Deloitte Consulting LLP

2. Committee Charter

Donald Berno, Board Liaison

Ann Shannon, Legal Counsel

B. For First Reading

1. None

Discussion Items

1. Quarterly Reserve Update

Deloitte Consulting LLP

John Pedrick, Chief Actuarial Officer

Jon Turnes, Manager of Reserving

Tracy Valentino, Chief of Fiscal and Planning

2. Experience Rating Education Part I

John Pedrick, Chief Actuarial Officer

Division Staff

3. Legislative discussion and analysis – if necessary

4. CAO report

John Pedrick, Chief Actuarial Officer

5. Committee Calendar
Chuck Bryan, Committee Chair

Executive Session

Litigation update – if necessary

Adjourn

Chuck Bryan, Committee Chair

Next Meeting: Thursday, December 15, 2010

* Not all agenda items have material.

** Agenda Subject to change

Common Sense Business Regulation (BWC Rules)

(Note: The below criteria apply to existing and newly developed rules)

Rules 4123-17-33, 4123-17-34

Rule Review

1. The rule is needed to implement an underlying statute.

Citation: R.C. 4123.39, 4123.40

2. The rule achieves an Ohio specific public policy goal.

What goal(s): These rules establish base rates for public employer taxing districts for the policy year January 1, 2011 to December 31, 2011.

3. Existing federal regulation alone does not adequately regulate the subject matter.

4. The rule is effective, consistent and efficient.

5. The rule is not duplicative of rules already in existence.

6. The rule is consistent with other state regulations, flexible, and reasonably balances the regulatory objectives and burden.

7. The rule has been reviewed for unintended negative consequences.

8. Stakeholders, and those affected by the rule were provided opportunity for input as appropriate.

Explain: Generally, rate rules are not subject to stakeholder input.

9. The rule was reviewed for clarity and for easy comprehension.

10. The rule promotes transparency and predictability of regulatory activity.

11. The rule is based on the best scientific and technical information, and is designed so it can be applied consistently.

12. The rule is not unnecessarily burdensome or costly to those affected by rule.

If so, how does the need for the rule outweigh burden and cost? _____

13. The Chief Legal Officer, or his designee, has reviewed the rule for clarity and compliance with the Governor's Executive Order.

Board of Directors
Executive Summary

**Public employer taxing district industry group and limited loss ratio tables
Public employer taxing districts contribution to the state insurance fund**

Introduction

Rule 4123-17-33 of the Administrative Code contains the industry groups and the limited loss ratios used in experience rating for public employer taxing districts. Rule 4123-17-34 of the Administrative Code contains the base rates and expected loss rates used to determine employer premium obligations.

Background Information

Public Employer Taxing Districts are the approximately 3,800 cities, counties, villages, townships, schools, and miscellaneous special districts in Ohio who are provided workers' compensation insurance through the Ohio State Insurance Fund.

At the September 2010 Workers' Compensation Actuarial Committee meeting, a rate recommendation of a 5.5% decrease in the Public Employer Taxing Districts' overall premium rate level for the January 1, 2011 policy year was presented. The rates presented here today are the preliminary base rates as a result of the rate recommendation. Some categories of employers may have greater rate decreases and some categories may have less of a rate decrease. Individual employers may also have rate changes that are based upon their own loss experience.

Base rates for Public Employer Taxing Districts must be approved and filed with the Secretary of State and Legislative Services Commission on or before December 20, 2010, to be effective January 1, 2011. The consent of the Workers' Compensation Board of Directors is necessary for the adoption of premium rates.

Rule Changes

Rule 4123-17-33 has been updated to include the new limited loss ratios used in experience rating. Rule 4123-17-34 has been updated to include the new base rates and expected loss rates that carry out the recommended 5.5% overall premium level decrease.

1-1-2011 Public Employer Taxing District Rate Summary

Public Employer Taxing District Premium Rates

1. Change in public employer taxing district premium rates at the industry level:

| Industry Group | Name | Percent Change | Average Collectible Rate per \$100 Unit of Payroll |
|----------------|---|----------------|--|
| 1 | Counties | -5 | 1.58 |
| 2 | Cities | -3 | 3.10 |
| 3 | Villages | -7 | 2.65 |
| 4 | Townships | -12 | 2.38 |
| 5 | Schools | -7 | 0.71 |
| 6 | Public Works' Relief Employees | +36 | 1.03 |
| 7 | Contract Coverage | +8 | 21.57 |
| 8 | Hospitals | +14 | 1.30 |
| 20 | Transit Authorities | -13 | 2.59 |
| 22 | Special Districts Excluding Transit Authorities | -19 | 2.49 |
| | Total | -5.5 | \$1.38 |

2. Projected payroll is \$19.8 billion. Estimated premium is \$273 million.
3. Average assessment for a public employer taxing district per \$100 of reported payroll:

| | |
|--|----------------|
| Premium (average collectible base rate) | \$1.38000 |
| Administrative Cost- BWC (8.25% based on the 1/1/2010 Admin. Cost Rate) | .11385 |
| Administrative Cost- IC (1.81% based on the 1/1/2010 Admin. Cost Rate) | .02498 |
| Administrative Cost- WCC (0.0022% based on the 1/1/2010 Admin. Cost Rate) | .00003 |
| Disabled Workers' Relief Fund | .06000 |
| Additional Disabled Workers' Relief Fund (.1% of premium at base rate) | .00138 |
| Total Collectible Rate | 1.58024 |

Miscellaneous Rates and Assessments

- A. Disabled Workers' Relief Fund rate was reduced to \$0.06 per \$100 unit of payroll, effective January 1, 2007.
- B. Additional Disabled Workers' Relief Fund remained at .1% of premium at base rate.
- C. Administrative Cost Rate is unknown at this time. We have used the 1/1/2010 administrative cost assessment rate for illustration purposes.

4123-17-33 Public employer taxing district industry group and limited loss ratio tables

The administrator of workers' compensation, with the advice and consent of the bureau of workers' compensation board of directors, has authority to calculate contributions made to the state insurance fund by employers pursuant to section 4121.121 of the Revised Code. The administrator hereby sets the credibility table parts A and B to be effective January 1, ~~2010~~2011 applicable to the payroll reporting period January 1, ~~2010~~2011 through December 31, ~~2010~~2011 for public employer taxing districts as indicated in the attached appendixes A and B.

APPENDIX A

TABLE 1

PART A

| INDUSTRY GROUP | MANUAL CLASSIFICATIONS |
|----------------|------------------------|
| 01 | 9430 |
| 02 | 9431 |
| 03 | 9432 |
| 04 | 9433 |
| 05 | 9434, 9435, 9436, 9437 |
| 06 | 9438 |
| 07 | 9439 |
| 08 | 9440, 9441 |
| 20 | 9442 |
| 22 | 9443 |

Revised 1-1-2011 applicable to 2011 calendar year payroll

APPENDIX B

**TABLE 1
PART B
INDUSTRY GROUP (LLR)**

| Credibility Group | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 20 | 22 |
|--------------------------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|-----------|
| 1 | 0.4195 | 0.4954 | 0.4241 | 0.5241 | 0.4837 | 0.3421 | 0.3496 | 0.4342 | 0.5469 | 0.3916 |
| 2 | 0.4195 | 0.4954 | 0.4241 | 0.5241 | 0.4837 | 0.3421 | 0.3496 | 0.4342 | 0.5469 | 0.3916 |
| 3 | 0.4195 | 0.4954 | 0.4241 | 0.5241 | 0.4837 | 0.3421 | 0.3496 | 0.4342 | 0.5469 | 0.3916 |
| 4 | 0.4195 | 0.4954 | 0.4241 | 0.5241 | 0.4837 | 0.3421 | 0.3496 | 0.4342 | 0.5469 | 0.3916 |
| 5 | 0.4195 | 0.4954 | 0.4241 | 0.5241 | 0.4837 | 0.3421 | 0.3496 | 0.4342 | 0.5469 | 0.3916 |
| 6 | 0.5478 | 0.6325 | 0.5372 | 0.6654 | 0.6208 | 0.4525 | 0.4580 | 0.5659 | 0.6742 | 0.5140 |
| 7 | 0.6286 | 0.7081 | 0.6078 | 0.7447 | 0.7007 | 0.5286 | 0.5302 | 0.6525 | 0.7465 | 0.6017 |
| 8 | 0.7086 | 0.7769 | 0.6814 | 0.8113 | 0.7759 | 0.6227 | 0.6012 | 0.7374 | 0.8115 | 0.6765 |
| 9 | 0.7713 | 0.8326 | 0.7468 | 0.8532 | 0.8338 | 0.7026 | 0.6615 | 0.8037 | 0.8529 | 0.7360 |
| 10 | 0.8031 | 0.8593 | 0.7849 | 0.8701 | 0.8618 | 0.7461 | 0.6942 | 0.8383 | 0.8674 | 0.7670 |
| 11 | 0.8306 | 0.8811 | 0.8175 | 0.8845 | 0.8849 | 0.7896 | 0.7219 | 0.8649 | 0.8818 | 0.7956 |
| 12 | 0.8551 | 0.9000 | 0.8446 | 0.8973 | 0.9040 | 0.8320 | 0.7470 | 0.8855 | 0.8963 | 0.8201 |
| 13 | 0.8768 | 0.9164 | 0.8676 | 0.9093 | 0.9204 | 0.8646 | 0.7703 | 0.9042 | 0.9108 | 0.8430 |
| 14 | 0.8960 | 0.9301 | 0.8863 | 0.9199 | 0.9346 | 0.8948 | 0.7937 | 0.9200 | 0.9252 | 0.8633 |
| 15 | 0.9127 | 0.9417 | 0.9050 | 0.9305 | 0.9466 | 0.9166 | 0.8170 | 0.9323 | 0.9397 | 0.8819 |
| 16 | 0.9276 | 0.9517 | 0.9225 | 0.9410 | 0.9574 | 0.9383 | 0.8403 | 0.9441 | 0.9542 | 0.9005 |
| 17 | 0.9414 | 0.9608 | 0.9366 | 0.9515 | 0.9665 | 0.9492 | 0.8637 | 0.9550 | 0.9686 | 0.9191 |
| 18 | 0.9535 | 0.9692 | 0.9491 | 0.9620 | 0.9743 | 0.9601 | 0.8870 | 0.9638 | 0.9808 | 0.9377 |
| 19 | 0.9646 | 0.9769 | 0.9615 | 0.9714 | 0.9808 | 0.9710 | 0.9103 | 0.9726 | 0.9880 | 0.9555 |
| 20 | 0.9748 | 0.9838 | 0.9729 | 0.9797 | 0.9865 | 0.9819 | 0.9336 | 0.9815 | 0.9952 | 0.9712 |
| 21 | 0.9839 | 0.9901 | 0.9828 | 0.9875 | 0.9919 | 0.9927 | 0.9570 | 0.9882 | 1.0000 | 0.9814 |
| 22 | 0.9923 | 0.9954 | 0.9922 | 0.9940 | 0.9965 | 1.0000 | 0.9788 | 0.9941 | 1.0000 | 0.9907 |
| 23 | 1.0000 | 1.0000 | 1.0000 | 1.0000 | 1.0000 | 1.0000 | 1.0000 | 1.0000 | 1.0000 | 1.0000 |

Effective 1-1-2011 applicable to 2011 calendar year payroll

4123-17-34 Public employer taxing districts contribution to the state insurance fund

The administrator of workers' compensation, with the advice and consent of the bureau of workers' compensation board of directors, has authority to approve contributions made to the state insurance fund by employers pursuant to section 4121.121 of the Revised Code. The administrator hereby sets base rates and expected loss rates to be effective January 1, ~~2010~~ 2011, applicable to the payroll reporting period January 1, ~~2010~~ 2011 through December 31, ~~2010~~ 2011, for public employer taxing districts as indicated in the attached appendix A.

TO BE AMENDED
Appendix A

| NCCI Classification Code | NCCI Classification Description | Base Rate Per \$100 of Payroll | | Expected Loss Rate Per \$100 of Payroll | |
|--------------------------|--|--------------------------------|-------------|---|-------------|
| | | 1.86 | <u>1.70</u> | 0.56 | <u>0.52</u> |
| 9430 | County employees: all employees & clerical, clerical telecommuter, salespersons, drivers | 1.86 | <u>1.70</u> | 0.56 | <u>0.52</u> |
| 9431 | City employees: all employees & clerical, clerical telecommuter, salespersons, drivers | 3.60 | <u>3.33</u> | 1.05 | <u>1.03</u> |
| 9432 | Village employees: all employees & clerical, clerical telecommuter, salespersons, drivers | 3.19 | <u>2.85</u> | 0.84 | <u>0.84</u> |
| 9433 | Township employees: all employees & clerical, clerical telecommuter, salespersons, drivers | 3.02 | <u>2.56</u> | 0.84 | <u>0.77</u> |
| 9434 | Local school districts: all employees & clerical, clerical telecommuter, salespersons, drivers | 0.85 | <u>.76</u> | 0.25 | <u>0.24</u> |
| 9435 | Public libraries: all employees & clerical, clerical telecommuter, salespersons, drivers | 0.85 | <u>.76</u> | 0.25 | <u>0.24</u> |

DRAFT – NOT FOR FILING

| NCCI Classification Code | NCCI Classification Description | Base Rate Per \$100 of Payroll | | Expected Loss Rate Per \$100 of Payroll | |
|--------------------------|---|--------------------------------|--------------|---|-------------|
| | | 0.85 | <u>.76</u> | 0.25 | <u>0.24</u> |
| 9436 | Special public universities: all employees & clerical, clerical telecommuter, salespersons, drivers | 0.85 | <u>.76</u> | 0.25 | <u>0.24</u> |
| 9437 | Joint vocational schools: all employees & clerical, clerical telecommuter, salespersons, drivers | 0.85 | <u>.76</u> | 0.25 | <u>0.24</u> |
| 9438 | Public work-relief Employees | 0.85 | <u>1.10</u> | 0.30 | <u>0.56</u> |
| 9439 | Public employer emergency services organizations: contract coverage (See note below) | 22.42 | <u>23.18</u> | 6.32 | <u>7.03</u> |
| 9440 | Public hospitals: all employees & clerical, clerical telecommuter, salespersons, drivers | 1.28 | <u>1.40</u> | 0.37 | <u>0.43</u> |
| 9441 | Special public institutions: all employees & clerical, clerical telecommuter, salespersons, drivers | 1.28 | <u>1.40</u> | 0.37 | <u>0.43</u> |
| 9442 | Public transit authorities: all employees & clerical, clerical telecommuter, salespersons, drivers | 3.34 | <u>2.78</u> | 1.00 | <u>0.84</u> |
| 9443 | Special public authorities: all employees & clerical, clerical telecommuter, salespersons, drivers | 3.45 | <u>2.68</u> | 0.98 | <u>0.76</u> |

(Revised January 1, ~~2010-2011~~, applicable to the payroll reporting period January 1, ~~2010-2011~~ through December 31, ~~2010-2011~~)

Note: for classification code 9439, contract coverage, actual payroll is to be reported with a minimum of three hundred dollars (\$300.00) per enrolled person per year, with a minimum reportable payroll of \$4,500.00.

Note: the bureau shall assign claims for emergency management workers occurring due to a disaster or an emergency as provided under sections 4123.031 to 4123.037 of the Revised Code to the risk of the public employer taxing district that administered the loyalty oath. The bureau shall charge all of the costs of such claims to the surplus fund. There is no payroll to be reported or premium charged for this coverage.

Effective Date: [January 1, 2011](#)

Certification: _____

Date

Promulgated Under: R.C. Sec. 111.15
Rule Amplifies: R.C. Sec. 4123.39, 4123.40
Rule Authorized By: R.C. Sec. 4121.12, 4121.121
Prior Effective Date: 1/1/10, 1/1/09, 1/1/08, 1/1/07, 1/1/06, 1/1/05, 1/1/04, 1/1/03, 1/1/02, 1/1/01, 1/1/00, 1/1/99, 1/1/98, 1/1/97, 3/15/96 1/1/96, (Emer.), 5/15/95, 1/1/95, 1/1/94, 1/1/93, 1/1/92, 1/1/91, 1/1/90

OBWC Board of Directors Actuarial Committee Charter

Purpose

The Actuarial Committee ~~has been established to assist~~ the Ohio Bureau of Workers' Compensation ~~Committee~~ Board of Directors in fulfilling its statutory responsibilities through:

- monitoring the actuarial soundness and financial condition of the funds and reviewing rates, reserves and the level of net assets
- monitoring the integrity of the actuarial audit process
- monitoring compliance with legal and regulatory requirements
- monitoring the design and effectiveness of the actuarial studies
- confirming external actuarial consultants' qualifications and independence
- reviewing any independent external actuarial work product
- reviewing opportunities and challenges the Board of Directors needs to discuss as it fulfills the statutory requirement to fix and maintain the lowest possible rates of premium consistent with the maintenance of a solvent state insurance fund.

In order to constitute the will of the Board of Directors, Committee actions must be ratified or adopted by the Board of Directors to become effective.

Membership

The Committee shall be composed of a minimum of five (5) members. One member shall be the member of the Board who is appointed as the an-actuary. The Board, by majority vote, shall appoint at least four additional members of the Board to serve on the Actuarial Committee and may appoint additional members who are not Board members, as the Board determines necessary. Bureau management personnel cannot serve as a-committee members.

The Chair and Vice Chair are designated by the Board, based on the recommendation of the Board Chair. If the Board Chair is not a member of the Committee, he/she shall be an ex-officio member. As an ex-officio member, the Board chair shall not vote if his/her vote will create a tie.

The Committee Chair will be responsible for scheduling all meetings of the Committee and providing the Committee with a written agenda for each meeting. In the absence of the Committee Chair, the Committee Vice-Chair will assume the Chair's responsibilities. The Committee will have a staff liaison designated to assist it in carrying out its duties.

Members of the Actuarial Committee serve at the pleasure of the Board and the Board, by majority vote, may remove any member except the member of the committee who is [appointed as](#) the actuary member of the Board.

Meetings

The Committee shall meet at least nine (9) times annually. The Committee Chair will provide a meeting report at the next subsequent Board meeting. Additional meetings may be requested by the Committee Chair, 2 or more members of the Committee, or the Chair of the Board.

A quorum shall consist of a majority of Committee members. Committee meetings will be conducted according to Robert's Rules of Order. All Directors are encouraged to attend the Committee meetings.

The Committee will invite members of management, external actuarial firms, internal actuarial staff and/or others to attend meetings and provide pertinent information, as necessary.

Minutes for all meetings of the Committee will be prepared to document the actions of the Committee's in the discharge of its responsibilities.

Duties and Responsibilities

1. The Actuarial Committee shall be responsible for the following statutory requirements:

- Recommend actuarial consultants for the Board to use for the funds specified in Chapters 4121, 4123, 4127, and 4131 of the Revised Code (RC 4121.129 (B)(1))
- Review the calculation of rate schedules prepared by the actuarial consultants with whom the Board contracts (RC 4121.129 (B)(2))
- Supervise, for the Board's consideration, the preparation of an annual report of the actuarial valuation of the assets, liabilities and funding requirements of the state insurance funds to be submitted to the Workers' Compensation Council and the Senate and the House. (RC 1421.125(C) and 4123.47)
- Arrange for an actuarial analysis of any legislation expected to have measurable financial impact on the system, within 60 days after introduction of the legislation. (RC 4121.125(C)(6) and (7) and 4121.125(G)).
- At least once every five (5) years, contract for an actuarial investigation of experience of employers; mortality, service

and injury rate of employees; and payment of benefits in order to update the assumptions on the annual actuarial report. (RC 4121.125(C)(4) and RC 4121.125(F))

- Review, and make recommendations to the Board, regarding rate-making administrative code rules. (RC 4121.12(F)(13)(a))

2. Coordinate with other Board Committees on issues of common interest, including but not limited to an annual discussion of actuarial issues which would impact the Board's statutory requirement to fix and maintain the lowest possible rates of premium consistent with the maintenance of a solvent state insurance fund.
3. At least annually, review this charter and submit any proposed changes to the Governance Committee and to the Board for approval.
4. Create, by majority vote, a subcommittee consisting of one or more Directors on the Committee. As appropriate, and in consultation with the Chair, appoint other Board members to the subcommittee. The subcommittee shall have a specific purpose. The subcommittee shall keep minutes of its meetings. The subcommittee shall report to the Committee. At any time, the Committee, by majority vote, may dissolve the subcommittee.
5. Perform such other duties required by law or otherwise as are necessary or appropriate to further the Committee's purposes or as the Board may from time to time assign to the Committee.

Draft 092607
Review & Approved 112107, Chuck Bryan, Chair
Revised 012408
Revised 092408
Annual Review and Revision 112108
Annual Review and Revision 112009
[Annual Review and Revision 111910](#)



Ohio Bureau of Workers' Compensation September 30, 2010 Quarterly Reserve Update

Unpaid Loss and Loss Adjustment Expense as of June 30, 2011

Bill Van Dyke, ACAS, MAAA
Dave Heppen, FCAS, MAAA
Jan Lommele, FCAS, MAAA
Bob Miccolis, FCAS, MAAA

Deloitte Consulting LLP
November 18, 2010

AGENDA

Purpose and Scope

Process

Updated Unpaid Estimates as of June 30, 2011

Change in Unpaid Estimates from FY 2010 Reserve to FY 2011 Reserve

Change in the FY 2011 Unpaid Estimates from June 30, 2010 Evaluation

Actual versus Expected Losses

2010 Payroll and Unemployment Rate

September 30, 2010 Quarterly Reserve Update

Purpose and Scope

- Deloitte Consulting LLP (“Deloitte Consulting”, “we” or “our”) has been retained by the BWC to determine an actuarial central estimate of the unpaid loss and loss adjustment expense (“LAE”) as of June 30, 2011.
- Quarterly update using data as of September 30, 2010.
- Determined unpaid loss and LAE estimates on both a nominal and discounted basis for each of the following Funds:
 - State Insurance Fund (“SIF”)
 - Disabled Workers’ Relief Fund (“DWRF”);
 - Coal-Workers Pneumoconiosis Fund (“CWPF”);
 - Self-Insuring Employers Guaranty Fund (“SIEFG”);
 - Marine Industry Fund (“MIF”);
 - Public Work-Relief Employees’ Compensation Fund (“PWREF”); and
 - Administrative Cost Fund (“ACF”).
- The terms “unpaid loss”, “unpaid claims”, and “reserves” are used interchangeably and are meant to convey the same meaning. The amount booked by the BWC in its financial statements for unpaid loss and loss adjustment expense is referred to as “recorded reserves”.

This document presents our findings to the BWC Board of Directors.

September 30, 2010 Quarterly Reserve Update

Actuarial Process

The general process incorporated in our analysis to estimate discounted unpaid loss involves the following steps:

1. **Ultimate Loss Estimates** – Incorporate multiple actuarial methodologies that incorporate both incremental and cumulative to date accident (injury) year data as well as both paid losses and incurred (paid + MIRA reserves) losses. Our selected ultimate losses are primarily based on methodologies that employ cumulative paid data, which are commonly used for workers compensation.
 2. **Nominal Unpaid Loss Estimate** – Calculated as ultimate losses less payments projected through June 30, 2011. Projected payments from October 1, 2010 to June 30, 2011 are determined based on the BWC's historical payment pattern.
 3. **Discounted Unpaid Loss Estimate** – Discounted unpaid losses are determined as the undiscounted unpaid loss estimate adjusted for expected future investment income using a discount rate of 4.0% and the BWC's historical payment pattern.
- Separate estimates are determined for each accident year from 1977 through 2010.
 - For accident years 1976 and prior, unpaid loss estimates were determined based on analyzing historical incremental annual payments for accident years 1953 and subsequent.

September 30, 2010 Quarterly Reserve Update

September 30, 2010 Quarterly Update to June 30, 2010 Evaluation

- Revised the June 30, 2011 nominal and discounted unpaid loss and loss adjustment expense estimate.
 - Based on data evaluated as of September 30, 2010.
 - No changes in methodology, assumptions or parameters from the June 30, 2010 annual evaluation.
 - Change in estimate driven by changes in data. Specifically, estimate changes by how actual payments varied from expected payments during the 1st quarter of fiscal year 2011.

September 30, 2010 Quarterly Reserve Update

Unpaid Estimates

Unpaid Loss and LAE Estimates (\$ Millions)

| | 6/30/2010 Recorded Reserve (1) | 6/30/2011 Initial Unpaid Discounted Estimate (a) (2) | Initial FY 2011 Change (3) = (2) - (1) | 6/30/2011 Current Unpaid Discounted Estimate (b) (4) | 6/30/2011 Change in Discounted Unpaid Est. (5) = (4) - (2) | 6/30/2011 Current Unpaid Nominal Estimate (b) (6) | 6/30/2011 Amount of Discount (7) = (6) - (4) |
|------------------|---|--|---|--|--|---|---|
| SIF | 15,677 | 15,928 | 251 | 15,931 | 3 | 25,148 | 9,218 |
| DWRF | 2,045 | 2,020 | (25) | 2,022 | 2 | 3,485 | 1,463 |
| CWPF | 72 | 72 | 0 | 72 | 0 | 182 | 109 |
| SIEGF | 895 | 905 | 11 | 905 | (0) | 1,981 | 1,076 |
| PWREF | 3 | 3 | 0 | 3 | (0) | 5 | 2 |
| MIF | 2 | 2 | 0 | 2 | (0) | 4 | 1 |
| ACF | <u>1,111</u> | <u>1,130</u> | <u>19</u> | <u>1,130</u> | <u>0</u> | <u>1,813</u> | <u>682</u> |
| All Funds | 19,804 | 20,061 | 256 | 20,065 | 5 | 32,617 | 12,551 |

(a) based on data as of 6/30/2010

(b) based on data as of 9/30/2010

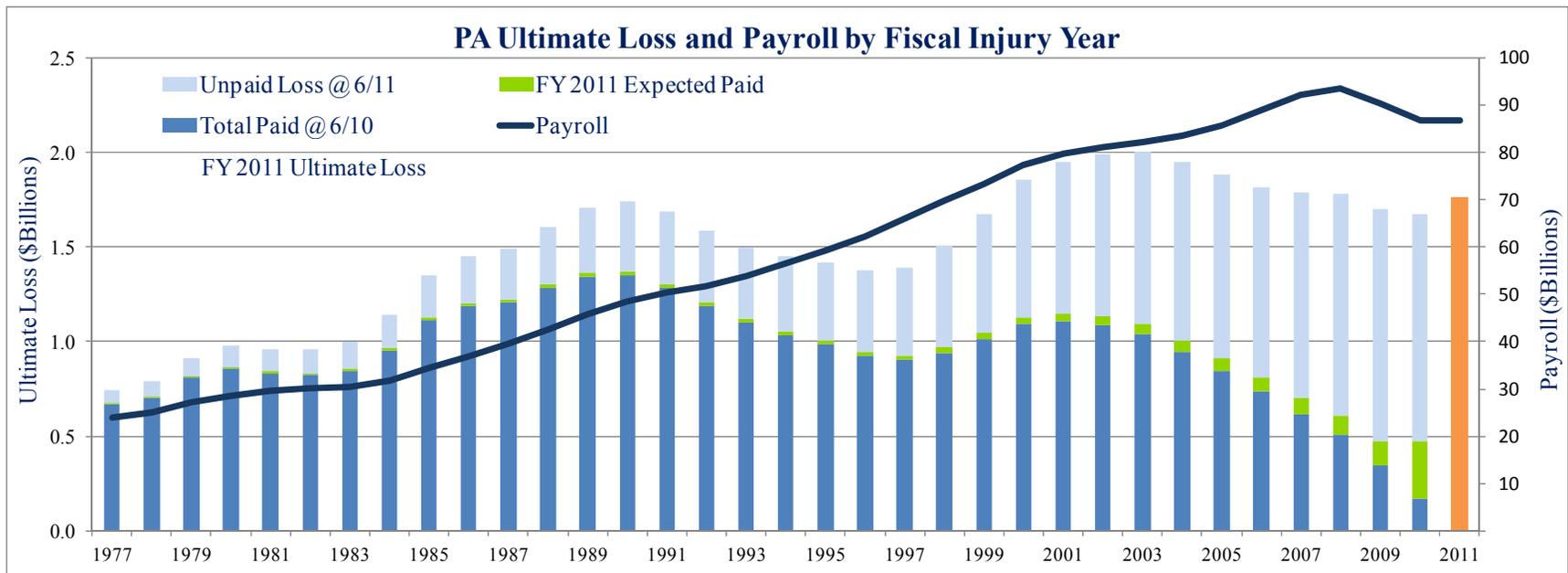
- Initial FY 2011 ending unpaid estimate using data evaluated as of June 30, 2010 is \$256 million higher than the Fiscal Year 2010 ending recorded reserves. Losses for PA, PEC and PES account for \$243 million of the increase.
- Current Fiscal Year 2011 ending unpaid estimate using data evaluated as of September 30, 2010 is \$5 million higher than the initial estimate using data evaluated as of June 30, 2010.
- Discounted unpaid estimates anticipate \$12.6 billion of future income earned on invested funds or collected in premium assessments for unfunded liabilities in order to provide sufficient funds to make all future claim payments associated with claims occurring on June 30, 2011 and prior.

September 30, 2010 Quarterly Reserve Update

FY 2011 Initial Change in PA, PEC and PES Unpaid Loss

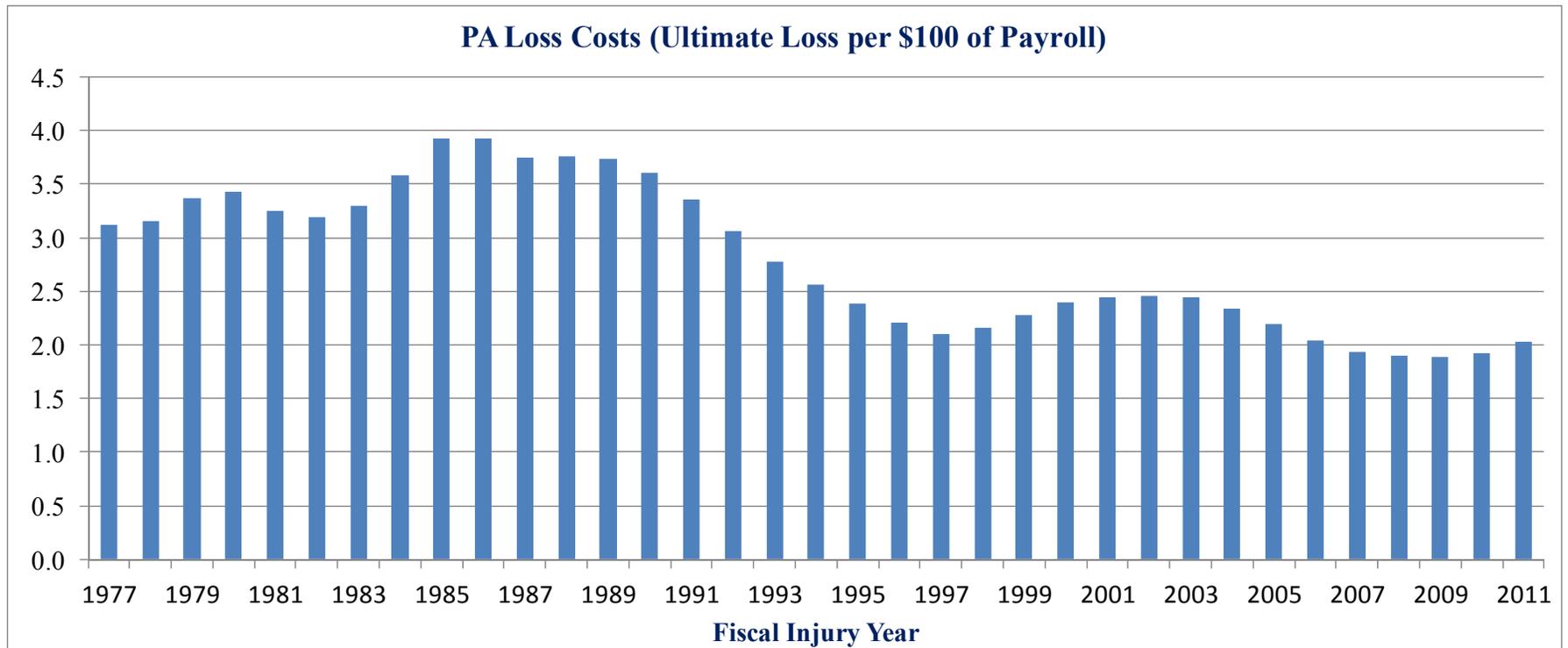
Change in SIF Unpaid Loss from June 30, 2010 to June 30, 2011 (\$ Millions)

| | Discounted Unpaid at 6/30/10 | 6/10 - 6/11 Additional Ultimate | 6/10 - 6/11 Additional Discount | 6/10 - 6/11 Interest Accretion | 6/10 - 6/11 Expected Payments | Discounted Unpaid at 6/30/11 | Change 6/30/10 - 6/30/11 |
|---|------------------------------------|---------------------------------------|---------------------------------------|--------------------------------------|-------------------------------------|------------------------------------|--------------------------------|
| Private Employers | 12,243 | 1,763 | (592) | 509 | (1,516) | 12,408 | 164 |
| Public Employers - Taxing Districts | 1,942 | 342 | (113) | 82 | (254) | 1,999 | 57 |
| Public Employers - State Agencies | 582 | 117 | (39) | 26 | (82) | 604 | 23 |
| Total SIF Excluding SISF & HPP | 14,767 | 2,222 | (744) | 617 | (1,852) | 15,011 | 243 |



September 30, 2010 Quarterly Reserve Update

PA – Loss Costs by Fiscal Injury Year



September 30, 2010 Quarterly Reserve Update

Change in June 30, 2011 Unpaid Estimates

Change Unpaid Loss and LAE Estimates (\$ Millions)

| | Nominal as of 6/30/11 | | | | Discounted as of 6/30/11 | | | |
|--------------------|-----------------------|---------------------|------------------|-------------------|--------------------------|---------------------|------------------|-------------------|
| | Evaluated @ 9/10 | Evaluated @ 6/10 | Dollar Change | Percent Change | Evaluated @ 9/10 | Evaluated @ 6/10 | Dollar Change | Percent Change |
| PA | 19,616 | 19,615 | 1.3 | 0.0% | 12,409 | 12,408 | 0.8 | 0.0% |
| PEC | 3,142 | 3,141 | 1.3 | 0.0% | 2,000 | 1,999 | 0.8 | 0.0% |
| PES | 945 | 944 | 0.9 | 0.1% | 605 | 604 | 0.5 | 0.1% |
| SI | 183 | 182 | 1.0 | 0.6% | 118 | 118 | 0.4 | 0.4% |
| HPP | <u>1,262</u> | <u>1,262</u> | <u>0.2</u> | <u>0.0%</u> | <u>799</u> | <u>799</u> | <u>0.1</u> | <u>0.0%</u> |
| SIF | 25,148 | 25,144 | 4.7 | 0.0% | 15,931 | 15,928 | 2.7 | 0.0% |
| Other Funds | 7,468 | 7,465 | 2.9 | 0.0% | 4,135 | 4,133 | 1.9 | 0.0% |
| All Funds | 32,617 | 32,609 | 7.6 | 0.0% | 20,065 | 20,061 | 4.6 | 0.0% |

- Our current June 30, 2011 discounted unpaid estimate of \$20.6 billion is \$5 million higher than our prior discounted unpaid estimate based on data as of June 30, 2010, which is driven by changes in the SIF of \$2 million.

September 30, 2010 Quarterly Reserve Update

SIF - Drivers of Change in June 30, 2011 Loss Estimate

Drivers of Change in Discounted Unpaid Estimate (\$Millions)

| | PA | PEC | PES | PA, PEC PES Total |
|---|---------------|--------------|------------|----------------------|
| 6/30/2010 Analysis | 12,408 | 1,999 | 604 | 15,011 |
| Drivers of Change | | | | |
| Change in Ultimate (Nominal) | (15) | (0) | 0 | (15) |
| <i>Change in Payroll</i> | 0 | 0 | 0 | 0 |
| <i>Change in Losses</i> | (15) | (0) | 0 | (15) |
| <i>Parameter Updates</i> | 0 | 0 | 0 | 0 |
| Change in Expected FY 2011 Payments | 17 | 2 | 1 | 19 |
| Change in Discount \$ from Change in Estimate | (1) | (1) | (0) | (1) |
| Total Change | 1 | 1 | 1 | 2 |
| 9/30/2010 Analysis | 12,409 | 2,000 | 605 | 15,013 |

- Decrease of \$15 million in our ultimate loss from lower than expected payments in the 1st quarter of \$17 million (shown on the next slide).
- No significant changes in payroll or changes in parameters from the June 30, 2010 analysis.
- The lower than expected payments of \$17 million during the 1st quarter and the corresponding decrease in our ultimate loss of \$15 million has led to a \$19 million reduction in expected payments for the full 2011 Fiscal Year. This more than offsets the \$15 million reduction in ultimate loss leading to a slight increase in the unpaid estimate.

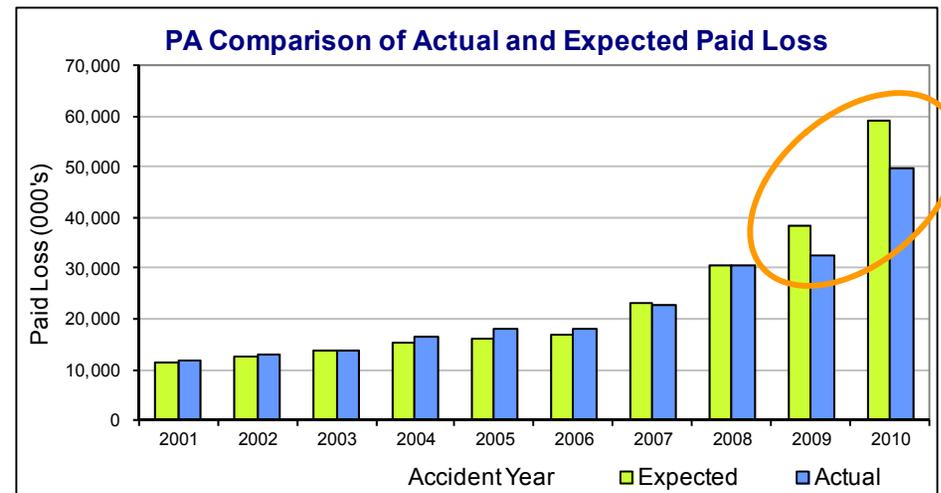
September 30, 2010 Quarterly Reserve Update

PA, PEC & PES – Actual Versus Expected Losses

SIF Actual Loss Emergence Versus Expected from 6/30/2010 to 9/30/2010 (\$Millions)

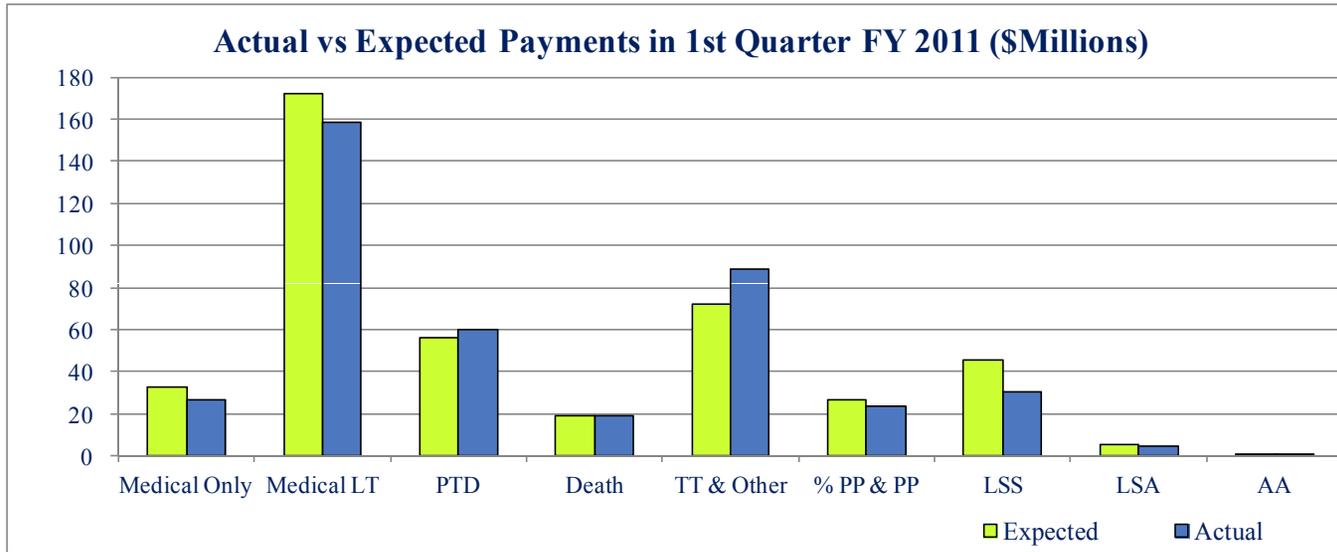
| | Paid Loss from 6/10 - 9/10 | | | Incurred Loss from 6/10 - 9/10 | | | 6/10 - 9/10 Change in Ultimate |
|-------------------------------------|----------------------------|--------|----------|--------------------------------|--------|----------|--------------------------------------|
| | Deloitte Expected | Actual | Variance | Deloitte Expected | Actual | Variance | |
| Private Employers | 353 | 338 | (15) | 451 | 192 | (259) | (15) |
| Public Employers - Taxing Districts | 58 | 56 | (2) | 59 | 29 | (30) | (0) |
| Public Employers - State Agencies | 19 | 18 | (1) | 28 | 8 | (19) | 0 |
| Total SIF Excluding SISF & HPP | 430 | 412 | (17) | 538 | 230 | (308) | (15) |

- Payments are \$17 million or 4.1% lower than expected for FY 2011 through the 1st quarter driven by injury years 2009 and 2010.
- Incurred losses (paid + MIRA) are \$308 million or 57% lower than expected for Fiscal Year 2011 through the 1st quarter due to reductions in the MIRA case reserves. The BWC is investigating the decrease.

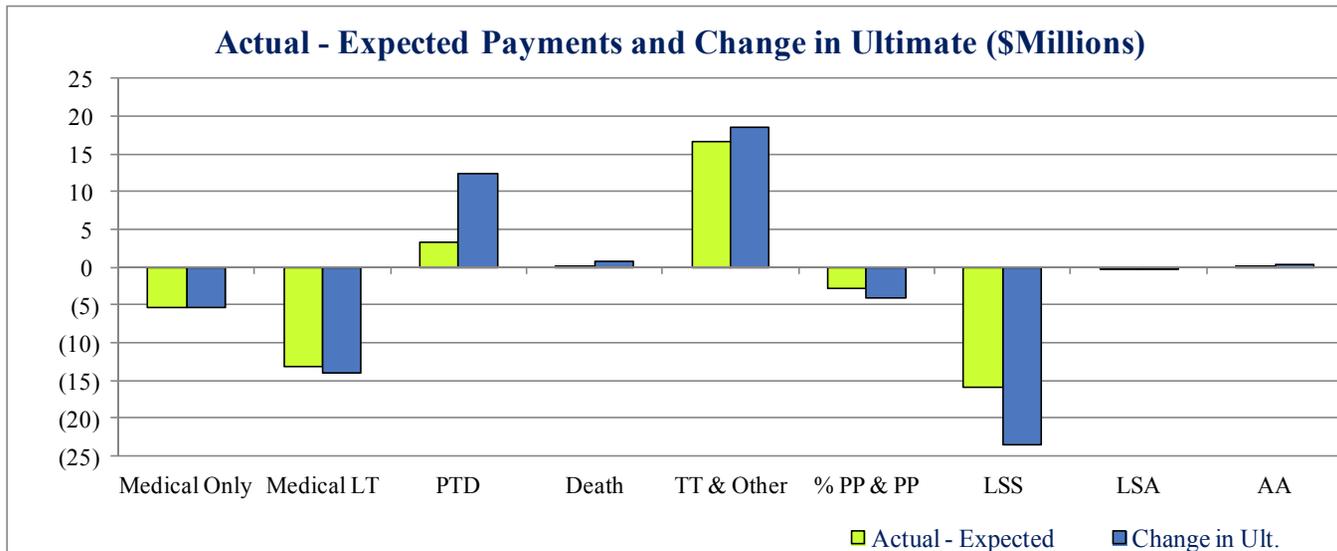


September 30, 2010 Quarterly Reserve Update

PA, PEC & PES – Actual Versus Expected Losses



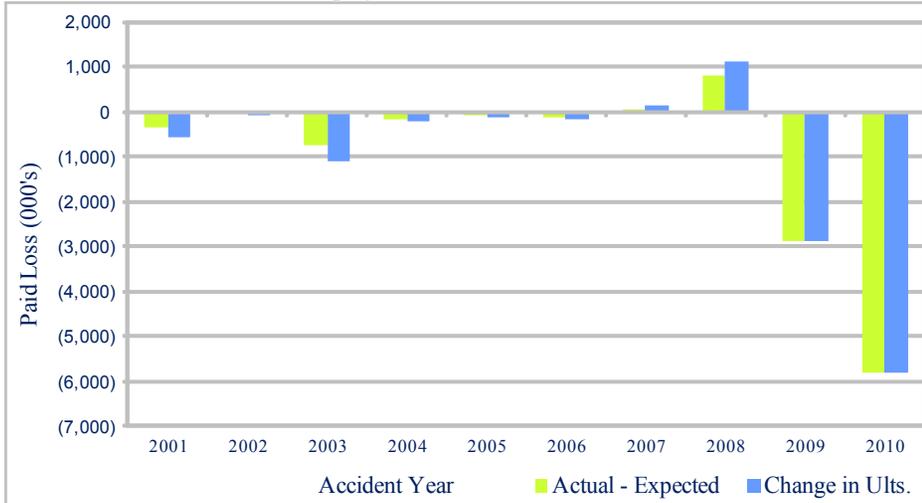
- Medical performing well. Payments are \$18.6 million lower than expected.
- Indemnity near expectation. Payments are \$1.1 million higher than expected.
- TT, WL, LM, LMWL are \$17 million higher than expected.
- LSS is \$15 lower than expected.



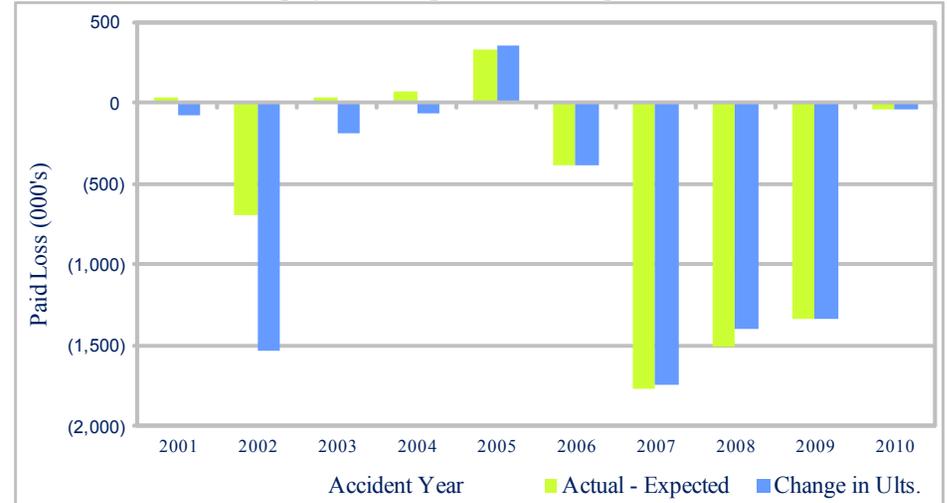
September 30, 2010 Quarterly Reserve Update

PA, PEC & PES – Actual Versus Expected Losses

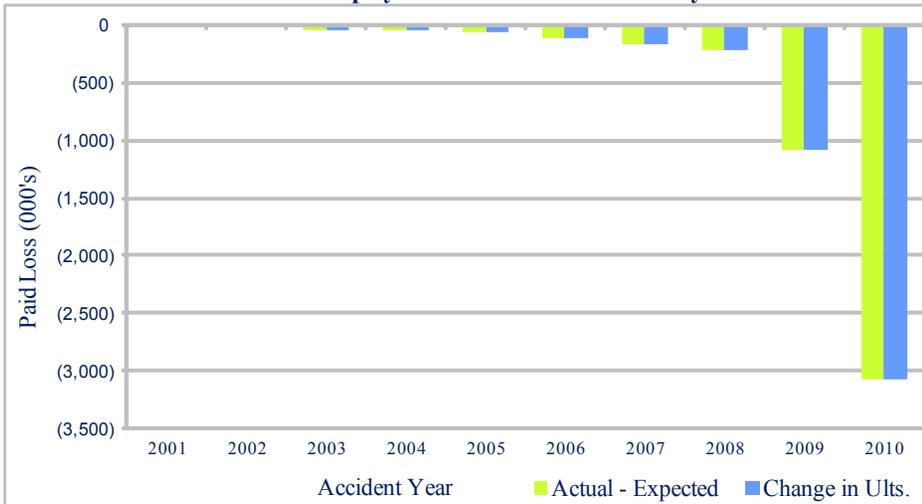
Private Employers - Medical - Lost Time - Total



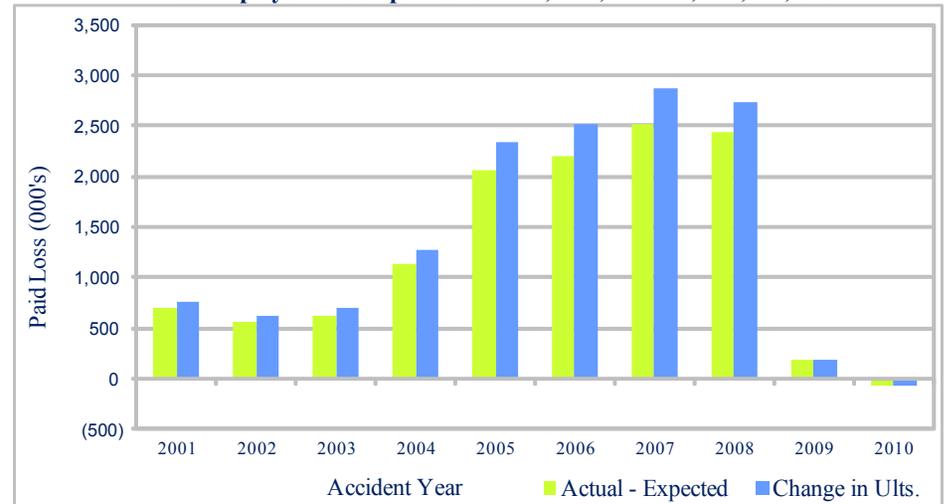
Private Employers - Compensation - Lump Sum Settlement



Private Employers - Medical - Medical Only



Private Employers - Compensation - TT, WL, LMWL, LM, TP, CO



September 30, 2010 Quarterly Reserve Update

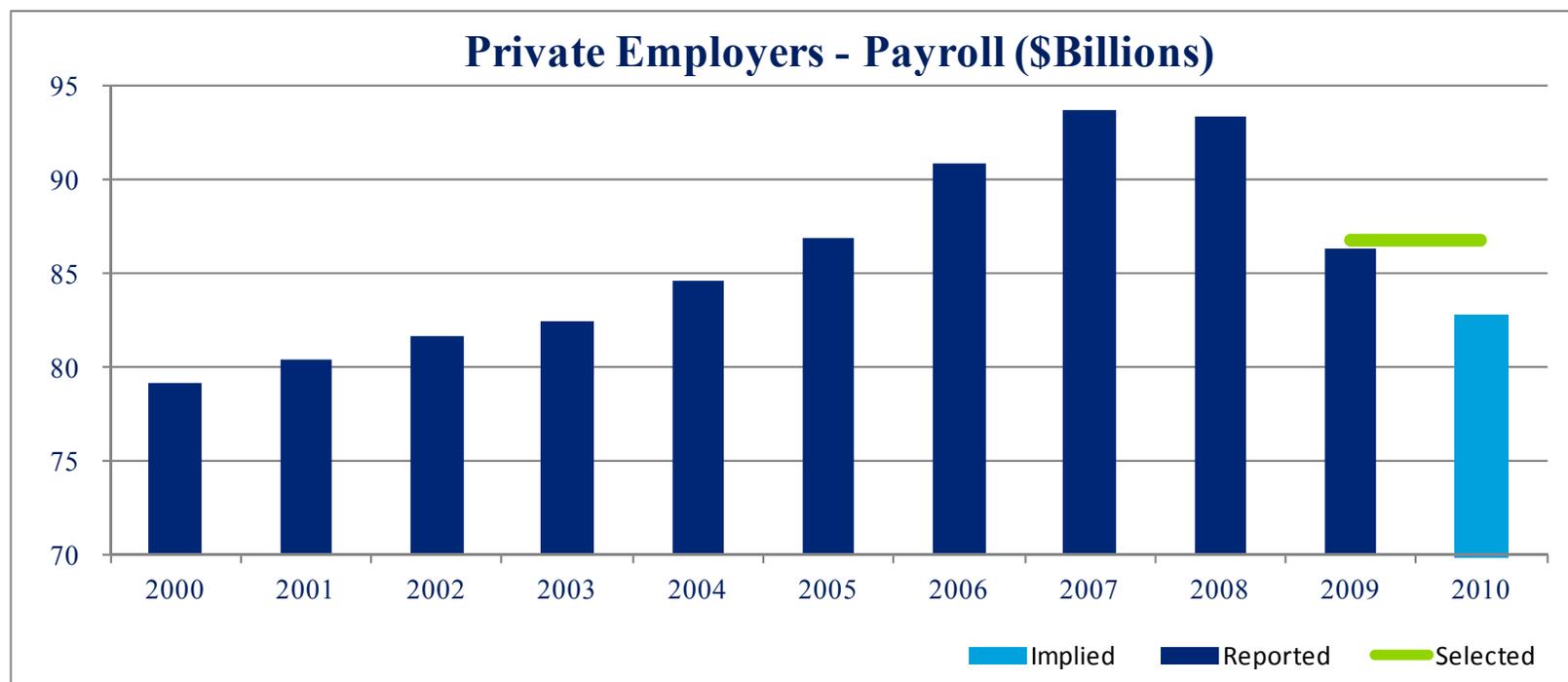
Other Funds - Drivers of Change from June 30, 2010

DWRF, CWPF, SIEGF and ACF

- Our current June 30, 2011 discounted unpaid estimate of approximately \$4.1 billion for the DWRF, CWPF, SIEGF and ACF combined increased by only \$2 million from our June 30, 2010 evaluation
- There are no changes in methodology, assumptions or parameters for these Funds.

September 30, 2010 Quarterly Reserve Update

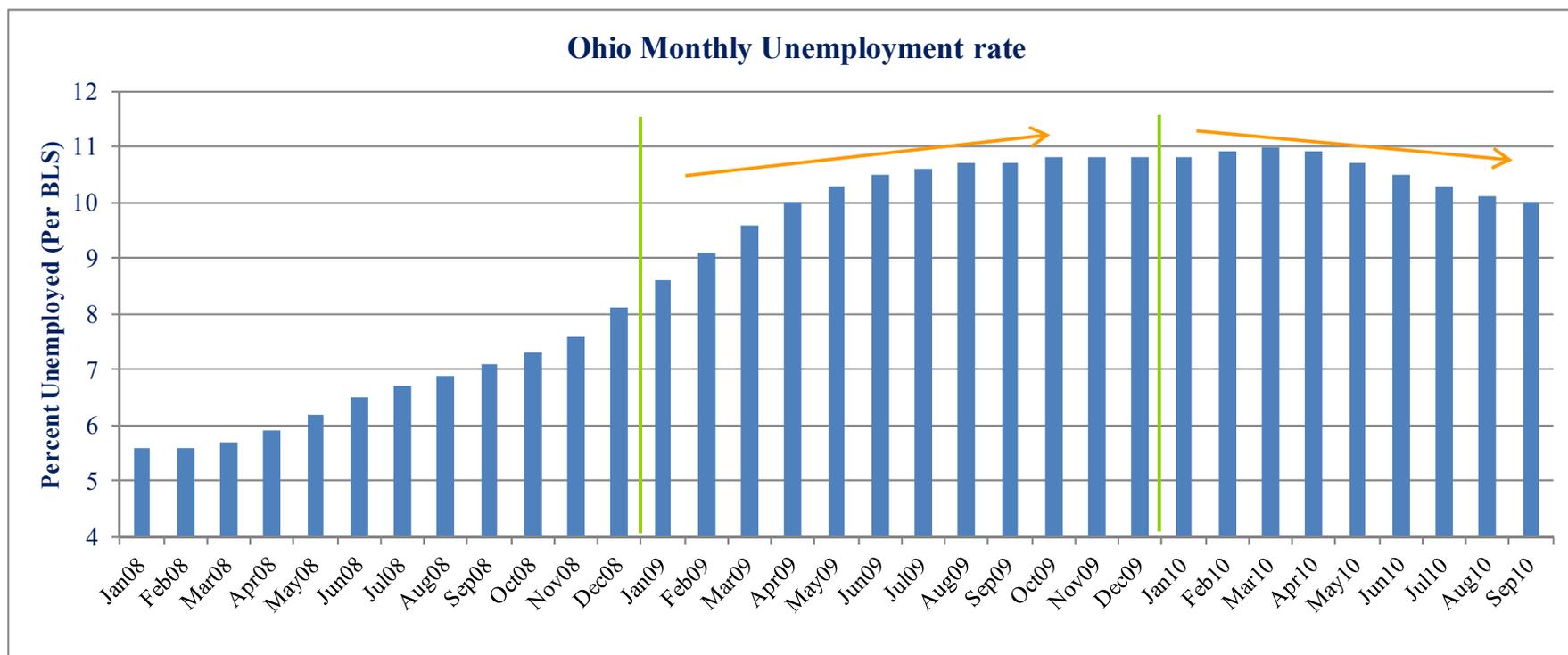
PA – 2010 Payroll



- June 30, 2011 PA unpaid loss estimate assumes no change in 2010 and 2011 from 2009.
- Initial payroll indication for the first six months of 2010 shows a 4.4% reduction compared to 2009.
- We have not modified the selected 2010 and 2011 payroll since the payroll for some policies has not yet been processed. This position will be reassessed during the December 31, 2010 quarterly update analysis. Additional comments on the next slide.
- Impact would be a reduction of approximately \$50 to \$60 million in the PA discounted unpaid estimate assuming the 2010 and 2011 payroll remains 4.4% lower than 2009.

September 30, 2010 Quarterly Reserve Update

Ohio Unemployment Rate



- According to the Bureau of Labor Statistics (“BLS”), the Ohio unemployment rate rose throughout 2009 and in the first part of 2010. The reduction in the payroll for the first half of 2010 over 2009 is consistent with the monthly increase in the unemployment rate.
- The Ohio monthly unemployment rate has been declining since April. If this trend continues for the remaining part of the year, it is possible that the 2010 full year payroll will be similar to 2009.

September 30, 2010 Quarterly Reserve Update

Report

We have prepared a report that summarizes our conclusions and observations. This report is titled “State of Ohio Bureau of Workers’ Compensation Unpaid Loss & LAE as of June 30, 2011 (Based on Data Evaluated as of September 30, 2010)” and is dated November 5, 2010. The report consists of the following volumes:

- **Volume I** – Report and Summary Exhibits
- **Volume II** – Private Employer Public Employer -Taxing Districts Analysis Exhibits
- **Volume III** – Public Employer - State Agencies and Other Funds Analysis Exhibits

Deloitte.

Experience Rating

Part 1: Why we do it,
How we do it now,
How we plan to do it.

John Pedrick, Chief Actuarial Officer

Why We Use Experience Rating: Ohio Revised Code and Administrative Code

- ORC §4123.34(C): The administrator may apply that form of rating system that the administrator finds is best calculated to merit rate or individually rate the risk more equitably, predicated upon the basis of its individual industrial accident and occupational disease experience, and may encourage and stimulate accident prevention. The administrator shall develop fixed and equitable rules controlling the rating system, which rules shall conserve to each risk the basic principles of workers' compensation insurance.
- OAC §4123-17-03

Why We Use Experience Rating: Industry Practice and Actuarial Science

- Experience rating is a standard in every state
 - Tailors the base rates found in 500+ manual classes to the risk that thousands of employers are likely to present
- Goal is to match revenue and costs
 - What premium should be charged to meet expected costs?
- Based on statistics and the actuarial study of credibility
 - What insight does an employer's prior claim experience give for next year's risk?

Experience Rating is Integral to Setting Accurate Rates

- First we set base rates.
 - 536 manual classes in PY2010
 - Small employers pay the base rate because there is no statistically reliable information in their loss experience that indicates they'll be different
- For all other employers, we use experience rating to get a better match of revenue with the total costs for the next year

How We Do It Now

No-Split Experience Rating

$$EM = \frac{TML - TLL}{TLL} \times C + 1.00$$

$$EM = \frac{\text{Actual} - \text{Expected}}{\text{Expected}} \times \text{Credibility} + 1.00$$

How We Do It Now

No-Split Experience Rating

○ Pros:

- Simple
- Works reasonably well
- Incentive to keep costs low after a claim occurs

○ Cons:

- A large claim has too much impact
- 10 claims of \$10,000 are treated the same as one claim of \$100,000
- Incentive to keep costs low after a claim occurs, but not enough incentive to prevent claims from ever happening
- Not consistent with insurance industry practice across the country

How We Plan To Do It

Split Experience Rating

- Divide each claim into a frequency element and a severity element
- Give higher weight (credibility) to frequency than to severity
- The frequency element is called primary loss
- The severity element is called excess loss

How We Plan To Do It

Split Experience Rating

- Compare the actual primary losses to the primary losses we expect
- Compare the actual excess losses to the excess losses we expect
- Combine the results to get the experience modifier (EM)

How We Plan To Do It

Split Experience Rating

- Current terms:

| Actual Loss | Expected Loss | Credibility |
|-------------|---------------|-------------|
| TML | TLL | C |

- New terms:

| Actual Primary Loss | Expected Primary Loss | Primary Credibility | Actual Excess Loss | Expected Excess Loss | Excess Credibility | Total Expected Loss |
|---------------------|-----------------------|---------------------|--------------------|----------------------|--------------------|---------------------|
| A_p | E_p | Z_p | A_e | E_e | Z_e | $E = E_p + E_e$ |

How We Plan To Do It

Split Experience Rating

- The new formula:

$$EM = \frac{(A_p - E_p)}{E} \times Z_p + \frac{(A_e - E_e)}{E} \times Z_e + 1.00$$

Primary Loss

Excess Loss

How We Plan To Do It

Split Experience Rating

○ Pros:

- Standard industry method
- Works better than a no-split plan
- Incentive to keep primary losses low – increased safety
- Incentive to keep severity under control
- BWC implementation is more straightforward than NCCI's

○ Cons:

- New formula requires significant education inside and outside of BWC

Next Steps

- Experience Rating Part 2 – December Committee Meeting
- 1st Reading of Split Experience Rating Plan Rules - January 2011
- 2nd Reading of Split Experience Rating Plan Rules – February 2011

Deloitte will present its quarterly reserve update for the quarter ending September 30, 2010. The overall change in financial statement reserves projections for June 30, 2011, an increase of approximately \$5 million, is small in relation to the full amount, \$20,065. There are a few issues we will further examine between now and the December 31, 2010 evaluation. First, as of September 30 we saw a drop in payroll when we expected approximately no change. We will follow this to see if there is a late reporting impact. If the drop holds true, we will see a lower reserve estimate for June 30, 2011, all else being equal, due to lower reserves entering the financial statement for the current fiscal year. However, for this reserve update we continue to work with the assumption of no change in payroll. We are also examining lower than expected case reserves and are working with Fair Isaac Company to gain insight. While case reserves do not directly impact the financial statement reserves, we are looking to see if this phenomenon has any implications for our financial reserves.

This month we will set the stage for the split experience rating plan. The educational session this month shows preliminary concepts such as why we use experience rating, how we do it now, and how we plan to do it in the future. Next month we will dig deeper into measuring performance. In January we will present the full split experience rating plan and the rules necessary to put it in place. In February we expect to present the rules for a second reading and anticipated vote.

We have not taken any action in regard to candidates for our open position for a credentialed actuary since we are in the transition to the new administration. We will provide justification for proceeding when appropriate.

Projects and Other Actuarial Activity

The tables and discussion below provide details on the various projects underway.

Split Experience Rating Plan Development

| Larry King – Project Manager; Leads: Terry Potts and Jon Turnes | | |
|---|----------------------------|-------------------------|
| Task/Function | Timeline | Status |
| Plan development at BWC | | |
| Split experience plan parameters determined through actuarial modeling (on Deloitte work list) | Jan 2010- Dec 2010 | In-Progress & on target |
| Split experience plan development in Rates & Payments system | Sept 2009 to December 2010 | In-Progress & on target |
| Split experience plan implementation in R&P (Beta Version) | July 1, 2011 | Scheduled |
| Split experience plan full implementation and conversion | July 1, 2012 | |
| Communications | 8/1/2008 start | Continuing |
| Split experience plan discussions with TPA community on methodology for system programming purposes | Summer 2010 | Continuing |
| Split experience plan training for BWC staff | June 2010 to Dec 2010 | In-Progress & on target |
| Split experience plan training for external interested parties | Dec 2010 to Mar 2010 | |
| Employer outreach by BWC staff to employers | | |

- Terry Potts and Larry King continue to provide split plan training in Columbus and in the field offices.
- We provided TPAs with spreadsheet samples of how the split plan will be programmed, with formulas.
- The split plan IT programming development is continuing. The final split plan parameters are still being developed by the BWC along with Deloitte. Deloitte and Actuarial have developed a schedule for their review.

New Products Development

| Project Lead: Joy Bush | | |
|--|---------------------------|---------------|
| Task/Function | Timeline | Status |
| One-Claim program review | Fall, 2009 | In-Progress |
| Group Rating program analysis | July 2010 to June 2011 | Begun |
| Employer coverage and minimum premium analysis | October 2011 to July 2012 | Begun |

Base Rate Analysis Project

| Project Lead: Liz Bravender | | |
|---|--------------------------|----------------------|
| Task/Function | Timeline | Status |
| Deloitte and BWC complete project scope and plan | 9-22 to 10-1-2010 | Completed 9-30-2010 |
| Plan approval by John P | 10/1/2010 to 10/4/2010 | Completed 10/12/2010 |
| Data request from Deloitte | 10/4/2010 to 10/12/2010 | Completed 10/21/2010 |
| BWC obtains and provides data | 10/13/2010 to 10/20/2010 | Completed 11/1/10 |
| Deloitte performs analysis | 10/20/2010 to 11/24/2010 | In Progress |
| BWC reviews and comments on analysis | 11/29/2010 to 12/3/2010 | |
| Deloitte provides draft report | 11/29/2010 to 12/7/2010 | |
| BWC reviews draft report | 12/8/2010 to 12/15/2010 | |
| Deloitte provides final report | 12/16/2010 to 12/23/2010 | |
| Report provided to Actuarial Committee of the Board | 1/7/2011 to 1/20/2011 | |
| Present findings to actuarial committee | January 2011 | |
| Implement findings from evaluation and determine next steps | | |

State Agency Premium Calculation Analysis Project

| Project Lead: Liz Bravender | | |
|---|-----------------------------|-------------------------|
| Task/Function | Timeline | Status |
| Deloitte and BWC complete project scope and plan | 9/22/2010 to 10/4/2010 | Completed 9/30/2010 |
| Plan approval by John P | 10/5/2010 to 10/6/2010 | Completed 10/12/2010 |
| Data request from Deloitte | 10/7/2010 to 10/14/2010 | Completed 10/14/2010 |
| BWC obtains and provides data | 10/14/2010 to 10/20/2010 | Completed 10/27/2010 |
| Deloitte performs analysis | 10/20/2010 to 11/24/2010 | In Progress |
| BWC reviews and comments on analysis | 11/29/2010 to 12/3/2010 | |
| Deloitte provides draft report | 11/29/2010 to 12/7/2010 | |
| BWC reviews draft report | 12/8/2010 to 12/15/2010 | |
| Deloitte provides final report | 12/16/2010 to 12/23/2010 | |
| Report provided to Actuarial Committee of the Board | 1/7/2011 to 1/20/2011 | |

Public Employer Taxing District (PEC) rates January 1, 2011

| Project Lead: Terry Potts | | |
|--|--------------------------|-------------------------|
| Task/Function | Timeline | Status |
| Public Employer Taxing District Rate Calculation | July to December 2010 | In-Process |
| Summary Payroll | July to August 2010 | Completed |
| Summary Losses | July to August 2010 | Completed |
| Rate Calculations | August to September 2010 | Completed |
| Rate recommendation received from Deloitte | September 2010 | Completed |
| Rate decision from WCB – Preliminary Base rates to WCB | October 2010 | Completed 10/21/2010 |
| Final Rates to WCB | November 2010 | |
| Employer Rating Information available on ohio wc .com | January 2011 | |

Deloitte Projects

| Project Lead: Liz Bravender | | |
|--|-----------------|---------------|
| Task/Function | Timeline | Status |
| Split experience Plan - assistance | Dec 2010 | In-Progress |
| Group Rating plan development | Dec 2010 | In-Progress |
| State Agency rate making review and recommendation | Dec 2010 | In-Progress |
| Base Rate Calculation analysis | Dec 2010 | In-Progress |
| PA Deductible analysis | Dec 2010 | In-Progress |
| Risk of inflation on the DWRF fund | Feb 2011 | In-Progress |
| Funding Ratio analysis | Feb 2011 | In-Progress |
| Black Lung Fund –rate recommendation analysis | March 2011 | In-Progress |
| Actuarial Database development and reporting dashboard | Dec 2011 | In-Progress |
| BWC Funding ratio – re-evaluate | Feb 2012 | In-Progress |
| Quarterly update 9-30-2010 to board in November | November 2010 | In-Progress |
| PA rate recommendation | March 2011 | Not Scheduled |
| Marine Fund rate recommendation | March 2011 | Not Scheduled |
| DWRF 1 and 2 rate recommendation | March 2011 | Not Scheduled |
| SI minimum assessment methodology review | | Not scheduled |
| PA minimum premium assessment and security deposit | Fall 2011 | Not scheduled |
| Quarterly reserve update as of 12-31-2010 | Feb 2011 | Not scheduled |
| | | |

Actuarial Committee Calendar - 2010/2011

| Date | November 2010 |
|------------|--|
| 11/18/2010 | 1. Public employer taxing district base and expected loss rates rules 4123-17-33 and 4123-17-34 - 2 nd reading |
| | 2. Committee Charter - 2nd reading |
| | 3. Quarterly Reserve Update |
| | 4. Experience Rating Education Part I |
| Date | December 2010 |
| 12/15/2010 | 1. 2011 NCCI Classification Code Changes - 1st reading |
| | 2. PA Deductible Tables |
| | 3. Experience Rating Education Part II |
| | 4. Programs Update "Group Deductible, etc.." |
| Date | January 2011 |
| 1/20/2011 | 1. 2011 NCCI Classification Code Changes - 2 nd reading |
| | 2. One Claim Program - rule 4123-17--71 - 1st reading |
| | 3. Split experience rating plan rules - 1 st reading |
| | 4. Base rate stability analysis |
| Date | February 2011 |
| 2/23/2011 | 1. One Claim Program - rule 4123-17--71 - 2nd reading |
| | 2. Split Experience Rating Plan rules - 2 nd reading |
| | 3. State of the Line report |
| | 4. Black Lung Fund report |
| | 5. Quarterly reserve update as of 12/31/10 |
| | 6. Funding ratio analysis update by Deloitte |
| | 7. Public employer state agency rate calculation analysis - tentative |
| Date | March 2011 |
| 3/24/2011 | 1. Private employer rate change recommendation - 1 st reading |
| | 2. Public employer state agency rate change recommendation- rule 4123-17-35 - 1 st reading |
| | 3. Quarterly reserve analysis for financial reporting for fiscal year ending June 30, 2011 based on data as of December 31, 2010 |
| Date | April 2011 |
| 4/28/2011 | 1. Private employer rate change recommendation - 2 nd reading |
| | 2. Public employer state agency rate change recommendation- rule 4123-17-35 - 2nd reading |
| | 3. Private employer base rates and expected loss rates - rules 4123-17-05 and 4123-17-06 - 1 st reading |
| | 4. Marine Industry Fund - rule 4123-17-19 - 1 st reading |
| | 5. Coal-Workers' Pneumoconiosis Fund - rule 4123-17-20 - 1st reading |
| | 6. Disabled Workers' Relief Fund and Additional Disabled Workers' Relief Fund rule 4123-17-29 - 1 st reading |

Actuarial Committee Calendar - 2010/2011

| Date | May 2011 |
|--------------------------|---|
| 5/26/2011 | 1. Private employer base rates and expected loss rates - rules 4123-17-05 and 4123-17-06 - 2 nd reading |
| | 2. Marine Industry Fund - rule 4123-17-19 - 2 nd reading |
| | 3. Coal-Workers' Pneumoconiosis Fund - rule 4123-17-20 - 2 nd reading |
| | 4. Disabled Workers' Relief Fund and Additional Disabled Workers' Relief Fund rule 4123-17-29 - 2 nd reading |
| | 5. Self-Insured assessments - rule 4123-17-32 - 1 st reading |
| | 6. Administrative Cost Fund - rule 4123-17-36 - 1 st reading |
| | 7. Safety & Hygiene assessment- 1 st reading |
| | 8. Reserve update for financial reporting for fiscal year ending June 30, 2011 and projection for June 30, 2012 based on data as of March 31, 2011 |
| | 9. Group Rating program changes - 1 st reading |
| NOTE - CAN BE DONE IN AN | 10. Public employer taxing districts credibility table effective 1-1-2012- rule 4123-17-33.1 - 1 st reading |
| EARLIER MEETING | 11. Public employer taxing districts group break even factor rule 4123-17-64.2 - 1 st reading |
| Date | June 2011 |
| 6/15/2011 | 1. Administrative Cost Fund - rule 4123-17-36 - 2 nd reading |
| | 2. Self-Insured Assessments - rule 4123-17-32 - 2 nd reading |
| | 3. Safety & Hygiene assessment - 2 nd reading |
| | 4. Group Rating program changes - 2 nd reading |
| NOTE - CAN BE DONE IN AN | 5. Public employer taxing districts credibility table effective 1-1-2012- rule 4123-17-33.1 - 2 nd reading |
| EARLIER MEETING | 6. Public employer taxing districts group break even factor rule 4123-17-64.2 - 2 nd reading |
| | 7. State-by-State Rate Comparison |
| Date | July 2011 |
| 7/28/2011 | 1. Reserve adjustments as of June 30, 2011 - discussion if necessary |
| | 2. Reserve Audit as of 6-30-2011 |
| | 3. Group rating rule changes - 1 st reading |
| Date | August 2011 |
| 8/25/2011 | 1. Final Reserve Audit as of June 30, 2011 and quarterly reserve true up for financial reporting for fiscal year ending June 30, 2011 and updated estimate for fiscal year ending June 30, 2012 based on data as of June 30, 2011 |
| | 2. Group rating rule changes - 2 nd reading |
| Date | September 2011 |
| 9/29/2011 | 1. Safety & Hygiene is found in rule 4123-17-37 - 1st reading |
| | 2. Annuity table rule 4123-17-60 - 1 st reading |
| | 3. Public employer taxing districts rate change - 1 st reading |

Actuarial Committee Calendar - 2010/2011

| Date | October 2011 |
|------------|---|
| 10/27/2011 | 1. PEC Base Rate and Expected Loss rates rule 4123-17-33 and 4123-17-34 - 1 st reading |
| | 2. PEC group Break even factor rule 4123-17-64.2 - 1 st reading |
| | 3. Safety & Hygiene assessment rate - rule 4123-17-37 - 2 nd reading |
| Date | November 2011 |
| 11/17/2011 | 1. Quarterly reserve update |
| | 2. |
| Date | December 2011 |
| 12/14/2011 | 1. |