BWC BOARD OF DIRECTORS

ACTUARIAL COMMITTEE

Wednesday, June 15, 2011, 8:25 a.m.
William Green Building
30 West Spring St. 2nd Floor (Mezzanine)
Columbus, Ohio 43215

Members Present:	Steve Lehecka, Chair Jim Matesich, Vice Chair David Caldwell Peggy Griffith Dave Johnson Nicholas Zuk, ex officio
Members Absent:	None
Other Directors Present:	Chan Cochran, Ken Haffey, Mark Palmer, Robert Smith, & Dewey Stokes
Counsel Present:	Janyce Katz, Assistant Attorney General Tom Sico, Assistant General Counsel
Staff Present:	Steve Buehrer, Administrator Tracy Valentino, Chief Fiscal & Planning Officer Elizabeth Bravender, Director of Actuarial Operations Terrence Potts, Actuarial Supervisor Tom Prunte, Director, Employer Management Services
Consultants Present:	Bob Miccolis, Deloitte Consulting, LLP Dave Heppen, Deloitte Consulting, LLP Bill Van Dyke, Deloitte Consulting, LLP
Scribe:	Larry Rhodebeck, Staff Counsel

CALL TO ORDER

Mr. Lehecka called the meeting to order at 8:25 a.m. and the roll call was taken.

MINUTES OF MAY 26, 2010

Mr. Caldwell moved to adopt the minutes of May 26, 2010. Mr. Matesich seconded and the minutes were approved by unanimous voice vote.

AGENDA

Mr. Matesich moved to accept the agenda. Mr. Caldwell seconded and the agenda was approved by unanimous voice vote.

REVIEW AND APPROVE CONSENT CALENDAR

There were no items on the Consent Calendar.

NEW BUSINESS/ACTION ITEMS

MOTION FOR SECOND READING: ADMINISTRATIVE COST FUND, OHIO ADMINISTRATIVE CODE RULES 4123-17-32 & 4123-17-36

Tracy Valentino, Chief Fiscal and Planning Officer, recommended amendment of two rules to change the Administrative Cost Fund (ACF) assessments: Ohio Administrative Code Rules 4123-17-32 and 4123-17-36. During her presentation, reference was made to the executive Summary, "7/1/11 Administrative Assessments" of May 9, 2011.

The ACF is the appropriated fund for the administrative costs of BWC. BWC collects only enough to pay current expenses. The assessments are charged to employer groups to reflect the amount of services rendered to them. Page 5 of the executive summary shows the calculation and allocation of the assessments by employer group. BWC makes an annual adjustment each fiscal year to reflect differences between what was collected and what was spent during the fiscal year and if the balance in the ACF is greater than $45 million at the beginning of the fiscal year. The only change fiscal year 2012 employer administrative rates is for public employer state agency rates, which reflects a change in premium projects for FY 2012. Also included in the rule is the administrative assessment for the Industrial Commission which uses the same calculation methods. The only change for the Industrial Commission rates is a reduction for self-insuring employers, which reflects lower usage by this employer group.

Mr. Matesich moved that the Actuarial Committee recommend that the Bureau of Workers' Compensation Board of Directors approve the Administrator's recommendation to amend Rule 4123-17-36 of the Administrative Code, "Administrative Cost Contribution." The motion consents to the Administrator amending the rule as presented here today. Mr. Caldwell seconded and the motion was approved by a voice vote of six ayes and no nays.

MOTION FOR SECOND READING: SAFETY AND HYGIENE ASSESSMENT, OHIO ADMINISTRATIVE CODE RULE 4123-17-37

Ms. Valentino recommended approval of the rates for the Safety and Hygiene Fund and amendment of Ohio Administrative Code Rule 4123-17-37. Her recommendation included reference to the executive summary, "Safety and Hygiene Rate" of May 9, 2011. The Safety and Hygiene Division has a separate budget for its employer services. The calculation of the rate is similar to that for the ACF. The rates are 0.5% of paid premiums for public employer taxing districts and public employer state agencies and 1% of paid premiums for private employers. There is no change from 2011 rates. BWC also employs a set-aside for this fund.

Mr. Matesich asked if the Safety and Hygiene Division has reviewed its programs to improve their offerings. Ms. Valentino replied that Abe Al-Tarawneh, Superintendent of Safety and Hygiene; Tina Kielmeyer, Chief of Customer Services; and Ray Mazzotta, Chief Operating Officer, conduct an ongoing review of safety programs.

Mr. Matesich moved that the Actuarial Committee recommend that the Bureau of Workers' Compensation Board of Directors approve the Administrator's recommendation to retain without change Rule 4123-17-37 of the Administrative Code, "Employer Contribution to the Safety and Hygiene Fund." The motion consents to the Administrator retaining without change the rule as presented here today. Mr. Caldwell seconded and the motion was approved by a voice vote of six ayes and no nays.

MOTION FOR SECOND READING: SELF-INSURED ASSESSMENTS, OHIO ADMINISTRATIVE CODE RULE 4123-17-32

Elizabeth Bravender, Actuarial Director, and Terrence Potts, Actuarial Supervisor of Rates, recommended adoption of new assessment rates for self-insuring employers. Their recommendation included reference to the executive summary, "Self-Insured Employers Assessments" of May 26, 2011. Mr. Potts reported there are approximately 1200 active self-insuring employers. Self-insured assessments are based on paid compensation (indemnity payments) reported for calendar year 2010.

Page 5 of the executive summary sets forth the rates over a five-year period. The rates for 2011 show a net reduction of approximately 6.75 ¢ for mandatory assessments, which is the lowest rate for the past five years. There is no change for the mandatory Surplus Fund assessment, the Self-Insuring Employers Guaranty Fund is reduced by 6.27 ¢, the BWC administrative cost assessment rate is unchanged, the Industrial Commission administrative cost assessment rate is reduced by 0.48 ¢, and the administrative cost assessment for the Workers' Compensation Council was eliminated.

Of the optional funds, two employers still participate in rehabilitation and the rate is unchanged. No employers participate in handicap reimbursement, and there is no change in the rate. The disallowed claim reimbursement has been reduced by 0.62 ¢.

Mr. Smith asked why the Guaranty Fund assessment was doubled in 2010. Mr. Potts replied that BWC was uncertain of the need for funds because of the financial uncertainty in the automotive industry.

Mr. Caldwell asked why the assessment is based solely on paid compensation. Ms. Bravender replied that is probably because of administrative ease.

Mr. Zuk commented that the reduction of the Guaranty Fund for 2011 is because of over-collection. Mr. Potts suggested that the losses from employer defaults turned out not to be as severe as predicted.

Mr. Zuk asked if one compares 2009 with 2010, should not the rate have declined faster. Mr. Potts replied that the claims costs (numerator) declined significantly, but there was also a decline in paid compensation (denominator), so the rate reduction was not as severe.

Mr. Matesich stated that if the chart on page 10 is examined to compare 2009 and 2010, a financial statement approach shows a reduction in losses. The Workers' Compensation Board approved higher rates in the past based on a forecast of economic performance. BWC holds the balance to an acceptable point.

Mr. Matesich moved that the Actuarial Committee recommend that the Bureau of Workers' Compensation Board of Directors approve the Administrator's recommendation to amend Rule 4123-17-32 of the Administrative Code, "Self Insured Employer Assessment Based upon Paid Compensation." The motion consents to the Administrator amending the rule as presented here today. Mr. Caldwell seconded and the motion was approved by a voice vote of six ayes and no nays.

MOTIONS FOR SECOND READING: PROGRAM COMPATIBILITY, OHIO ADMINISTRATIVE CODE RULE 4123-17-74

Tom Prunte, Executive Director of Employer Management Services, recommended amendment of Ohio Administrative Code Rule 4123-17-74 to add group-rated employers to Safety Council discount programs. His presentation included reference to the executive summary, "Employer Program Compatibility" of April 13, 2011. Addition of group-rated employers demonstrates the commitment of BWC to safety; encourages employer participation in safety programs; and encourages business growth and job creation.

The specific amendment is to Appendix C of the rule, on pages 3 and 5 of Rule 4123-17-74. Group experience rating is compatible with Safety Council performance bonuses, but incompatible with Safety Council participation rebates. BWC received favorable stakeholder feedback, which is attached to the end of the executive summary. Several sponsoring organizations requested that Safety Council incentives also be made available to group retrospective rating employers. However, since the first performance evaluation of each group retro program would be completed two years after the group was formed, it has not yet been determined how to synchronize those programs with the safety council discount.

Mr. Matesich moved that the Actuarial Committee recommend that the Bureau of Workers' Compensation Board of Directors approve the Administrator's recommendation to amend Appendix C of Rule 4123-17-74 of the Administrative Code, " Deadline Dates and Compatibility Information for Employer Programs." The motion consents to the Administrator amending Rule 4123-17-74 as presented here today. Mr. Caldwell seconded and the motion was approved by a voice vote of six ayes and no nays.

MOTIONS FOR FIRST READING: PUBLIC EMPLOYER TAXING DISTRICT CREDIBILITY & PUBLIC EMPLOYER TAXING DISTRICT GROUP BREAK EVEN FACTOR, OHIO ADMINISTRATIVE CODE RULES, 4123-17-33.1 & 4123-17-64.2

Ms. Bravender and Jonathan Turnes, Manager of Reserving, recommended amendment of Ohio Administrative Code Rule 4123-17-33.1 & 4123-17-64.2, Public Employer Taxing District Credibility & Public Employer Taxing District Group Break Even Factor. Mr. Turnes stated that credibility is a prediction of losses for employers. The break-even factors adjust rates of group rated employers to achieve equitability.

No changes are recommended. BWC made changes in 2010 and wants to review the affect over two years. Leaving the tables as they are also keeps rates steady. There was no stakeholder comment on the credibility rule. One comment on the break-even factor came from the County Commissioners Association or Ohio, which approved of the expedited schedule and expected no change based on lack of change for private employers.

Mr. Smith asked why the County Commissioners Association would take that position. Was it because they understand the break-even factor, or not. Mr. Turnes replied that no further reason was given and that he had not been directly involved in taking in stake-holder input, so could not reflect on their reasons.

Mr. Turnes also reported that Sheakley Uniservice had requested an extension of the marketing deadline for group-experience rating. So BWC will be asking for a waiver of the second reading in order to implement the rule.

Mr. Zuk requested that the break-even factor be removed in 2012 if the group rating is made equitable. The break-even factor is confusing to employers.

Mr. Smith stated that he suspected that more reduction in group rating discounts would be more acceptable, but that break-even factor appears to be overkill. BWC needs to do more outreach to explain the reasons. Mr. Turnes added that the credibility table in place correctly measures the predictability of non-group loss experience, but does not correctly measure the predictability of group loss experience based on the inequitable loss ratios. The break-even factor brings group employers into equity. Mr. Turnes then explained group rating problems in terms of hypothetical dice games.

Mr. Zuk asked with so many years of group experience, should there not be a way of setting credibility. Mr. Smith replied that is difficult because sponsor take employers out of group who have accidents. Mr. Turnes added that it may be possible for him to set group credibility at a level that would allow removal of the break-even factor, but he needed to test data before being more firm in a prediction. Ms. Bravender added that break-even factor may be eliminated in the future if BWC could devise a second credibility table for group employers.

Mr. Matesich added that another problem is lack of uniformity within groups that make prediction harder.

Mr. Matesich moved that the Actuarial Committee recommend that the Bureau of Workers' Compensation Board of Directors approve the Administrator's recommendations to amend Rule 4123-17-33.1 of the Administrative Code, " Public Employer Taxing District Credibility Table Used for Experience Rating," and to amend Rule 4123-17-64.2 of the Administrative Code, " Public Employer Taxing District Group Rating Break Even Factor." The motion consents to the Administrator amending the rules as presented here today. The motion further consents that the Actuarial Committee waives the second reading of these rules. Mr. Zuk seconded the motion and the motion was approved by a unanimous voice vote of five ayes and no nays. Mr. Caldwell had briefly left the meeting.

DISCUSSION ITEMS

ACTUARIAL RESERVE ESTIMATE, FISCAL YEAR ENDING JUNE 30, 2011

Bob Miccolis, Dave Heppen, and Bill Van Dyke, Deloitte Consulting, LLP, delivered the fiscal year 2011 actuarial reserve estimate. Deloitte referred to the PowerPoint report, "Ohio Bureau of Workers' Compensation March 31, 2011 Reserve Analysis" of June 15, 2011. Mr. Miccolis reported that this was one of the most significant of Deloitte's services to BWC and describes the largest liability of BWC, broken down by fund type.

Mr. Van Dyke reported the purpose of the reserve analysis is to provide BWC with an estimate amount to be recorded in the June 30, 2011, financial statements related to unpaid loss and loss adjustment expense (LAE) payment obligations associated with all claims occurring through June 30, 2011. Deloitte also provides a forecast estimate of the unpaid loss and LAE liability as of June 30, 2012.

Setting the reserve is an annual process using data as of March 31, when a comprehensive evaluation of all actuarial methods and assumption is performed. The presentation to the Actuarial Committee is in June. Deloitte makes revisions to the annual analysis using data as of June 30. Assumptions are updated based on June 30 data and presented to the Actuarial Committee in August. The statement of Actuarial Opinion is issued in September regarding the June 30 recorded reserves. Deloitte provides quarterly updates in November using data as of September 30 and in March using data as of December 31.

Mr. Van Dyke reported that the June 30, 2011, discounted unpaid reserve estimate is $20.0 billion. This is $74 million lower than the estimate at June 2010 and $59 million lower than the estimate at December 2010. As of June 30, 2011, the nominal unpaid estimate is $32.5 billion. This estimate is $70 million lower than the estimate at June 2010 and $48 million lower than the estimate at December 2010. The bar graph on page 2 shows that the change for unpaid loss and LAE is not that great. The discounted unpaid estimates are computed using a discount rate of 4.0%. Better (lower) than expected payments continued in the third quarter of the fiscal year 2011. Payments were $26 million lower than expected in the third quarter and $97 million lower than expected for the fiscal year to date. This was driven by lower than expected medical payments and fewer lump-sum settlements. The change in the Deloitte estimate is driven by changes in loss and LAE data and updates to certain assumptions as part of the March detailed annual analysis. There were no significant changes in methodology from prior analyses.

Mr. Van Dyke further reported that the general process incorporated in Deloitte's analysis to estimate discounted unpaid loss involves three steps. For the ultimate loss estimates, Deloitte utilizes multiple actuarial methods that incorporate both incremental and cumulative to-date accident year data for both paid losses and incurred losses. Next, the nominal unpaid loss estimate is calculated as ultimate losses, less payments projected through June 30, 2011. Finally, the discounted unpaid loss estimate at June 30, 2011 is determined as the nominal unpaid loss estimate adjusted to present value using the historical loss payment patterns.

Separate estimates are determined for each accident year from 1977 through 2011. For years prior to 1976, unpaid loss estimates were determined based on analyzing historical incremental annual loss payments for 1954 forward. To estimate the LAE liability for the Health Partnership Program (HPP) and ACF, Deloitte analyzed the history of paid LAE to paid loss.

Deloitte calculates unpaid loss and LAE estimates separately for each of the BWC funds. They are the State Insurance Fund (consisting of funds for private employers, public employer taxing districts, public employer state agencies, self-insured surplus, and HPP LAE), Disabled Workers' Relief Fund, Coal Workers Pneumoconiosis Fund, Guaranty Fund, Marine Industry Fund, Public Work-Relief Employees' Compensation Fund (PWRE), and ACF.

Mr. Smith asked what happens should the Guaranty Fund fall below its funding requirement. Ms. Bravender replied the self-insured community would be responsible for additional funding.

Deloitte finds that the undiscounted unpaid loss and LAE is $32.5 billion. BWC can anticipate $12.6 billion of future income from invested funds and collections from unbilled premiums in order to provide sufficient funds. The $3.4 billion unbilled premium receivable produces a net balance sheet liability of $16.6 billion.

BWC could use alternative discount rates instead of 4.0%. A 3.0% discount rate increases the discounted unpaid loss and LAE estimate by $2.0 billion (10%) to $22 billion. A 5.0% discount rate decreases the discounted unpaid loss and LAE estimate by $1.7 billion (8%) to $18.3 billon. The impact on net liability would be smaller since the increase or decrease in the unpaid loss and LAE estimate would be an offset by a corresponding increase or decrease in the unbilled premium receivable.

Mr. Van Dyke reported that the $74 million decrease for all funds in the June 30, 2011, discounted unpaid estimate from the estimate as of June 30, 2010, is primarily driven by a decrease in the State Insurance Fund of $58 million. The remaining decrease is driven by modest changes in DWRF of $12 million and the ACF of $13 million. As shown in the table on page 6, this is net of increases of $3 million for the Coal Workers Fund and $6 million for the PWRE Fund. The private employer portion of the State Insurance Fund is 62% of the net discounted liability and 75% of the undiscounted, unpaid estimate.

The total change for the third quarter is a decrease of $37 million to $14.96 billion. The decrease of $214 million in estimated ultimate losses since June 2010 consists of a $13 million decrease for change in payroll; a decrease of $113 million from fewer than expect loss payments; a decrease of $98 million for changes in assumptions in the March 31, 2011, analysis; and an increase of $10 million in loss estimates for accident years 1976 and prior. Partially offsetting the $214 million decrease in estimated ultimate losses is an increase of $112 million associated with a reduction in the expected full year 2011 fiscal year payments. Payments through March were $97 million lower than expected. Also partially offsetting the $214 million decrease is a reduction of $52 million for the discount associated with the decrease in estimate ultimate losses.

Payments are $97 million or 7.1% lower than expected for fiscal year 2011 through March and $26 million or 5.7% lower than expected in the third quarter of fiscal year 2011. The chart on page 9 shows a comparison of private employer actual versus expected paid losses.

Paid loss development factors are the key parameters in ultimate loss projection methods. Each type of loss has 34 separate paid development factors, plus a tail factor. The percentage change in paid development factors in medical payments has a change of close to zero percent, whereas indemnity paid development factors have increased by 3%. Expected loss rates used in the Bornhuetter-Ferguson (B-F) method are revised based on new experience data through March 2011. The B-F method considers prior accident year ultimate losses on-leveled to current year for wages, frequency, and severity trends. Accident year 2011 expected loss rates have declined by 3% for both medical and indemnity payments. The bar graph on page 10 compares actual versus expected lost time claims with payments.

Finally, selection of ultimate losses from various methodology indications puts reliance on B-F and paid development methods in Deloitte selections. Mr. Heppen added an explanation of why the paid development method is used for older years while the B-F method is used in more recent years. For example, for a 1990 claim there have been many payments and paid development factors are helpful in reserve estimate. For 2010 claim, little has been paid so there is a need for a different method.

Mr. Smith asked if the initiatives regarding severity undertaken by the Administrator and BWC would have an impact on reserves. Mr. Heppen replied it will require communication between claims managers and actuaries to determine the impact. Mr. Miccolis added that long-duration claims will need greater attention.

Mr. Stokes asked if Deloitte is looking at individual claims. Mr. Van Dyke replied Deloitte surveys on an aggregated basis, but does look at groups of homogeneous claims such as those paying PTD or TT.

Mr. Stokes asked if PTD claims are predictable. Mr. Van Dyke replied PTD is not predictable by type of injury, but may be predictable by compensation type.

Mr. Johnson asked why is there an increase from 2009 to 2010 for lost time claims on the page 10 bar graph. Mr. Van Dyke replied that actually the opposite is true, the new claims declined more than expected. This is measured by periods of time and not the aggregate.

Mr. Zuk stated, then for 2002, no new claims are expected. Mr. Haffey observed the page 10 bar graph will always be fat on the right side.

Mr. Van Dyke reported that with respect to actual versus expected losses, expected medical losses for lost time claims were $541 million for fiscal year 2011 to date, versus $495 in actual losses. Change in the ultimate was $99 million less in medical payments. Indemnity claims are performing well with payments $39 million (5%) lower than expected. Lump-sum payments are $65 million or 42% lower than expected. Temporary total disability and other payments are $32 million or 14% higher than expected.

Mr. Zuk asked which methodology should be used. Mr. Van Dyke replied it depends on the accident year.

The bar graph on page 12 of the Deloitte report shows that lost time claim frequency (LTCF) declined from 2003 to 2009. However, LTCF increased by 2% in 2009. Similar to the NCCI, Ohio private employers experienced declining frequency at an annual rate of approximately 10% since 2003. Both Ohio private employers and NCCI experienced an increase in frequency in 2010. The reasons for the increase may include more willingness of workers to file less severe claims and a possible shift from medical only claims to lost time claims. Also, in the recession years immediately preceding 2010, employers were more likely to retain experienced workers who will have fewer accidents, and those workers may have waited longer to file claims. As the economy picked back up in 2010, the opposite may have occurred, contributing to the frequency increase.

In Ohio, medical severity has historically increased at an inflation rate of 6% to 7%. In 2009 and 2010, Ohio private employer medical severity only increased by 2.7% and 1.0% respectively, while the medical CPI inflation was over 3% in both 2009 and 2010. The NCCI observed a 5.4% and 2.0% increases in medical severity in 2009 and 2010, respectively. Ohio private employer indemnity severity is down by 5% in 2010 after increasing by 10% in 2009 and 11% in 2008. The NCCI observed a decrease of 3% in 2010 after increases of 8.2% in 2008 and 0.8% in 2009.

The funds other than the State Insurance Fund underwent slight changes. For DWRF, the current June 30, 2011, discounted unpaid estimate of $2.01 billion is $12 million (0.6%) lower than the prior estimate of $2.02 billion using data evaluated as of June 30, 2010. Certain paid development factors were updated which led to a small increase in estimated ultimate losses. For the Coal Workers' Fund, the current discounted unpaid estimate of $75 million is $3 million higher than the prior estimate of $72 million using data evaluated as of June 30, 2010. The increase is primarily due to incorporation of new mortality assumptions. For the Guaranty Fund, the current discounted unpaid estimate of $912 million is $6 million (0.6%) higher than the prior estimate of $905 million using data evaluated as of June 30, 2010. This increase is driven by modest changes in certain parameters and an increase in the DWRF estimates.

Private employer payroll for 2010 declined by 7% from 2008 to 2009. It also declined by an additional 2% in 2010. For 2010, payroll was projected to be level with 2009 in the June 2010 analysis. The Ohio average monthly unemployment rate continued to rise through April 2010 and has since declined each month. The 2011 payroll is now projected to be 4% higher than 2010 given the improved Ohio unemployment rate since mid-2010.

The June 30, 2012 forecast of unpaid loss and LAE is $20.3 billion, $319 million higher (1.6%) than the estimate for June 30, 2011. The total State Insurance Fund excluding SIS and HPP discounted unpaid losses for 2011 are $14,960 million. The additional ultimate losses for fiscal year 2012 are estimated at $2,282 million. With an additional discount of $755 million, an interest accretion of $624 million, and expected payments of $1,878 million, the discounted unpaid losses will be $15,233 million, an increase of $274 million. The bar graph on the bottom of page 17 charts the private employer ultimate loss and payrolls by fiscal injury year from 1977 to 2012.

For Deloitte, the roll-forward process will be to revise the June 30, 2011 estimate based on data evaluated as of June 30, 2011. No significant changes in assumptions are anticipated, nor changes in results. Deloitte has prepared a summary report, " State of Ohio Bureau of Workers' Compensation Unpaid Loss and LAE as June 30, 2011, (Based on Data Evaluated as of March 31, 2011)" . The report consists of five volumes, of which Volume I is the report and summary exhibits.

ACTUARIAL DIVISION REPORT

Ms. Bravender reported that the full Deloitte reserve report is available on CD and copies of it have been placed in the materials distributed to the Workers' Compensation Board. With respect to the division calendar, Ms. Bravender further reported that many of the annual rate changes have been completed, so next month's meeting will consist mostly of discussions.

The May meeting had a question from Mr. Matesich requesting additional information on the Disabled Workers' Relief Fund (DWRF). As set forth in the June Division Report, DWRF is a cost of living allowance available to those who qualify for PTD benefits. SB307 was passed in 1987 when the DWRF fund had a $218 million deficit. SB307 made a number of changes affecting DWRF. It forgave the loans made to the DWRF I Fund from the State Insurance Fund (SIF) in the amount of $218.1 million. It also provided that future shortfalls in DWRF I assessments would be covered by periodic transfers to the DWRF Fund from the interest earning of the SIF. The Industrial Commission started at the outset to fully-fund DWRF II with assessments of 2% of premium for 1987, 3% for 1988, 4% for 1989, and 5% for 1990. Because of an inquiry from BWC financial auditors Peat Marwick, BWC obtained an opinion from the Ohio Attorney General on whether the DWRF II fund should be fully funded. The Attorney General's opinion of May 17, 1993, stated the DWRF II should be pay-as-you-go. Because DWRF is only for PTD recipients, few qualified at the outset. BWC reduced the assessment to 0.1%, which is the lowest rate BWC could set and still appear on payroll reports. As of May 2011, DWRF II has $1.2 billion in net assets. A five-year history of receipts, disbursements, and balances is set forth on page 2 of the Division Report. DWRF I assessments set minimum and maximum rates and may need legislation as the class of PTD recipients declines in the future. DWRF II is set at less than pay-as-as you go. The rates at the bottom of page 3 show what would have been charged for DWRF II had it been set at the pay-as-you go rate.

COMMITTEE CALENDAR

Mr. Lehecka reported that the Committee Calendar is as reported by Ms. Bravender.

EXECUTIVE SESSION

There was no executive session for a litigation update.

ADJOURNMENT

Mr. Matesich moved to adjourn. Mr. Caldwell seconded and Mr. Lehecka adjourned the meeting after a unanimous voice vote.

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