



**Metropolitan Water District
of Southern California**

**Actuarial Study of the
Self-Insured Workers' Compensation
and Liability Programs
as of June 30, 2013**

DRAFT

August 6, 2013



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Metropolitan Water District of Southern California
700 North Alameda Street, #1-304
Los Angeles, California 90012-2944

Attn: Mr. Drew Boronkay
Risk Manager

**Actuarial Study of the
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and Liability Programs
as of June 30, 2013**

This study has been completed for the Metropolitan Water District of Southern California (MWDSC) for the specific objectives listed in the study. It contains the analysis and conclusions of our work.

Each section and appendix of the study is an integral part of the whole. We recommend a review of the entire study prior to reliance upon this study.

No key personnel have a relationship with the Metropolitan Water District of Southern California that may impair our objectivity.

Please call if you have any questions. Thank you for the opportunity to be of service.

Respectfully submitted,

Aon Global Risk Consulting

By _____
Mujtaba Datoo, ACAS, MAAA, FCA
Actuarial Practice Leader

MD:blc

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I. Background

The Metropolitan Water District of Southern California (MWDSC) is self-insured for workers' compensation and liability (automobile, general and public officials).

JT2 Integrated Resources administers workers' compensation claims. Carl Warren & Company administers liability claims.

The history of the self-insured retentions for workers' compensation and liability is shown in Tables I-1 and I-2, respectively.

**Table I-1
History of Self-Insured Retentions
Workers' Compensation**

Claim Period(s) (1)	Self-Insured Retention (2)
To 1985/86	\$250,000
1986/87 to 1989/90	300,000
1990/91 to 2000/01	400,000
2001/02	500,000
2002/03	1,000,000
2003/04	1,500,000
2004/05	2,000,000
2005/06 and subsequent	5,000,000

Note: Above information provided by MWDSC.

The liability self-insured retention has been \$25 million since at least 1992/93. We have assumed that the retention for years prior to 1992/93 was also \$25 million, as the actual retention for these years is not readily available.

We have assumed MWDSC will maintain the current insurance coverage through 2014/15.

Data

Loss data valued as of June 30, 2013 was provided to us by MWDSC and Carl Warren & Company. MWDSC also provided payroll for years through 2014/15.

In conducting this analysis, we relied upon the provided data without audit or independent verification; however, we reviewed it for reasonableness and consistency. Any inaccuracies in quantitative data or qualitative representations could have a significant effect on the results of our review and analysis. Any material discrepancies discovered in the loss or exposure data by MWDSC or any other parties should be reported to us immediately, and if warranted, we will make appropriate amendments to the report.

II. Objectives

The specific objectives of this study are:

1. **Estimate Outstanding Losses.** Estimate outstanding losses (including allocated loss adjustment expenses [ALAE]) as of June 30, 2013.

The estimated outstanding losses are the cost of unpaid claims. The estimated outstanding losses include case reserves and the development of known claims and incurred but not reported (IBNR) claims. ALAE are the direct expenses for settling specific claims. The amounts are limited to the self-insured retention.

2. **Project Ultimate Limited Losses.** Project ultimate limited losses (including ALAE) for 2013/14 and 2014/15.

The projected ultimate limited losses are the accrual value of losses with report dates during 2013/14 and 2014/15, regardless of accident or payment date. The amounts are limited to the specific self-insured retention.

3. **Project Losses Paid.** Project losses paid during 2013/14 and 2014/15.

The projected losses paid are the claim disbursements during 2013/14 and 2014/15, regardless of accident or report date. The amounts are limited to the self-insured retention.

4. **Recommend Funding.** Recommend funding for 2013/14 and 2014/15.

The recommended funding is based on the projected ultimate limited losses and projected expenses.

5. **Affirm GASB Statement No. 10.** Provide a statement affirming the conclusions of this report are consistent with Governmental Accounting Standards Board (GASB) Statement No. 10.

III. Conclusions

We have reached the following conclusions:

1. Estimate Outstanding Losses

The estimated outstanding losses are the cost of unpaid claims. The estimated outstanding losses include case reserves, the development of known claims and IBNR claims. We estimate outstanding losses as of June 30, 2013, excluding catastrophic claims, to be as shown in Table III-1A.

**Table III-1A
Estimated Outstanding Losses
June 30, 2013**

Program (1)	Estimated Outstanding Losses (2)	Present Value of Estimated Outstanding Losses (3)
(A) Workers' compensation	\$4,949,201	\$4,693,702
(B) Liability	15,091,117	14,723,652
(C) Total (A) + (B)	\$20,040,318	\$19,417,354

Note: (A) is from Exhibit WC-12.
(B) is from Exhibit LI-12.

The estimated outstanding losses have decreased from the estimate of \$25,059,434 in the prior report (based on data valued as of December 31, 2012) The majority of this decrease can be attributed to a case reserve reduction of almost \$4 million on one claim. This claim had a corresponding payment of \$4 million. The 2009/10 year also has closed (no open claims), which has contributed to the favorable development.

The present value of the estimated outstanding losses is the amount of money, discounted for anticipated investment income, required to meet unpaid claims. It is calculated based on a 1.5% yield on investments, as provided by MWDSC.

The amounts above exclude a provision for catastrophic claims.

The estimated outstanding losses at various confidence levels are as shown in Table III-1B.

**Table III-1B
Estimated Outstanding Losses
at Various Confidence Levels
June 30, 2013**

Confidence Level (1)	Workers' Compensation		Liability		Total (2a) + (3a) (4a)	Total (2b) + (3b) (4b)
	Estimated Outstanding Losses (2a)	Present Value of Estimated Outstanding Losses (2b)	Estimated Outstanding Losses (3a)	Present Value of Estimated Outstanding Losses (3b)		
(A) <i>Expected</i>	\$4,949,201	\$4,693,702	\$15,091,117	\$14,723,652	\$20,040,318	\$19,417,354
(B) 60%	5,196,661	4,928,387	15,845,673	15,459,835	21,042,334	20,388,222
(C) 70%	5,790,565	5,491,631	18,109,340	17,668,382	23,899,905	23,160,013
(D) 80%	6,483,453	6,148,750	21,127,564	20,613,113	27,611,017	26,761,863
(E) 90%	7,275,325	6,899,742	27,164,011	26,502,574	34,439,336	33,402,316

Note: (A) is from Table III-1A.
(B) through (E) are based on (A) and actuarial judgment.

The implementation guide for GASB Statement No. 10 specifies that a liability for outstanding unallocated loss adjustment expenses (ULAE) needs to be established for governmental entities for self-insured workers' compensation and liability programs. ULAE are primarily composed of future claims administration for open claims. They are typically 5% to 10% of estimated outstanding losses.

Legal expenses for workers' compensation are included in Table III-1B. MWDC uses in-house legal counsel to manage external legal assistance for most liability claims. These costs are not allocated by claim. Therefore, estimated ULAE is higher for liability, probably in the 10% to 15% range of estimated outstanding losses. This is based on our experience with similar programs.

2. Project Ultimate Limited Losses

The projected ultimate limited losses for 2013/14 and 2014/15 are the accrual value of losses with accident dates in 2013/14 and 2014/15, regardless of report or payment date. The amount is limited to the self-insured retention.

The calculations are based on historical loss rates per \$100 of payroll for 2003/04 to 2012/13 and projected payroll. The amounts include legal defense costs for workers' compensation. They do not include the cost of in-house legal counsel for liability. We project ultimate limited losses for 2013/14 to be as shown in Table III-2Ai.

**Table III-2Ai
Projected Ultimate Limited Losses
2013/14**

Program (1)	Projected Ultimate Limited Losses (2)	Present Value of Projected Ultimate Limited Losses (3)
(A) Workers' compensation	\$1,735,000	\$1,639,000
(B) Liability	5,392,000	5,129,000
(C) Total (A) + (B)	\$7,127,000	\$6,768,000

Note: (A) is from Exhibit WC-10.
(B) is from Exhibit LI-10.

The projected ultimate limited losses for 2013/14 at various confidence levels are as shown in Table III-2Aii.

**Table III-2Aii
Projected Ultimate Limited Losses
at Various Confidence Levels
2013/14**

Confidence Level (1)	Workers' Compensation		Liability		Total (2a) + (3a) (4a)	Total (2b) + (3b) (4b)
	Projected Ultimate Limited Losses (2a)	Present Value of Projected Ultimate Limited Losses (2b)	Projected Ultimate Limited Losses (3a)	Present Value of Projected Ultimate Limited Losses (3b)		
(A) <i>Expected</i>	\$1,735,000	\$1,639,000	\$5,392,000	\$5,129,000	\$7,127,000	\$6,768,000
(B) 60%	1,856,450	1,753,730	5,877,280	5,590,610	7,733,730	7,344,340
(C) 70%	2,099,350	1,983,190	6,686,080	6,359,960	8,785,430	8,343,150
(D) 80%	2,376,950	2,245,430	7,980,160	7,590,920	10,357,110	9,836,350
(E) 90%	2,689,250	2,540,450	10,244,800	9,745,100	12,934,050	12,285,550

Note: (A) is from Table III-2Ai.
(B) through (E) are based on (A) and actuarial judgment.



We project ultimate limited losses for 2014/15 to be as shown in Table III-2Bi.

**Table III-2Bi
Projected Ultimate Limited Losses
2014/15**

Program (1)	Projected Ultimate Limited Losses (2)	Present Value of Projected Ultimate Limited Losses (3)
(A) Workers' compensation	\$1,828,000	\$1,727,000
(B) Liability	5,596,000	5,323,000
(C) Total (A) + (B)	\$7,424,000	\$7,050,000

Note: (A) is from Exhibit WC-10.
(B) is from Exhibit LI-10.

The projected ultimate limited losses for 2014/15 at various confidence levels are as shown in Table III-2Bii.

**Table III-2Bii
Projected Ultimate Limited Losses
at Various Confidence Levels
2014/15**

Confidence Level (1)	Workers' Compensation		Liability		Total (2a) + (3a) (4a)	Total (2b) + (3b) (4b)
	Projected Ultimate Limited Losses (2a)	Present Value of Projected Ultimate Limited Losses (2b)	Projected Ultimate Limited Losses (3a)	Present Value of Projected Ultimate Limited Losses (3b)		
(A) <i>Expected</i>	\$1,828,000	\$1,727,000	\$5,596,000	\$5,323,000	\$7,424,000	\$7,050,000
(B) 60%	1,955,960	1,847,890	6,099,640	5,802,070	8,055,600	7,649,960
(C) 70%	2,211,880	2,089,670	6,939,040	6,600,520	9,150,920	8,690,190
(D) 80%	2,504,360	2,365,990	8,282,080	7,878,040	10,786,440	10,244,030
(E) 90%	2,833,400	2,676,850	10,632,400	10,113,700	13,465,800	12,790,550

Note: (A) is from Table III-2Bi.
(B) through (E) are based on (A) and actuarial judgment.

The present value of the projected ultimate limited losses is based on a 1.5% annual interest rate over the life of claims.

The amounts in Tables III-2Ai through III-2Bii do not include a provision for catastrophic claims.



Table III-2C shows projected ultimate limited losses for 2013/14 at various self-insured levels for workers' compensation and liability.

**Table III-2C
2013/14 Projected Ultimate Losses at Various SIRs**

Workers' Compensation		
Retention (1)	Projected Ultimate Losses (Full Value) (2)	Loss Increment to Next Higher Retention (3)
\$5 million	\$1,735,000	\$34,700
\$10 million	1,769,700	26,025
Statutory	1,795,725	
General Liability		
Retention (1)	Projected Ultimate Losses (Full Value) (2)	Loss Increment to Next Higher Retention (3)
\$5 million	\$4,313,600	\$269,600
\$10 million	4,583,200	539,200
\$20 million	5,122,400	269,600
\$25 million	5,392,000	

We can illustrate how the table is used. For workers' compensation, if the expected loss component of purchasing statutory excess above a \$5 million retention is more than \$60,725 (the sum of Column [3]), changing to a higher level of self-insurance (still judged to be within MWDSC's risk retention capacity) is indicated.

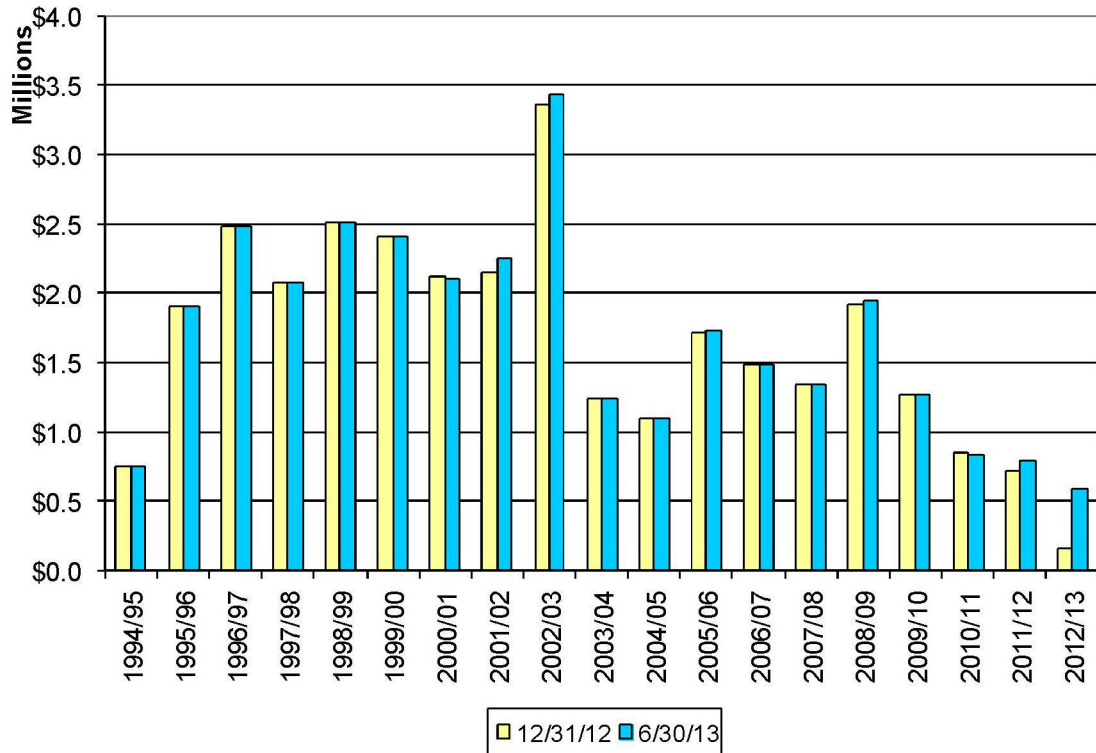
Looked at another way, using liability, if the expected loss component of the insurance cost of reducing the SIR from \$25 million to \$20 million is less than \$269,600 in expected losses in that layer, the change should be considered.

It is important to keep in mind that the above incremental costs are based on long-term averages using industry increased limits factors. MWDSC does not have experience at these higher layers. Losses at these higher levels tend to be low frequency/ high severity, and actual costs from year to year would vary significantly.

Comparison to Previous Actuarial Study

Graph III-1 is a comparison of the limited reported incurred losses by fiscal year of occurrence of the workers' compensation program from the previous study (draft report dated June 24, 2013) to the current study.

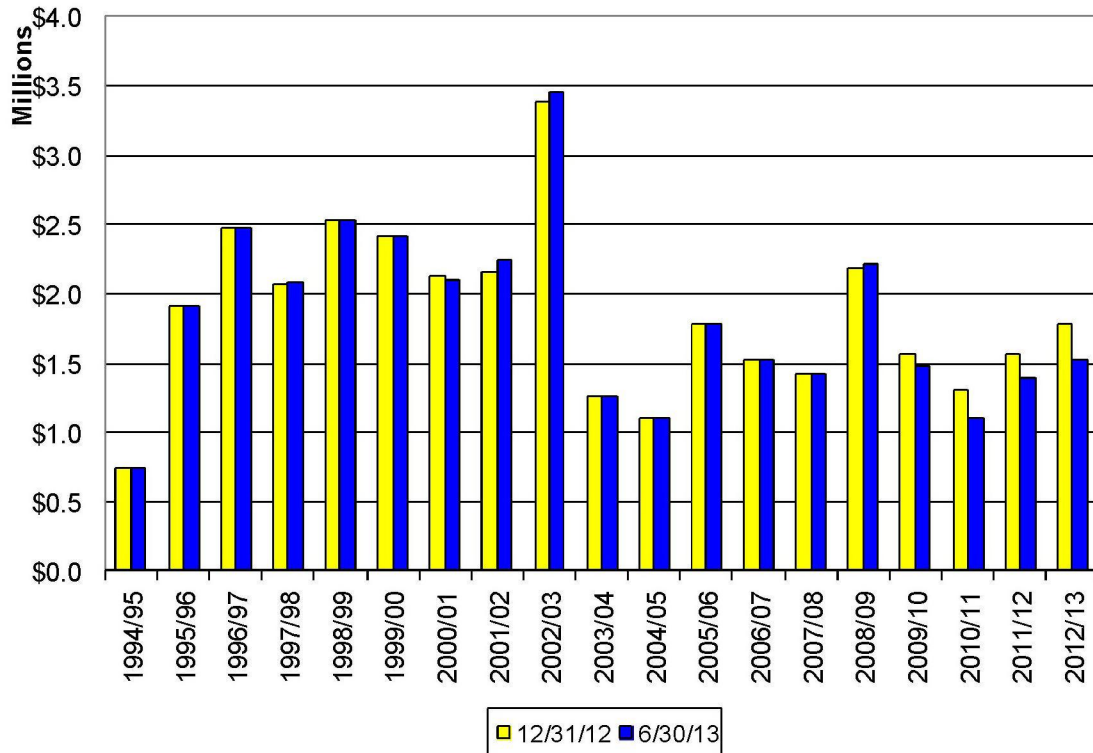
Graph III-1
Comparison of Limited Reported Incurred Losses
as of December 31, 2012 and June 30, 2013
(Workers' Compensation)



Note: Amounts as of December 31, 2012 are from the previous actuarial study.
 Amounts as of June 30, 2013 are from Exhibit WC-1.

Graph III-2 is a comparison of the projected ultimate limited losses by fiscal year of occurrence of the workers' compensation program from the previous study to the current study.

Graph III-2
Comparison of Projected Ultimate Limited Losses
as of December 31, 2012 and June 30, 2013
(Workers' Compensation)

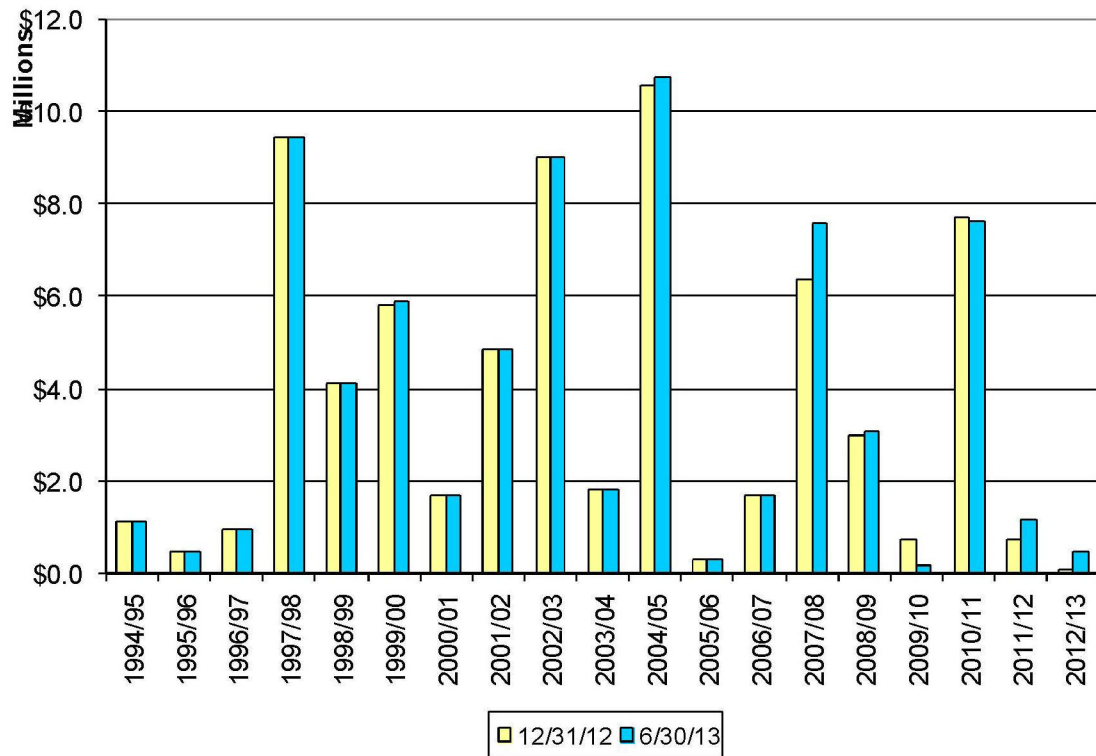


Note: Amounts as of December 31, 2012 are from the previous actuarial study.
 Amounts as of June 30, 2013 are from Exhibit WC-9.

For all claims through 2011/12, the change in the projected ultimate limited losses from December 31, 2012 to June 30, 2013 was -0.7%.

Graph III-3 is a comparison of the limited reported incurred losses by fiscal year of occurrence of the liability program from the previous study to the current study.

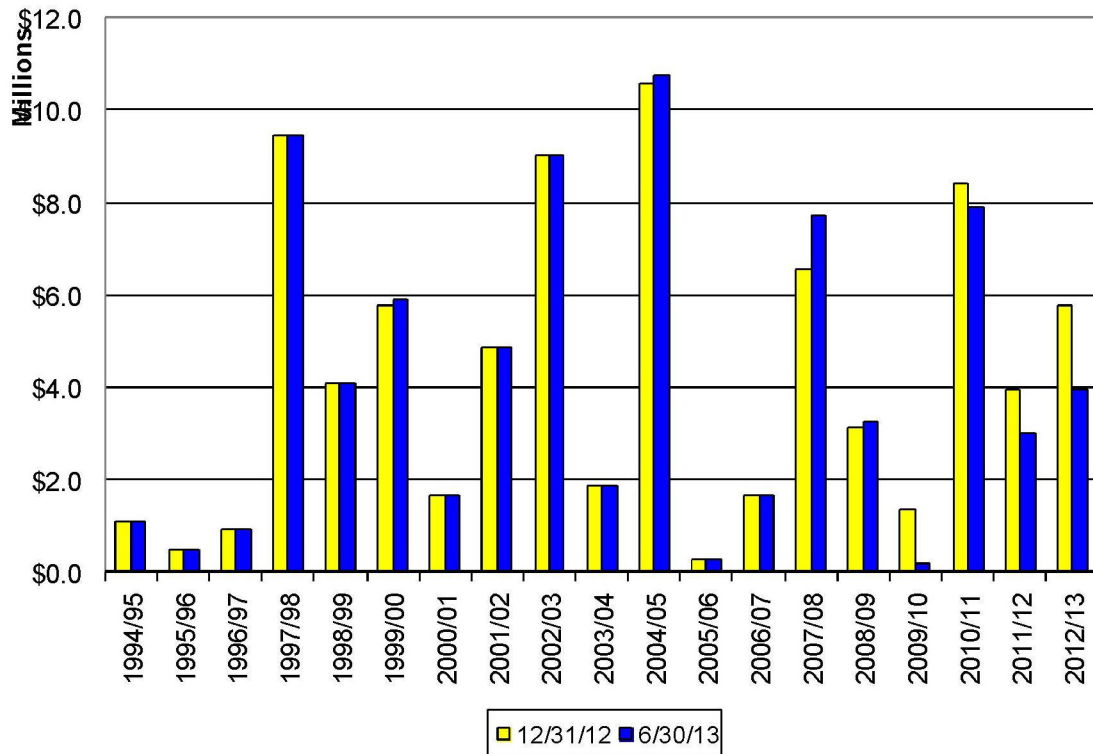
Graph III-3
Comparison of Limited Reported Incurred Losses
as of December 31, 2012 and June 30, 2013
(Liability)



Note: Amounts as of December 31, 2012 are from the previous actuarial study.
 Amounts as of June 30, 2013 are from Exhibit LI-1.

Graph III-4 is a comparison of the projected ultimate limited losses by fiscal year of occurrence of the liability program from the previous study to the current study.

Graph III-4
Comparison of Projected Ultimate Limited Losses
as of December 31, 2012 and June 30, 2013
(Liability)



Note: Amounts as of December 31, 2012 are from the previous actuarial study.
 Amounts as of June 30, 2013 are from Exhibit LI-9.

For all claims through 2011/12, the change in the projected ultimate limited losses from December 31, 2012 to June 30, 2013 was -1.2%.

Other Considerations

MWDSC Property Losses

Another area of consideration is that there is no property damage excess insurance. A catastrophic property claim or natural disaster could have a severe financial impact.

However, MWDSC has unrestricted cash reserves available and access to the capital markets to finance costs associated with natural disasters. Funds available from the unrestricted cash reserves and the cost of accessing funds from the capital markets will vary depending upon the timing of the disasters. It is anticipated that MWDSC will use a combination of the \$25 million self-insured retention (restricted fund), unrestricted cash reserves available and the accessibility of capital markets to provide the funding required to minimize the financial impact of a natural disaster.

We advise MWDSC to review the feasibility of purchasing catastrophic property coverage. There is liability insurance \$75 million excess of \$25 million. This may not be sufficient, given the potential for a future class action suit. A prior class action claim was initially estimated at approximately \$55 million, and is now valued at about \$7 million. As previously noted, MWDSC has a \$25 million restricted fund for all casualty and property claims.

If MWDSC purchases first-party property insurance, the risk of a catastrophic claim exhausting the \$25 million is lessened. Likewise, if the \$25 million is diminished without purchasing insurance, risk is increased.

At this point, we strongly recommend maintaining the \$25 million. We remind readers the restricted fund not only pays property and liability claims, but also several other areas (e.g., emergency repairs and workers compensation claims).

3. Project Losses Paid

We project losses paid during 2013/14 and 2014/15 to be as shown in Table III-3.

Table III-3
Projected Losses Paid
2013/14 and 2014/15

Program (1)	2013/14 (2)	2014/15 (3)
(A) Workers' compensation	\$1,455,690	\$1,578,857
(B) Liability	6,523,659	4,939,336
(C) Total (A) + (B)	\$7,979,349	\$6,518,193

Note: (A) is from Exhibits WC-13 and WC-14.
(B) is from Exhibits LI-13 and LI-14.



Liability amounts do not include in-house legal counsel.

We note that there are three liability claims which have case reserves greater than \$1 million. The liability payments will differ from our projections depending on when and if, these large payments are made and the amount of final settlement.

4. Recommend Funding

We recommend funding for 2013/14 and 2014/15 to be as shown in Tables III-4A and III-4B.

**Table III-4A
Recommended Funding
2013/14**

Program (1)	Projected Ultimate Limited Losses (at Expected) (2)	Contingency Margin to 80% Confidence (3)	Recommended Funding (2) + (3) (4)
(A) Workers' compensation	\$1,735,000	\$641,950	\$2,376,950
(B) Liability	5,392,000	2,588,160	7,980,160
(C) Total (A) + (B)	\$7,127,000	\$3,230,110	\$10,357,110

Note: (2) is from Table III-2Ai.
(3) is based on Table III-2Aii.

**Table III-4B
Recommended Funding
2014/15**

Program (1)	Projected Ultimate Limited Losses (at Expected) (2)	Contingency Margin to 80% Confidence (3)	Recommended Funding (2) + (3) (4)
(A) Workers' compensation	\$1,828,000	\$676,360	\$2,504,360
(B) Liability	5,596,000	2,686,080	8,282,080
(C) Total (A) + (B)	\$7,424,000	\$3,362,440	\$10,786,440

Note: (2) is from Table III-2Bi.
(3) is based on Table III-2Bii.

All costs other than claims, including administration costs, are additional.

To fund at a greater confidence level than expected, see Tables III-2Aii and III-2Bii.

5. Affirm GASB Statement No. 10

We affirm the conclusions of this report are consistent with GASB Statement No. 10.

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Conditions and Limitations

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

- **Data Quality** In conducting this analysis, we relied upon the provided data without audit or independent verification; however, we reviewed it for reasonableness and consistency. Any inaccuracies in quantitative data or qualitative representations could have a significant effect on the results of our review and analysis. Any material discrepancies discovered in the loss data by the organization or any other parties should be reported to us immediately, and if warranted, we will make appropriate amendments to the report.
- **Economic Environment.** Unless otherwise stated, we assumed the current economic conditions will continue in the foreseeable future.
- **Insurance Coverage.** Unless otherwise stated, we assumed no insurance coverage changes (including coverage provided by the organization to others) subsequent to the date this study was prepared. This includes coverage language, self-insured retention, limitations and similar issues.
- **Insurance Solvency.** Unless otherwise stated, we assumed all insurance purchased by the organization is from solvent sources payable in accordance with terms of the coverage document.
- **Interest Rate.** The exhibits specify the annual interest rate used.
- **Methodology.** In this study, different actuarial methods were applied. In some instances, the methods yield significantly disparate results. The estimates, projections and recommendations in this study reflect our judgments as to the best method or combination of methods that are most reliable and reflective of the exposure to loss.
- **Reproduction.** Use of this report is limited to the organization for the specific purpose described in the Introduction section. Other uses are prohibited without an executed release with Aon.

Distribution by the organization is unrestricted. The report should only be distributed in its entirety including all supporting exhibits.

- **Risk and Variability.** Insurance is an inherently risky enterprise. Actual losses may vary significantly from our estimates, projections and recommendations. They may emerge higher or lower.

Glossary of Actuarial Terms

Actuarial Methods (Most Common)

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

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

The following describes each method:

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

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

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

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

3. **Developed Case Reserves.** A case reserve is an estimate of the unpaid amount established by claims adjusters for which a particular claim will ultimately be settled or adjudicated. The developed case reserves method is a hybrid of the paid loss development and reported incurred loss development methods. It relies on the historical adequacy of case reserves to predict ultimate losses.

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

Actuary

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

Allocated Loss Adjustment Expenses

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

Governmental Accounting Standards Board (GASB) Statement No. 10 requires that ALAE be included in financial statements and that they be calculated by actuarial methods.

American Academy of Actuaries

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

Benefits

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

Casualty Actuarial Society

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

Claim

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

Claims Made

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

Composite Rate

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

Confidence Level

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

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

Coverage

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

Credibility

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

Dates

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

Deductible

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

Disability

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

Dividend (Policyholder)

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

Estimated Outstanding Losses

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

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

Estimated outstanding losses are usually the largest single item listed as a liability on the balance sheet of a public entity's financial statement. GASB Statement No. 10 requires they be calculated by actuarial methods. Other common names for estimated outstanding losses are outstanding claims liabilities and unpaid claims.

Experience Rating

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

Exposure Data

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

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

Generally Accepted Accounting Principles (GAAP)

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

Incurred But Not Reported

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

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

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

Insurance Services Office (ISO)

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

Investment Income

The return received by entities from their investment portfolios, including interest, dividends and realized capital gains on stocks. Realized capital gains means the profit realized on

assets that have actually been sold for more than their purchase price.

Limited

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

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

Loss Development

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

Manual Rates

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

National Council on Compensation Insurance (NCCI)

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

Net

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

Occurrence

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

Pool

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

Premium

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

Present Value

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

Probability

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

Projected Losses Paid

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

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

Projected Ultimate Losses

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

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

Rate

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

Retrospective Rating

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

Salvage

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

Schedule Rating

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

Self-Insurance Retention (SIR)

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

Society of Actuaries (SOA)

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

Standard Premium

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

State Fund

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

Statutory Accounting Principles (SAP)

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

Unallocated Loss Adjustment Expenses

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

GASB Statement No. 10 requires that ULAE be included in financial statements and that they be calculated by actuarial methods.

Exhibits

The attached exhibits detail our analysis.

DRAFT



METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
WORKERS' COMPENSATION

Exhibit WC-1 (page 1)

Data Summary as of June 30, 2013
Losses Limited to Self-Insured Retention

Claim Period (1)	Specific Self-Insured Retention (2)	Aggregate Retention (3)	Months of Development 6/30/13 (4)	Payroll (000) (5)	Reported Claims 6/30/13 (6)	Open Claims 6/30/13 (7)	Limited Paid Losses 6/30/13 (8)	Limited Case Reserves 6/30/13 (9)	Limited Reported Incurred Losses 6/30/13 (10)
to 1993/94	See Note	None	240.0	Not Provided	2,101	3	\$14,769,823	\$66,020	\$14,835,842
1994/95	400,000	None	228.0	Not Provided	156	1	741,959	5,612	747,572
1995/96	400,000	None	216.0	Not Provided	184	1	1,905,628	0	1,905,628
1996/97	400,000	None	204.0	Not Provided	161	1	2,455,101	21,644	2,476,745
1997/98	400,000	None	192.0	Not Provided	163	1	2,071,495	6,970	2,078,465
1998/99	400,000	None	180.0	Not Provided	160	1	2,374,989	138,339	2,513,327
1999/00	400,000	None	168.0	Not Provided	150	2	2,355,325	54,283	2,409,608
2000/01	400,000	None	156.0	Not Provided	181	0	2,098,910	0	2,098,910
2001/02	500,000	None	144.0	Not Provided	158	1	2,207,714	38,058	2,245,773
2002/03	1,000,000	None	132.0	Not Provided	137	2	3,237,371	194,555	3,431,927
2003/04	1,500,000	None	120.0	Not Provided	115	2	1,134,728	109,641	1,244,369
2004/05	2,000,000	None	108.0	Not Provided	124	0	1,097,236	0	1,097,236
2005/06	5,000,000	None	96.0	161,193	136	2	1,547,847	175,928	1,723,775
2006/07	5,000,000	None	84.0	174,956	110	3	1,413,682	70,919	1,484,601
2007/08	5,000,000	None	72.0	190,527	121	3	1,220,962	118,596	1,339,558
2008/09	5,000,000	None	60.0	190,897	123	9	1,488,720	456,918	1,945,637
2009/10	5,000,000	None	48.0	192,857	126	7	1,050,567	210,884	1,261,451
2010/11	5,000,000	None	36.0	191,363	101	8	648,173	192,750	840,923
2011/12	5,000,000	None	24.0	197,185	87	10	597,025	194,410	791,436
2012/13	5,000,000	None	12.0	185,932	103	35	208,217	375,849	584,066
Total					4,697	92	\$44,625,472	\$2,431,377	\$47,056,849

* The specific self-insured retention changes are as follows:

Effective Date	Retention
07/01/77	\$250,000
07/01/86	300,000
07/01/90	400,000
07/01/01	500,000
07/01/02	1,000,000
07/01/03	1,500,000
07/01/04	2,000,000
07/01/05	5,000,000

(8), (9) and (10) are net of the specific self-insured retention.

Data was provided by MWDSC.



METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
WORKERS' COMPENSATION

Exhibit WC-1 (page 2)

Data Summary as of June 30, 2013
Unlimited Losses

Claim Period (1)	Specific Self-Insured Retention (2)	Aggregate Retention (3)	Months of Development 6/30/13 (4)	Payroll (000) (5)	Reported Claims 6/30/13 (6)	Open Claims 6/30/13 (7)	Unlimited Paid Losses 6/30/13 (8)	Unlimited Case Reserves 6/30/13 (9)	Unlimited Reported Incurred Losses 6/30/13 (10)
to 1993/94	Unlimited	None	240.0	Not Provided	2,101	3	\$14,813,525	\$94,868	\$14,908,393
1994/95	Unlimited	None	228.0	Not Provided	156	1	741,959	5,612	747,572
1995/96	Unlimited	None	216.0	Not Provided	184	1	2,232,278	720,457	2,952,735
1996/97	Unlimited	None	204.0	Not Provided	161	1	2,525,397	21,644	2,547,041
1997/98	Unlimited	None	192.0	Not Provided	163	1	2,071,495	6,970	2,078,465
1998/99	Unlimited	None	180.0	Not Provided	160	1	2,374,989	138,339	2,513,327
1999/00	Unlimited	None	168.0	Not Provided	150	2	2,355,325	54,283	2,409,608
2000/01	Unlimited	None	156.0	Not Provided	181	0	2,156,396	0	2,156,396
2001/02	Unlimited	None	144.0	Not Provided	158	1	2,207,714	38,058	2,245,773
2002/03	Unlimited	None	132.0	Not Provided	137	2	3,237,371	194,555	3,431,927
2003/04	Unlimited	None	120.0	Not Provided	115	2	1,134,728	109,641	1,244,369
2004/05	Unlimited	None	108.0	Not Provided	124	0	1,097,236	0	1,097,236
2005/06	Unlimited	None	96.0	161,193	136	2	1,547,847	175,928	1,723,775
2006/07	Unlimited	None	84.0	174,956	110	3	1,413,682	70,919	1,484,601
2007/08	Unlimited	None	72.0	190,527	121	3	1,220,962	118,596	1,339,558
2008/09	Unlimited	None	60.0	190,897	123	9	1,488,720	456,918	1,945,637
2009/10	Unlimited	None	48.0	192,857	126	7	1,050,567	210,884	1,261,451
2010/11	Unlimited	None	36.0	191,363	101	8	648,173	192,750	840,923
2011/12	Unlimited	None	24.0	197,185	87	10	597,025	194,410	791,436
2012/13	Unlimited	None	12.0	185,932	103	35	208,217	375,849	584,066
Total					4,697	92	\$45,123,606	\$3,180,682	\$48,304,288

(8), (9) and (10) are gross of the specific self-insured retention.

Data was provided by MWDSC.



METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
WORKERS' COMPENSATION

Summary of Percent Losses Paid, Losses Reported and Claims Reported

Months of Development (1)	Percent Losses Paid (2)	Percent Losses Reported (3)	Percent Claims Reported (4)	Months of Development (5)	Percent Losses Paid (6)	Percent Losses Reported (7)	Percent Claims Reported (8)
360.0	100.0%	100.0%	100.0%	354.0	100.0%	100.0%	100.0%
348.0	100.0%	100.0%	100.0%	342.0	100.0%	100.0%	100.0%
336.0	99.9%	100.0%	100.0%	330.0	99.9%	100.0%	100.0%
324.0	99.9%	100.0%	100.0%	318.0	99.9%	100.0%	100.0%
312.0	99.9%	100.0%	100.0%	306.0	99.9%	100.0%	100.0%
300.0	99.8%	100.0%	100.0%	294.0	99.8%	100.0%	100.0%
288.0	99.8%	100.0%	100.0%	282.0	99.7%	100.0%	100.0%
276.0	99.7%	100.0%	100.0%	270.0	99.6%	100.0%	100.0%
264.0	99.5%	100.0%	100.0%	258.0	99.4%	100.0%	100.0%
252.0	99.3%	100.0%	100.0%	246.0	99.2%	100.0%	100.0%
240.0	99.0%	100.0%	100.0%	234.0	99.0%	100.0%	100.0%
228.0	98.9%	100.0%	100.0%	222.0	98.9%	100.0%	100.0%
216.0	98.8%	100.0%	100.0%	210.0	98.8%	100.0%	100.0%
204.0	98.7%	100.0%	100.0%	198.0	98.7%	100.0%	100.0%
192.0	98.6%	100.0%	100.0%	186.0	98.5%	100.0%	100.0%
180.0	98.4%	99.9%	100.0%	174.0	98.3%	99.9%	100.0%
168.0	98.1%	99.8%	100.0%	162.0	97.6%	99.8%	100.0%
156.0	97.2%	99.7%	100.0%	150.0	96.7%	99.7%	100.0%
144.0	96.2%	99.6%	100.0%	138.0	95.7%	99.5%	100.0%
132.0	95.2%	99.4%	100.0%	126.0	94.8%	99.3%	100.0%
120.0	94.3%	99.1%	100.0%	114.0	93.6%	98.9%	100.0%
108.0	92.9%	98.6%	100.0%	102.0	92.0%	98.2%	100.0%
96.0	91.1%	97.8%	100.0%	90.0	88.5%	96.9%	100.0%
84.0	85.9%	95.9%	100.0%	78.0	82.4%	94.3%	100.0%
72.0	78.8%	92.7%	100.0%	66.0	75.2%	90.9%	100.0%
60.0	71.7%	89.1% #	100.0%	54.0	67.1%	86.6%	100.0%
48.0	62.6%	84.1% #	100.0%	42.0	57.4%	80.2%	100.0%
36.0	52.2%	76.4% #	100.0%	30.0	44.7%	68.8%	99.8%
24.0	37.3%	61.1% #	99.5%	18.0	26.1%	51.6%	97.1%
12.0	14.9%	42.2% #	94.8%	6.0	7.5%	21.1%	47.4%

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

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

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

(6), (7) and (8) are interpolated, based on (2), (3) and (4), respectively.

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
WORKERS' COMPENSATION

Exhibit WC-2 (page 3)

Historical Limited Reported Incurred Losses (\$000) and Limited Reported Incurred Loss Development

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

Claim Period	Months of Development:																				
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240	
to 1993/94																					
1994/95			624	755	725	752	803	781	783	743	730	738	738	\$13,406	\$13,696	\$14,757	\$14,599	\$14,955	\$14,683	\$14,836	
1995/96		1,021	1,399	1,603	1,679	1,706	2,259	2,259	2,053	2,154	3,337	3,393	1,905	738	738	738	738	743	748		
1996/97	970	1,304	1,385	1,687	1,784	1,852	1,941	2,158	2,337	2,550	2,567	2,529	2,525	1,905	1,956	1,905	1,905	1,906			
1997/98	1,204	1,597	1,515	1,773	1,808	2,124	2,515	2,188	2,075	2,083	2,084	2,054	2,201	2,309	2,071	2,078					
1998/99	1,458	1,849	2,149	2,198	2,318	2,186	2,139	2,318	2,307	2,317	2,322	2,323	2,337	2,505	2,513						
1999/00	925	1,417	1,684	1,937	2,010	2,083	2,296	2,260	2,370	2,329	2,341	2,341	2,408	2,410							
2000/01	1,042	1,271	1,816	1,980	2,020	2,093	2,223	2,088	2,087	2,088	2,104	2,105	2,099								
2001/02	939	1,417	1,412	1,519	1,811	2,125	2,112	2,103	2,138	2,151	2,152	2,246									
2002/03	1,595	2,211	2,247	2,656	2,917	3,109	3,263	3,568	3,315	3,322	3,432										
2003/04	561	776	1,055	1,006	999	1,034	1,154	1,243	1,243	1,244											
2004/05	514	574	664	851	972	1,051	1,092	1,122	1,097												
2005/06	760	1,153	1,590	1,529	1,527	1,753	1,803	1,724													
2006/07	764	1,082	1,248	1,257	1,133	1,337	1,485														
2007/08	604	1,021	1,240	1,292	1,341	1,340															
2008/09	809	919	1,328	1,754	1,946																
2009/10	982	1,179	1,462	1,261																	
2010/11	708	803	841																		
2011/12	476	791																			
2012/13	584																				

II. Limited Reported Incurred Loss Development

Claim Period	Months of Development:																			
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192	192-204	204-216	216-228	228-240	240-Ult
to 1993/94																				
1994/95			1.210	0.960	1.037	1.067	0.973	1.003	0.949	0.982	1.011	1.001	1.000	1.022	1.077	0.989	1.024	0.982	1.010	
1995/96		1.370	1.146	1.047	1.016	1.324	1.000	0.909	1.049	1.549	1.017	0.561	1.000	1.000	1.000	1.000	1.007	1.006		
1996/97	1.344	1.062	1.218	1.057	1.038	1.048	1.112	1.083	1.091	1.007	0.985	0.998	1.003	1.018	0.962	0.998				
1997/98	1.326	0.949	1.171	1.020	1.175	1.184	0.870	0.948	1.004	1.000	0.986	1.072	1.049	0.897	1.004					
1998/99	1.268	1.162	1.023	1.055	0.943	0.979	1.083	0.995	1.004	1.002	1.000	1.006	1.072	1.003						
1999/00	1.532	1.188	1.150	1.038	1.036	1.102	0.984	1.049	0.983	1.005	1.000	1.028	1.001							
2000/01	1.221	1.428	1.090	1.020	1.036	1.062	0.939	1.000	1.001	1.008	1.000	0.997								
2001/02	1.509	0.996	1.075	1.193	1.173	0.994	0.995	1.017	1.006	1.001	1.043									
2002/03	1.386	1.016	1.182	1.098	1.066	1.049	1.094	0.929	1.002	1.033										
2003/04	1.383	1.358	0.954	0.994	1.034	1.116	1.077	1.001	1.001											
2004/05	1.116	1.158	1.281	1.142	1.082	1.039	1.028	0.978												
2005/06	1.517	1.379	0.961	0.999	1.148	1.028	0.956													
2006/07	1.416	1.154	1.007	0.902	1.180	1.110														
2007/08	1.689	1.214	1.042	1.038	0.999															
2008/09	1.136	1.446	1.321	1.109																
2009/10	1.201	1.240	0.863																	
2010/11	1.134	1.047																		
2011/12	1.664																			
2012/13																				
Average																				
All	1.365	1.198	1.106	1.045	1.069	1.085	1.009	0.992	1.009	1.065	1.005	0.952	1.021	0.995	1.003	0.997	1.011	0.994	1.010	
Wtd 3	1.281	1.252	1.069	1.027	1.107	1.057	1.010	0.853	1.003	1.017	1.014	1.011	1.040	0.975	0.978	0.999	1.021			
Last 3	1.333	1.244	1.075	1.016	1.109	1.059	1.020	0.969	1.003	1.014	1.015	1.010	1.041	0.973	0.980	0.999	1.011			
Last 5	1.334	1.203	1.004	1.049	1.088	1.066	1.033	0.993	1.001	1.005	1.000	1.011	1.018	1.007	0.993					
x-hi,low																				
Similar	1.609	1.263	1.133	1.085	1.070	1.054	1.038	1.031	1.013	1.014	1.013	1.008	1.010	1.010	1.011	1.003	1.002	1.004	1.004	1.035
Previous	1.400	1.250	1.100	1.060	1.035	1.030	1.020	1.008	1.005	1.003	1.002	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Selected	1.450	1.250	1.100	1.060	1.040	1.035	1.020	1.008	1.005	1.003	1.002	1.001	1.001	1.001	1.001	1.000	1.000	1.000	1.000	1.000
Cumulative	2.372	1.636	1.309	1.190	1.122	1.079	1.043	1.022	1.014	1.009	1.006	1.004	1.003	1.002	1.001	1.000	1.000	1.000	1.000	1.000
Percent	42.2%	61.1%	76.4%	84.1%	89.1%	92.7%	95.9%	97.8%	98.8%	99.1%	99.4%	99.6%	99.7%	99.8%	99.9%	100.0%	100.0%	100.0%	100.0%	100.0%

Amounts are limited (net of excess insurance).

Data was provided by MWDSC.

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
WORKERS' COMPENSATION

Historical Reported Claims and Reported Claim Development

I. Historical Reported Claims

Claim Period	Months of Development:																				
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240	
to 1993/94															2,037	2,060	2,102	2,101	2,101	2,101	2,101
1994/95			156	156	156	156	156	156	156	156	156	156	156	156	156	156	156	156	156	156	156
1995/96		182	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184
1996/97	147	159	159	160	160	160	160	160	160	160	160	161	161	161	161	161	161	161	161	161	161
1997/98	154	162	162	162	162	163	163	163	163	163	163	163	163	163	163	163	163	163	163	163	163
1998/99	144	157	158	158	160	160	160	160	160	160	160	160	160	160	160	160	160	160	160	160	160
1999/00	110	148	148	148	149	149	149	150	150	150	150	150	150	150	150	150	150	150	150	150	150
2000/01	163	183	183	180	180	180	181	181	181	181	181	181	181	181	181	181	181	181	181	181	181
2001/02	142	156	157	158	158	158	158	158	158	158	158	158	158	158	158	158	158	158	158	158	158
2002/03	117	134	136	137	137	137	137	137	137	137	137	137	137	137	137	137	137	137	137	137	137
2003/04	106	115	115	115	115	115	115	115	115	115	115	115	115	115	115	115	115	115	115	115	115
2004/05	121	124	124	124	124	124	124	124	124	124	124	124	124	124	124	124	124	124	124	124	124
2005/06	129	134	136	136	136	136	136	136	136	136	136	136	136	136	136	136	136	136	136	136	136
2006/07	104	109	110	110	110	110	110	110	110	110	110	110	110	110	110	110	110	110	110	110	110
2007/08	111	118	120	120	120	121	121	121	121	121	121	121	121	121	121	121	121	121	121	121	121
2008/09	117	123	123	123	123	123	123	123	123	123	123	123	123	123	123	123	123	123	123	123	123
2009/10	124	125	126	126	126	126	126	126	126	126	126	126	126	126	126	126	126	126	126	126	126
2010/11	99	101	101	101	101	101	101	101	101	101	101	101	101	101	101	101	101	101	101	101	101
2011/12	84	87	87	87	87	87	87	87	87	87	87	87	87	87	87	87	87	87	87	87	87
2012/13	103																				

II. Reported Claim Development

Claim Period	Months of Development:																				
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192	192-204	204-216	216-228	228-240	240-Ult	
to 1993/94														1,011	1,020	1,000	1,000	1,000	1,000	1,000	
1994/95			1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	
1995/96		1,011	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	
1996/97	1,082	1,000	1,006	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,006	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	
1997/98	1,052	1,000	1,000	1,000	1,006	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	
1998/99	1,090	1,006	1,000	1,013	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	
1999/00	1,345	1,000	1,000	1,007	1,000	1,000	1,007	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	
2000/01	1,123	1,000	0,984	1,000	1,000	1,006	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	
2001/02	1,099	1,006	1,006	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	
2002/03	1,145	1,015	1,007	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	
2003/04	1,085	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	
2004/05	1,025	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	
2005/06	1,039	1,015	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	
2006/07	1,048	1,009	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	
2007/08	1,063	1,017	1,000	1,000	1,008	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	
2008/09	1,051	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	
2009/10	1,008	1,008	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	
2010/11	1,020	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	
2011/12	1,036																				
2012/13																					
Average																					
All	1,082	1,005	1,000	1,001	1,001	1,000	1,001	1,000	1,000	1,000	1,001	1,000	1,000	1,002	1,004	1,000	1,000	1,000	1,000	1,000	1,000
Wtd 3	1,020	1,003	1,000	1,000	1,003	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Last 3	1,021	1,003	1,000	1,000	1,003	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Last 5	1,036	1,006	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
x-hi,low																					
Similar	1,076	1,006	1,002	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Previous	1,055	1,005	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Selected	1,050	1,005	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Cumulative	1,055	1,005	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Percent	94.8%	99.5%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
WORKERS' COMPENSATION

Exhibit WC-2 (page 5)

Historical Ratio of Limited Paid Losses and Limited Reported Incurred Losses

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

Claim Period	Months of Development:																			
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240
to 1993/94														98.2%	98.0%	97.5%	99.1%	98.2%	99.7%	99.6%
1994/95			78.0%	80.1%	89.2%	89.4%	86.7%	91.9%	92.5%	98.1%	100.0%	99.2%	100.0%	100.0%	100.0%	100.0%	100.0%	99.6%	99.2%	99.6%
1995/96		51.9%	53.0%	62.9%	77.1%	84.4%	77.1%	82.5%	86.8%	95.5%	59.0%	61.7%	99.8%	99.9%	97.4%	100.0%	100.0%	100.0%	99.2%	99.6%
1996/97	23.1%	40.8%	55.7%	64.0%	71.5%	78.6%	90.1%	89.6%	92.3%	94.7%	95.4%	95.0%	95.8%	95.8%	95.0%	98.9%	99.1%			
1997/98	15.0%	40.0%	64.6%	69.6%	79.1%	75.9%	69.2%	91.8%	97.7%	97.8%	98.1%	99.8%	94.0%	89.7%	100.0%	99.7%				
1998/99	23.0%	48.4%	63.7%	79.0%	85.1%	93.9%	97.7%	96.6%	97.8%	97.8%	98.8%	99.6%	99.6%	99.6%	93.5%	94.5%				
1999/00	25.2%	55.6%	76.8%	78.8%	84.3%	88.2%	90.0%	94.4%	97.7%	99.8%	99.6%	99.9%	99.9%	97.7%						
2000/01	19.5%	59.4%	60.6%	67.0%	76.1%	85.9%	88.5%	96.7%	97.5%	97.9%	97.4%	98.5%	100.0%							
2001/02	17.8%	47.6%	71.5%	76.7%	79.6%	91.8%	96.6%	98.2%	97.5%	98.3%	98.5%	98.3%								
2002/03	42.7%	58.4%	75.8%	78.9%	81.3%	87.3%	93.0%	90.8%	95.4%	96.4%	94.3%									
2003/04	45.5%	69.5%	78.9%	92.9%	95.1%	94.7%	96.5%	90.4%	91.1%	91.2%										
2004/05	44.0%	71.5%	74.2%	75.7%	83.9%	90.4%	96.9%	97.8%	100.0%											
2005/06	37.7%	67.9%	79.4%	91.3%	96.5%	85.6%	85.4%	89.8%												
2006/07	31.0%	57.9%	69.8%	82.4%	94.3%	89.7%	95.2%													
2007/08	41.2%	67.4%	79.1%	90.1%	88.8%	91.1%														
2008/09	46.7%	73.5%	69.5%	70.8%	76.5%															
2009/10	35.2%	64.9%	67.9%	83.3%																
2010/11	39.1%	68.2%	77.1%																	
2011/12	40.5%	75.4%																		
2012/13	35.6%																			
Average																				
All	33.1%	59.9%	70.3%	77.7%	83.9%	87.6%	89.5%	92.5%	95.1%	96.7%	93.5%	94.0%	98.1%	96.4%	97.5%	99.2%	99.6%	99.2%	99.5%	99.6%
Last 3	38.4%	69.5%	71.5%	81.4%	86.5%	88.8%	92.5%	92.8%	95.5%	95.3%	96.7%	98.9%	99.0%	93.6%	96.5%	99.5%	99.7%	99.2%		
Last 5	38.4%	69.7%	72.1%	85.2%	89.0%	90.4%	94.9%	93.0%	96.8%	97.5%	98.2%	99.3%	97.6%	95.7%	97.5%	99.5%				
x-hi,low																				
Implicit	35.3%	60.9%	68.3%	74.5%	80.4%	85.1%	89.6%	93.1%	94.2%	95.1%	95.8%	96.6%	97.4%	98.3%	98.5%	98.6%	98.7%	98.8%	98.9%	99.0%



METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
WORKERS' COMPENSATION

Exhibit WC-3

Developed Limited Paid Losses

Claim Period (1)	Months of Development 6/30/13 (2)	Limited Paid Losses 6/30/13 (3)	Percent Losses Paid (4)	Developed Limited Paid Losses (3)/(4) (5)
to 1993/94	240.0	\$14,769,823	99.0%	\$14,908,521 *
1994/95	228.0	741,959	98.9%	750,128
1995/96	216.0	1,905,628	98.8%	1,923,727 *
1996/97	204.0	2,455,101	98.7%	2,481,885 *
1997/98	192.0	2,071,495	98.6%	2,100,591
1998/99	180.0	2,374,989	98.4%	2,413,164
1999/00	168.0	2,355,325	98.1%	2,400,364
2000/01	156.0	2,098,910	97.2%	2,148,711 *
2001/02	144.0	2,207,714	96.2%	2,295,155
2002/03	132.0	3,237,371	95.2%	3,399,249
2003/04	120.0	1,134,728	94.3%	1,203,382
2004/05	108.0	1,097,236	92.9%	1,181,077
2005/06	96.0	1,547,847	91.1%	1,699,441
2006/07	84.0	1,413,682	85.9%	1,645,264
2007/08	72.0	1,220,962	78.8%	1,548,862
2008/09	60.0	1,488,720	71.7%	2,077,380
2009/10	48.0	1,050,567	62.6%	1,678,543
2010/11	36.0	648,173	52.2%	1,242,741
2011/12	24.0	597,025	37.3%	1,602,546
2012/13	12.0	208,217	14.9%	1,397,252

* - Indicates large claim(s) limited to retention. For details, see Exhibit WC-16.

(3) is from Exhibit WC-1.

(4) is from Exhibit WC-2.

Developed Limited Reported Incurred Losses

Claim Period (1)	Months of Development 6/30/13 (2)	Limited Reported Incurred Losses 6/30/13 (3)	Percent Losses Reported (4)	Developed Limited Reported Incurred Losses (3)/(4) (5)
to 1993/94	240.0	\$14,835,842	100.0%	\$14,835,842
1994/95	228.0	747,572	100.0%	747,572
1995/96	216.0	1,905,628	100.0%	1,905,628
1996/97	204.0	2,476,745	100.0%	2,476,745
1997/98	192.0	2,078,465	100.0%	2,078,465
1998/99	180.0	2,513,327	99.9%	2,515,841
1999/00	168.0	2,409,608	99.8%	2,414,430
2000/01	156.0	2,098,910	99.7%	2,104,012 *
2001/02	144.0	2,245,773	99.6%	2,254,769
2002/03	132.0	3,431,927	99.4%	3,452,566
2003/04	120.0	1,244,369	99.1%	1,255,608
2004/05	108.0	1,097,236	98.6%	1,112,682
2005/06	96.0	1,723,775	97.8%	1,762,025
2006/07	84.0	1,484,601	95.9%	1,547,895
2007/08	72.0	1,339,558	92.7%	1,445,552
2008/09	60.0	1,945,637	89.1%	2,183,571
2009/10	48.0	1,261,451	84.1%	1,500,658
2010/11	36.0	840,923	76.4%	1,100,424
2011/12	24.0	791,436	61.1%	1,294,582
2012/13	12.0	584,066	42.2%	1,385,301

* - Indicates large claim(s) limited to retention. For details, see Exhibit WC-16.

(3) is from Exhibit WC-1.

(4) is from Exhibit WC-2.



METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
WORKERS' COMPENSATION

Exhibit WC-5

Developed Limited Case Reserves

Claim Period (1)	Months of Development 6/30/13 (2)	Percent Losses Paid (3)	Percent Losses Reported (4)	Percent Losses Reserved 6/30/13 [(4)-(3)]/ [100.0%-(3)] (5)	Limited Paid Losses 6/30/13 (6)	Limited Case Reserves 6/30/13 (7)	Developed Limited Case Reserves (6)+(7)/(5) (8)
to 1993/94	240.0	99.0%	100.0%	100.0%	\$14,769,823	\$66,020	\$14,835,842
1994/95	228.0	98.9%	100.0%	100.0%	741,959	5,612	747,572
1995/96	216.0	98.8%	100.0%	100.0%	1,905,628	0	1,905,628
1996/97	204.0	98.7%	100.0%	100.0%	2,455,101	21,644	2,476,745
1997/98	192.0	98.6%	100.0%	100.0%	2,071,495	6,970	2,078,465
1998/99	180.0	98.4%	99.9%	93.7%	2,374,989	138,339	2,522,652
1999/00	168.0	98.1%	99.8%	89.4%	2,355,325	54,283	2,416,074
2000/01	156.0	97.2%	99.7%	89.5%	2,098,910	0	2,098,910
2001/02	144.0	96.2%	99.6%	89.5%	2,207,714	38,058	2,250,225
2002/03	132.0	95.2%	99.4%	87.4%	3,237,371	194,555	3,459,856
2003/04	120.0	94.3%	99.1%	84.3%	1,134,728	109,641	1,264,773
2004/05	108.0	92.9%	98.6%	80.4%	1,097,236	0	1,097,236
2005/06	96.0	91.1%	97.8%	75.7%	1,547,847	175,928	1,780,358
2006/07	84.0	85.9%	95.9%	70.9%	1,413,682	70,919	1,513,639
2007/08	72.0	78.8%	92.7%	65.4%	1,220,962	118,596	1,402,399
2008/09	60.0	71.7%	89.1%	61.5%	1,488,720	456,918	2,231,118
2009/10	48.0	62.6%	84.1%	57.4%	1,050,567	210,884	1,418,006
2010/11	36.0	52.2%	76.4%	50.7%	648,173	192,750	1,028,274
2011/12	24.0	37.3%	61.1%	38.1%	597,025	194,410	1,107,850
2012/13	12.0	14.9%	42.2%	32.0%	208,217	375,849	1,381,523

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

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



METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
WORKERS' COMPENSATION

Exhibit WC-6

Preliminary Projected Ultimate Limited Losses to 2012/13

Claim Period (1)	Developed Limited Paid Losses (2)	Developed Limited Reported Incurred Losses (3)	Developed Limited Case Reserves (4)	Preliminary Projected Ultimate Limited Losses (5)
to 1993/94	\$14,908,521	\$14,835,842	\$14,835,842	\$14,842,444
1994/95	750,128	747,572	747,572	748,133
1995/96	1,923,727	1,905,628	1,905,628	1,905,628
1996/97	2,481,885	2,476,745	2,476,745	2,478,910
1997/98	2,100,591	2,078,465	2,078,465	2,079,162
1998/99	2,413,164	2,515,841	2,522,652	2,527,161
1999/00	2,400,364	2,414,430	2,416,074	2,416,074
2000/01	2,148,711	2,104,012	2,098,910	2,098,910
2001/02	2,295,155	2,254,769	2,250,225	2,250,225
2002/03	3,399,249	3,452,566	3,459,856	3,459,856
2003/04	1,203,382	1,255,608	1,264,773	1,264,773
2004/05	1,181,077	1,112,682	1,097,236	1,097,236
2005/06	1,699,441	1,762,025	1,780,358	1,778,525
2006/07	1,645,264	1,547,895	1,513,639	1,520,490
2007/08	1,548,862	1,445,552	1,402,399	1,415,345
2008/09	2,077,380	2,183,571	2,231,118	2,212,099
2009/10	1,678,543	1,500,658	1,418,006	1,477,121
2010/11	1,242,741	1,100,424	1,028,274	1,100,028
2011/12	1,602,546	1,294,582	1,107,850	1,281,482
2012/13	1,397,252	1,385,301	1,381,523	1,386,180

(2) is from Exhibit WC-3.

(3) is from Exhibit WC-4.

(4) is from Exhibit WC-5.

(5) is based on (2) to (4) and actuarial judgment.



METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
WORKERS' COMPENSATION

Exhibit WC-7

Bornhuetter - Ferguson Analysis

I. A-priori Loss Rate

Claim Period (1)	Preliminary Projected Ultimate Limited Losses (2)	Payroll (000) (3)	Limited Loss Rate per \$100 of Payroll (2)/(3)/10 (4)	Loss Rate Trend (2013/14 = 1.000) (5)	Trended Limited Loss Rate per \$100 of Payroll (4)X(5) (6)	Projected A-priori Loss Rate per \$100 of Payroll (7)/(5) (8)
2003/04	\$1,264,773	\$151,940	\$0.83	0.858	\$0.71	\$1.05
2004/05	1,097,236	156,498	0.70	1.056	0.74	0.85
2005/06	1,778,525	161,193	1.10	1.179	1.30	0.76
2006/07	1,520,490	174,956	0.87	1.168	1.02	0.77
2007/08	1,415,345	190,527	0.74	1.122	0.83	0.80
2008/09	2,212,099	190,897	1.16	1.081	1.25	0.83
2009/10	1,477,121	192,857	0.77	1.052	0.81	0.86
2010/11	1,100,028	191,363	0.57	1.031	0.59	0.87
2011/12	1,281,482	197,185	0.65	1.010	0.66	0.89
2012/13	1,386,180	185,932	0.75	1.012	0.75	0.89
(7) Projected 2013/14 a-priori loss rate per \$100 of Payroll					\$0.90	

II. Bornhuetter - Ferguson Analysis Based on Limited Paid Losses

Claim Period (1)	Limited Paid Losses 6/30/13 (2)	Percent Losses Paid (3)	Projected A-priori Loss Rate per \$100 of Payroll (4)	Payroll (000) (5)	B-F Unpaid Losses [100.0%-(3)] X(4)X(5)X10 (6)	B-F Ultimate Limited Paid Losses (2)+(6) (7)
2008/09	\$1,488,720	71.7%	\$0.83	\$190,897	\$451,130	\$1,939,849
2009/10	1,050,567	62.6%	0.86	192,857	618,052	1,668,619
2010/11	648,173	52.2%	0.87	191,363	800,344	1,448,517
2011/12	597,025	37.3%	0.89	197,185	1,103,749	1,700,774
2012/13	208,217	14.9%	0.89	185,932	1,408,963	1,617,180

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

Claim Period (1)	Limited Reported Incurred Losses 6/30/13 (2)	Percent Losses Reported (3)	Projected A-priori Loss Rate per \$100 of Payroll (4)	Payroll (000) (5)	B-F Unreported Losses [100.0%-(3)] X(4)X(5)X10 (6)	B-F Ultimate Limited Reported Losses (2)+(6) (7)
2008/09	\$1,945,637	89.1%	\$0.83	\$190,897	\$173,477	\$2,119,114
2009/10	1,261,451	84.1%	0.86	192,857	263,334	1,524,785
2010/11	840,923	76.4%	0.87	191,363	394,489	1,235,412
2011/12	791,436	61.1%	0.89	197,185	683,683	1,475,118
2012/13	584,066	42.2%	0.89	185,932	957,625	1,541,691

Section I, (2) is from Exhibit WC-6.

Section I, (3), Section II, (5) and Section III, (5) are from Exhibit WC-10.

Section I, (5) is from Exhibit WC-15 and adjusted for change in retention.

Section I, (7) is based on Section I, (6) and actuarial judgment.

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

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

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



METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
WORKERS' COMPENSATION

Exhibit WC-8

Frequency Times Severity Analysis

I. Projected Ultimate Claims

Claim Period (1)	Months of Development 6/30/13 (2)	Reported Claims 6/30/13 (3)	Percent Claims Reported (4)	Projected Ultimate Claims (3)/(4) (5)	Payroll (000) (6)	Frequency (per \$1M of Payroll) (5)/(6)X1,000 (7)
2003/04	120.0	115	100.0%	115	\$151,940	0.76
2004/05	108.0	124	100.0%	124	156,498	0.79
2005/06	96.0	136	100.0%	136	161,193	0.84
2006/07	84.0	110	100.0%	110	174,956	0.63
2007/08	72.0	121	100.0%	121	190,527	0.64
2008/09	60.0	123	100.0%	123	190,897	0.64
2009/10	48.0	126	100.0%	126	192,857	0.65
2010/11	36.0	101	100.0%	101	191,363	0.53
2011/12	24.0	87	99.5%	87	197,185	0.44
2012/13	12.0	103	94.8%	109	185,932	0.59

II. Frequency Times Severity

Claim Period (1)	Preliminary Projected Ultimate Limited Losses (2)	Projected Ultimate Claims (3)	Average Severity (2)/(3) (4)	Severity Trend (2013/14 = 1.000) (5)	Trended Average Claim Severity (4)X(5) (6)	De-Trended Projected 2013/14 Average Claim Severity (7)/(5) (8)	Frequency Times Severity (3)X(8) (9)
2003/04	\$1,264,773	115	\$10,998	1.153	\$12,681	\$14,396	\$1,655,524
2004/05	1,097,236	124	8,849	1.378	12,194	12,045	1,493,573
2005/06	1,778,525	136	13,077	1.493	19,523	11,119	1,512,135
2006/07	1,520,490	110	13,823	1.437	19,859	11,554	1,270,916
2007/08	1,415,345	121	11,697	1.339	15,667	12,393	1,499,519
2008/09	2,212,099	123	17,985	1.253	22,535	13,247	1,629,371
2009/10	1,477,121	126	11,723	1.184	13,885	14,015	1,765,834
2010/11	1,100,028	101	10,891	1.127	12,272	14,731	1,487,840
2011/12	1,281,482	87	14,730	1.072	15,790	15,484	1,347,125
2012/13	1,366,180	109	12,717	1.043	13,260	15,920	1,735,251

(7) Projected 2013/14 average claim severity \$16,599

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

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

Section I, (6) is from Exhibit WC-10.

Section II, (2) is from Exhibit WC-6.

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

Section II, (5) is from Exhibit WC-15 and adjusted for change in retention.

Section II, (7) is based on (6) and actuarial judgment.



METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
WORKERS' COMPENSATION

Exhibit WC-9

Projected Ultimate Limited Losses to 2012/13

Claim Period (1)	Developed Limited Paid Losses (2)	Developed Limited Reported Incurred Losses (3)	Developed Limited Case Reserves (4)	B-F Ultimate Limited Paid Losses (5)	B-F Ultimate Limited Reported Losses (6)	Frequency Times Severity (7)	Projected Ultimate Limited Losses (8)
to 1993/94	\$14,908,521	\$14,835,842	\$14,835,842				\$14,842,444
1994/95	750,128	747,572	747,572				748,133
1995/96	1,923,727	1,905,628	1,905,628				1,905,628
1996/97	2,481,885	2,476,745	2,476,745				2,479,000
1997/98	2,100,591	2,078,465	2,078,465				2,079,162
1998/99	2,413,164	2,515,841	2,522,652				2,527,161
1999/00	2,400,364	2,414,430	2,416,074				2,416,000
2000/01	2,148,711	2,104,012	2,098,910				2,098,910
2001/02	2,295,155	2,254,769	2,250,225				2,250,000
2002/03	3,399,249	3,452,566	3,459,856				3,460,000
2003/04	1,203,382	1,255,608	1,264,773				1,265,000
2004/05	1,181,077	1,112,682	1,097,236				1,097,236
2005/06	1,699,441	1,762,025	1,780,358				1,779,000
2006/07	1,645,264	1,547,895	1,513,639				1,520,000
2007/08	1,548,862	1,445,552	1,402,399				1,415,000
2008/09	2,077,380	2,183,571	2,231,118	1,939,849	2,119,114	1,629,371	2,212,000
2009/10	1,678,543	1,500,658	1,418,006	1,668,619	1,524,785	1,765,834	1,477,000
2010/11	1,242,741	1,100,424	1,028,274	1,448,517	1,235,412	1,487,840	1,100,000
2011/12	1,602,546	1,294,582	1,107,850	1,700,774	1,475,118	1,347,125	1,385,000
2012/13	1,397,252	1,385,301	1,381,523	1,617,180	1,541,691	1,735,251	1,518,000

(2) is from Exhibit WC-3.

(3) is from Exhibit WC-4.

(4) is from Exhibit WC-5.

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

(7) is from Exhibit WC-8.

(8) is based on (2) to (7) and actuarial judgment.

Projected Ultimate Limited Losses for 2013/14 and Subsequent

Claim Period (1)	Projected Ultimate Limited Losses (2)	Payroll (000) (3)	Limited Loss Rate per \$100 of Payroll (2)/(3)/10 (4)	Loss Rate Trend (2013/14 = 1.000) (5)	Trended Limited Loss Rate per \$100 of Payroll (4)X(5) (6)
2003/04	\$1,265,000	\$151,940	\$0.83	0.858	\$0.71
2004/05	1,097,236	156,498	0.70	1.056	0.74
2005/06	1,779,000	161,193	1.10	1.179	1.30
2006/07	1,520,000	174,956	0.87	1.168	1.01
2007/08	1,415,000	190,527	0.74	1.122	0.83
2008/09	2,212,000	190,897	1.16	1.081	1.25
2009/10	1,477,000	192,857	0.77	1.052	0.81
2010/11	1,100,000	191,363	0.57	1.031	0.59
2011/12	1,385,000	197,185	0.70	1.010	0.71
2012/13	1,518,000	185,932	0.82	1.012	0.83
Total	\$14,768,236	\$1,793,348	\$0.82		\$0.88

Claim Period (1)	Projected Limited Loss Rate per \$100 of Payroll (7)	Projected Payroll (000) (8)	Projected Ultimate Limited Losses (7)X(8)X10 (9)	Present Value Factor (10)	Present Value of Projected Limited Loss Rate per \$100 of Payroll (7)X(10) (11)	Present Value of Projected Ultimate Limited Losses (8)X(11)X10 (12)
2013/14	\$0.92	\$189,186	\$1,735,000	0.94	\$0.87	\$1,639,000
2014/15	0.95	192,497	1,828,000	0.94	0.90	1,727,000
2015/16	0.97	198,272	1,921,000	0.94	0.92	1,815,000

(2) is from Exhibit WC-9.

(3) for 2005/06, 2006/07, 2007/08, 2008/09, 2009/10, 2010/11, 2011/12 and 2012/13 were provided by MWDSC. Other periods assume a 3% trend.

(5) is from Exhibit WC-15 and adjusted for change in retention.

(7) for 2013/14 is based on (6) and actuarial judgment.

(7) for 2014/15 and subsequent are based on 2013/14 plus the trend in Exhibit WC-15.

(8) to 2014/15 was provided by MWDSC. Other claim periods are based on a 3% trend.

(10) is based on a 1.5% interest rate and the payout pattern in Exhibit WC-2.



METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
WORKERS' COMPENSATION

Exhibit WC-11

Estimated Outstanding Losses as of June 30, 2013

Claim Period (1)	Limited Paid Losses 6/30/13 (2)	Limited Case Reserves 6/30/13 (3)	Limited Reported Incurred Losses 6/30/13 (4)	Projected Ultimate Limited Losses (5)	Estimated IBNR 6/30/13 (5)-(4) (6)	Estimated Outstanding Losses 6/30/13 (3)+(6) (7)	Present Value Factor (8)	Present Value of Estimated Outstanding Losses 6/30/13 (7)X(8) (9)
to 1993/94	\$14,769,823	\$66,020	\$14,835,842	\$14,842,444	\$6,602	\$72,622	0.96	\$69,961
1994/95	741,959	5,612	747,572	748,133	561	6,173	0.95	5,884
1995/96	1,905,628	0	1,905,628	1,905,628	0	0	0.94	0
1996/97	2,455,101	21,644	2,476,745	2,479,000	2,255	23,899	0.93	22,337
1997/98	2,071,495	6,970	2,078,465	2,079,162	697	7,667	0.93	7,100
1998/99	2,374,989	138,339	2,513,327	2,527,161	13,834	152,173	0.92	140,381
1999/00	2,355,325	54,283	2,409,608	2,416,000	6,392	60,675	0.92	55,955
2000/01	2,098,910	0	2,098,910	2,098,910	0	0	0.94	0
2001/02	2,207,714	38,058	2,245,773	2,250,000	4,227	42,285	0.94	39,798
2002/03	3,237,371	194,555	3,431,927	3,460,000	28,073	222,628	0.94	209,364
2003/04	1,134,728	109,641	1,244,369	1,265,000	20,631	130,272	0.94	122,129
2004/05	1,097,236	0	1,097,236	1,097,236	0	0	0.94	0
2005/06	1,547,847	175,928	1,723,775	1,779,000	55,225	231,153	0.94	216,719
2006/07	1,413,682	70,919	1,484,601	1,520,000	35,399	106,318	0.95	100,894
2007/08	1,220,962	118,596	1,339,558	1,415,000	75,442	194,038	0.95	185,169
2008/09	1,488,720	456,918	1,945,637	2,212,000	266,363	723,281	0.95	689,615
2009/10	1,050,567	210,884	1,261,451	1,477,000	215,549	426,433	0.95	406,085
2010/11	648,173	192,750	840,923	1,100,000	259,077	451,827	0.95	429,268
2011/12	597,025	194,410	791,436	1,385,000	593,564	787,974	0.95	748,156
2012/13	208,217	375,849	584,066	1,518,000	933,934	1,309,783	0.95	1,244,887
Total	\$44,625,472	\$2,431,377	\$47,056,849	\$49,574,675	\$2,517,825	\$4,949,201		\$4,693,702

(2), (3) and (4) are net of specific self insured retention and aggregate retention.

(5) is from Exhibit WC-9.

(8) is based on a 1.5% interest rate and the payout pattern in Exhibit WC-2.



METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
WORKERS' COMPENSATION

Exhibit WC-12

Projected Losses Paid July 1, 2013 to June 30, 2014

Claim Period (1)	Months of Development 6/30/13 (2)	Percent Losses Paid (3)	Months of Development 6/30/14 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/13 to 6/30/14 [(5)-(3)]/ [100.0%-(3)] (6)	Estimated Outstanding Losses 6/30/13 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/14 (7)-(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/14 (9)X(10) (11)
to 1993/94	240.0	99.0%	252.0	99.3%	30.0%	\$72,622	\$21,787	\$50,835	0.96	\$49,033
1994/95	228.0	98.9%	240.0	99.0%	9.1%	6,173	561	5,612	0.96	5,406
1995/96	216.0	98.8%	228.0	98.9%	8.3%	0	0	0	0.95	0
1996/97	204.0	98.7%	216.0	98.8%	7.7%	23,899	1,834	22,065	0.94	20,821
1997/98	192.0	98.6%	204.0	98.7%	7.1%	7,667	546	7,121	0.93	6,655
1998/99	180.0	98.4%	192.0	98.6%	12.4%	152,173	18,934	133,239	0.93	123,383
1999/00	168.0	98.1%	180.0	98.4%	15.7%	60,675	9,519	51,156	0.92	47,192
2000/01	156.0	97.2%	168.0	98.1%	34.1%	0	0	0	0.92	0
2001/02	144.0	96.2%	156.0	97.2%	25.2%	42,285	10,676	31,609	0.94	29,634
2002/03	132.0	95.2%	144.0	96.2%	20.0%	222,628	44,523	178,105	0.94	167,631
2003/04	120.0	94.3%	132.0	95.2%	16.5%	130,272	21,532	108,740	0.94	102,261
2004/05	108.0	92.9%	120.0	94.3%	19.6%	0	0	0	0.94	0
2005/06	96.0	91.1%	108.0	92.9%	20.4%	231,153	47,204	183,949	0.94	172,402
2006/07	84.0	85.9%	96.0	91.1%	36.6%	106,318	38,941	67,377	0.94	63,170
2007/08	72.0	78.8%	84.0	85.9%	33.5%	194,038	65,027	129,011	0.95	122,429
2008/09	60.0	71.7%	72.0	78.8%	25.3%	723,281	182,917	540,364	0.95	515,666
2009/10	48.0	62.6%	60.0	71.7%	24.3%	426,433	103,443	322,990	0.95	307,956
2010/11	36.0	52.2%	48.0	62.6%	21.8%	451,827	98,512	353,315	0.95	336,456
2011/12	24.0	37.3%	36.0	52.2%	23.7%	787,974	187,143	600,831	0.95	570,833
2012/13	12.0	14.9%	24.0	37.3%	26.3%	1,309,783	344,043	965,740	0.95	916,940
2013/14	0.0	0.0%	12.0	14.9%	14.9%	1,735,000	258,548	1,476,452	0.95	1,403,297
Total						\$6,684,201	\$1,455,690	\$5,228,511		\$4,961,165

(3) and (5) are from Exhibit WC-2.

(7) to 2012/13 is from Exhibit WC-11. The amount for 2013/14 is from Exhibit WC-10.

(10) is based on a 1.5% interest rate and the payout pattern in Exhibit WC-2.



METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
WORKERS' COMPENSATION

Exhibit WC-13

Projected Losses Paid July 1, 2014 to June 30, 2015

Claim Period (1)	Months of Development 6/30/14 (2)	Percent Losses Paid (3)	Months of Development 6/30/15 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/14 to 6/30/15 [(5)-(3)]/ [100.0%-(3)] (6)	Estimated Outstanding Losses 6/30/14 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/15 (7)-(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/15 (9)X(10) (11)
to 1993/94	252.0	99.3%	264.0	99.5%	30.0%	\$50,835	\$15,251	\$35,584	0.97	\$34,377
1994/95	240.0	99.0%	252.0	99.3%	30.0%	5,612	1,684	3,928	0.96	3,789
1995/96	228.0	98.9%	240.0	99.0%	9.1%	0	0	0	0.96	0
1996/97	216.0	98.8%	228.0	98.9%	8.3%	22,065	1,836	20,229	0.95	19,282
1997/98	204.0	98.7%	216.0	98.8%	7.7%	7,121	546	6,575	0.94	6,204
1998/99	192.0	98.6%	204.0	98.7%	7.1%	133,239	9,486	123,753	0.93	115,663
1999/00	180.0	98.4%	192.0	98.6%	12.4%	51,156	6,365	44,791	0.93	41,478
2000/01	168.0	98.1%	180.0	98.4%	15.7%	0	0	0	0.92	0
2001/02	156.0	97.2%	168.0	98.1%	34.1%	31,609	10,783	20,826	0.92	19,206
2002/03	144.0	96.2%	156.0	97.2%	25.2%	178,105	44,968	133,137	0.94	124,819
2003/04	132.0	95.2%	144.0	96.2%	20.0%	108,740	21,747	86,993	0.94	81,877
2004/05	120.0	94.3%	132.0	95.2%	16.5%	0	0	0	0.94	0
2005/06	108.0	92.9%	120.0	94.3%	19.6%	183,949	36,111	147,838	0.94	138,597
2006/07	96.0	91.1%	108.0	92.9%	20.4%	67,377	13,759	53,618	0.94	50,252
2007/08	84.0	85.9%	96.0	91.1%	36.6%	129,011	47,252	81,759	0.94	76,654
2008/09	72.0	78.8%	84.0	85.9%	33.5%	540,364	181,088	359,276	0.95	340,946
2009/10	60.0	71.7%	72.0	78.8%	25.3%	322,990	81,684	241,306	0.95	230,277
2010/11	48.0	62.6%	60.0	71.7%	24.3%	353,315	85,706	267,609	0.95	255,153
2011/12	36.0	52.2%	48.0	62.6%	21.8%	600,831	131,000	469,831	0.95	447,412
2012/13	24.0	37.3%	36.0	52.2%	23.7%	965,740	229,362	736,378	0.95	699,612
2013/14	12.0	14.9%	24.0	37.3%	26.3%	1,476,452	387,822	1,088,630	0.95	1,033,620
2014/15	0.0	0.0%	12.0	14.9%	14.9%	1,828,000	272,407	1,555,593	0.95	1,478,517
Total						\$7,056,511	\$1,578,857	\$5,477,654		\$5,197,735

(3) and (5) are from Exhibit WC-2.

(7) to 2013/14 is from Exhibit WC-12, (9). The amount for 2014/15 is from Exhibit WC-10.

(10) is based on a 1.5% interest rate and the payout pattern in Exhibit WC-2.



METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
WORKERS' COMPENSATION

Exhibit WC-14

Projected Losses Paid July 1, 2015 to June 30, 2016

Claim Period (1)	Months of Development 6/30/15 (2)	Percent Losses Paid (3)	Months of Development 6/30/16 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/15 to 6/30/16 [(5)-(3)]/ [100.0%-(3)] (6)	Estimated Outstanding Losses 6/30/15 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/16 (7)-(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/16 (9)X(10) (11)
to 1993/94	264.0	99.5%	276.0	99.7%	30.0%	\$35,584	\$10,675	\$24,909	0.97	\$24,112
1994/95	252.0	99.3%	264.0	99.5%	30.0%	3,928	1,178	2,750	0.97	2,657
1995/96	240.0	99.0%	252.0	99.3%	30.0%	0	0	0	0.96	0
1996/97	228.0	98.9%	240.0	99.0%	9.1%	20,229	1,837	18,392	0.96	17,718
1997/98	216.0	98.8%	228.0	98.9%	8.3%	6,575	547	6,028	0.95	5,746
1998/99	204.0	98.7%	216.0	98.8%	7.7%	123,753	9,495	114,258	0.94	107,819
1999/00	192.0	98.6%	204.0	98.7%	7.1%	44,791	3,189	41,602	0.93	38,882
2000/01	180.0	98.4%	192.0	98.6%	12.4%	0	0	0	0.93	0
2001/02	168.0	98.1%	180.0	98.4%	15.7%	20,826	3,267	17,559	0.92	16,198
2002/03	156.0	97.2%	168.0	98.1%	34.1%	133,137	45,418	87,719	0.92	80,895
2003/04	144.0	96.2%	156.0	97.2%	25.2%	86,993	21,964	65,029	0.94	60,966
2004/05	132.0	95.2%	144.0	96.2%	20.0%	0	0	0	0.94	0
2005/06	120.0	94.3%	132.0	95.2%	16.5%	147,838	24,435	123,403	0.94	116,051
2006/07	108.0	92.9%	120.0	94.3%	19.6%	53,618	10,526	43,092	0.94	40,399
2007/08	96.0	91.1%	108.0	92.9%	20.4%	81,759	16,696	65,063	0.94	60,979
2008/09	84.0	85.9%	96.0	91.1%	36.6%	359,276	131,591	227,685	0.94	213,467
2009/10	72.0	78.8%	84.0	85.9%	33.5%	241,306	80,867	160,439	0.95	152,253
2010/11	60.0	71.7%	72.0	78.8%	25.3%	267,609	67,678	199,931	0.95	190,793
2011/12	48.0	62.6%	60.0	71.7%	24.3%	469,831	113,970	355,861	0.95	339,297
2012/13	36.0	52.2%	48.0	62.6%	21.8%	736,378	160,554	575,824	0.95	548,347
2013/14	24.0	37.3%	36.0	52.2%	23.7%	1,088,630	258,548	830,082	0.95	788,637
2014/15	12.0	14.9%	24.0	37.3%	26.3%	1,555,593	408,611	1,146,982	0.95	1,089,023
2015/16	0.0	0.0%	12.0	14.9%	14.9%	1,921,000	286,266	1,634,734	0.95	1,553,737
Total						\$7,398,654	\$1,657,312	\$5,741,342		\$5,447,976

(3) and (5) are from Exhibit WC-2.

(7) to 2014/15 is from Exhibit WC-13, (9). The amount for 2015/16 is from Exhibit WC-10.

(10) is based on a 1.5% interest rate and the payout pattern in Exhibit WC-2.

Loss Rate and Severity Trend

I. Benefit Level Changes

Effective Date (1)	Benefit Level Change (2)	Cumulative Benefit Level Change (3)
01/01/04	0.759	0.759
04/19/04	0.831	0.631
01/01/05	0.768	0.484
01/01/06	0.965	0.467
01/01/07	1.006	0.470
02/15/07	1.011	0.475
01/01/08	1.022	0.486
01/01/09	1.013	0.492
01/01/10	1.001	0.493
01/01/12	1.001	0.493
01/01/13	0.956	0.471
01/01/14	1.031	0.486

II. Loss Rate and Severity Trend

Claim Period (1)	Benefit Trend (2013/14 = 1.000) (2)	Residual Trend (2013/14 = 1.000) (3)	Retention Index (2013/14 = 1.000) (4)	Loss Rate Trend (2013/14 = 1.000) (2)X(3)X(4) (5)	Wage Trend (2013/14 = 1.000) (6)	Severity Trend (2013/14 = 1.000) (5)X(6) (7)
2003/04	0.677	1.219	1.040	0.858	1.344	1.153
2004/05	0.858	1.195	1.030	1.056	1.305	1.378
2005/06	1.006	1.172	1.000	1.179	1.267	1.493
2006/07	1.017	1.149	1.000	1.168	1.230	1.437
2007/08	0.996	1.126	1.000	1.122	1.194	1.339
2008/09	0.979	1.104	1.000	1.081	1.159	1.253
2009/10	0.972	1.082	1.000	1.052	1.126	1.184
2010/11	0.972	1.061	1.000	1.031	1.093	1.127
2011/12	0.971	1.040	1.000	1.010	1.061	1.072
2012/13	0.992	1.020	1.000	1.012	1.030	1.043
2013/14	1.000	1.000	1.000	1.000	1.000	1.000
2014/15	0.985	0.980	1.000	0.966	0.971	0.937

Section I, (2) and (3) reflect NCCI data.

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

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

Section II, (4) is based on industry statistics and actuarial judgment.

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



METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
WORKERS' COMPENSATION

Exhibit WC-16

List of Large Claims
Reported Incurred Losses Greater Than \$250,000

Claim Number (1)	Date of Loss (2)	Claim Period (3)	Specific Self-Insured Retention (4)	Unlimited Paid Losses 6/30/13 (5)	Unlimited Case Reserves 6/30/13 (6)	Unlimited Reported Incurred Losses 6/30/13 (7)
MW19770017	6/5/1978	to 1993/94	\$250,000	\$365,604 *	\$31,468	\$397,072
MW19810123	10/14/1981	to 1993/94	250,000	455,867 *	0	455,867
MW19900115	10/16/1990	to 1993/94	400,000	436,248 *	0	436,248
MW19920064	10/28/1992	to 1993/94	400,000	304,326	0	304,326
MW19950010	7/13/1995	1995/96	400,000	268,230	0	268,230
MW19950045	9/19/1995	1995/96	400,000	1,991,151 *	720,457	2,711,608
MW19960025	9/16/1996	1996/97	400,000	258,422	0	258,422
MW19960082	12/19/1996	1996/97	400,000	291,762	21,644	313,406
MW19960157	5/7/1997	1996/97	400,000	470,296 *	0	470,296
MW19970022	9/17/1997	1997/98	400,000	302,471	0	302,471
MW19970056	12/9/1997	1997/98	400,000	257,101	6,970	264,071
MW19980066	9/25/1998	1998/99	400,000	226,192	138,339	364,531
MW19980092	3/8/1999	1998/99	400,000	291,952	0	291,952
MW19990122	4/25/2000	1999/00	400,000	261,059	0	261,059
MW20000062	11/16/2000	2000/01	400,000	457,486 *	0	457,486 *
MW20010149	1/2/2002	2001/02	500,000	274,337	0	274,337
MW20010118	3/19/2002	2001/02	500,000	409,236	0	409,236
MW20020001	7/10/2002	2002/03	1,000,000	251,618	0	251,618
MW20020060	11/20/2002	2002/03	1,000,000	268,545	0	268,545
MW20020078	1/21/2003	2002/03	1,000,000	414,536	129,709	544,245
0603000631	3/20/2006	2005/06	5,000,000	267,614	93,133	360,747
0704000974	4/26/2007	2006/07	5,000,000	230,147	44,853	275,000
0707001689	7/10/2007	2007/08	5,000,000	300,893	85,033	385,925
0707002452	7/30/2007	2007/08	5,000,000	241,326	24,051	265,377
0807001756	7/29/2008	2008/09	5,000,000	200,200	136,841	337,042
0810002419	10/10/2008	2008/09	5,000,000	215,769	45,081	260,850
0906001491	6/15/2009	2008/09	5,000,000	327,249	76,512	403,761
111000039	10/11/2011	2011/12	5,000,000	304,067	66,539	370,606

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

(1) through (7) were provided by MWDSC.



Size of Loss Distribution

I. Reported Claim Count

Layer (1)	Prior (2)	2008/09 (3)	2009/10 (4)	2010/11 (5)	2011/12 (6)	2012/13 (7)	Total (2)...(7) (8)	Non-Zero Claim Cumulative Total (9)	Non-Zero Claim Cumulative % of Total (10)
0	326	2	3	10	5	3	349		
0.01 - 5,000	3,025	95	97	73	62	78	3,430	3,430	78.9%
5,000 - 10,000	208	3	3	3	6	3	226	3,656	84.1%
10,000 - 25,000	224	10	7	6	8	12	267	3,923	90.2%
25,000 - 50,000	151	4	10	4	4	4	177	4,100	94.3%
50,000 - 100,000	117	5	4	3	1	3	133	4,233	97.4%
100,000 - 250,000	82	1	2	2	0	0	87	4,320	99.4%
250,000 - 500,000	22	3	0	0	1	0	26	4,346	100.0%
500,000 - 750,000	1	0	0	0	0	0	1	4,347	100.0%
750,000 - 1,000,000	0	0	0	0	0	0	0	4,347	100.0%
Over 1,000,000	1	0	0	0	0	0	1	4,348	100.0%
Total	4,157	123	126	101	87	103	4,697	4,348	

II. Total Reported Incurred Losses

Layer (1)	Prior (2)	2008/09 (3)	2009/10 (4)	2010/11 (5)	2011/12 (6)	2012/13 (7)	Total (2)...(7) (8)	Non-Zero Claim Cumulative Total (9)	Non-Zero Claim Cumulative % of Total (10)
0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
0.01 - 5,000	2,721,436	91,917	95,382	78,876	69,471	71,130	3,128,212	3,128,212	6.3%
5,000 - 10,000	1,455,502	20,989	19,876	21,338	41,198	19,975	1,578,880	4,707,091	9.4%
10,000 - 25,000	3,689,968	162,649	122,079	90,308	131,371	173,563	4,369,938	9,077,029	18.2%
25,000 - 50,000	5,452,363	144,001	343,279	148,207	127,378	159,746	6,374,975	15,452,004	31.0%
50,000 - 100,000	8,258,420	344,279	310,795	231,659	51,411	159,653	9,356,217	24,808,221	49.7%
100,000 - 250,000	12,301,317	180,149	370,040	270,534	0	0	13,122,039	37,930,260	76.0%
250,000 - 500,000	7,336,223	1,001,653	0	0	370,606	0	8,708,482	46,638,743	93.5%
500,000 - 750,000	544,245	0	0	0	0	0	544,245	47,182,988	94.6%
750,000 - 1,000,000	0	0	0	0	0	0	0	47,182,988	94.6%
Over 1,000,000	2,711,608	0	0	0	0	0	2,711,608	49,894,595	100.0%
Total	\$44,471,082	\$1,945,637	\$1,261,451	\$840,923	\$791,436	\$584,066	\$49,894,595	\$49,894,595	



METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
LIABILITY

Exhibit LI-1 (page 1)

Data Summary as of June 30, 2013
Losses Limited to Self-Insured Retention

Claim Period (1)	Specific Self-Insured Retention (2)	Aggregate Retention (3)	Months of Development 6/30/13 (4)	Payroll (000) (5)	Reported Claims 6/30/13 (6)	Open Claims 6/30/13 (7)	Limited Paid Losses 6/30/13 (8)	Limited Case Reserves 6/30/13 (9)	Limited Reported Incurred Losses 6/30/13 (10)
to 1993/94	See Note	None	240.0	Not Provided	922	0	\$7,132,451	\$0	\$7,132,451
1994/95	25,000,000	None	228.0	Not Provided	112	0	1,112,906	0	1,112,906
1995/96	25,000,000	None	216.0	Not Provided	84	0	475,577	0	475,577
1996/97	25,000,000	None	204.0	Not Provided	105	0	946,609	0	946,609
1997/98	25,000,000	None	192.0	Not Provided	87	1	9,310,446	127,401	9,437,847
1998/99	25,000,000	None	180.0	Not Provided	89	0	4,098,516	0	4,098,516
1999/00	25,000,000	None	168.0	Not Provided	95	1	5,792,412	100,000	5,892,412
2000/01	25,000,000	None	156.0	Not Provided	84	0	1,667,454	0	1,667,454
2001/02	25,000,000	None	144.0	Not Provided	85	0	4,860,124	0	4,860,124
2002/03	25,000,000	None	132.0	Not Provided	79	1	8,967,080	49,427	9,016,507
2003/04	25,000,000	None	120.0	Not Provided	96	11	1,210,995	615,699	1,826,693
2004/05	25,000,000	None	108.0	Not Provided	59	1	10,486,125	252,316	10,738,441
2005/06	25,000,000	None	96.0	161,193	48	0	287,620	0	287,620
2006/07	25,000,000	None	84.0	174,956	47	0	1,665,023	0	1,665,023
2007/08	25,000,000	None	72.0	190,527	68	5	5,877,557	1,672,333	7,549,890
2008/09	25,000,000	None	60.0	190,897	30	2	1,578,269	1,512,505	3,090,774
2009/10	25,000,000	None	48.0	192,857	35	0	175,378	0	175,378
2010/11	25,000,000	None	36.0	191,363	74	8	4,424,598	3,172,941	7,597,539
2011/12	25,000,000	None	24.0	197,185	35	4	35,522	1,135,000	1,170,522
2012/13	25,000,000	None	12.0	185,932	29	20	147,128	308,030	455,158
Total					2,263	54	\$70,251,790	\$8,945,650	\$79,197,440

* The specific self-insured retention changes are as follows:

Effective Date	Retention
07/01/77	\$25,000,000

(8), (9) and (10) are net of the specific self-insured retention.

Data was provided by MWDSC.



METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
LIABILITY

Data Summary as of June 30, 2013
Unlimited Losses

Claim Period (1)	Specific Self-Insured Retention (2)	Aggregate Retention (3)	Months of Development 6/30/13 (4)	Payroll (000) (5)	Reported Claims 6/30/13 (6)	Open Claims 6/30/13 (7)	Unlimited Paid Losses 6/30/13 (8)	Unlimited Case Reserves 6/30/13 (9)	Unlimited Reported Incurred Losses 6/30/13 (10)
to 1993/94	Unlimited	None	240.0	Not Provided	922	0	\$7,132,451	\$0	\$7,132,451
1994/95	Unlimited	None	228.0	Not Provided	112	0	1,112,906	0	1,112,906
1995/96	Unlimited	None	216.0	Not Provided	84	0	475,577	0	475,577
1996/97	Unlimited	None	204.0	Not Provided	105	0	946,609	0	946,609
1997/98	Unlimited	None	192.0	Not Provided	87	1	9,310,446	127,401	9,437,847
1998/99	Unlimited	None	180.0	Not Provided	89	0	4,098,516	0	4,098,516
1999/00	Unlimited	None	168.0	Not Provided	95	1	5,792,412	100,000	5,892,412
2000/01	Unlimited	None	156.0	Not Provided	84	0	1,667,454	0	1,667,454
2001/02	Unlimited	None	144.0	Not Provided	85	0	4,860,124	0	4,860,124
2002/03	Unlimited	None	132.0	Not Provided	79	1	8,967,080	49,427	9,016,507
2003/04	Unlimited	None	120.0	Not Provided	96	11	1,210,995	615,699	1,826,693
2004/05	Unlimited	None	108.0	Not Provided	59	1	10,486,125	252,316	10,738,441
2005/06	Unlimited	None	96.0	161,193	48	0	287,620	0	287,620
2006/07	Unlimited	None	84.0	174,956	47	0	1,665,023	0	1,665,023
2007/08	Unlimited	None	72.0	190,527	68	5	5,877,557	1,672,333	7,549,890
2008/09	Unlimited	None	60.0	190,897	30	2	1,578,269	1,512,505	3,090,774
2009/10	Unlimited	None	48.0	192,857	35	0	175,378	0	175,378
2010/11	Unlimited	None	36.0	191,363	74	8	4,424,598	3,172,941	7,597,539
2011/12	Unlimited	None	24.0	197,185	35	4	35,522	1,135,000	1,170,522
2012/13	Unlimited	None	12.0	185,932	29	20	147,128	308,030	455,158
Total					2,263	54	\$70,251,790	\$8,945,650	\$79,197,440

(8), (9) and (10) are gross of the specific self-insured retention.

Data was provided by MWDSC.



METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
LIABILITY

Exhibit LI-2 (page 1)

Summary of Percent Losses Paid, Losses Reported and Claims Reported

Months of Development (1)	Percent Losses Paid (2)	Percent Losses Reported (3)	Percent Claims Reported (4)	Months of Development (5)	Percent Losses Paid (6)	Percent Losses Reported (7)	Percent Claims Reported (8)
360.0	100.0%	100.0%	100.0%	354.0	100.0%	100.0%	100.0%
348.0	100.0%	100.0%	100.0%	342.0	100.0%	100.0%	100.0%
336.0	100.0%	100.0%	100.0%	330.0	100.0%	100.0%	100.0%
324.0	100.0%	100.0%	100.0%	318.0	100.0%	100.0%	100.0%
312.0	100.0%	100.0%	100.0%	306.0	100.0%	100.0%	100.0%
300.0	100.0%	100.0%	100.0%	294.0	100.0%	100.0%	100.0%
288.0	100.0%	100.0%	100.0%	282.0	100.0%	100.0%	100.0%
276.0	100.0%	100.0%	100.0%	270.0	100.0%	100.0%	100.0%
264.0	100.0%	100.0%	100.0%	258.0	100.0%	100.0%	100.0%
252.0	100.0%	100.0%	100.0%	246.0	100.0%	100.0%	100.0%
240.0	100.0%	100.0%	100.0%	234.0	100.0%	100.0%	100.0%
228.0	100.0%	100.0%	100.0%	222.0	100.0%	100.0%	100.0%
216.0	100.0%	100.0%	100.0%	210.0	100.0%	100.0%	100.0%
204.0	100.0%	100.0%	100.0%	198.0	100.0%	100.0%	100.0%
192.0	100.0%	100.0%	100.0%	186.0	100.0%	100.0%	100.0%
180.0	100.0%	100.0%	100.0%	174.0	100.0%	100.0%	100.0%
168.0	100.0%	100.0%	100.0%	162.0	100.0%	100.0%	100.0%
156.0	100.0%	100.0%	100.0%	150.0	100.0%	100.0%	100.0%
144.0	100.0%	100.0%	100.0%	138.0	100.0%	100.0%	100.0%
132.0	100.0%	100.0%	100.0%	126.0	100.0%	100.0%	100.0%
120.0	100.0%	100.0%	100.0%	114.0	99.8%	100.0%	100.0%
108.0	99.5%	100.0%	100.0%	102.0	99.0%	100.0%	100.0%
96.0	98.5%	99.9%	100.0%	90.0	97.6%	99.8%	100.0%
84.0	96.6%	99.7%	100.0%	78.0	94.3%	99.5%	100.0%
72.0	92.0%	99.2%	100.0%	66.0	88.8%	98.5%	100.0%
60.0	85.6%	97.7% #	100.0%	54.0	78.4%	96.3%	100.0%
48.0	71.3%	94.9% #	100.0%	42.0	57.9%	85.4%	99.8%
36.0	44.6%	75.9% #	99.6%	30.0	32.2%	60.3%	98.2%
24.0	19.8%	44.7% #	96.7%	18.0	11.9%	30.4%	88.6%
12.0	4.0%	16.2% #	80.6%	6.0	2.0%	8.1%	40.3%

(2) is from Exhibit LI-2 (page 2).

(3) is from Exhibit LI-2 (page 3).

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

(6), (7) and (8) are interpolated, based on (2), (3) and (4), respectively.

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
LIABILITY

Exhibit LI-2 (page 2)

Historical Limited Paid Losses (\$000) and Limited Paid Loss Development

I. Historical Limited Paid Losses (\$000)

Claim Period	Months of Development:																				
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240	
to 1993/94										\$5,715	\$5,715	\$5,761	\$5,864	\$6,213	\$6,977	\$7,106	\$7,132	\$7,132	\$7,132	\$7,132	\$7,132
1994/95	627	773	887	1,113	1,113	1,113	1,113	1,113	1,113	1,113	1,113	1,113	1,113	1,113	1,113	1,113	1,113	1,113	1,113	1,113	1,113
1995/96	125	197	310	366	440	440	476	476	476	476	476	476	476	476	476	476	476	476	476	476	476
1996/97	88	334	829	947	947	947	947	947	947	947	947	947	947	947	947	947	947	947	947	947	947
1997/98	34	61	147	2,299	2,759	3,405	4,241	5,514	6,672	7,954	8,363	8,946	9,205	9,304	9,310	9,310					
1998/99	70	361	934	4,031	4,032	4,032	4,032	4,099	4,099	4,099	4,099	4,099	4,099	4,099	4,099	4,099					
1999/00	141	856	4,289	4,680	4,776	4,834	5,278	5,756	5,787	5,792	5,792	5,792	5,792	5,792	5,792						
2000/01	512	572	860	1,519	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667						
2001/02	358	1,728	3,345	4,713	4,814	4,860	4,860	4,860	4,860	4,860	4,860	4,860	4,860	4,860	4,860						
2002/03	185	508	1,606	3,114	5,192	7,822	8,965	8,965	8,967	8,967	8,967	8,967	8,967	8,967	8,967						
2003/04	91	615	781	1,008	1,128	1,135	1,136	1,139	1,211	1,211	1,211	1,211	1,211	1,211	1,211						
2004/05	27	724	1,464	4,584	9,077	9,887	10,201	10,297	10,486	10,486	10,486	10,486	10,486	10,486	10,486						
2005/06	121	273	288	288	288	288	288	288	288	288	288	288	288	288	288						
2006/07	167	1,563	1,665	1,665	1,665	1,665	1,665	1,665	1,665	1,665	1,665	1,665	1,665	1,665	1,665						
2007/08	63	580	838	2,187	4,688	5,878	1,665														
2008/09	13	37	1,250	1,578	1,578																
2009/10	39	72	76	175																	
2010/11	203	335	4,425																		
2011/12	20	36																			
2012/13	147																				

II. Limited Paid Loss Development

Claim Period	Months of Development:																				
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192	192-204	204-216	216-228	228-240	240-Ult	
to 1993/94									1,000	1,008	1,018	1,060	1,123	1,019	1,004	1,000	1,000	1,000	1,000	1,000	
1994/95	1,233	1,147	1,255	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	
1995/96	1,576	1,574	1,181	1,202	0,999	1,082	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	
1996/97	3,795	2,482	1,142	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	
1997/98	1,794	2,410	15,636	1,200	1,234	1,246	1,300	1,210	1,192	1,051	1,070	1,029	1,011	1,001	1,000						
1998/99	5,157	2,588	4,315	1,000	1,000	1,000	1,017	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000						
1999/00	6,071	5,011	1,091	1,021	1,012	1,092	1,091	1,005	1,001	1,000	1,000	1,000	1,000	1,000	1,000						
2000/01	1,118	1,503	1,767	1,097	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000						
2001/02	4,821	1,936	1,409	1,021	1,010	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000						
2002/03	2,741	3,160	1,939	1,668	1,507	1,146	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000						
2003/04	6,764	1,271	1,291	1,119	1,006	1,001	1,003	1,063	1,000												
2004/05	26,659	2,024	3,130	1,980	1,089	1,032	1,009	1,018													
2005/06	2,250	1,055	1,000	1,000	1,000	1,000	1,000	1,000													
2006/07	9,343	1,066	1,000	1,000	1,000	1,000	1,000	1,000													
2007/08	9,287	1,443	2,611	2,144	1,254																
2008/09	2,810	33,439	1,263	1,000																	
2009/10	1,837	1,054	2,313																		
2010/11	1,650	13,206																			
2011/12	1,762																				
2012/13																					
Average																					
All	5,037	4,492	2,646	1,230	1,079	1,046	1,035	1,027	1,018	1,006	1,010	1,011	1,019	1,003	1,001	1,000	1,000	1,000	1,000	1,000	
Wtd 3	1,686	12,941	1,821	1,461	1,179	1,027	1,009	1,013	1,000	1,000	1,000	1,000	1,005	1,000	1,000	1,000	1,000	1,000	1,000	1,000	
Last 3	1,749	15,900	2,062	1,381	1,085	1,011	1,004	1,027	1,000	1,000	1,000	1,000	1,004	1,000	1,000	1,000	1,000	1,000	1,000	1,000	
Last 5	2,136	5,238	1,525	1,327	1,032	1,011	1,001	1,006	1,000	1,000	1,000	1,000	1,000	1,000	1,000						
x-hi,low																					
Similar																					
Previous	5,000	2,000	1,600	1,200	1,075	1,050	1,025	1,010	1,005	1,005	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	
Selected	5,000	2,250	1,600	1,200	1,075	1,050	1,020	1,010	1,005	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	
Cumulative	25,243	5,049	2,244	1,402	1,169	1,087	1,035	1,015	1,005	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	
Percent	4.0%	19.8%	44.6%	71.3%	85.6%	92.0%	96.6%	98.5%	99.5%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	

Amounts are limited (net of excess insurance).

Data was provided by MWDSC.

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
LIABILITY

Exhibit LI-2 (page 3)

Historical Limited Reported Incurred Losses (\$000) and Limited Reported Incurred Loss Development

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

Claim Period	Months of Development:																			
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240
to 1993/94									\$5,715	\$5,715	\$5,762	\$5,865	\$6,212	\$6,976	\$7,411	\$7,409	\$7,132	\$7,132	\$7,132	\$7,132
1994/95	627	773	887	1,113	1,113	1,113	1,113	1,113	1,113	1,113	1,113	1,113	1,113	1,113	1,113	1,113	1,113	1,113	1,113	1,113
1995/96	125	197	310	366	440	440	476	476	476	476	476	476	476	476	476	476	476	476	476	476
1996/97	88	334	829	947	947	947	947	947	947	947	947	947	947	947	947	947	947	947	947	947
1997/98	34	61	147	2,299	2,759	3,405	4,241	5,514	7,360	8,555	9,016	9,602	9,938	9,438	9,438	9,438	9,438	9,438	9,438	9,438
1998/99	343	1,202	3,322	4,276	4,271	4,071	4,042	4,099	4,099	4,099	4,099	4,099	4,099	4,099	4,099	4,099	4,099	4,099	4,099	4,099
1999/00	141	856	4,289	4,680	4,776	4,834	6,206	6,379	6,341	6,341	6,341	5,792	5,792	5,892						
2000/01	512	572	860	1,519	1,667	2,175	2,130	1,667	1,667	1,667	1,667	1,667	1,667	1,667						
2001/02	358	1,728	3,345	4,713	5,971	6,069	5,960	5,460	4,860	4,860	4,860	4,860	4,860							
2002/03	185	508	1,606	7,918	7,973	16,106	16,999	8,965	9,017	9,017	9,017									
2003/04	91	615	2,359	2,491	2,167	2,167	2,117	1,827	1,827	1,827										
2004/05	27	1,528	2,488	5,150	9,840	10,372	10,489	10,550	10,738											
2005/06	248	440	338	313	288	288	288	288												
2006/07	469	1,862	1,702	1,665	1,665	1,665	1,665													
2007/08	475	955	1,120	2,643	6,397	7,550														
2008/09	310	360	2,234	3,081	3,091															
2009/10	345	413	412	175																
2010/11	1,028	7,985	7,598																	
2011/12	667	1,171																		
2012/13	455																			

II. Limited Reported Incurred Loss Development

Claim Period	Months of Development:																			
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192	192-204	204-216	216-228	228-240	240-Ult
to 1993/94									1.000	1.008	1.018	1.059	1.123	1.062	1.000	0.963	1.000	1.000	1.000	1.000
1994/95	1.233	1.147	1.255	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1995/96	1.576	1.574	1.181	1.202	0.999	1.082	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1996/97	3.795	2.482	1.142	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1997/98	1.794	2.410	15.636	1.200	1.234	1.246	1.300	1.335	1.162	1.054	1.065	1.035	0.950	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1998/99	3.504	2.763	1.287	0.999	0.953	0.993	1.014	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1999/00	6.071	5.011	1.091	1.021	1.012	1.284	1.028	0.994	1.000	1.000	0.914	1.000	1.017							
2000/01	1.118	1.503	1.767	1.097	1.305	0.979	0.783	1.000	1.000	1.000	1.000	1.000	1.000							
2001/02	4.821	1.936	1.409	1.267	1.016	0.982	0.916	0.890	1.000	1.000	1.000	1.000								
2002/03	2.741	3.160	4.930	1.007	2.020	1.055	0.527	1.006	1.000	1.000										
2003/04	6.764	3.837	1.056	0.870	1.000	0.977	0.863	1.000	1.000											
2004/05	56.312	1.628	2.070	1.911	1.054	1.011	1.006	1.018												
2005/06	1.772	0.768	0.926	0.919	1.000	1.000	1.000													
2006/07	3.973	0.914	0.979	1.000	1.000	1.000														
2007/08	2.013	1.172	2.360	2.421	1.180															
2008/09	1.159	6.209	1.379	1.003																
2009/10	1.197	0.997	0.426																	
2010/11	7.766	0.951																		
2011/12	1.756																			
2012/13																				
Average																				
All	6.076	2.263	2.431	1.194	1.127	1.047	0.953	1.022	1.015	1.006	1.000	1.012	1.013	1.010	1.000	0.991	1.000	1.000	1.000	1.000
Wtd 3	4.692	1.170	1.567	1.510	1.138	1.009	0.982	1.011	1.000	1.000	0.957	1.000	0.980	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Last 3	3.573	2.719	1.389	1.475	1.060	1.004	0.956	1.008	1.000	1.000	0.971	1.000	0.989	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Last 5	1.655	1.040	1.095	1.305	1.018	1.004	0.926	1.002	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
x-hi,low																				
Similar																				
Previous	2.500	1.700	1.250	1.030	1.015	1.005	1.002	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Selected	2.750	1.700	1.250	1.030	1.015	1.005	1.002	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Cumulative	6.158	2.239	1.317	1.054	1.023	1.008	1.003	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Percent	16.2%	44.7%	75.9%	94.9%	97.7%	99.2%	99.7%	99.9%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Amounts are limited (net of excess insurance).

Data was provided by MWDSC.

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
LIABILITY

Exhibit LI-2 (page 4)



Historical Reported Claims and Reported Claim Development

I. Historical Reported Claims

Claim Period	Months of Development:																			
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240
to 1993/94									911	912	920	921	921	921	921	922	922	922	922	922
1994/95	97	111	112	112	112	112	112	112	112	112	112	112	112	112	112	112	112	112	112	112
1995/96	72	81	82	83	83	83	84	84	84	84	84	84	84	84	84	84	84	84	84	84
1996/97	91	105	105	105	105	105	105	105	105	105	105	105	105	105	105	105	105	105	105	105
1997/98	75	81	84	86	86	86	87	87	87	87	87	87	87	87	87	87	87	87	87	87
1998/99	78	85	86	87	87	87	87	89	89	89	89	89	89	89	89	89	89	89	89	89
1999/00	66	88	94	94	95	95	95	95	95	95	95	95	95	95	95	95	95	95	95	95
2000/01	60	80	84	84	84	84	84	84	84	84	84	84	84	84	84	84	84	84	84	84
2001/02	66	82	85	85	85	85	85	85	85	85	85	85	85	85	85	85	85	85	85	85
2002/03	60	74	78	79	79	79	79	79	79	79	79	79	79	79	79	79	79	79	79	79
2003/04	66	95	96	96	96	96	96	96	96	96	96	96	96	96	96	96	96	96	96	96
2004/05	52	59	59	59	59	59	59	59	59	59	59	59	59	59	59	59	59	59	59	59
2005/06	37	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48
2006/07	39	47	47	47	47	47	47	47	47	47	47	47	47	47	47	47	47	47	47	47
2007/08	57	62	65	68	68	68	68	68	68	68	68	68	68	68	68	68	68	68	68	68
2008/09	27	29	29	29	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30
2009/10	28	34	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35
2010/11	49	73	74	74	74	74	74	74	74	74	74	74	74	74	74	74	74	74	74	74
2011/12	33	35																		
2012/13	29																			

II. Reported Claim Development

Claim Period	Months of Development:																			
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192	192-204	204-216	216-228	228-240	240-Ult
to 1993/94									1.001	1.009	1.001	1.000	1.000	1.000	1.001	1.000	1.000	1.000	1.000	1.000
1994/95	1.144	1.009	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1995/96	1.125	1.012	1.012	1.000	1.000	1.012	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1996/97	1.154	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1997/98	1.080	1.037	1.024	1.000	1.000	1.012	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1998/99	1.090	1.012	1.012	1.000	1.000	1.000	1.023	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1999/00	1.333	1.068	1.000	1.011	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2000/01	1.333	1.050	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2001/02	1.242	1.037	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2002/03	1.233	1.054	1.013	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2003/04	1.439	1.011	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2004/05	1.135	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2005/06	1.297	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2006/07	1.205	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2007/08	1.088	1.048	1.046	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2008/09	1.074	1.000	1.000	1.034	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2009/10	1.214	1.029	1.000																	
2010/11	1.490	1.014																		
2011/12	1.061																			
2012/13																				
Average																				
All	1.208	1.022	1.007	1.003	1.000	1.002	1.002	1.000	1.000	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Wtd 3	1.291	1.015	1.023	1.007	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Last 3	1.255	1.014	1.015	1.011	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Last 5	1.125	1.014	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
x-hi,low																				
Similar																				
Previous	1.200	1.030	1.004	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Selected	1.200	1.030	1.004	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Cumulative	1.241	1.034	1.004	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Percent	80.6%	96.7%	99.6%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
LIABILITY

Exhibit LI-2 (page 5)

Historical Ratio of Limited Paid Losses and Limited Reported Incurred Losses

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

Claim Period	Months of Development:																			
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240
to 1993/94									100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
1994/95	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
1995/96	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
1996/97	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
1997/98	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	90.7%	93.0%	92.8%	93.2%	92.6%	98.6%	98.7%	98.7%			
1998/99	20.4%	30.0%	28.1%	94.3%	94.4%	99.0%	99.8%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
1999/00	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	85.1%	90.2%	91.3%	91.4%	91.4%	100.0%	100.0%	98.3%						
2000/01	100.0%	100.0%	100.0%	100.0%	100.0%	76.7%	78.3%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
2001/02	100.0%	100.0%	100.0%	100.0%	80.6%	80.1%	81.5%	89.0%	100.0%	100.0%	100.0%	100.0%								
2002/03	100.0%	100.0%	100.0%	39.3%	65.1%	48.6%	52.7%	100.0%	99.5%	99.5%										
2003/04	100.0%	100.0%	33.1%	40.5%	52.1%	52.4%	53.7%	62.4%	66.3%	66.3%										
2004/05	100.0%	47.3%	58.9%	89.0%	92.2%	95.3%	97.3%	97.6%	97.7%											
2005/06	48.8%	62.0%	85.1%	91.9%	100.0%	100.0%	100.0%	100.0%												
2006/07	35.7%	83.9%	97.9%	100.0%	100.0%	100.0%	100.0%													
2007/08	13.2%	60.8%	74.8%	82.7%	73.3%	77.8%														
2008/09	4.3%	10.4%	56.0%	51.2%	51.1%															
2009/10	11.4%	17.4%	18.4%	100.0%																
2010/11	19.8%	4.2%	58.2%																	
2011/12	3.0%	3.0%																		
2012/13	32.3%																			
Average																				
All	62.6%	67.7%	77.1%	86.8%	87.3%	87.8%	88.3%	94.9%	95.4%	95.5%	98.4%	99.2%	99.1%	99.6%	99.1%	99.0%	100.0%	100.0%	100.0%	100.0%
Last 3	18.4%	8.2%	44.2%	78.0%	74.8%	92.6%	99.1%	86.7%	87.8%	88.8%	99.8%	100.0%	100.0%	99.0%	99.6%	99.6%	100.0%	100.0%		
Last 5	11.8%	10.7%	63.0%	91.5%	88.5%	91.1%	83.6%	95.5%	99.0%	96.9%	99.8%	100.0%	100.0%	99.5%	100.0%	99.6%				
x-hi,low																				
Implicit	24.4%	44.4%	58.7%	75.1%	87.5%	92.7%	96.9%	98.6%	99.5%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Developed Limited Paid Losses

Claim Period (1)	Months of Development 6/30/13 (2)	Limited Paid Losses 6/30/13 (3)	Percent Losses Paid (4)	Developed Limited Paid Losses (3)/(4) (5)
to 1993/94	240.0	\$7,132,451	100.0%	\$7,132,451
1994/95	228.0	1,112,906	100.0%	1,112,906
1995/96	216.0	475,577	100.0%	475,577
1996/97	204.0	946,609	100.0%	946,609
1997/98	192.0	9,310,446	100.0%	9,310,446
1998/99	180.0	4,098,516	100.0%	4,098,516
1999/00	168.0	5,792,412	100.0%	5,792,412
2000/01	156.0	1,667,454	100.0%	1,667,454
2001/02	144.0	4,860,124	100.0%	4,860,124
2002/03	132.0	8,967,080	100.0%	8,967,080
2003/04	120.0	1,210,995	100.0%	1,210,995
2004/05	108.0	10,486,125	99.5%	10,538,556
2005/06	96.0	287,620	98.5%	291,949
2006/07	84.0	1,665,023	96.6%	1,723,883
2007/08	72.0	5,877,557	92.0%	6,389,601
2008/09	60.0	1,578,269	85.6%	1,844,448
2009/10	48.0	175,378	71.3%	245,947
2010/11	36.0	4,424,598	44.6%	7,750,331 *
2011/12	24.0	35,522	19.8%	179,334
2012/13	12.0	147,128	4.0%	3,713,946

* - Indicates large claim(s) limited to retention. For details, see Exhibit LI-15.

(3) is from Exhibit LI-1.

(4) is from Exhibit LI-2.

Developed Limited Reported Incurred Losses

Claim Period (1)	Months of Development 6/30/13 (2)	Limited Reported Incurred Losses 6/30/13 (3)	Percent Losses Reported (4)	Developed Limited Reported Incurred Losses (3)/(4) (5)
to 1993/94	240.0	\$7,132,451	100.0%	\$7,132,451
1994/95	228.0	1,112,906	100.0%	1,112,906
1995/96	216.0	475,577	100.0%	475,577
1996/97	204.0	946,609	100.0%	946,609
1997/98	192.0	9,437,847	100.0%	9,437,847
1998/99	180.0	4,098,516	100.0%	4,098,516
1999/00	168.0	5,892,412	100.0%	5,892,412
2000/01	156.0	1,667,454	100.0%	1,667,454
2001/02	144.0	4,860,124	100.0%	4,860,124
2002/03	132.0	9,016,507	100.0%	9,016,507
2003/04	120.0	1,826,693	100.0%	1,826,693
2004/05	108.0	10,738,441	100.0%	10,738,441
2005/06	96.0	287,620	99.9%	287,908
2006/07	84.0	1,665,023	99.7%	1,670,021
2007/08	72.0	7,549,890	99.2%	7,610,417
2008/09	60.0	3,090,774	97.7%	3,162,286
2009/10	48.0	175,378	94.9%	184,819
2010/11	36.0	7,597,539	75.9%	7,889,082 *
2011/12	24.0	1,170,522	44.7%	2,621,256
2012/13	12.0	455,158	16.2%	2,803,012

* - Indicates large claim(s) limited to retention. For details, see Exhibit LI-15.

(3) is from Exhibit LI-1.

(4) is from Exhibit LI-2.



METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
LIABILITY

Exhibit LI-5

Developed Limited Case Reserves

Claim Period (1)	Months of Development 6/30/13 (2)	Percent Losses Paid (3)	Percent Losses Reported (4)	Percent Losses Reserved 6/30/13 [(4)-(3)]/ [100.0%-(3)] (5)	Limited Paid Losses 6/30/13 (6)	Limited Case Reserves 6/30/13 (7)	Developed Limited Case Reserves (6)+(7)/(5) (8)
to 1993/94	240.0	100.0%	100.0%	100.0%	\$7,132,451	\$0	\$7,132,451
1994/95	228.0	100.0%	100.0%	100.0%	1,112,906	0	1,112,906
1995/96	216.0	100.0%	100.0%	100.0%	475,577	0	475,577
1996/97	204.0	100.0%	100.0%	100.0%	946,609	0	946,609
1997/98	192.0	100.0%	100.0%	100.0%	9,310,446	127,401	9,437,847
1998/99	180.0	100.0%	100.0%	100.0%	4,098,516	0	4,098,516
1999/00	168.0	100.0%	100.0%	100.0%	5,792,412	100,000	5,892,412
2000/01	156.0	100.0%	100.0%	100.0%	1,667,454	0	1,667,454
2001/02	144.0	100.0%	100.0%	100.0%	4,860,124	0	4,860,124
2002/03	132.0	100.0%	100.0%	100.0%	8,967,080	49,427	9,016,507
2003/04	120.0	100.0%	100.0%	100.0%	1,210,995	615,699	1,826,693
2004/05	108.0	99.5%	100.0%	100.0%	10,486,125	252,316	10,738,441
2005/06	96.0	98.5%	99.9%	93.3%	287,620	0	287,620
2006/07	84.0	96.6%	99.7%	91.2%	1,665,023	0	1,665,023
2007/08	72.0	92.0%	99.2%	90.1%	5,877,557	1,672,333	7,734,148
2008/09	60.0	85.6%	97.7%	84.3%	1,578,269	1,512,505	3,371,826
2009/10	48.0	71.3%	94.9%	82.2%	175,378	0	175,378
2010/11	36.0	44.6%	75.9%	56.5%	4,424,598	3,172,941	7,936,598 *
2011/12	24.0	19.8%	44.7%	31.0%	35,522	1,135,000	3,698,614
2012/13	12.0	4.0%	16.2%	12.8%	147,128	308,030	2,556,798

* - Indicates large claim(s) limited to retention. For details, see Exhibit LI-15.

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

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

Preliminary Projected Ultimate Limited Losses to 2012/13

Claim Period (1)	Developed Limited Paid Losses (2)	Developed Limited Reported Incurred Losses (3)	Developed Limited Case Reserves (4)	Preliminary Projected Ultimate Limited Losses (5)
to 1993/94	\$7,132,451	\$7,132,451	\$7,132,451	\$7,132,451
1994/95	1,112,906	1,112,906	1,112,906	1,112,906
1995/96	475,577	475,577	475,577	475,577
1996/97	946,609	946,609	946,609	946,609
1997/98	9,310,446	9,437,847	9,437,847	9,450,587
1998/99	4,098,516	4,098,516	4,098,516	4,098,516
1999/00	5,792,412	5,892,412	5,892,412	5,902,412
2000/01	1,667,454	1,667,454	1,667,454	1,667,454
2001/02	4,860,124	4,860,124	4,860,124	4,860,124
2002/03	8,967,080	9,016,507	9,016,507	9,021,450
2003/04	1,210,995	1,826,693	1,826,693	1,888,263
2004/05	10,538,556	10,738,441	10,738,441	10,763,672
2005/06	291,949	287,908	287,620	287,620
2006/07	1,723,883	1,670,021	1,665,023	1,665,023
2007/08	6,389,601	7,610,417	7,734,148	7,717,123
2008/09	1,844,448	3,162,286	3,371,826	3,288,010
2009/10	245,947	184,819	175,378	175,378
2010/11	7,750,331	7,889,082	7,936,598	7,914,833
2011/12	179,334	2,621,256	3,698,614	2,563,815
2012/13	3,713,946	2,803,012	2,556,798	2,886,713

(2) is from Exhibit LI-3.

(3) is from Exhibit LI-4.

(4) is from Exhibit LI-5.

(5) is based on (2) to (4) and actuarial judgment.



Bornhuetter - Ferguson Analysis

I. A-priori Loss Rate

Claim Period (1)	Preliminary Projected Ultimate Limited Losses (2)	Payroll (000) (3)	Limited Loss Rate per \$100 of Payroll (2)/(3)/10 (4)	Loss Rate Trend (2013/14 = 1.000) (5)	Trended Limited Loss Rate per \$100 of Payroll (4)X(5) (6)	Projected A-priori Loss Rate per \$100 of Payroll (7)/(5) (8)
2003/04	\$1,888,263	\$151,940	\$1.24	1.219	\$1.51	\$2.26
2004/05	10,763,672	156,498	6.88	1.195	8.22	2.31
2005/06	287,620	161,193	0.18	1.172	0.21	2.35
2006/07	1,665,023	174,956	0.95	1.149	1.09	2.40
2007/08	7,717,123	190,527	4.05	1.126	4.56	2.45
2008/09	3,288,010	190,897	1.72	1.104	1.90	2.50
2009/10	175,378	192,857	0.09	1.082	0.10	2.55
2010/11	7,914,833	191,363	4.14	1.061	4.39	2.60
2011/12	2,563,815	197,185	1.30	1.040	1.35	2.65
2012/13	2,886,713	185,932	1.55	1.020	1.58	2.70
(7) Projected 2013/14 a-priori loss rate per \$100 of Payroll					\$2.76	

II. Bornhuetter - Ferguson Analysis Based on Limited Paid Losses

Claim Period (1)	Limited Paid Losses 6/30/13 (2)	Percent Losses Paid (3)	Projected A-priori Loss Rate per \$100 of Payroll (4)	Payroll (000) (5)	B-F Unpaid Losses [100.0%-(3)] X(4)X(5)X10 (6)	B-F Ultimate Limited Paid Losses (2)+(6) (7)
2008/09	\$1,578,269	85.6%	\$2.50	\$190,897	\$688,272	\$2,266,540
2009/10	175,378	71.3%	2.55	192,857	1,410,136	1,585,514
2010/11	4,424,598	44.6%	2.60	191,363	2,757,269	7,181,868
2011/12	35,522	19.8%	2.65	197,185	4,192,393	4,227,915
2012/13	147,128	4.0%	2.70	185,932	4,828,965	4,976,093

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

Claim Period (1)	Limited Reported Incurred Losses 6/30/13 (2)	Percent Losses Reported (3)	Projected A-priori Loss Rate per \$100 of Payroll (4)	Payroll (000) (5)	B-F Unreported Losses [100.0%-(3)] X(4)X(5)X10 (6)	B-F Ultimate Limited Reported Losses (2)+(6) (7)
2008/09	\$3,090,774	97.7%	\$2.50	\$190,897	\$107,853	\$3,198,627
2009/10	175,378	94.9%	2.55	192,857	251,046	426,423
2010/11	7,597,539	75.9%	2.60	191,363	1,198,078	8,795,617
2011/12	1,170,522	44.7%	2.65	197,185	2,893,391	4,063,912
2012/13	455,158	16.2%	2.70	185,932	4,211,675	4,666,833

Section I, (2) is from Exhibit LI-6.

Section I, (3), Section II, (5) and Section III, (5) are from Exhibit LI-10.

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

Section I, (7) is based on Section I, (6) and actuarial judgment.

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

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

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

Frequency Times Severity Analysis

I. Projected Ultimate Claims

Claim Period (1)	Months of Development 6/30/13 (2)	Reported Claims 6/30/13 (3)	Percent Claims Reported (4)	Projected Ultimate Claims (3)/(4) (5)	Payroll (000) (6)	Frequency (per \$1M of Payroll) (5)/(6)X1,000 (7)
2003/04	120.0	96	100.0%	96	\$151,940	0.63
2004/05	108.0	59	100.0%	59	156,498	0.38
2005/06	96.0	48	100.0%	48	161,193	0.30
2006/07	84.0	47	100.0%	47	174,956	0.27
2007/08	72.0	68	100.0%	68	190,527	0.36
2008/09	60.0	30	100.0%	30	190,897	0.16
2009/10	48.0	35	100.0%	35	192,857	0.18
2010/11	36.0	74	99.6%	74	191,363	0.39
2011/12	24.0	35	96.7%	36	197,185	0.18
2012/13	12.0	29	80.6%	36	185,932	0.19

II. Frequency Times Severity

Claim Period (1)	Preliminary Projected Ultimate Limited Losses (2)	Projected Ultimate Claims (3)	Average Severity (2)/(3) (4)	Severity Trend (2013/14 = 1.000) (5)	Trended Average Claim Severity (4)X(5) (6)	De-Trended Projected 2013/14 Average Claim Severity (7)/(5) (8)	Frequency Times Severity (3)X(8) (9)
2003/04	\$1,888,263	96	\$19,669	1.638	\$32,223	\$64,799	\$6,220,748
2004/05	10,763,672	59	182,435	1.559	284,476	68,078	4,016,621
2005/06	287,620	48	5,992	1.484	8,894	71,523	3,433,108
2006/07	1,665,023	47	35,426	1.413	50,048	75,142	3,531,681
2007/08	7,717,123	68	113,487	1.345	152,606	78,944	5,368,215
2008/09	3,288,010	30	109,600	1.280	140,281	82,939	2,488,168
2009/10	175,378	35	5,011	1.218	6,105	87,136	3,049,747
2010/11	7,914,833	74	106,957	1.160	124,029	91,545	6,774,307
2011/12	2,563,815	36	71,217	1.104	78,607	96,177	3,462,367
2012/13	2,886,713	36	80,186	1.051	84,244	101,043	3,637,563

(7) Projected 2013/14 average claim severity \$106,156

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

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

Section I, (6) is from Exhibit LI-10.

Section II, (2) is from Exhibit LI-6.

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

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

Section II, (7) is based on (6) and actuarial judgment.



METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
LIABILITY

Exhibit LI-9

Projected Ultimate Limited Losses to 2012/13

Claim Period (1)	Developed Limited Paid Losses (2)	Developed Limited Reported Incurred Losses (3)	Developed Limited Case Reserves (4)	B-F Ultimate Limited Paid Losses (5)	B-F Ultimate Limited Reported Losses (6)	Frequency Times Severity (7)	Projected Ultimate Limited Losses (8)
to 1993/94	\$7,132,451	\$7,132,451	\$7,132,451				\$7,132,451
1994/95	1,112,906	1,112,906	1,112,906				1,112,906
1995/96	475,577	475,577	475,577				475,577
1996/97	946,609	946,609	946,609				946,609
1997/98	9,310,446	9,437,847	9,437,847				9,451,000
1998/99	4,098,516	4,098,516	4,098,516				4,098,516
1999/00	5,792,412	5,892,412	5,892,412				5,902,412
2000/01	1,667,454	1,667,454	1,667,454				1,667,454
2001/02	4,860,124	4,860,124	4,860,124				4,860,124
2002/03	8,967,080	9,016,507	9,016,507				9,021,450
2003/04	1,210,995	1,826,693	1,826,693				1,888,263
2004/05	10,538,556	10,738,441	10,738,441				10,764,000
2005/06	291,949	287,908	287,620				287,620
2006/07	1,723,883	1,670,021	1,665,023				1,665,023
2007/08	6,389,601	7,610,417	7,734,148				7,717,123
2008/09	1,844,448	3,162,286	3,371,826	2,266,540	3,198,627	2,488,168	3,288,000
2009/10	245,947	184,819	175,378	1,585,514	426,423	3,049,747	175,378
2010/11	7,750,331	7,889,082	7,936,598	7,181,868	8,795,617	6,774,307	7,915,000
2011/12	179,334	2,621,256	3,698,614	4,227,915	4,063,912	3,462,367	3,024,000
2012/13	3,713,946	2,803,012	2,556,798	4,976,093	4,666,833	3,637,563	3,950,000

(2) is from Exhibit LI-3.

(3) is from Exhibit LI-4.

(4) is from Exhibit LI-5.

(5) and (6) are from Exhibit LI-7.

(7) is from Exhibit LI-8.

(8) is based on (2) to (7) and actuarial judgment.



Projected Ultimate Limited Losses for 2013/14 and Subsequent

Claim Period (1)	Projected Ultimate Limited Losses (2)	Payroll (000) (3)	Limited Loss Rate per \$100 of Payroll (2)/(3)/10 (4)	Loss Rate Trend (2013/14 = 1.000) (5)	Trended Limited Loss Rate per \$100 of Payroll (4)X(5) (6)
2003/04	\$1,888,263	\$151,940	\$1.24	1.219	\$1.51
2004/05	10,764,000	156,498	6.88	1.195	8.22
2005/06	287,620	161,193	0.18	1.172	0.21
2006/07	1,665,023	174,956	0.95	1.149	1.09
2007/08	7,717,123	190,527	4.05	1.126	4.56
2008/09	3,288,000	190,897	1.72	1.104	1.90
2009/10	175,378	192,857	0.09	1.082	0.10
2010/11	7,915,000	191,363	4.14	1.061	4.39
2011/12	3,024,000	197,185	1.53	1.040	1.60
2012/13	3,950,000	185,932	2.12	1.020	2.17
Total	\$40,674,406	\$1,793,348	\$2.27		\$2.58

Claim Period (1)	Projected Limited Loss Rate per \$100 of Payroll (7)	Projected Payroll (000) (8)	Projected Ultimate Limited Losses (7)X(8)X10 (9)	Present Value Factor (10)	Present Value of Projected Limited Loss Rate per \$100 of Payroll (7)X(10) (11)	Present Value of Projected Ultimate Limited Losses (8)X(11)X10 (12)
2013/14	\$2.85	\$189,186	\$5,392,000	0.95	\$2.71	\$5,129,000
2014/15	2.91	192,497	5,596,000	0.95	2.77	5,323,000
2015/16	2.97	198,272	5,879,000	0.95	2.82	5,592,000

(2) is from Exhibit LI-9.

(3) for 2005/06, 2006/07, 2007/08, 2008/09, 2009/10, 2010/11, 2011/12 and 2012/13 were provided by MWDSC. Other periods assume a 3% trend.

(5) is based on a 2% trend.

(7) for 2013/14 is based on (6) and actuarial judgment.

(7) for 2014/15 and subsequent are based on 2013/14 plus a 2% trend.

(8) to 2014/15 was provided by MWDSC. Other claim periods are based on a 3% trend.

(10) is based on a 1.5% interest rate and the payout pattern in Exhibit LI-2.



METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
LIABILITY

Exhibit LI-11

Estimated Outstanding Losses as of June 30, 2013

Claim Period (1)	Limited Paid Losses 6/30/13 (2)	Limited Case Reserves 6/30/13 (3)	Limited Reported Incurred Losses 6/30/13 (4)	Projected Ultimate Limited Losses (5)	Estimated IBNR 6/30/13 (5)-(4) (6)	Estimated Outstanding Losses 6/30/13 (3)+(6) (7)	Present Value Factor (8)	Present Value of Estimated Outstanding Losses 6/30/13 (7)X(8) (9)
to 1993/94	\$7,132,451	\$0	\$7,132,451	\$7,132,451	\$0	\$0	1.00	\$0
1994/95	1,112,906	0	1,112,906	1,112,906	0	0	1.00	0
1995/96	475,577	0	475,577	475,577	0	0	1.00	0
1996/97	946,609	0	946,609	946,609	0	0	1.00	0
1997/98	9,310,446	127,401	9,437,847	9,451,000	13,153	140,554	1.00	140,554
1998/99	4,098,516	0	4,098,516	4,098,516	0	0	1.00	0
1999/00	5,792,412	100,000	5,892,412	5,902,412	10,000	110,000	1.00	110,000
2000/01	1,667,454	0	1,667,454	1,667,454	0	0	1.00	0
2001/02	4,860,124	0	4,860,124	4,860,124	0	0	1.00	0
2002/03	8,967,080	49,427	9,016,507	9,021,450	4,943	54,370	1.00	54,370
2003/04	1,210,995	615,699	1,826,693	1,888,263	61,570	677,269	1.00	677,269
2004/05	10,486,125	252,316	10,738,441	10,764,000	25,559	277,875	0.99	275,814
2005/06	287,620	0	287,620	287,620	0	0	0.99	0
2006/07	1,665,023	0	1,665,023	1,665,023	0	0	0.98	0
2007/08	5,877,557	1,672,333	7,549,890	7,717,123	167,233	1,839,566	0.98	1,807,881
2008/09	1,578,269	1,512,505	3,090,774	3,288,000	197,226	1,709,731	0.98	1,673,950
2009/10	175,378	0	175,378	175,378	0	0	0.98	0
2010/11	4,424,598	3,172,941	7,597,539	7,915,000	317,461	3,490,402	0.98	3,412,964
2011/12	35,522	1,135,000	1,170,522	3,024,000	1,853,478	2,988,478	0.97	2,905,952
2012/13	147,128	308,030	455,158	3,950,000	3,494,842	3,802,872	0.96	3,664,898
Total	\$70,251,790	\$8,945,650	\$79,197,440	\$85,342,905	\$6,145,465	\$15,091,117		\$14,723,652

(2), (3) and (4) are net of specific self insured retention and aggregate retention.

(5) is from Exhibit LI-9.

(8) is based on a 1.5% interest rate and the payout pattern in Exhibit LI-2.



METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
LIABILITY

Exhibit LI-12

Projected Losses Paid July 1, 2013 to June 30, 2014

Claim Period (1)	Months of Development 6/30/13 (2)	Percent Losses Paid (3)	Months of Development 6/30/14 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/13 to 6/30/14 [(5)-(3)]/ [100.0%-(3)] (6)	Estimated Outstanding Losses 6/30/13 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/14 (7)-(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/14 (9)X(10) (11)
to 1993/94	240.0	100.0%	252.0	100.0%	100.0%	\$0	\$0	\$0	1.00	\$0
1994/95	228.0	100.0%	240.0	100.0%	100.0%	0	0	0	1.00	0
1995/96	216.0	100.0%	228.0	100.0%	100.0%	0	0	0	1.00	0
1996/97	204.0	100.0%	216.0	100.0%	100.0%	0	0	0	1.00	0
1997/98	192.0	100.0%	204.0	100.0%	100.0%	140,554	140,554	0	1.00	0
1998/99	180.0	100.0%	192.0	100.0%	100.0%	0	0	0	1.00	0
1999/00	168.0	100.0%	180.0	100.0%	100.0%	110,000	110,000	0	1.00	0
2000/01	156.0	100.0%	168.0	100.0%	100.0%	0	0	0	1.00	0
2001/02	144.0	100.0%	156.0	100.0%	100.0%	0	0	0	1.00	0
2002/03	132.0	100.0%	144.0	100.0%	100.0%	54,370	54,370	0	1.00	0
2003/04	120.0	100.0%	132.0	100.0%	100.0%	677,269	677,269	0	1.00	0
2004/05	108.0	99.5%	120.0	100.0%	100.0%	277,875	277,875	0	1.00	0
2005/06	96.0	98.5%	108.0	99.5%	66.4%	0	0	0	0.99	0
2006/07	84.0	96.6%	96.0	98.5%	56.6%	0	0	0	0.99	0
2007/08	72.0	92.0%	84.0	96.6%	57.4%	1,839,566	1,055,783	783,783	0.98	771,327
2008/09	60.0	85.6%	72.0	92.0%	44.5%	1,709,731	760,320	949,411	0.98	933,058
2009/10	48.0	71.3%	60.0	85.6%	49.7%	0	0	0	0.98	0
2010/11	36.0	44.6%	48.0	71.3%	48.2%	3,490,402	1,683,727	1,806,675	0.98	1,767,850
2011/12	24.0	19.8%	36.0	44.6%	30.9%	2,988,478	922,694	2,065,784	0.98	2,019,952
2012/13	12.0	4.0%	24.0	19.8%	16.5%	3,802,872	627,462	3,175,410	0.97	3,087,721
2013/14	0.0	0.0%	12.0	4.0%	4.0%	5,392,000	213,605	5,178,395	0.96	4,990,515
Total						\$20,483,117	\$6,523,659	\$13,959,458		\$13,570,423

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(3) and (5) are from Exhibit LI-2.

(7) to 2012/13 is from Exhibit LI-11. The amount for 2013/14 is from Exhibit LI-10.

(10) is based on a 1.5% interest rate and the payout pattern in Exhibit LI-2.



METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
LIABILITY

Exhibit LI-13

Projected Losses Paid July 1, 2014 to June 30, 2015

Claim Period (1)	Months of Development 6/30/14 (2)	Percent Losses Paid (3)	Months of Development 6/30/15 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/14 to 6/30/15 [(5)-(3)]/ [100.0%-(3)] (6)	Estimated Outstanding Losses 6/30/14 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/15 (7)-(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/15 (9)X(10) (11)
to 1993/94	252.0	100.0%	264.0	100.0%	100.0%	\$0	\$0	\$0	1.00	\$0
1994/95	240.0	100.0%	252.0	100.0%	100.0%	0	0	0	1.00	0
1995/96	228.0	100.0%	240.0	100.0%	100.0%	0	0	0	1.00	0
1996/97	216.0	100.0%	228.0	100.0%	100.0%	0	0	0	1.00	0
1997/98	204.0	100.0%	216.0	100.0%	100.0%	0	0	0	1.00	0
1998/99	192.0	100.0%	204.0	100.0%	100.0%	0	0	0	1.00	0
1999/00	180.0	100.0%	192.0	100.0%	100.0%	0	0	0	1.00	0
2000/01	168.0	100.0%	180.0	100.0%	100.0%	0	0	0	1.00	0
2001/02	156.0	100.0%	168.0	100.0%	100.0%	0	0	0	1.00	0
2002/03	144.0	100.0%	156.0	100.0%	100.0%	0	0	0	1.00	0
2003/04	132.0	100.0%	144.0	100.0%	100.0%	0	0	0	1.00	0
2004/05	120.0	100.0%	132.0	100.0%	100.0%	0	0	0	1.00	0
2005/06	108.0	99.5%	120.0	100.0%	100.0%	0	0	0	1.00	0
2006/07	96.0	98.5%	108.0	99.5%	66.4%	0	0	0	0.99	0
2007/08	84.0	96.6%	96.0	98.5%	56.6%	783,783	443,429	340,354	0.99	336,154
2008/09	72.0	92.0%	84.0	96.6%	57.4%	949,411	544,896	404,515	0.98	398,086
2009/10	60.0	85.6%	72.0	92.0%	44.5%	0	0	0	0.98	0
2010/11	48.0	71.3%	60.0	85.6%	49.7%	1,806,675	897,988	908,687	0.98	889,670
2011/12	36.0	44.6%	48.0	71.3%	48.2%	2,065,784	996,509	1,069,275	0.98	1,046,297
2012/13	24.0	19.8%	36.0	44.6%	30.9%	3,175,410	980,409	2,195,001	0.98	2,146,303
2013/14	12.0	4.0%	24.0	19.8%	16.5%	5,178,395	854,419	4,323,976	0.97	4,204,570
2014/15	0.0	0.0%	12.0	4.0%	4.0%	5,596,000	221,686	5,374,314	0.96	5,179,326
Total						\$19,555,458	\$4,939,336	\$14,616,122		\$14,200,406

DRAFT

(3) and (5) are from Exhibit LI-2.

(7) to 2013/14 is from Exhibit LI-12, (9). The amount for 2014/15 is from Exhibit LI-10.

(10) is based on a 1.5% interest rate and the payout pattern in Exhibit LI-2.



METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
LIABILITY

Exhibit LI-14

Projected Losses Paid July 1, 2015 to June 30, 2016

Claim Period (1)	Months of Development 6/30/15 (2)	Percent Losses Paid (3)	Months of Development 6/30/16 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/15 to 6/30/16 [(5)-(3)]/ [100.0%-(3)] (6)	Estimated Outstanding Losses 6/30/15 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/16 (7)-(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/16 (9)X(10) (11)
to 1993/94	264.0	100.0%	276.0	100.0%	100.0%	\$0	\$0	\$0	1.00	\$0
1994/95	252.0	100.0%	264.0	100.0%	100.0%	0	0	0	1.00	0
1995/96	240.0	100.0%	252.0	100.0%	100.0%	0	0	0	1.00	0
1996/97	228.0	100.0%	240.0	100.0%	100.0%	0	0	0	1.00	0
1997/98	216.0	100.0%	228.0	100.0%	100.0%	0	0	0	1.00	0
1998/99	204.0	100.0%	216.0	100.0%	100.0%	0	0	0	1.00	0
1999/00	192.0	100.0%	204.0	100.0%	100.0%	0	0	0	1.00	0
2000/01	180.0	100.0%	192.0	100.0%	100.0%	0	0	0	1.00	0
2001/02	168.0	100.0%	180.0	100.0%	100.0%	0	0	0	1.00	0
2002/03	156.0	100.0%	168.0	100.0%	100.0%	0	0	0	1.00	0
2003/04	144.0	100.0%	156.0	100.0%	100.0%	0	0	0	1.00	0
2004/05	132.0	100.0%	144.0	100.0%	100.0%	0	0	0	1.00	0
2005/06	120.0	100.0%	132.0	100.0%	100.0%	0	0	0	1.00	0
2006/07	108.0	99.5%	120.0	100.0%	100.0%	0	0	0	1.00	0
2007/08	96.0	98.5%	108.0	99.5%	66.4%	340,354	226,149	114,205	0.99	113,358
2008/09	84.0	96.6%	96.0	98.5%	56.6%	404,515	228,856	175,659	0.99	173,492
2009/10	72.0	92.0%	84.0	96.6%	57.4%	0	0	0	0.98	0
2010/11	60.0	85.6%	72.0	92.0%	44.5%	908,687	404,095	504,592	0.98	495,901
2011/12	48.0	71.3%	60.0	85.6%	49.7%	1,069,275	531,471	537,804	0.98	526,549
2012/13	36.0	44.6%	48.0	71.3%	48.2%	2,195,001	1,058,842	1,136,159	0.98	1,111,743
2013/14	24.0	19.8%	36.0	44.6%	30.9%	4,323,976	1,335,029	2,988,947	0.98	2,922,634
2014/15	12.0	4.0%	24.0	19.8%	16.5%	5,374,314	886,745	4,487,569	0.97	4,363,645
2015/16	0.0	0.0%	12.0	4.0%	4.0%	5,879,000	232,897	5,646,103	0.96	5,441,254
Total						\$20,495,122	\$4,904,084	\$15,591,038		\$15,148,576

(3) and (5) are from Exhibit LI-2.

(7) to 2014/15 is from Exhibit LI-13, (9). The amount for 2015/16 is from Exhibit LI-10.

(10) is based on a 1.5% interest rate and the payout pattern in Exhibit LI-2.



METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
LIABILITY

Exhibit LI-15

List of Large Claims
Reported Incurred Losses Greater Than \$1,000,000

Claim Number (1)	Date of Loss (2)	Claim Period (3)	Specific Self-Insured Retention (4)	Unlimited Paid Losses 6/30/13 (5)	Unlimited Case Reserves 6/30/13 (6)	Unlimited Reported Incurred Losses 6/30/13 (7)
163454	10/7/1989	to 1993/94	\$25,000,000	\$2,550,000	\$0	\$2,550,000
204306	1/1/1992	to 1993/94	25,000,000	1,405,144	0	1,405,144
199592	5/18/1998	1997/98	25,000,000	8,786,689	127,401	8,914,090
202668	2/1/1999	1998/99	25,000,000	3,449,314	0	3,449,314
202162	4/20/2000	1999/00	25,000,000	1,638,305	0	1,638,305
203586	6/1/2000	1999/00	25,000,000	2,500,000	0	2,500,000
203874	10/2/2001	2001/02	25,000,000	2,733,014	0	2,733,014
206093	10/8/2002	2002/03	25,000,000	4,067,950	49,427	4,117,376
207480	10/11/2002	2002/03	25,000,000	1,613,142	0	1,613,142
206417	6/5/2003	2002/03	25,000,000	1,568,916	0	1,568,916
1414816	4/5/2005	2004/05	25,000,000	10,035,282	252,316	10,287,598
1438034	9/25/2006	2006/07	25,000,000	1,468,554	0	1,468,554
1468923	12/1/2007	2007/08	25,000,000	1,567,888	96,934	1,664,823
1478264	1/10/2008	2007/08	25,000,000	3,920,938	1,500,398	5,421,336
1487667	10/1/2008	2008/09	25,000,000	1,014,048	0	1,014,048
1521291	6/23/2009	2008/09	25,000,000	533,154	1,412,505	1,945,659
1596157	6/23/2011	2010/11	6,678,684	3,946,998 *	2,731,686 *	6,678,684 *

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

(1) through (7) were provided by MWDSC.

Size of Loss Distribution

I. Reported Claim Count

Layer (1)	Prior (2)	2008/09 (3)	2009/10 (4)	2010/11 (5)	2011/12 (6)	2012/13 (7)	Total (2)...(7) (8)	Non-Zero Claim Cumulative Total (9)	Non-Zero Claim Cumulative % of Total (10)
0	1,117	10	21	40	19	4	1,211		
0.01 - 5,000	650	15	11	21	11	14	722	722	68.6%
5,000 - 10,000	112	2	0	1	0	2	117	839	79.8%
10,000 - 25,000	54	0	1	4	1	3	63	902	85.7%
25,000 - 50,000	41	0	1	1	0	5	48	950	90.3%
50,000 - 100,000	32	1	1	2	1	0	37	987	93.8%
100,000 - 250,000	25	0	0	4	1	1	31	1,018	96.8%
250,000 - 500,000	10	0	0	0	1	0	11	1,029	97.8%
500,000 - 750,000	4	0	0	0	1	0	5	1,034	98.3%
750,000 - 1,000,000	1	0	0	0	0	0	1	1,035	98.4%
Over 1,000,000	14	2	0	1	0	0	17	1,052	100.0%
Total	2,060	30	35	74	35	29	2,263	1,052	

II. Total Reported Incurred Losses

Layer (1)	Prior (2)	2008/09 (3)	2009/10 (4)	2010/11 (5)	2011/12 (6)	2012/13 (7)	Total (2)...(7) (8)	Non-Zero Claim Cumulative Total (9)	Non-Zero Claim Cumulative % of Total (10)
0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
0.01 - 5,000	849,767	19,679	20,776	42,166	23,522	27,110	983,019	983,019	1.2%
5,000 - 10,000	821,524	11,388	0	7,500	0	12,598	853,009	1,836,028	2.3%
10,000 - 25,000	910,295	0	19,110	67,706	12,000	40,450	1,049,562	2,885,590	3.6%
25,000 - 50,000	1,631,594	0	35,935	32,668	0	250,000	1,950,197	4,835,787	6.1%
50,000 - 100,000	2,416,313	100,000	99,557	158,816	75,000	0	2,849,685	7,685,472	9.7%
100,000 - 250,000	3,992,200	0	0	610,000	200,000	125,000	4,927,200	12,612,672	15.9%
250,000 - 500,000	3,400,423	0	0	0	260,000	0	3,660,423	16,273,096	20.5%
500,000 - 750,000	2,356,230	0	0	0	600,000	0	2,956,230	19,229,326	24.3%
750,000 - 1,000,000	998,110	0	0	0	0	0	998,110	20,227,435	25.5%
Over 1,000,000	49,331,613	2,959,707	0	6,678,684	0	0	58,970,004	79,197,440	100.0%
Total	\$66,708,069	\$3,090,774	\$175,378	\$7,597,539	\$1,170,522	\$455,158	\$79,197,440	\$79,197,440	



Metropolitan Water District of Southern California

**Actuarial Study of the
Self-Insured Workers' Compensation
and Liability Programs
as of December 31, 2012,
and Extrapolated to June 30, 2013**

DRAFT

June 24, 2013



June 24, 2013

Metropolitan Water District of Southern California
700 North Alameda Street, #1-304
Los Angeles, California 90012-2944

Attn: Mr. Drew Boronkay
Risk Manager

**Actuarial Study of the
Self-Insured Workers' Compensation
and Liability Programs
as of December 31, 2012
and Extrapolated to June 30, 2013**

This study has been completed for the Metropolitan Water District of Southern California (MWDSC) for the specific objectives listed in the study. It contains the analysis and conclusions of our work.

Each section and appendix of the study is an integral part of the whole. We recommend a review of the entire study prior to reliance upon this study.

No key personnel have a relationship with the Metropolitan Water District of Southern California that may impair our objectivity.

Please call if you have any questions. Thank you for the opportunity to be of service.

Respectfully submitted,

Aon Global Risk Consulting

By _____
Mujtaba Dattoo, ACAS, MAAA, FCA
Actuarial Practice Leader

MD:blc

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I. Background

The Metropolitan Water District of Southern California (MWDSC) is self-insured for workers' compensation and liability (automobile, general and public officials).

JT2 Integrated Resources administers workers' compensation claims. Carl Warren & Company administers liability claims.

The history of the self-insured retentions for workers' compensation and liability is shown in Tables I-1 and I-2, respectively.

**Table I-1
History of Self-Insured Retentions
Workers' Compensation**

Claim Period(s) (1)	Self-Insured Retention (2)
To 1985/86	\$250,000
1986/87 to 1989/90	300,000
1990/91 to 2000/01	400,000
2001/02	500,000
2002/03	1,000,000
2003/04	1,500,000
2004/05	2,000,000
2005/06 and subsequent	5,000,000

Note: Above information provided by MWDSC.

The liability self-insured retention has been \$25 million since at least 1992/93. We have assumed that the retention for years prior to 1992/93 was also \$25 million, as the actual retention for these years is not readily available.

We have assumed MWDSC will maintain the current insurance coverage through 2013/14.

Data

Loss data valued as of December 31, 2012 was provided to us by MWDSC and Carl Warren & Company. MWDSC also provided payroll for years through 2013/14. Payroll projections for 2014/15 are based on a 3% trend.

In conducting this analysis, we relied upon the provided data without audit or

independent verification; however, we reviewed it for reasonableness and consistency. Any inaccuracies in quantitative data or qualitative representations could have a significant effect on the results of our review and analysis. Any material discrepancies discovered in the loss or exposure data by MWDSC or any other parties should be reported to us immediately, and if warranted, we will make appropriate amendments to the report.

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II. Objectives

The specific objectives of this study are:

1. **Estimate Outstanding Losses.** Estimate outstanding losses (including allocated loss adjustment expenses [ALAE]) as of June 30, 2013.

The estimated outstanding losses are the cost of unpaid claims. The estimated outstanding losses include case reserves and the development of known claims and incurred but not reported (IBNR) claims. ALAE are the direct expenses for settling specific claims. The amounts are limited to the self-insured retention.

2. **Project Ultimate Limited Losses.** Project ultimate limited losses (including ALAE) for 2013/14 and 2014/15.

The projected ultimate limited losses are the accrual value of losses with report dates during 2013/14 and 2014/15, regardless of accident or payment date. The amounts are limited to the specific self-insured retention.

3. **Project Losses Paid.** Project losses paid during 2013/14 and 2014/15.

The projected losses paid are the claim disbursements during 2013/14 and 2014/15, regardless of accident or report date. The amounts are limited to the self-insured retention.

4. **Recommend Funding.** Recommend funding for 2013/14 and 2014/15.

The recommended funding is based on the projected ultimate limited losses and projected expenses.

5. **Affirm GASB Statement No. 10.** Provide a statement affirming the conclusions of this report are consistent with Governmental Accounting Standards Board (GASB) Statement No. 10.

III. Conclusions

We have reached the following conclusions:

1. Estimate Outstanding Losses

The estimated outstanding losses are the cost of unpaid claims. The estimated outstanding losses include case reserves, the development of known claims and IBNR claims. We estimate outstanding losses as of June 30, 2013, excluding catastrophic claims, to be as shown in Table III-1A.

**Table III-1A
Estimated Outstanding Losses
June 30, 2013**

Program (1)	Estimated Outstanding Losses (2)	Present Value of Estimated Outstanding Losses (3)
(A) Workers' compensation	\$5,265,099	\$5,023,993
(B) Liability	19,794,335	19,249,083
(C) Total (A) + (B)	\$25,059,434	\$24,273,076

Note: (A) is from Exhibit WC-12.
(B) is from Exhibit LI-12.

The estimated outstanding losses have decreased from \$26,655,496 as of June 30, 2012, to \$25,059,434 as of June 30, 2013 (a decrease of 6.0%). The majority of this decrease can be attributed to lower selected ultimate losses for 2009/10 through 2011/12 for both workers' compensation and liability, reflecting lower than anticipated development since the prior study.

The present value of the estimated outstanding losses is the amount of money, discounted for anticipated investment income, required to meet unpaid claims. It is calculated based on a 1.5% yield on investments, as provided by MWDSC.

The amounts above exclude a provision for catastrophic claims.

The estimated outstanding losses at various confidence levels are as shown in Table III-1B.

**Table III-1B
Estimated Outstanding Losses
at Various Confidence Levels
June 30, 2013**

Confidence Level (1)	Workers' Compensation		Liability		Total (2a) + (3a) (4a)	Total (2b) + (3b) (4b)
	Estimated Outstanding Losses (2a)	Present Value of Estimated Outstanding Losses (2b)	Estimated Outstanding Losses (3a)	Present Value of Estimated Outstanding Losses (3b)		
(A) <i>Expected</i>	\$5,265,099	\$5,023,993	\$19,794,335	\$19,249,083	\$25,059,434	\$24,273,076
(B) 60%	5,528,354	5,275,193	20,784,052	20,211,537	26,312,406	25,486,730
(C) 70%	6,160,166	5,878,072	23,753,202	23,098,900	29,913,368	28,976,972
(D) 80%	6,897,280	6,581,431	27,712,069	26,948,716	34,609,349	33,530,147
(E) 90%	7,739,696	7,385,270	35,629,803	34,648,349	43,369,499	42,033,619

Note: (A) is from Table III-1A.
(B) through (E) are based on (A) and actuarial judgment.

The implementation guide for GASB Statement No. 10 specifies that a liability for outstanding unallocated loss adjustment expenses (ULAE) needs to be established for governmental entities for self-insured workers' compensation and liability programs. ULAE are primarily composed of future claims administration for open claims. They are typically 5% to 10% of estimated outstanding losses.

Legal expenses for workers' compensation are included in Table III-1B. MWDSC uses in-house legal counsel to manage external legal assistance for most liability claims. These costs are not allocated by claim. Therefore, estimated ULAE is higher for liability, probably in the 10% to 15% range of estimated outstanding losses. This is based on our experience with similar programs.

2. Project Ultimate Limited Losses

The projected ultimate limited losses for 2013/14 and 2014/15 are the accrual value of losses with accident dates in 2013/14 and 2014/15, regardless of report or payment date. The amount is limited to the self-insured retention.

The calculations are based on historical loss rates per \$100 of payroll for 2002/03 to 2011/12 and projected payroll. The amounts include legal defense costs for workers' compensation. They do not include the cost of in-house legal counsel for liability. We project ultimate limited losses for 2013/14 to be as shown in Table III-2Ai.

Table III-2Ai
Projected Ultimate Limited Losses
2013/14

Program (1)	Projected Ultimate Limited Losses (2)	Present Value of Projected Ultimate Limited Losses (3)
(A) Workers' compensation	\$1,834,000	\$1,735,000
(B) Liability	6,015,000	5,719,000
(C) Total (A) + (B)	\$7,849,000	\$7,454,000

Note: (A) is from Exhibit WC-10.
(B) is from Exhibit LI-10.

The projected ultimate limited losses for 2013/14 at various confidence levels are as shown in Table III-2Aii.

Table III-2Aii
Projected Ultimate Limited Losses
at Various Confidence Levels
2013/14

Confidence Level (1)	Workers' Compensation		Liability		Total (2a) + (3a) (4a)	Total (2b) + (3b) (4b)
	Projected Ultimate Limited Losses (2a)	Present Value of Projected Ultimate Limited Losses (2b)	Projected Ultimate Limited Losses (3a)	Present Value of Projected Ultimate Limited Losses (3b)		
(A) <i>Expected</i>	\$1,834,000	\$1,735,000	\$6,015,000	\$5,719,000	\$7,849,000	\$7,454,000
(B) 60%	1,962,380	1,856,450	6,556,350	6,233,710	8,518,730	8,090,160
(C) 70%	2,219,140	2,099,350	7,458,600	7,091,560	9,677,740	9,190,910
(D) 80%	2,512,580	2,376,950	8,902,200	8,464,120	11,414,780	10,841,070
(E) 90%	2,842,700	2,689,250	11,428,500	10,866,100	14,271,200	13,555,350

Note: (A) is from Table III-2Ai.
(B) through (E) are based on (A) and actuarial judgment.

We project ultimate limited losses for 2014/15 to be as shown in Table III-2Bi.

**Table III-2Bi
Projected Ultimate Limited Losses
2014/15**

Program (1)	Projected Ultimate Limited Losses (2)	Present Value of Projected Ultimate Limited Losses (3)
(A) Workers' compensation	\$1,926,000	\$1,823,000
(B) Liability	6,319,000	6,009,000
(C) Total (A) + (B)	\$8,245,000	\$7,832,000

Note: (A) is from Exhibit WC-10.
(B) is from Exhibit LI-10.

The projected ultimate limited losses for 2014/15 at various confidence levels are as shown in Table III-2Bii.

**Table III-2Bii
Projected Ultimate Limited Losses
at Various Confidence Levels
2014/15**

Confidence Level (1)	Workers' Compensation		Liability		Total (2a) + (3a) (4a)	Total (2b) + (3b) (4b)
	Projected Ultimate Limited Losses (2a)	Present Value of Projected Ultimate Limited Losses (2b)	Projected Ultimate Limited Losses (3a)	Present Value of Projected Ultimate Limited Losses (3b)		
(A) <i>Expected</i>	\$1,926,000	\$1,823,000	\$6,319,000	\$6,009,000	\$8,245,000	\$7,832,000
(B) 60%	2,060,820	1,950,610	6,887,710	6,549,810	8,948,530	8,500,420
(C) 70%	2,330,460	2,205,830	7,835,560	7,451,160	10,166,020	9,656,990
(D) 80%	2,638,620	2,497,510	9,352,120	8,893,320	11,990,740	11,390,830
(E) 90%	2,985,300	2,825,650	12,006,100	11,417,100	14,991,400	14,242,750

Note: (A) is from Table III-2Bi.
(B) through (E) are based on (A) and actuarial judgment.

The present value of the projected ultimate limited losses is based on a 1.5% annual interest rate over the life of claims.

The amounts in Tables III-2Ai through III-2Bii do not include a provision for catastrophic claims.

Table III-2C shows projected ultimate limited losses for 2013/14 at various self-insured levels for workers' compensation and liability.

**Table III-2C
2013/14 Projected Ultimate Losses at Various SIRs**

Workers' Compensation		
Retention (1)	Projected Ultimate Losses (Full Value) (2)	Loss Increment to Next Higher Retention (3)
\$5 million	\$1,834,000	\$36,680
\$10 million	1,870,680	27,510
Statutory	1,898,190	
General Liability		
Retention (1)	Projected Ultimate Losses (Full Value) (2)	Loss Increment to Next Higher Retention (3)
\$5 million	\$4,812,000	\$300,750
\$10 million	5,112,750	601,500
\$20 million	5,714,250	300,750
\$25 million	6,015,000	

We can illustrate how the table is used. For workers' compensation, if the expected loss component of purchasing statutory excess above a \$5 million retention is more than \$64,190 (the sum of Column [3]), changing to a higher level of self-insurance (still judged to be within MWDSC's risk retention capacity) is indicated.

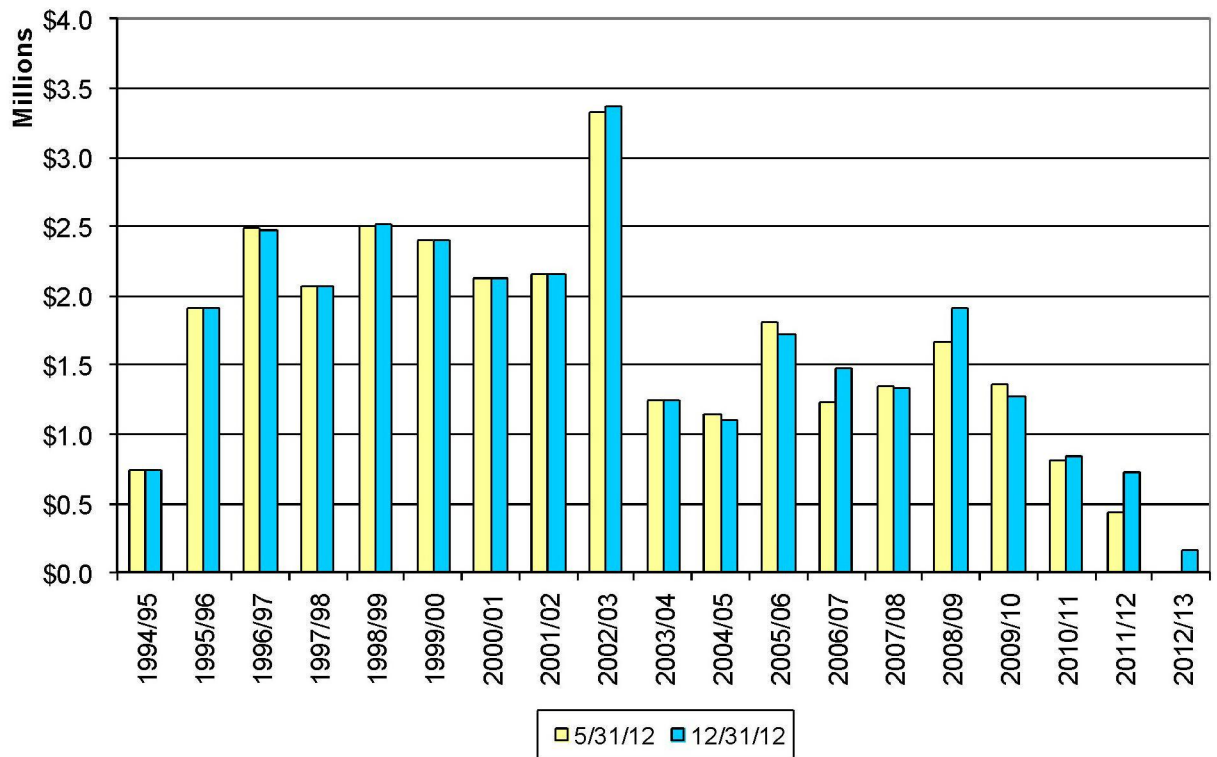
Looked at another way, using liability, if the expected loss component of the insurance cost of reducing the SIR from \$25 million to \$20 million is less than \$300,750 in expected losses in that layer, the change should be considered.

It is important to keep in mind that the above incremental costs are based on long-term averages using industry increased limits factors. MWDSC does not have experience at these higher layers. Losses at these higher levels tend to be low frequency/ high severity, and actual costs from year to year would vary significantly.

Comparison to Previous Actuarial Study

Graph III-1 is a comparison of the limited reported incurred losses by fiscal year of occurrence of the workers' compensation program from the previous study (report dated September 5, 2012) to the current study.

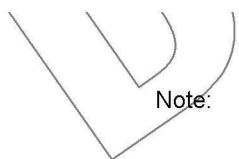
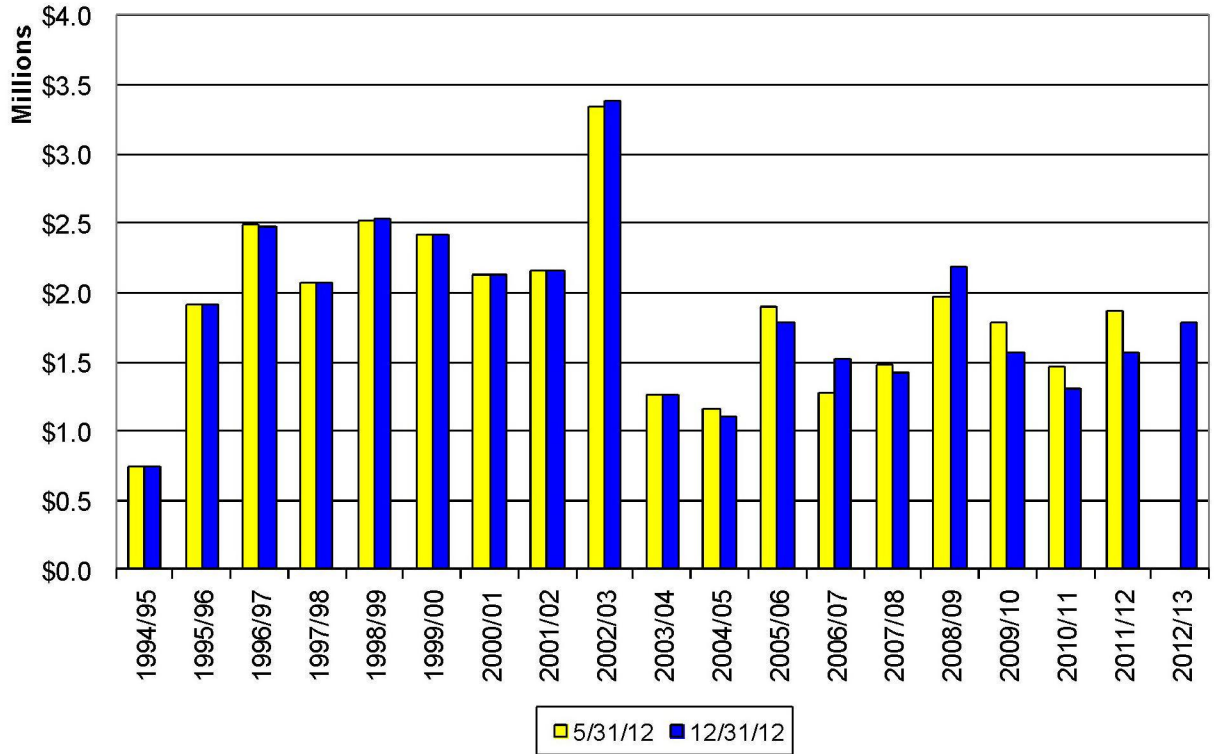
Graph III-1
Comparison of Limited Reported Incurred Losses
as of May 31, 2012 and December 31, 2012
(Workers' Compensation)



Note: Amounts as of May 31, 2012 are from the previous actuarial study.
 Amounts as of December 31, 2012 are from Exhibit WC-1.

Graph III-2 is a comparison of the projected ultimate limited losses by fiscal year of occurrence of the workers' compensation program from the previous study to the current study.

Graph III-2
Comparison of Projected Ultimate Limited Losses
as of May 31, 2012 and December 31, 2012
(Workers' Compensation)

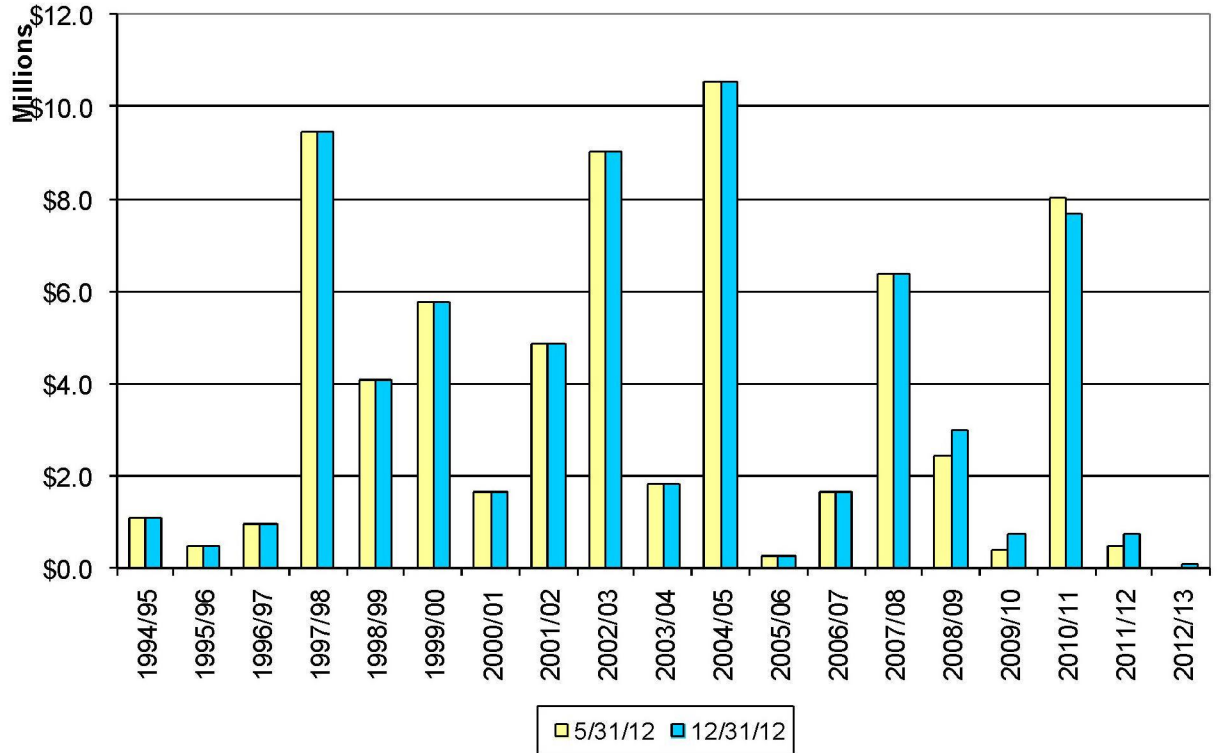


Note: Amounts as of May 31, 2012 are from the previous actuarial study.
 Amounts as of December 31, 2012 are from Exhibit WC-9.

For all claims through 2011/12, the change in the projected ultimate limited losses from May 31, 2012 to December 31, 2012 was -0.8%.

Graph III-3 is a comparison of the limited reported incurred losses by fiscal year of occurrence of the liability program from the previous study to the current study.

Graph III-3
Comparison of Limited Reported Incurred Losses
as of May 31, 2012 and December 31, 2012
(Liability)

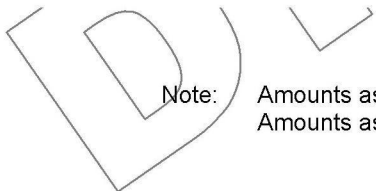
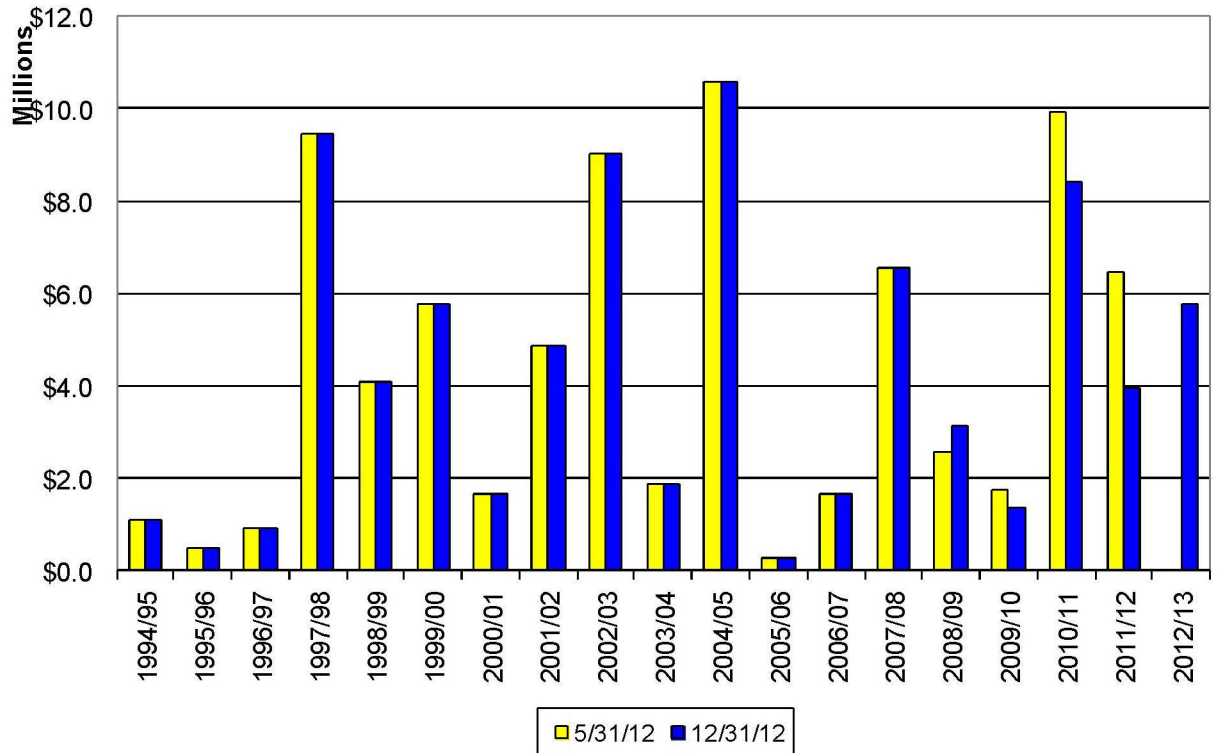


Note:

Amounts as of May 31, 2012 are from the previous actuarial study.
 Amounts as of December 31, 2012 are from Exhibit LI-1.

Graph III-4 is a comparison of the projected ultimate limited losses by fiscal year of occurrence of the liability program from the previous study to the current study.

Graph III-4
Comparison of Projected Ultimate Limited Losses
as of May 31, 2012 and December 31, 2012
(Liability)



Note: Amounts as of May 31, 2012 are from the previous actuarial study.
 Amounts as of December 31, 2012 are from Exhibit LI-9.

For all claims through 2011/12, the change in the projected ultimate limited losses from May 31, 2012 to December 31, 2012 was -4.5%.

Other Considerations

MWDSC Property Losses

Another area of consideration is that there is no property damage excess insurance. A catastrophic property claim or natural disaster could have a severe financial impact.

However, MWDSC has unrestricted cash reserves available and access to the capital markets to finance costs associated with natural disasters. Funds available from the unrestricted cash reserves and the cost of accessing funds from the capital markets will vary depending upon the timing of the disasters. It is anticipated that MWDSC will use a combination of the \$25 million self-insured retention (restricted fund), unrestricted cash reserves available and the accessibility of capital markets to provide the funding required to minimize the financial impact of a natural disaster.

We advise MWDSC to review the feasibility of purchasing catastrophic property coverage. There is liability insurance \$75 million excess of \$25 million. This may not be sufficient, given the potential for a future class action suit. A prior class action claim was initially estimated at approximately \$55 million, and is now valued at about \$7 million. As previously noted, MWDSC has a \$25 million restricted fund for all casualty and property claims.

If MWDSC purchases first-party property insurance, the risk of a catastrophic claim exhausting the \$25 million is lessened. Likewise, if the \$25 million is diminished without purchasing insurance, risk is increased.

At this point, we strongly recommend maintaining the \$25 million. We remind readers the restricted fund not only pays property and liability claims, but also several other areas (e.g., emergency repairs and workers compensation claims).

3. Project Losses Paid

We project losses paid during 2013/14 and 2014/15 to be as shown in Table III-3.

**Table III-3
Projected Losses Paid
2012/13 and 2013/14**

Program (1)	2013/14 (2)	2014/15 (3)
(A) Workers' compensation	\$1,621,635	\$1,702,878
(B) Liability	7,574,969	6,494,088
(C) Total (A) + (B)	\$9,196,604	\$8,196,966

Note: (A) is from Exhibits WC-13 and WC-14.
(B) is from Exhibits LI-13 and LI-14.

Liability amounts do not include in-house legal counsel.

We note that the liability payments will differ from our projections depending on when and if, these large payments are made and the amount of final settlement.

4. Recommend Funding

We recommend funding for 2013/14 and 2014/15 to be as shown in Tables III-4A and III-4B.

**Table III-4A
Recommended Funding
2013/14**

Program (1)	Projected Ultimate Limited Losses (at Expected) (2)	Contingency Margin to 80% Confidence (3)	Recommended Funding (2) + (3) (4)
(A) Workers' compensation	\$1,834,000	\$678,580	\$2,512,580
(B) Liability	6,015,000	2,887,200	8,902,200
(C) Total (A) + (B)	\$7,849,000	\$3,565,780	\$11,414,780

Note: (2) is from Table III-2Ai.
(3) is based on Table III-2Aii.

**Table III-4B
Recommended Funding
2014/15**

Program (1)	Projected Ultimate Limited Losses (at Expected) (2)	Contingency Margin to 80% Confidence (3)	Recommended Funding (2) + (3) (4)
(A) Workers' compensation	\$1,926,000	\$712,620	\$2,638,620
(B) Liability	6,319,000	3,033,120	9,352,120
(C) Total (A) + (B)	\$8,245,000	\$3,745,740	\$11,990,740

Note: (2) is from Table III-2Bi.
(3) is based on Table III-2Bii.

All costs other than claims, including administration costs, are additional.

To fund at a greater confidence level than expected, see Tables III-2Aii and III-2Bii.

5. Affirm GASB Statement No. 10

We affirm the conclusions of this report are consistent with GASB Statement No. 10.

Conditions and Limitations

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

- **Data Quality.** We relied upon data provided by the organization shown on the transmittal page or its designated agents. The data was used without verification or audit, other than checks for reasonableness. Unless otherwise stated, we assumed the data to be correct and complete.
- **Economic Environment.** Unless otherwise stated, we assumed the current economic conditions will continue in the foreseeable future.
- **Insurance Coverage.** Unless otherwise stated, we assumed no insurance coverage changes (including coverage provided by the organization to others) subsequent to the date this study was prepared. This includes coverage language, self-insured retention, limitations and similar issues.
- **Insurance Solvency.** Unless otherwise stated, we assumed all insurance purchased by the organization is from solvent sources payable in accordance with terms of the coverage document.
- **Interest Rate.** The exhibits specify the annual interest rate used.
- **Methodology.** In this study, different actuarial methods were applied. In some instances, the methods yield significantly disparate results. The estimates, projections and recommendations in this study reflect our judgments as to the best method or combination of methods that are most reliable and reflective of the exposure to loss.
- **Reproduction.** This study may only be reproduced in its entirety.
- **Risk and Variability.** Insurance is an inherently risky enterprise. Actual losses may vary significantly from our estimates, projections and recommendations. They may emerge higher or lower.

- **Statutory and Judicial Changes.** Legislatures and judiciaries may change statutes that govern indemnification. This includes benefit levels for workers compensation, immunities and limitations for liability, and other similar issues. Unless otherwise stated, we assumed no statutory changes subsequent to the date this study was prepared.
- **Supplemental Data.** In addition to the data provided by the organization, we supplemented our analysis with data from similar organizations and insurance industry statistics, as we deemed appropriate.
- **Usage.** This study has been prepared for the usage of the organization shown on the transmittal page. It was not prepared for and may not be appropriate for use by other organizations. Other organizations should obtain written permission from Aon prior to use of this study.

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Glossary of Actuarial Terms

Actuarial Methods (Most Common)

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

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

The following describes each method:

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

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

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

The net effect is that total estimated costs are often revised upward over time. This

normal process is called “reported incurred loss development.” Actuaries typically review the development patterns of the recent past to make projections of the expected future loss development and, therefore, estimations of ultimate losses.

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

Actuary

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

Allocated Loss Adjustment Expenses

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

Governmental Accounting Standards Board (GASB) Statement No. 10 requires that ALAE

be included in financial statements and that they be calculated by actuarial methods.

American Academy of Actuaries

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

Benefits

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

Casualty Actuarial Society

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

Claim

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

Claims Made

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

Composite Rate

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

Confidence Level

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

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

Coverage

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

Credibility

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

Dates

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

Deductible

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

Disability

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

Dividend (Policyholder)

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

Estimated Outstanding Losses

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

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

Estimated outstanding losses are usually the largest single item listed as a liability on the balance sheet of a public entity's financial statement. GASB Statement No. 10 requires they be calculated by actuarial methods. Other common names for estimated outstanding losses are outstanding claims liabilities and unpaid claims.

Experience Rating

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

Exposure Data

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

- **Readily Available.** The exposure data should be easily obtained. It is best if it is a byproduct of other activities, although this is not always possible. If getting data is arduous, it may discourage collection.

- **Vary With Losses.** The exposure data should correlate directly with losses. The ideal situation is where exposure and expected losses move in tandem. The exposure base needs to be fitting to the coverage. For example, the number of employees may vary with property losses (more employees = more office space = more losses), but property value is a clearly superior exposure base for property losses.

Generally Accepted Accounting Principles (GAAP)

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

Incurred But Not Reported

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

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

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

Insurance Services Office (ISO)

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

Investment Income

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

Limited

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

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

Loss Development

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

Manual Rates

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

National Council on Compensation Insurance (NCCI)

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

Net

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

Occurrence

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

Pool

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

Premium

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

Present Value

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

Probability

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

Projected Losses Paid

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

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

Projected Ultimate Losses

Projected ultimate losses are the accrual value of claims. They are the total amount that is expected to be paid in a particular claim period after all claims are closed. Projected ultimate

losses are the total loss costs for a particular period. They typically include indemnification and ALAE, but not ULAE.

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

Rate

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

Retrospective Rating

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

Salvage

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

Schedule Rating

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

Self-Insurance Retention (SIR)

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

Society of Actuaries (SOA)

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

Standard Premium

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

State Fund

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

Statutory Accounting Principles (SAP)

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

Unallocated Loss Adjustment Expenses

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

GASB Statement No. 10 requires that ULAE be included in financial statements and that they be calculated by actuarial methods.

Exhibits

The attached exhibits detail our analysis.

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METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
WORKERS' COMPENSATION

Exhibit WC-1 (page 1)

Data Summary as of December 31, 2012
Losses Limited to Self-Insured Retention

Claim Period (1)	Specific Self-Insured Retention (2)	Aggregate Retention (3)	Months of Development 12/31/12 (4)	Payroll (000) (5)	Reported Claims 12/31/12 (6)	Open Claims 12/31/12 (7)	Limited Paid Losses 12/31/12 (8)	Limited Case Reserves 12/31/12 (9)	Limited Reported Incurred Losses 12/31/12 (10)
to 1993/94	See Note	None	234.0	Not Provided	2,101	4	\$14,757,984	\$87,408	\$14,845,392
1994/95	400,000	None	222.0	Not Provided	156	1	740,982	2,190	743,172
1995/96	400,000	None	210.0	Not Provided	184	1	1,905,447	0	1,905,447
1996/97	400,000	None	198.0	Not Provided	161	1	2,454,456	22,290	2,476,745
1997/98	400,000	None	186.0	Not Provided	163	0	2,070,986	0	2,070,986
1998/99	400,000	None	174.0	Not Provided	160	1	2,350,091	163,236	2,513,327
1999/00	400,000	None	162.0	Not Provided	150	2	2,351,719	55,854	2,407,573
2000/01	400,000	None	150.0	Not Provided	181	1	2,098,751	21,947	2,120,698
2001/02	500,000	None	138.0	Not Provided	158	2	2,124,707	28,907	2,153,614
2002/03	1,000,000	None	126.0	Not Provided	137	1	3,219,909	142,818	3,362,726
2003/04	1,500,000	None	114.0	Not Provided	115	2	1,133,511	110,277	1,243,788
2004/05	2,000,000	None	102.0	Not Provided	124	0	1,097,236	0	1,097,236
2005/06	5,000,000	None	90.0	161,193	136	2	1,544,778	177,365	1,722,143
2006/07	5,000,000	None	78.0	174,956	110	3	1,401,317	79,471	1,480,788
2007/08	5,000,000	None	66.0	190,527	120	4	1,205,837	131,224	1,337,061
2008/09	5,000,000	None	54.0	190,897	123	8	1,448,852	464,331	1,913,183
2009/10	5,000,000	None	42.0	192,857	126	9	1,011,275	264,343	1,275,618
2010/11	5,000,000	None	30.0	191,363	101	9	606,439	240,627	847,066
2011/12	5,000,000	None	18.0	197,185	87	17	515,961	202,499	718,459
2012/13	5,000,000	None	6.0	186,506	44	17	51,818	106,407	158,225
Total					4,637	85	\$44,092,054	\$2,301,194	\$46,393,249

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* The specific self-insured retention changes are as follows:

Effective Date	Retention
07/01/77	\$250,000
07/01/86	300,000
07/01/90	400,000
07/01/01	500,000
07/01/02	1,000,000
07/01/03	1,500,000
07/01/04	2,000,000
07/01/05	5,000,000

(8), (9) and (10) are net of the specific self-insured retention.

Data was provided by MWDSC.

Data Summary as of December 31, 2012
Unlimited Losses

Claim Period (1)	Specific Self-Insured Retention (2)	Aggregate Retention (3)	Months of Development 12/31/12 (4)	Payroll (000) (5)	Reported Claims 12/31/12 (6)	Open Claims 12/31/12 (7)	Unlimited Paid Losses 12/31/12 (8)	Unlimited Case Reserves 12/31/12 (9)	Unlimited Reported Incurred Losses 12/31/12 (10)
to 1993/94	Unlimited	None	234.0	Not Provided	2,101	4	\$14,801,686	\$116,256	\$14,917,942
1994/95	Unlimited	None	222.0	Not Provided	156	1	740,982	2,190	743,172
1995/96	Unlimited	None	210.0	Not Provided	184	1	2,416,386	564,808	2,981,193
1996/97	Unlimited	None	198.0	Not Provided	161	1	2,524,752	22,290	2,547,041
1997/98	Unlimited	None	186.0	Not Provided	163	0	2,070,986	0	2,070,986
1998/99	Unlimited	None	174.0	Not Provided	160	1	2,350,091	163,236	2,513,327
1999/00	Unlimited	None	162.0	Not Provided	150	2	2,351,719	55,854	2,407,573
2000/01	Unlimited	None	150.0	Not Provided	181	1	2,156,237	21,947	2,178,184
2001/02	Unlimited	None	138.0	Not Provided	158	2	2,124,707	28,907	2,153,614
2002/03	Unlimited	None	126.0	Not Provided	137	1	3,219,909	142,818	3,362,726
2003/04	Unlimited	None	114.0	Not Provided	115	2	1,133,511	110,277	1,243,788
2004/05	Unlimited	None	102.0	Not Provided	124	0	1,097,236	0	1,097,236
2005/06	Unlimited	None	90.0	161,193	136	2	1,544,778	177,365	1,722,143
2006/07	Unlimited	None	78.0	174,956	110	3	1,401,317	79,471	1,480,788
2007/08	Unlimited	None	66.0	190,527	120	4	1,205,837	131,224	1,337,061
2008/09	Unlimited	None	54.0	190,897	123	8	1,448,852	464,331	1,913,183
2009/10	Unlimited	None	42.0	192,857	126	9	1,011,275	264,343	1,275,618
2010/11	Unlimited	None	30.0	191,363	101	9	606,439	240,627	847,066
2011/12	Unlimited	None	18.0	197,185	87	17	515,961	202,499	718,459
2012/13	Unlimited	None	6.0	186,506	44	17	51,818	106,407	158,225
Total					4,637	85	\$44,774,478	\$2,894,850	\$47,669,328

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(8), (9) and (10) are gross of the specific self-insured retention.

Data was provided by MWDSC.

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
WORKERS' COMPENSATION

Summary of Percent Losses Paid, Losses Reported and Claims Reported

Months of Development (1)	Percent Losses Paid (2)	Percent Losses Reported (3)	Percent Claims Reported (4)	Months of Development (5)	Percent Losses Paid (6)	Percent Losses Reported (7)	Percent Claims Reported (8)
360.0	100.0%	100.0%	100.0%	354.0	100.0%	100.0%	100.0%
348.0	100.0%	100.0%	100.0%	342.0	100.0%	100.0%	100.0%
336.0	100.0%	100.0%	100.0%	330.0	100.0%	100.0%	100.0%
324.0	100.0%	100.0%	100.0%	318.0	100.0%	100.0%	100.0%
312.0	100.0%	100.0%	100.0%	306.0	100.0%	100.0%	100.0%
300.0	100.0%	100.0%	100.0%	294.0	100.0%	100.0%	100.0%
288.0	100.0%	100.0%	100.0%	282.0	99.9%	100.0%	100.0%
276.0	99.9%	100.0%	100.0%	270.0	99.9%	100.0%	100.0%
264.0	99.9%	100.0%	100.0%	258.0	99.9%	100.0%	100.0%
252.0	99.9%	100.0%	100.0%	246.0	99.8%	100.0%	100.0%
240.0	99.8%	100.0%	100.0%	234.0	99.8%	100.0%	100.0%
228.0	99.7%	100.0%	100.0%	222.0	99.7%	100.0%	100.0%
216.0	99.6%	100.0%	100.0%	210.0	99.6%	100.0%	100.0%
204.0	99.5%	100.0%	100.0%	198.0	99.5%	100.0%	100.0%
192.0	99.4%	100.0%	100.0%	186.0	99.3%	100.0%	100.0%
180.0	99.2%	100.0%	100.0%	174.0	99.1%	100.0%	100.0%
168.0	98.9%	100.0%	100.0%	162.0	98.4%	100.0%	100.0%
156.0	97.9%	100.0%	100.0%	150.0	97.4%	100.0%	100.0%
144.0	97.0%	100.0%	100.0%	138.0	96.5%	99.9%	100.0%
132.0	96.0%	99.8%	100.0%	126.0	95.5%	99.7%	100.0%
120.0	95.0%	99.5%	100.0%	114.0	94.3%	99.3%	100.0%
108.0	93.6%	99.0%	100.0%	102.0	92.7%	98.6%	100.0%
96.0	91.8%	98.2%	100.0%	90.0	88.8%	97.3%	100.0%
84.0	85.8%	96.3%	100.0%	78.0	82.6%	94.9%	100.0%
72.0	79.4%	93.5%	100.0%	66.0	75.8%	91.9%	100.0%
60.0	72.2%	90.3%	100.0%	54.0	67.6%	87.8%	100.0%
48.0	63.1%	85.2%	100.0%	42.0	57.8%	81.3%	100.0%
36.0	52.6%	77.5%	100.0%	30.0	45.1%	69.7%	99.8%
24.0	37.5%	62.0%	99.5%	18.0	26.3%	53.1%	96.9%
12.0	15.0%	44.3%	94.3%	6.0	7.5%	22.1%	47.2%

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

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

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

(6), (7) and (8) are interpolated, based on (2), (3) and (4), respectively.

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
WORKERS' COMPENSATION

Historical Limited Reported Incurred Losses (\$000) and Limited Reported Incurred Loss Development

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

Claim Period	Months of Development:																				
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240	
to 1992/93																					
1993/94				1,034	1,010	1,088	1,236	1,267	1,279	1,325	1,332	1,393	1,358	\$12,045	\$12,336	\$13,396	\$13,236	\$13,597	\$13,324	\$13,448	
1994/95			624	755	725	752	803	781	783	743	730	738	738	1,361	1,361	1,361	1,363	1,358	1,359		
1995/96		1,021	1,399	1,603	1,679	1,706	2,259	2,259	2,053	2,154	3,337	3,393	1,905	1,905	1,905	1,905	1,905				
1996/97		1,304	1,385	1,687	1,784	1,852	1,941	2,158	2,337	2,550	2,567	2,529	2,525	2,534	2,581	2,482					
1997/98	1,204	1,597	1,515	1,773	1,808	2,124	2,515	2,188	2,075	2,083	2,084	2,054	2,201	2,309	2,071						
1998/99	1,458	1,849	2,149	2,198	2,318	2,166	2,139	2,318	2,307	2,317	2,322	2,323	2,337	2,505							
1999/00	925	1,417	1,684	1,937	2,010	2,083	2,296	2,280	2,370	2,329	2,341	2,341	2,408								
2000/01	1,042	1,271	1,816	1,980	2,020	2,093	2,223	2,088	2,087	2,088	2,104	2,105									
2001/02	939	1,417	1,412	1,519	1,811	2,125	2,112	2,103	2,138	2,151	2,152										
2002/03	1,595	2,211	2,247	2,656	2,917	3,109	3,263	3,568	3,315	3,322											
2003/04	561	776	1,055	1,006	999	1,034	1,164	1,243													
2004/05	514	574	664	851	972	1,051	1,092	1,122													
2005/06	760	1,153	1,590	1,529	1,527	1,753	1,803														
2006/07	764	1,082	1,248	1,257	1,133	1,337															
2007/08	604	1,021	1,240	1,292	1,341																
2008/09	809	919	1,328	1,754																	
2009/10	982	1,179	1,462																		
2010/11	708	803																			
2011/12	476																				

II. Limited Reported Incurred Loss Development

Claim Period	Months of Development:																			
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192	192-204	204-216	216-228	228-240	240-Ult
to 1992/93				0.977	1.057	1.157	1.025	1.010	1.035	1.006	1.046	0.975	1.002	1.024	1.088	0.988	1.027	0.980	1.009	
1993/94			1.210	0.960	1.037	1.067	0.973	1.003	0.949	0.982	1.011	1.001	1.000	1.000	1.000	1.002	0.996	1.000		
1994/95			1.146	1.047	1.016	1.324	1.000	0.909	1.049	1.549	1.017	0.561	1.000	1.000	1.000	1.000	1.007			
1995/96		1.344	1.062	1.218	1.057	1.038	1.048	1.112	1.083	1.091	1.007	0.985	0.998	1.003	1.018	0.962				
1996/97	1.326	0.949	1.171	1.020	1.175	1.184	0.870	0.948	1.064	1.000	0.986	1.072	1.049	0.897						
1998/99	1.268	1.162	1.023	1.055	0.943	0.979	1.083	0.995	1.004	1.002	1.000	1.006	1.072							
1999/00	1.532	1.188	1.150	1.038	1.036	1.102	0.984	1.049	0.983	1.005	1.000	1.028								
2000/01	1.221	1.428	1.090	1.020	1.036	1.062	0.939	1.000	1.001	1.006	1.000									
2001/02	1.509	0.996	1.075	1.193	1.173	0.994	0.995	1.017	1.006	1.001										
2002/03	1.386	1.016	1.182	1.098	1.066	1.049	1.094	0.929	1.002											
2003/04	1.383	1.358	0.954	0.994	1.034	1.116	1.077	1.001												
2004/05	1.116	1.158	1.281	1.142	1.082	1.039	1.028													
2005/06	1.517	1.379	0.961	0.999	1.148	1.028														
2006/07	1.416	1.154	1.007	0.902	1.180															
2007/08	1.689	1.214	1.042	1.038																
2008/09	1.136	1.446	1.321																	
2009/10	1.201	1.240																		
2010/11	1.134																			
2011/12																				
Average																				
All	1.345	1.208	1.122	1.036	1.073	1.089	1.015	0.995	1.012	1.062	1.006	0.949	1.021	0.994	1.004	0.997	1.010	0.990	1.009	
Wtd 3	1.161	1.292	1.128	0.981	1.140	1.055	1.077	0.969	1.003	1.004	1.000	1.034	1.040	0.979	0.972	1.001	1.024			
Last 3	1.157	1.300	1.123	0.980	1.136	1.061	1.066	0.982	1.003	1.004	1.000	1.035	1.041	0.981	0.979	1.001	1.010			
Last 5	1.251	1.278	1.110	1.010	1.098	1.039	1.033	1.006	1.002	1.003	0.995	1.011	1.017	1.006						
x-hi,low																				
Similar	1.609	1.263	1.133	1.085	1.070	1.054	1.038	1.031	1.013	1.014	1.013	1.008	1.010	1.010	1.011	1.003	1.002	1.004	1.004	1.035
Previous	1.450	1.200	1.090	1.060	1.035	1.030	1.020	1.008	1.005	1.003	1.002	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Selected	1.400	1.250	1.100	1.060	1.035	1.030	1.020	1.008	1.005	1.003	1.002	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Cumulative	2.259	1.614	1.291	1.173	1.107	1.070	1.038	1.018	1.010	1.005	1.002	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Percent	44.3%	62.0%	77.5%	85.2%	90.3%	93.5%	96.3%	98.2%	99.0%	99.5%	99.8%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

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Amounts are limited (net of excess insurance).

Data was provided by MWDSC.

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
WORKERS' COMPENSATION

Historical Reported Claims and Reported Claim Development

I. Historical Reported Claims

Claim Period	Months of Development:																				
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240	
to 1992/93																					
1993/94				198	198	198	198	199	199	199	199	199	199	199	1,838	1,861	1,903	1,902	1,902	1,902	1,902
1994/95			156	156	156	156	156	156	156	156	156	156	156	156	156	156	156	156	156	156	156
1995/96		182	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184
1996/97	147	159	159	160	160	160	160	160	160	160	160	160	161	161	161	161	161	161	161	161	161
1997/98	154	162	162	162	162	163	163	163	163	163	163	163	163	163	163	163	163	163	163	163	163
1998/99	144	157	158	158	160	160	160	160	160	160	160	160	160	160	160	160	160	160	160	160	160
1999/00	110	148	148	148	148	149	149	149	150	150	150	150	150	150	150	150	150	150	150	150	150
2000/01	163	183	183	180	180	180	181	181	181	181	181	181	181	181	181	181	181	181	181	181	181
2001/02	142	156	157	158	158	158	158	158	158	158	158	158	158	158	158	158	158	158	158	158	158
2002/03	117	134	136	137	137	137	137	137	137	137	137	137	137	137	137	137	137	137	137	137	137
2003/04	106	115	115	115	115	115	115	115	115	115	115	115	115	115	115	115	115	115	115	115	115
2004/05	121	124	124	124	124	124	124	124	124	124	124	124	124	124	124	124	124	124	124	124	124
2005/06	129	134	136	136	136	136	136	136	136	136	136	136	136	136	136	136	136	136	136	136	136
2006/07	104	109	110	110	110	110	110	110	110	110	110	110	110	110	110	110	110	110	110	110	110
2007/08	111	118	120	120	120	120	120	120	120	120	120	120	120	120	120	120	120	120	120	120	120
2008/09	117	123	123	123	123	123	123	123	123	123	123	123	123	123	123	123	123	123	123	123	123
2009/10	124	125	126	126	126	126	126	126	126	126	126	126	126	126	126	126	126	126	126	126	126
2010/11	99	101																			
2011/12	84																				

II. Reported Claim Development

Claim Period	Months of Development:																				
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192	192-204	204-216	216-228	228-240	240-Ult	
to 1992/93																					
1993/94				1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.013	1.023	0.999	1.000	1.000	1.000	1.000	1.000
1994/95			1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1995/96		1.011	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1996/97	1.082	1.000	1.006	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1997/98	1.052	1.000	1.000	1.000	1.006	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1998/99	1.090	1.006	1.000	1.013	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1999/00	1.345	1.000	1.000	1.007	1.000	1.000	1.000	1.007	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2000/01	1.123	1.000	0.984	1.000	1.000	1.006	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2001/02	1.099	1.006	1.006	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2002/03	1.145	1.015	1.007	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2003/04	1.085	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2004/05	1.025	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2005/06	1.039	1.015	1.000	1.000	1.000	1.000	1.000	1.015	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2006/07	1.048	1.009	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2007/08	1.063	1.017	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2008/09	1.051	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2009/10	1.008	1.008	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2010/11	1.020																				
2011/12																					
Average																					
All	1.085	1.006	1.000	1.001	1.000	1.000	1.001	1.000	1.000	1.000	1.001	1.000	1.000	1.002	1.005	1.000	1.000	1.000	1.000	1.000	1.000
Wtd 3	1.026	1.008	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Last 3	1.027	1.008	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Last 5	1.040	1.011	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
x-hi,low																					
Similar	1.076	1.006	1.002	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Previous	1.055	1.005	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Selected	1.055	1.005	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Cumulative	1.060	1.005	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Percent	94.3%	99.5%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
WORKERS' COMPENSATION

Historical Ratio of Limited Paid Losses and Limited Reported Incurred Losses

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

Claim Period	Months of Development:																				
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240	
to 1992/93																					
1993/94				80.4%	90.2%	86.9%	93.0%	94.3%	94.8%	93.6%	94.5%	97.4%	100.0%	100.0%	98.0%	97.7%	97.3%	99.0%	98.0%	99.7%	99.4%
1994/95				80.1%	89.2%	89.4%	86.7%	91.9%	92.5%	98.1%	100.0%	99.2%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
1995/96		51.9%	53.0%	62.9%	77.1%	84.4%	77.1%	82.5%	86.8%	95.5%	59.0%	61.7%	99.8%	99.9%	99.9%	97.4%	100.0%	99.6%			
1996/97	23.1%	40.8%	55.7%	64.0%	71.5%	78.6%	90.1%	89.6%	92.3%	94.7%	95.4%	95.0%	95.8%	95.8%	95.0%	98.9%					
1997/98	15.0%	40.0%	64.6%	69.6%	79.1%	75.9%	69.2%	91.8%	97.7%	97.8%	98.1%	99.8%	99.8%	94.0%	89.7%	100.0%					
1998/99	23.0%	48.4%	63.7%	79.0%	85.1%	93.9%	97.7%	96.6%	97.8%	97.8%	98.8%	99.6%	99.6%	93.5%							
1999/00	25.2%	55.6%	76.8%	78.8%	84.3%	88.2%	90.0%	94.4%	97.7%	99.8%	99.6%	99.9%	97.5%								
2000/01	19.5%	59.4%	60.6%	67.0%	76.1%	85.9%	88.5%	96.7%	97.5%	97.9%	97.4%	98.5%									
2001/02	17.8%	47.6%	71.5%	76.7%	79.6%	91.8%	96.6%	98.2%	97.5%	98.3%	98.5%										
2002/03	42.7%	58.4%	75.8%	78.9%	81.3%	87.3%	93.0%	90.8%	95.4%	96.4%											
2003/04	45.5%	69.5%	78.9%	92.9%	95.1%	94.7%	96.5%	90.4%	91.1%												
2004/05	44.0%	71.5%	74.2%	75.7%	83.9%	90.4%	96.9%	97.8%													
2005/06	37.7%	67.9%	79.4%	91.3%	96.5%	85.6%	85.4%														
2006/07	31.0%	57.9%	69.8%	82.4%	94.3%	89.7%															
2007/08	41.2%	67.4%	79.1%	90.1%	88.8%																
2008/09	46.7%	73.5%	69.5%	70.8%																	
2009/10	35.2%	64.9%	67.9%																		
2010/11	39.1%	68.2%																			
2011/12	40.5%																				
Average																					
All	33.0%	58.9%	69.9%	77.5%	84.8%	87.3%	89.3%	92.9%	94.6%	97.0%	93.5%	93.0%	98.1%	96.7%	98.3%	99.2%	99.7%	99.2%	99.8%	99.4%	
Last 3	38.3%	68.9%	72.2%	81.1%	93.2%	88.6%	93.0%	93.0%	94.7%	97.5%	98.5%	99.3%	97.0%	93.0%	97.5%	99.6%	100.0%	99.2%			
Last 5	40.3%	66.9%	72.8%	82.7%	92.7%	89.2%	95.4%	95.1%	96.8%	98.0%	98.5%	99.3%	97.6%	96.4%	99.1%	99.6%					
x-hi,low																					
Implicit	33.9%	60.6%	67.9%	74.0%	80.0%	85.0%	89.1%	93.5%	94.6%	95.5%	96.2%	97.0%	97.9%	98.9%	99.2%	99.4%	99.5%	99.6%	99.7%	99.8%	

Developed Limited Paid Losses

Claim Period (1)	Months of Development 12/31/12 (2)	Limited Paid Losses 12/31/12 (3)	Percent Losses Paid (4)	Developed Limited Paid Losses (3)/(4) (5)
to 1993/94	234.0	\$14,757,984	99.8%	\$14,792,639 *
1994/95	222.0	740,982	99.7%	743,578
1995/96	210.0	1,905,447	99.6%	1,912,232 *
1996/97	198.0	2,454,456	99.5%	2,465,778 *
1997/98	186.0	2,070,986	99.3%	2,085,522
1998/99	174.0	2,350,091	99.1%	2,372,501
1999/00	162.0	2,351,719	98.4%	2,389,535
2000/01	150.0	2,098,751	97.4%	2,143,328 *
2001/02	138.0	2,124,707	96.5%	2,202,266
2002/03	126.0	3,219,909	95.5%	3,370,821
2003/04	114.0	1,133,511	94.3%	1,201,448
2004/05	102.0	1,097,236	92.7%	1,183,323
2005/06	90.0	1,544,778	88.8%	1,739,538
2006/07	78.0	1,401,317	82.6%	1,696,036
2007/08	66.0	1,205,837	75.8%	1,590,098
2008/09	54.0	1,448,852	67.6%	2,141,690
2009/10	42.0	1,011,275	57.8%	1,748,992
2010/11	30.0	606,439	45.1%	1,346,000
2011/12	18.0	515,961	26.3%	1,963,170

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* - Indicates large claim(s) limited to retention. For details, see Exhibit WC-16.

(3) is from Exhibit WC-1.

(4) is from Exhibit WC-2.

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
WORKERS' COMPENSATION

Exhibit WC-4

Developed Limited Reported Incurred Losses

Claim Period (1)	Months of Development 12/31/12 (2)	Limited Reported Incurred Losses 12/31/12 (3)	Percent Losses Reported (4)	Developed Limited Reported Incurred Losses (3)/(4) (5)
to 1993/94	234.0	\$14,845,392	100.0%	\$14,845,392
1994/95	222.0	743,172	100.0%	743,172
1995/96	210.0	1,905,447	100.0%	1,905,447
1996/97	198.0	2,476,745	100.0%	2,476,745
1997/98	186.0	2,070,986	100.0%	2,070,986
1998/99	174.0	2,513,327	100.0%	2,513,327
1999/00	162.0	2,407,573	100.0%	2,407,573
2000/01	150.0	2,120,698	100.0%	2,120,698
2001/02	138.0	2,153,614	99.9%	2,155,765
2002/03	126.0	3,362,726	99.7%	3,374,498
2003/04	114.0	1,243,788	99.3%	1,253,132
2004/05	102.0	1,097,236	98.6%	1,112,658
2005/06	90.0	1,722,143	97.3%	1,770,693
2006/07	78.0	1,480,788	94.9%	1,560,485
2007/08	66.0	1,337,061	91.9%	1,454,755
2008/09	54.0	1,913,183	87.8%	2,179,707
2009/10	42.0	1,275,618	81.3%	1,568,205
2010/11	30.0	847,066	69.7%	1,214,916
2011/12	18.0	718,459	53.1%	1,352,479

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(3) is from Exhibit WC-1.

(4) is from Exhibit WC-2.

Developed Limited Case Reserves

Claim Period (1)	Months of Development 12/31/12 (2)	Percent Losses Paid (3)	Percent Losses Reported (4)	Percent Losses Reserved 12/31/12 [(4)-(3)]/ [100.0%-(3)] (5)	Limited Paid Losses 12/31/12 (6)	Limited Case Reserves 12/31/12 (7)	Developed Limited Case Reserves (6)+(7)/(5) (8)
to 1993/94	234.0	99.8%	100.0%	100.0%	\$14,757,984	\$87,408	\$14,845,392
1994/95	222.0	99.7%	100.0%	100.0%	740,982	2,190	743,172
1995/96	210.0	99.6%	100.0%	100.0%	1,905,447	0	1,905,447
1996/97	198.0	99.5%	100.0%	100.0%	2,454,456	22,290	2,476,745
1997/98	186.0	99.3%	100.0%	100.0%	2,070,986	0	2,070,986
1998/99	174.0	99.1%	100.0%	100.0%	2,350,091	163,236	2,513,327
1999/00	162.0	98.4%	100.0%	100.0%	2,351,719	55,854	2,407,573
2000/01	150.0	97.4%	100.0%	100.0%	2,098,751	21,947	2,120,698
2001/02	138.0	96.5%	99.9%	97.2%	2,124,707	28,907	2,154,457
2002/03	126.0	95.5%	99.7%	92.2%	3,219,909	142,818	3,374,795
2003/04	114.0	94.3%	99.3%	86.8%	1,133,511	110,277	1,260,539
2004/05	102.0	92.7%	98.6%	80.9%	1,097,236	0	1,097,236
2005/06	90.0	88.8%	97.3%	75.5%	1,544,778	177,365	1,779,666
2006/07	78.0	82.6%	94.9%	70.6%	1,401,317	79,471	1,513,867
2007/08	66.0	75.8%	91.9%	66.5%	1,205,837	131,224	1,403,101
2008/09	54.0	67.6%	87.8%	62.2%	1,448,852	464,331	2,195,335
2009/10	42.0	57.8%	81.3%	55.8%	1,011,275	264,343	1,485,292
2010/11	30.0	45.1%	69.7%	44.9%	606,439	240,627	1,142,423
2011/12	18.0	26.3%	53.1%	36.4%	515,961	202,499	1,072,145

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

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

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
WORKERS' COMPENSATION

Exhibit WC-6

Preliminary Projected Ultimate Limited Losses to 2011/12

Claim Period (1)	Developed Limited Paid Losses (2)	Developed Limited Reported Incurred Losses (3)	Developed Limited Case Reserves (4)	Preliminary Projected Ultimate Limited Losses (5)
to 1993/94	\$14,792,639	\$14,845,392	\$14,845,392	\$14,854,133
1994/95	743,578	743,172	743,172	743,390
1995/96	1,912,232	1,905,447	1,905,447	1,905,447
1996/97	2,465,778	2,476,745	2,476,745	2,478,974
1997/98	2,085,522	2,070,986	2,070,986	2,070,986
1998/99	2,372,501	2,513,327	2,513,327	2,529,651
1999/00	2,389,535	2,407,573	2,407,573	2,413,159
2000/01	2,143,328	2,120,698	2,120,698	2,122,893
2001/02	2,202,266	2,155,765	2,154,457	2,156,505
2002/03	3,370,821	3,374,498	3,374,795	3,377,008
2003/04	1,201,448	1,253,132	1,260,539	1,260,539
2004/05	1,183,323	1,112,658	1,097,236	1,097,236
2005/06	1,739,538	1,770,693	1,779,666	1,777,872
2006/07	1,696,036	1,560,485	1,513,867	1,527,852
2007/08	1,590,098	1,454,755	1,403,101	1,423,763
2008/09	2,141,690	2,179,707	2,195,335	2,183,719
2009/10	1,748,992	1,568,205	1,485,292	1,571,197
2010/11	1,346,000	1,214,916	1,142,423	1,212,135
2011/12	1,963,170	1,352,479	1,072,145	1,362,483

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(2) is from Exhibit WC-3.

(3) is from Exhibit WC-4.

(4) is from Exhibit WC-5.

(5) is based on (2) to (4) and actuarial judgment.

Bornhuetter - Ferguson Analysis

I. A-priori Loss Rate

Claim Period (1)	Preliminary Projected Ultimate Limited Losses (2)	Payroll (000) (3)	Limited Loss Rate per \$100 of Payroll (2)/(3)/10 (4)	Loss Rate Trend (2012/13 = 1.000) (5)	Trended Limited Loss Rate per \$100 of Payroll (4)X(5) (6)	Projected A-priori Loss Rate per \$100 of Payroll (7)/(5) (8)
2002/03	\$3,377,008	\$147,515	\$2.29	0.623	\$1.43	\$1.50
2003/04	1,260,539	151,940	0.83	0.702	0.58	1.33
2004/05	1,097,236	156,498	0.70	1.043	0.73	0.89
2005/06	1,777,872	161,193	1.10	1.164	1.28	0.80
2006/07	1,527,852	174,956	0.87	1.154	1.01	0.81
2007/08	1,423,763	190,527	0.75	1.108	0.83	0.84
2008/09	2,183,719	190,897	1.14	1.068	1.22	0.87
2009/10	1,571,197	192,857	0.81	1.040	0.85	0.90
2010/11	1,212,135	191,363	0.63	1.019	0.65	0.91
2011/12	1,362,483	197,185	0.69	0.998	0.69	0.93

(7) Projected 2012/13 a-priori loss rate per \$100 of Payroll \$0.93

II. Bornhuetter - Ferguson Analysis Based on Limited Paid Losses

Claim Period (1)	Limited Paid Losses 12/31/12 (2)	Percent Losses Paid (3)	Projected A-priori Loss Rate per \$100 of Payroll (4)	Payroll (000) (5)	B-F Unpaid Losses [100.0%-(3)] X(4)X(5)X10 (6)	B-F Ultimate Limited Paid Losses (2)+(6) (7)
2007/08	\$1,205,837	75.8%	\$0.84	\$190,527	\$387,198	\$1,593,035
2008/09	1,448,852	67.6%	0.87	190,897	538,965	1,987,816
2009/10	1,011,275	57.8%	0.90	192,857	729,204	1,740,479
2010/11	606,439	45.1%	0.91	191,363	961,871	1,568,310
2011/12	515,961	26.3%	0.93	197,185	1,357,049	1,873,010

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

Claim Period (1)	Limited Reported Incurred Losses 12/31/12 (2)	Percent Losses Reported (3)	Projected A-priori Loss Rate per \$100 of Payroll (4)	Payroll (000) (5)	B-F Unreported Losses [100.0%-(3)] X(4)X(5)X10 (6)	B-F Ultimate Limited Reported Losses (2)+(6) (7)
2007/08	\$1,337,061	91.9%	\$0.84	\$190,527	\$129,627	\$1,466,688
2008/09	1,913,183	87.8%	0.87	190,897	203,715	2,116,898
2009/10	1,275,616	81.3%	0.90	192,857	322,552	1,598,170
2010/11	847,066	69.7%	0.91	191,363	530,045	1,377,111
2011/12	718,459	53.1%	0.93	197,185	862,967	1,581,427

Section I, (2) is from Exhibit WC-6.

Section I, (3), Section II, (5) and Section III, (5) are from Exhibit WC-10.

Section I, (5) is from Exhibit WC-15 and adjusted for change in retention.

Section I, (7) is based on Section I, (6) and actuarial judgment.

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

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

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

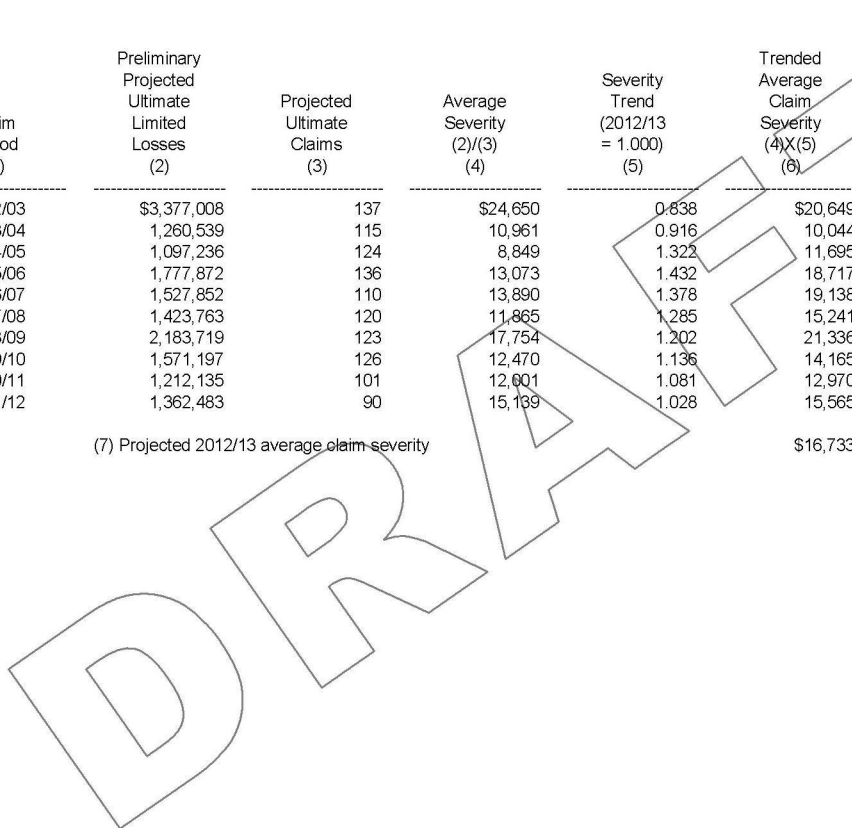
Frequency Times Severity Analysis

I. Projected Ultimate Claims

Claim Period (1)	Months of Development 12/31/12 (2)	Reported Claims 12/31/12 (3)	Percent Claims Reported (4)	Projected Ultimate Claims (3)/(4) (5)	Payroll (000) (6)	Frequency (per \$1M of Payroll) (5)/(6)X1,000 (7)
2002/03	126.0	137	100.0%	137	\$147,515	0.93
2003/04	114.0	115	100.0%	115	151,940	0.76
2004/05	102.0	124	100.0%	124	156,498	0.79
2005/06	90.0	136	100.0%	136	161,193	0.84
2006/07	78.0	110	100.0%	110	174,956	0.63
2007/08	66.0	120	100.0%	120	190,527	0.63
2008/09	54.0	123	100.0%	123	190,897	0.64
2009/10	42.0	126	100.0%	126	192,857	0.65
2010/11	30.0	101	99.8%	101	191,363	0.53
2011/12	18.0	87	96.9%	90	197,185	0.46

II. Frequency Times Severity

Claim Period (1)	Preliminary Projected Ultimate Limited Losses (2)	Projected Ultimate Claims (3)	Average Severity (2)/(3) (4)	Severity Trend (2012/13 = 1.000) (5)	Trended Average Claim Severity (4)X(5) (6)	De-Trended Projected 2012/13 Average Claim Severity (7)/(5) (8)	Frequency Times Severity (3)X(8) (9)
2002/03	\$3,377,008	137	\$24,650	0.838	\$20,649	\$19,975	\$2,736,642
2003/04	1,260,539	115	10,961	0.916	10,044	18,261	2,099,973
2004/05	1,097,236	124	8,849	1.322	11,695	12,660	1,569,889
2005/06	1,777,872	136	13,073	1.432	18,717	11,687	1,589,400
2006/07	1,527,852	110	13,890	1.378	19,138	12,144	1,335,855
2007/08	1,423,763	120	11,865	1.285	15,241	13,026	1,563,113
2008/09	2,183,719	123	17,754	1.202	21,336	13,924	1,712,626
2009/10	1,571,197	126	12,470	1.136	14,165	14,731	1,856,062
2010/11	1,212,135	101	12,001	1.081	12,970	15,484	1,563,863
2011/12	1,362,483	90	15,139	1.028	15,565	16,275	1,464,785
(7) Projected 2012/13 average claim severity					\$16,733		



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

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

Section I, (6) is from Exhibit WC-10.

Section II, (2) is from Exhibit WC-6.

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

Section II, (5) is from Exhibit WC-15 and adjusted for change in retention.

Section II, (7) is based on (6) and actuarial judgment.

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
WORKERS' COMPENSATION

Exhibit WC-9

Projected Ultimate Limited Losses to 2011/12

Claim Period (1)	Developed Limited Paid Losses (2)	Developed Limited Reported Incurred Losses (3)	Developed Limited Case Reserves (4)	B-F Ultimate Limited Paid Losses (5)	B-F Ultimate Limited Reported Losses (6)	Frequency Times Severity (7)	Projected Ultimate Limited Losses (8)
to 1993/94	\$14,792,639	\$14,845,392	\$14,845,392				\$14,854,133
1994/95	743,578	743,172	743,172				743,390
1995/96	1,912,232	1,905,447	1,905,447				1,905,447
1996/97	2,465,778	2,476,745	2,476,745				2,479,000
1997/98	2,085,522	2,070,986	2,070,986				2,070,986
1998/99	2,372,501	2,513,327	2,513,327				2,530,000
1999/00	2,389,535	2,407,573	2,407,573				2,413,159
2000/01	2,143,328	2,120,698	2,120,698				2,123,000
2001/02	2,202,266	2,155,765	2,154,457				2,157,000
2002/03	3,370,821	3,374,498	3,374,795				3,377,008
2003/04	1,201,448	1,253,132	1,260,539				1,261,000
2004/05	1,183,323	1,112,658	1,097,236				1,097,236
2005/06	1,739,538	1,770,693	1,779,666				1,778,000
2006/07	1,696,036	1,560,485	1,513,867				1,528,000
2007/08	1,590,098	1,454,755	1,403,101	1,593,035	1,466,688	1,563,113	1,424,000
2008/09	2,141,690	2,179,707	2,195,335	1,987,816	2,116,898	1,712,626	2,184,000
2009/10	1,748,992	1,568,205	1,485,292	1,740,479	1,598,170	1,856,062	1,571,000
2010/11	1,346,000	1,214,916	1,142,423	1,568,310	1,377,111	1,563,863	1,311,000
2011/12	1,963,170	1,352,479	1,072,145	1,873,010	1,581,427	1,464,785	1,570,000

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(2) is from Exhibit WC-3.

(3) is from Exhibit WC-4.

(4) is from Exhibit WC-5.

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

(7) is from Exhibit WC-8.

(8) is based on (2) to (7) and actuarial judgment.

Projected Ultimate Limited Losses for 2012/13 and Subsequent

Claim Period (1)	Projected Ultimate Limited Losses (2)	Payroll (000) (3)	Limited Loss Rate per \$100 of Payroll (2)/(3)/10 (4)	Loss Rate Trend (2012/13 = 1.000) (5)	Trended Limited Loss Rate per \$100 of Payroll (4)X(5) (6)
2002/03	\$3,377,008	\$147,515	\$2.29	0.623	\$1.43
2003/04	1,261,000	151,940	0.83	0.702	0.58
2004/05	1,097,236	156,498	0.70	1.043	0.73
2005/06	1,778,000	161,193	1.10	1.164	1.28
2006/07	1,528,000	174,956	0.87	1.154	1.01
2007/08	1,424,000	190,527	0.75	1.108	0.83
2008/09	2,184,000	190,897	1.14	1.068	1.22
2009/10	1,571,000	192,857	0.81	1.040	0.85
2010/11	1,311,000	191,363	0.69	1.019	0.70
2011/12	1,570,000	197,185	0.80	0.998	0.79
Total	\$17,101,245	\$1,754,931	\$0.97		\$0.94

Claim Period (1)	Projected Limited Loss Rate per \$100 of Payroll (7)	Projected Payroll (000) (8)	Projected Ultimate Limited Losses (7)X(8)X10 (9)	Present Value Factor (10)	Present Value of Projected Limited Loss Rate per \$100 of Payroll (7)X(10) (11)	Present Value of Projected Ultimate Limited Losses (8)X(11)X10 (12)
2012/13	\$0.95	\$186,506	\$1,780,000	0.95	\$0.90	\$1,685,000
2013/14	0.97	189,771	1,834,000	0.95	0.91	1,735,000
2014/15	0.99	195,464	1,926,000	0.95	0.93	1,823,000

(2) is from Exhibit WC-9.

(3) for 2005/06, 2006/07, 2007/08, 2008/09, 2009/10, 2010/11 and 2011/12 were provided by MWDSC. Other periods assume a 3% trend.

(5) is from Exhibit WC-15 and adjusted for change in retention.

(7) for 2012/13 is based on (6) and actuarial judgment.

(7) for 2013/14 and subsequent are based on 2012/13 plus the trend in Exhibit WC-15.

(8) to 2013/14 was provided by MWDSC. Other claim periods are based on a 3% trend.

(10) is based on a 1.5% interest rate and the payout pattern in Exhibit WC-2.

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
WORKERS' COMPENSATION

Exhibit WC-11

Estimated Outstanding Losses as of December 31, 2012

Claim Period (1)	Limited Paid Losses 12/31/12 (2)	Limited Case Reserves 12/31/12 (3)	Limited Reported Incurred Losses 12/31/12 (4)	Projected Ultimate Limited Losses (5)	Estimated IBNR 12/31/12 (5)-(4) (6)	Estimated Outstanding Losses 12/31/12 (3)+(6) (7)	Present Value Factor (8)	Present Value of Estimated Outstanding Losses 12/31/12 (7)X(8) (9)
to 1993/94	\$14,757,984	\$87,408	\$14,845,392	\$14,854,133	\$8,741	\$96,149	0.96	\$92,626
1994/95	740,982	2,190	743,172	743,390	219	2,409	0.96	2,322
1995/96	1,905,447	0	1,905,447	1,905,447	0	0	0.96	0
1996/97	2,454,456	22,290	2,476,745	2,479,000	2,255	24,545	0.96	23,457
1997/98	2,070,986	0	2,070,986	2,070,986	0	0	0.95	0
1998/99	2,350,091	163,236	2,513,327	2,530,000	16,673	179,909	0.95	170,958
1999/00	2,351,719	55,854	2,407,573	2,413,159	5,585	61,439	0.95	58,465
2000/01	2,098,751	21,947	2,120,698	2,123,000	2,302	24,249	0.96	23,367
2001/02	2,124,707	28,907	2,153,614	2,157,000	3,386	32,293	0.96	31,104
2002/03	3,219,909	142,818	3,362,726	3,377,008	14,282	157,100	0.96	150,726
2003/04	1,133,511	110,277	1,243,788	1,261,000	17,212	127,489	0.95	121,668
2004/05	1,097,236	0	1,097,236	1,097,236	0	0	0.95	0
2005/06	1,544,778	177,365	1,722,143	1,778,000	55,857	233,222	0.95	221,572
2006/07	1,401,317	79,471	1,480,788	1,528,000	47,212	128,683	0.96	121,609
2007/08	1,205,837	131,224	1,337,061	1,424,000	86,939	218,163	0.96	209,489
2008/09	1,448,852	464,331	1,913,183	2,184,000	270,817	735,148	0.96	704,384
2009/10	1,011,275	264,343	1,275,618	1,571,000	295,382	559,725	0.96	535,114
2010/11	606,439	240,627	847,066	1,311,000	463,934	704,561	0.95	671,542
2011/12	515,961	202,499	718,459	1,570,000	851,541	1,054,040	0.95	1,003,366
2012/13	51,818	106,407	158,225	890,000	731,775	838,182	0.95	798,255
Total	\$44,092,054	\$2,301,194	\$46,393,249	\$49,267,359	\$2,874,112	\$5,175,306		\$4,940,024

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(2), (3) and (4) are net of specific self insured retention and aggregate retention.

(5) to 2011/12 is from Exhibit WC-9. The amount for 2012/13 is from Exhibit WC-10. (50% of the period).

(8) is based on a 1.5% interest rate and the payout pattern in Exhibit WC-2.

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
WORKERS' COMPENSATION

Exhibit WC-12

Projected Losses Paid January 1, 2013 to June 30, 2013

Claim Period (1)	Months of Development 12/31/12 (2)	Percent Losses Paid (3)	Months of Development 6/30/13 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 1/1/13 to 6/30/13 [(5)-(3)]/ [100.0%-(3)] (6)	Estimated Outstanding Losses 12/31/12 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/13 (7)-(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/13 (9)X(10) (11)
to 1993/94	234.0	99.8%	240.0	99.8%	20.0%	\$96,149	\$19,214	\$76,935	0.96	\$74,116
1994/95	222.0	99.7%	228.0	99.7%	14.3%	2,409	344	2,065	0.96	1,990
1995/96	210.0	99.6%	216.0	99.6%	11.1%	0	0	0	0.96	0
1996/97	198.0	99.5%	204.0	99.5%	9.1%	24,545	2,226	22,319	0.96	21,329
1997/98	186.0	99.3%	192.0	99.4%	14.2%	0	0	0	0.95	0
1998/99	174.0	99.1%	180.0	99.2%	15.7%	179,909	28,258	151,651	0.95	144,106
1999/00	162.0	98.4%	168.0	98.9%	30.9%	61,439	19,009	42,430	0.95	40,376
2000/01	150.0	97.4%	156.0	97.9%	19.0%	24,249	4,597	19,652	0.96	18,937
2001/02	138.0	96.5%	144.0	97.0%	13.6%	32,293	4,401	27,892	0.96	26,865
2002/03	126.0	95.5%	132.0	96.0%	10.6%	157,100	16,676	140,424	0.96	134,726
2003/04	114.0	94.3%	120.0	95.0%	12.4%	127,489	15,835	111,654	0.95	106,556
2004/05	102.0	92.7%	108.0	93.6%	12.6%	0	0	0	0.95	0
2005/06	90.0	88.8%	96.0	91.8%	26.8%	233,222	62,555	170,667	0.95	162,141
2006/07	78.0	82.6%	84.0	85.8%	18.3%	126,683	23,167	103,516	0.96	99,370
2007/08	66.0	75.8%	72.0	79.4%	14.9%	218,163	32,600	185,563	0.96	178,185
2008/09	54.0	67.6%	60.0	72.2%	14.1%	735,148	103,922	631,226	0.96	604,811
2009/10	42.0	57.8%	48.0	63.1%	12.5%	559,725	69,753	489,972	0.96	468,428
2010/11	30.0	45.1%	36.0	52.6%	13.7%	704,561	96,290	608,271	0.95	579,765
2011/12	18.0	26.3%	24.0	37.5%	15.3%	1,054,040	161,052	892,988	0.95	850,057
2012/13	6.0	7.5%	12.0	15.0%	8.1%	1,728,182	140,308	1,587,874	0.95	1,512,235
Total						\$6,065,306	\$800,207	\$5,265,099		\$5,023,993

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(3) and (5) are from Exhibit WC-2.

(7) to 2011/12 is from Exhibit WC-11. The amount for 2012/13 is for the full period.

(10) is based on a 1.5% interest rate and the payout pattern in Exhibit WC-2.

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
WORKERS' COMPENSATION

Exhibit WC-13

Projected Losses Paid July 1, 2013 to June 30, 2014

Claim Period (1)	Months of Development 6/30/13 (2)	Percent Losses Paid (3)	Months of Development 6/30/14 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/13 to 6/30/14 [(5)-(3)]/ [100.0%-(3)] (6)	Estimated Outstanding Losses 6/30/13 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/14 (7)-(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/14 (9)X(10) (11)
to 1993/94	240.0	99.8%	252.0	99.9%	30.0%	\$76,935	\$23,081	\$53,854	0.96	\$51,945
1994/95	228.0	99.7%	240.0	99.8%	33.3%	2,065	688	1,377	0.96	1,327
1995/96	216.0	99.6%	228.0	99.7%	25.0%	0	0	0	0.96	0
1996/97	204.0	99.5%	216.0	99.6%	20.0%	22,319	4,456	17,863	0.96	17,158
1997/98	192.0	99.4%	204.0	99.5%	16.6%	0	0	0	0.96	0
1998/99	180.0	99.2%	192.0	99.4%	24.9%	151,651	37,790	113,861	0.95	108,180
1999/00	168.0	98.9%	180.0	99.2%	27.1%	42,430	11,519	30,911	0.95	29,373
2000/01	156.0	97.9%	168.0	98.9%	47.3%	19,652	9,287	10,365	0.95	9,863
2001/02	144.0	97.0%	156.0	97.9%	31.9%	27,892	8,891	19,001	0.96	18,310
2002/03	132.0	96.0%	144.0	97.0%	24.0%	140,424	33,686	106,738	0.96	102,807
2003/04	120.0	95.0%	132.0	96.0%	19.2%	111,654	21,430	90,224	0.96	86,563
2004/05	108.0	93.6%	120.0	95.0%	22.1%	0	0	0	0.95	0
2005/06	96.0	91.8%	108.0	93.6%	22.4%	170,667	38,248	132,419	0.95	126,038
2006/07	84.0	85.8%	96.0	91.8%	42.3%	103,516	43,786	59,730	0.95	56,746
2007/08	72.0	79.4%	84.0	85.8%	30.9%	185,563	57,377	128,186	0.96	123,052
2008/09	60.0	72.2%	72.0	79.4%	26.0%	631,226	164,125	467,101	0.96	448,530
2009/10	48.0	63.1%	60.0	72.2%	24.8%	489,972	121,370	368,602	0.96	353,177
2010/11	36.0	52.6%	48.0	63.1%	22.2%	608,271	134,806	473,465	0.96	452,647
2011/12	24.0	37.5%	36.0	52.6%	24.0%	892,988	214,736	678,252	0.95	646,466
2012/13	12.0	15.0%	24.0	37.5%	26.5%	1,587,874	420,923	1,166,951	0.95	1,110,849
2013/14	0.0	0.0%	12.0	15.0%	15.0%	1,834,000	275,436	1,558,564	0.95	1,484,321
Total						\$7,099,099	\$1,621,635	\$5,477,464		\$5,227,352

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(3) and (5) are from Exhibit WC-2.

(7) to 2012/13 is from Exhibit WC-12, (9). The amount for 2013/14 is from Exhibit WC-10.

(10) is based on a 1.5% interest rate and the payout pattern in Exhibit WC-2.

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
WORKERS' COMPENSATION

Exhibit WC-14

Projected Losses Paid July 1, 2014 to June 30, 2015

Claim Period (1)	Months of Development 6/30/14 (2)	Percent Losses Paid (3)	Months of Development 6/30/15 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/14 to 6/30/15 [(5)-(3)]/ [100.0%-(3)] (6)	Estimated Outstanding Losses 6/30/14 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/15 (7)-(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/15 (9)X(10) (11)
to 1993/94	252.0	99.9%	264.0	99.9%	30.0%	\$53,854	\$16,156	\$37,698	0.97	\$36,420
1994/95	240.0	99.8%	252.0	99.9%	30.0%	1,377	413	964	0.96	930
1995/96	228.0	99.7%	240.0	99.8%	33.3%	0	0	0	0.96	0
1996/97	216.0	99.6%	228.0	99.7%	25.0%	17,863	4,460	13,403	0.96	12,919
1997/98	204.0	99.5%	216.0	99.6%	20.0%	0	0	0	0.96	0
1998/99	192.0	99.4%	204.0	99.5%	16.6%	113,861	18,933	94,928	0.96	90,719
1999/00	180.0	99.2%	192.0	99.4%	24.9%	30,911	7,703	23,208	0.95	22,050
2000/01	168.0	98.9%	180.0	99.2%	27.1%	10,365	2,814	7,551	0.95	7,175
2001/02	156.0	97.9%	168.0	98.9%	47.3%	19,001	8,979	10,022	0.95	9,537
2002/03	144.0	97.0%	156.0	97.9%	31.9%	106,738	34,023	72,715	0.96	70,069
2003/04	132.0	96.0%	144.0	97.0%	24.0%	90,224	21,644	68,580	0.96	66,054
2004/05	120.0	95.0%	132.0	96.0%	19.2%	0	0	0	0.96	0
2005/06	108.0	93.6%	120.0	95.0%	22.1%	132,419	29,260	103,159	0.95	98,449
2006/07	96.0	91.8%	108.0	93.6%	22.4%	59,730	13,386	46,344	0.95	44,111
2007/08	84.0	85.8%	96.0	91.8%	42.3%	128,186	54,221	73,965	0.95	70,270
2008/09	72.0	79.4%	84.0	85.8%	30.9%	467,101	144,430	322,671	0.96	309,747
2009/10	60.0	72.2%	72.0	79.4%	26.0%	368,602	95,840	272,762	0.96	261,918
2010/11	48.0	63.1%	60.0	72.2%	24.8%	473,465	117,281	356,184	0.96	341,279
2011/12	36.0	52.6%	48.0	63.1%	22.2%	678,252	150,315	527,937	0.96	504,724
2012/13	24.0	37.5%	36.0	52.6%	24.0%	1,166,951	280,615	886,336	0.95	844,798
2013/14	12.0	15.0%	24.0	37.5%	26.5%	1,558,564	413,153	1,145,411	0.95	1,090,344
2014/15	0.0	0.0%	12.0	15.0%	15.0%	1,926,000	289,252	1,636,748	0.95	1,558,781
Total						\$7,403,464	\$1,702,878	\$5,700,586		\$5,440,294

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(3) and (5) are from Exhibit WC-2.

(7) to 2013/14 is from Exhibit WC-13, (9). The amount for 2014/15 is from Exhibit WC-10.

(10) is based on a 1.5% interest rate and the payout pattern in Exhibit WC-2.

Loss Rate and Severity Trend

I. Benefit Level Changes

Effective Date (1)	Benefit Level Change (2)	Cumulative Benefit Level Change (3)
01/01/03	1.051	1.051
01/01/04	0.759	0.798
04/19/04	0.831	0.663
01/01/05	0.768	0.509
01/01/06	0.965	0.491
01/01/07	1.006	0.494
02/15/07	1.011	0.500
01/01/08	1.022	0.511
01/01/09	1.013	0.517
01/01/10	1.001	0.518
01/01/12	1.001	0.518
01/01/13	0.956	0.496
01/01/14	1.031	0.511

II. Loss Rate and Severity Trend

Claim Period (1)	Benefit Trend (2012/13 = 1.000) (2)	Residual Trend (2012/13 = 1.000) (3)	Retention Index (2012/13 = 1.000) (4)	Loss Rate Trend (2012/13 = 1.000) (2)X(3)X(4) (5)	Wage Trend (2012/13 = 1.000) (6)	Severity Trend (2012/13 = 1.000) (5)X(6) (7)
2002/03	0.482	1.219	1.060	0.623	1.344	0.838
2003/04	0.565	1.195	1.040	0.702	1.305	0.916
2004/05	0.865	1.172	1.030	1.043	1.267	1.322
2005/06	1.013	1.149	1.000	1.164	1.230	1.432
2006/07	1.025	1.126	1.000	1.154	1.194	1.378
2007/08	1.004	1.104	1.000	1.108	1.159	1.285
2008/09	0.986	1.082	1.000	1.068	1.126	1.202
2009/10	0.980	1.061	1.000	1.040	1.093	1.136
2010/11	0.979	1.040	1.000	1.019	1.061	1.081
2011/12	0.979	1.020	1.000	0.998	1.030	1.028
2012/13	1.000	1.000	1.000	1.000	1.000	1.000
2013/14	1.008	0.980	1.000	0.988	0.971	0.959

Section I, (2) and (3) reflect NCCI data.

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

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

Section II, (4) is based on industry statistics and actuarial judgment.

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

List of Large Claims
Reported Incurred Losses Greater Than \$250,000

Claim Number (1)	Date of Loss (2)	Claim Period (3)	Specific Self-Insured Retention (4)	Unlimited Paid Losses 12/31/12 (5)	Unlimited Case Reserves 12/31/12 (6)	Unlimited Reported Incurred Losses 12/31/12 (7)
MW19770017	6/5/1978	to 1993/94	\$250,000	\$359,441 *	\$37,631	\$397,072
MW19810123	10/14/1981	to 1993/94	250,000	455,867 *	0	455,867
MW19900115	10/16/1990	to 1993/94	400,000	436,248 *	0	436,248
MW19920064	10/28/1992	to 1993/94	400,000	304,326	0	304,326
MW19950010	7/13/1995	1995/96	400,000	268,230	0	268,230
MW19950045	9/19/1995	1995/96	400,000	1,719,296 *	564,808	2,284,104
MW19960025	9/16/1996	1996/97	400,000	258,422	0	258,422
MW19960082	12/19/1996	1996/97	400,000	291,116	22,290	313,406
MW19960157	5/7/1997	1996/97	400,000	470,296 *	0	470,296
MW19970022	9/17/1997	1997/98	400,000	302,471	0	302,471
MW19970056	12/9/1997	1997/98	400,000	256,800	0	256,800
MW19980066	9/25/1998	1998/99	400,000	201,294	163,236	364,531
MW19980092	3/8/1999	1998/99	400,000	291,952	0	291,952
MW19990122	4/25/2000	1999/00	400,000	261,059	0	261,059
MW20000062	11/16/2000	2000/01	400,000	457,486 *	0	457,486
MW20010149	1/2/2002	2001/02	500,000	274,337	0	274,337
MW20010118	3/19/2002	2001/02	500,000	409,236	0	409,236
MW20020001	7/10/2002	2002/03	1,000,000	251,618	0	251,618
MW20020060	11/20/2002	2002/03	1,000,000	268,545	0	268,545
MW20020078	1/21/2003	2002/03	1,000,000	401,427	142,818	544,245
0603000631	3/20/2006	2005/06	5,000,000	267,040	93,707	360,747
0704000974	4/26/2007	2006/07	5,000,000	221,320	53,680	275,000
0707001689	7/10/2007	2007/08	5,000,000	292,436	93,489	385,925
0707002452	7/30/2007	2007/08	5,000,000	236,493	28,884	265,377
0807001756	7/29/2008	2008/09	5,000,000	198,716	138,326	337,042
0906001491	6/15/2009	2008/09	5,000,000	321,114	82,648	403,761
111000039	10/11/2011	2011/12	5,000,000	261,047	37,198	298,245

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

(1) through (7) were provided by MWDSC.

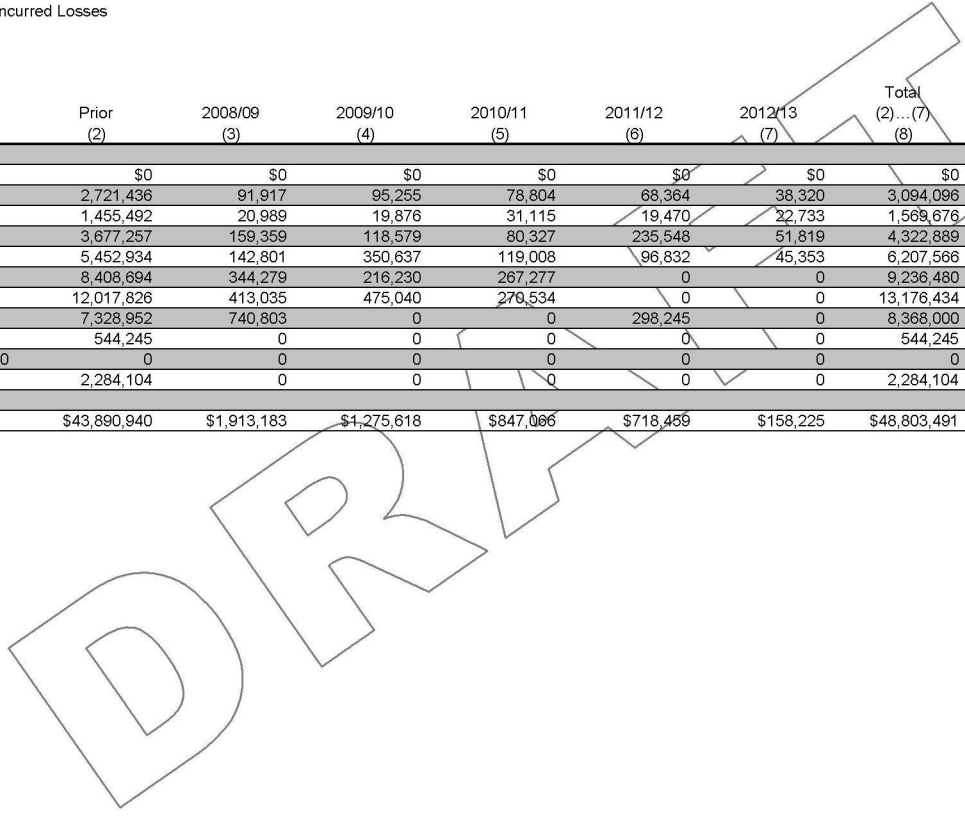
Size of Loss Distribution

I. Reported Claim Count

Layer (1)	Prior (2)	2008/09 (3)	2009/10 (4)	2010/11 (5)	2011/12 (6)	2012/13 (7)	Total (2)...(7) (8)	Non-Zero Claim Cumulative Total (9)	Non-Zero Claim Cumulative % of Total (10)
0	326	2	3	10	5	0	346		
0.01 - 5,000	3,025	95	97	73	61	37	3,388	3,388	79.0%
5,000 - 10,000	208	3	3	4	3	3	224	3,612	84.2%
10,000 - 25,000	223	10	7	5	14	3	262	3,874	90.3%
25,000 - 50,000	151	4	10	3	3	1	172	4,046	94.3%
50,000 - 100,000	119	5	3	4	0	0	131	4,177	97.3%
100,000 - 250,000	80	2	3	2	0	0	87	4,264	99.4%
250,000 - 500,000	22	2	0	0	1	0	25	4,289	100.0%
500,000 - 750,000	1	0	0	0	0	0	1	4,290	100.0%
750,000 - 1,000,000	0	0	0	0	0	0	0	4,290	100.0%
Over 1,000,000	1	0	0	0	0	0	1	4,291	100.0%
Total	4,156	123	126	101	87	44	4,637	4,291	

II. Total Reported Incurred Losses

Layer (1)	Prior (2)	2008/09 (3)	2009/10 (4)	2010/11 (5)	2011/12 (6)	2012/13 (7)	Total (2)...(7) (8)	Non-Zero Claim Cumulative Total (9)	Non-Zero Claim Cumulative % of Total (10)
0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
0.01 - 5,000	2,721,436	91,917	95,255	78,804	68,364	38,320	3,094,096	3,094,096	6.3%
5,000 - 10,000	1,455,492	20,989	19,876	31,115	19,470	22,733	1,569,676	4,663,773	9.6%
10,000 - 25,000	3,677,257	159,359	118,579	80,327	235,548	51,819	4,322,889	8,986,662	18.4%
25,000 - 50,000	5,452,934	142,801	350,637	119,008	96,832	45,353	6,207,566	15,194,227	31.1%
50,000 - 100,000	8,408,694	344,279	216,230	267,277	0	0	9,236,480	24,430,708	50.1%
100,000 - 250,000	12,017,826	413,035	475,040	270,534	0	0	13,176,434	37,607,142	77.1%
250,000 - 500,000	7,328,952	740,803	0	0	298,245	0	8,368,000	45,975,142	94.2%
500,000 - 750,000	544,245	0	0	0	0	0	544,245	46,519,387	95.3%
750,000 - 1,000,000	0	0	0	0	0	0	0	46,519,387	95.3%
Over 1,000,000	2,284,104	0	0	0	0	0	2,284,104	48,803,491	100.0%
Total	\$43,890,940	\$1,913,183	\$1,275,618	\$847,066	\$718,459	\$158,225	\$48,803,491	\$48,803,491	



2012/13 reflects 6.0 months of exposure.

Data was provided by MWDC.

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
LIABILITY

Exhibit LI-1 (page 1)

Data Summary as of December 31, 2012
Losses Limited to Self-Insured Retention

Claim Period (1)	Specific Self-Insured Retention (2)	Aggregate Retention (3)	Months of Development 12/31/12 (4)	Payroll (000) (5)	Reported Claims 12/31/12 (6)	Open Claims 12/31/12 (7)	Limited Paid Losses 12/31/12 (8)	Limited Case Reserves 12/31/12 (9)	Limited Reported Incurred Losses 12/31/12 (10)
to 1993/94	See Note	None	234.0	Not Provided	922	0	\$7,132,451	\$0	\$7,132,451
1994/95	25,000,000	None	222.0	Not Provided	112	0	1,112,906	0	1,112,906
1995/96	25,000,000	None	210.0	Not Provided	84	0	475,577	0	475,577
1996/97	25,000,000	None	198.0	Not Provided	105	0	946,609	0	946,609
1997/98	25,000,000	None	186.0	Not Provided	87	1	9,310,446	127,401	9,437,847
1998/99	25,000,000	None	174.0	Not Provided	89	0	4,098,516	0	4,098,516
1999/00	25,000,000	None	162.0	Not Provided	95	0	5,792,412	0	5,792,412
2000/01	25,000,000	None	150.0	Not Provided	84	0	1,667,454	0	1,667,454
2001/02	25,000,000	None	138.0	Not Provided	85	0	4,860,124	0	4,860,124
2002/03	25,000,000	None	126.0	Not Provided	79	1	8,967,080	49,427	9,016,507
2003/04	25,000,000	None	114.0	Not Provided	96	11	1,210,995	615,699	1,826,693
2004/05	25,000,000	None	102.0	Not Provided	59	1	10,297,192	252,316	10,549,508
2005/06	25,000,000	None	90.0	161,193	48	0	287,620	0	287,620
2006/07	25,000,000	None	78.0	174,956	47	0	1,665,023	0	1,665,023
2007/08	25,000,000	None	66.0	190,527	68	5	4,688,486	1,687,772	6,376,258
2008/09	25,000,000	None	54.0	190,897	30	2	1,578,269	1,412,512	2,990,781
2009/10	25,000,000	None	42.0	192,857	35	3	75,821	654,793	730,614
2010/11	25,000,000	None	30.0	191,363	73	12	446,947	7,236,119	7,685,066
2011/12	25,000,000	None	18.0	197,185	34	9	30,947	695,250	726,197
2012/13	25,000,000	None	6.0	186,506	9	9	116	92,007	92,122
Total					2,241	54	\$64,646,989	\$12,823,295	\$77,470,283

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* The specific self-insured retention changes are as follows:

Effective Date	Retention
07/01/77	\$25,000,000

(8), (9) and (10) are net of the specific self-insured retention.

Data was provided by MWDSC.

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
LIABILITY

Exhibit LI-1 (page 2)

Data Summary as of December 31, 2012
Unlimited Losses

Claim Period (1)	Specific Self-Insured Retention (2)	Aggregate Retention (3)	Months of Development 12/31/12 (4)	Payroll (000) (5)	Reported Claims 12/31/12 (6)	Open Claims 12/31/12 (7)	Unlimited Paid Losses 12/31/12 (8)	Unlimited Case Reserves 12/31/12 (9)	Unlimited Reported Incurred Losses 12/31/12 (10)
to 1993/94	Unlimited	None	234.0	Not Provided	922	0	\$7,132,451	\$0	\$7,132,451
1994/95	Unlimited	None	222.0	Not Provided	112	0	1,112,906	0	1,112,906
1995/96	Unlimited	None	210.0	Not Provided	84	0	475,577	0	475,577
1996/97	Unlimited	None	198.0	Not Provided	105	0	946,609	0	946,609
1997/98	Unlimited	None	186.0	Not Provided	87	1	9,310,446	127,401	9,437,847
1998/99	Unlimited	None	174.0	Not Provided	89	0	4,098,516	0	4,098,516
1999/00	Unlimited	None	162.0	Not Provided	95	0	5,792,412	0	5,792,412
2000/01	Unlimited	None	150.0	Not Provided	84	0	1,667,454	0	1,667,454
2001/02	Unlimited	None	138.0	Not Provided	85	0	4,860,124	0	4,860,124
2002/03	Unlimited	None	126.0	Not Provided	79	1	8,967,080	49,427	9,016,507
2003/04	Unlimited	None	114.0	Not Provided	96	11	1,210,995	615,699	1,826,693
2004/05	Unlimited	None	102.0	Not Provided	59	1	10,297,192	252,316	10,549,508
2005/06	Unlimited	None	90.0	161,193	48	0	287,620	0	287,620
2006/07	Unlimited	None	78.0	174,956	47	0	1,665,023	0	1,665,023
2007/08	Unlimited	None	66.0	190,527	68	5	4,688,486	1,687,772	6,376,258
2008/09	Unlimited	None	54.0	190,897	30	2	1,578,269	1,412,512	2,990,781
2009/10	Unlimited	None	42.0	192,857	35	3	75,821	654,793	730,614
2010/11	Unlimited	None	30.0	191,363	73	12	446,947	7,236,119	7,685,066
2011/12	Unlimited	None	18.0	197,185	34	9	30,947	695,250	726,197
2012/13	Unlimited	None	6.0	186,506	9	9	116	92,007	92,122
Total					2,241	54	\$64,646,989	\$12,823,295	\$77,470,283

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(8), (9) and (10) are gross of the specific self-insured retention.

Data was provided by MWDSC.

Summary of Percent Losses Paid, Losses Reported and Claims Reported

Months of Development (1)	Percent Losses Paid (2)	Percent Losses Reported (3)	Percent Claims Reported (4)	Months of Development (5)	Percent Losses Paid (6)	Percent Losses Reported (7)	Percent Claims Reported (8)
360.0	100.0%	100.0%	100.0%	354.0	100.0%	100.0%	100.0%
348.0	100.0%	100.0%	100.0%	342.0	100.0%	100.0%	100.0%
336.0	100.0%	100.0%	100.0%	330.0	100.0%	100.0%	100.0%
324.0	100.0%	100.0%	100.0%	318.0	100.0%	100.0%	100.0%
312.0	100.0%	100.0%	100.0%	306.0	100.0%	100.0%	100.0%
300.0	100.0%	100.0%	100.0%	294.0	100.0%	100.0%	100.0%
288.0	100.0%	100.0%	100.0%	282.0	100.0%	100.0%	100.0%
276.0	100.0%	100.0%	100.0%	270.0	100.0%	100.0%	100.0%
264.0	100.0%	100.0%	100.0%	258.0	100.0%	100.0%	100.0%
252.0	100.0%	100.0%	100.0%	246.0	100.0%	100.0%	100.0%
240.0	100.0%	100.0%	100.0%	234.0	100.0%	100.0%	100.0%
228.0	100.0%	100.0%	100.0%	222.0	100.0%	100.0%	100.0%
216.0	100.0%	100.0%	100.0%	210.0	100.0%	100.0%	100.0%
204.0	100.0%	100.0%	100.0%	198.0	100.0%	100.0%	100.0%
192.0	100.0%	100.0%	100.0%	186.0	100.0%	100.0%	100.0%
180.0	100.0%	100.0%	100.0%	174.0	100.0%	100.0%	100.0%
168.0	100.0%	100.0%	100.0%	162.0	100.0%	100.0%	100.0%
156.0	100.0%	100.0%	100.0%	150.0	100.0%	100.0%	100.0%
144.0	100.0%	100.0%	100.0%	138.0	100.0%	100.0%	100.0%
132.0	100.0%	100.0%	100.0%	126.0	99.8%	100.0%	100.0%
120.0	99.5%	100.0%	100.0%	114.0	99.3%	100.0%	100.0%
108.0	99.0%	100.0%	100.0%	102.0	98.5%	100.0%	100.0%
96.0	98.0%	99.9%	100.0%	90.0	96.8%	99.8%	100.0%
84.0	95.6%	99.7%	100.0%	78.0	93.4%	99.5%	100.0%
72.0	91.1%	99.2%	100.0%	66.0	87.9%	98.5%	100.0%
60.0	84.7%	97.7%	100.0%	54.0	77.7%	96.3%	100.0%
48.0	70.6%	94.9%	100.0%	42.0	57.4%	85.4%	99.8%
36.0	44.1%	75.9%	99.6%	30.0	33.1%	60.3%	98.2%
24.0	22.1%	44.7%	96.7%	18.0	13.2%	31.3%	88.6%
12.0	4.4%	17.9%	80.6%	6.0	2.2%	8.9%	40.3%

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(2) is from Exhibit LI-2 (page 2).

(3) is from Exhibit LI-2 (page 3).

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

(6), (7) and (8) are interpolated, based on (2), (3) and (4), respectively.

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
LIABILITY

Historical Limited Paid Losses (\$000) and Limited Paid Loss Development

I. Historical Limited Paid Losses (\$000)

Claim Period	Months of Development:																			
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240
to 1992/93									\$5,140	\$5,140	\$5,186	\$5,288	\$5,637	\$6,401	\$6,531	\$6,556	\$6,557	\$6,557	\$6,557	\$6,557
1993/94	58	116	198	307	448	576	576	576	576	576	576	576	576	576	576	576	576	576	576	576
1994/95	627	773	887	1,113	1,113	1,113	1,113	1,113	1,113	1,113	1,113	1,113	1,113	1,113	1,113	1,113	1,113	1,113	1,113	1,113
1995/96	125	197	310	366	440	440	476	476	476	476	476	476	476	476	476	476	476	476	476	476
1996/97	88	334	829	947	947	947	947	947	947	947	947	947	947	947	947	947	947	947	947	947
1997/98	34	61	147	2,299	2,759	3,405	4,241	5,514	6,672	7,954	8,363	8,946	9,205	9,304	9,310					
1998/99	70	361	934	4,031	4,032	4,052	4,032	4,099	4,099	4,099	4,099	4,099	4,099	4,099						
1999/00	141	856	4,289	4,680	4,776	4,834	5,278	5,756	5,787	5,792	5,792	5,792	5,792							
2000/01	512	572	860	1,519	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667								
2001/02	358	1,728	3,345	4,713	4,814	4,860	4,860	4,860	4,860	4,860	4,860	4,860								
2002/03	185	508	1,606	3,114	5,192	7,822	8,965	8,965	8,967	8,967										
2003/04	91	615	1,008	1,128	1,128	1,135	1,136	1,139	1,211											
2004/05	27	724	1,464	4,584	9,077	9,887	10,201	10,297												
2005/06	121	273	288	288	288	288	288													
2006/07	167	1,563	1,665	1,665	1,665	1,665														
2007/08	63	580	838	2,187	4,688															
2008/09	13	37	1,250	1,578																
2009/10	39	72	76																	
2010/11	203	335																		
2011/12	20																			

II. Limited Paid Loss Development

Claim Period	Months of Development:																				
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192	192-204	204-216	216-228	228-240	240-Ult	
to 1992/93									1.000	1.009	1.020	1.068	1.135	1.020	1.004	1.000	1.000	1.000	1.000	1.000	
1993/94	2.000	1.707	1.551	1.459	1.286	1.000	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
1994/95	1.233	1.147	1.255	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
1995/96	1.576	1.574	1.181	1.202	0.999	1.082	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
1996/97	3.795	2.482	1.142	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
1997/98	1.794	2.410	15.636	1.200	1.234	1.246	1.300	1.210	1.192	1.051	1.070	1.029	1.011	1.001							
1998/99	5.157	2.588	4.315	1.000	1.000	1.000	1.017	1.000	1.000	1.000	1.000	1.000	1.000								
1999/00	6.071	5.011	1.091	1.021	1.012	1.092	1.091	1.005	1.001	1.000	1.000	1.000	1.000								
2000/01	1.118	1.503	1.767	1.097	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000									
2001/02	4.821	1.936	1.409	1.021	1.010	1.000	1.000	1.000	1.000	1.000	1.000										
2002/03	2.741	3.160	1.939	1.668	1.507	1.146	1.000	1.000	1.000												
2003/04	6.764	1.271	1.291	1.119	1.006	1.001	1.003	1.063													
2004/05	26.659	2.024	3.130	1.980	1.089	1.032	1.009														
2005/06	2.250	1.055	1.000	1.000	1.000	1.000															
2006/07	9.343	1.066	1.000	1.000	1.000																
2007/08	9.287	1.443	2.611	2.144																	
2008/09	2.810	33.439	1.263																		
2009/10	1.837	1.054																			
2010/11	1.650																				
2011/12																					
Average																					
All	5.050	3.816	2.599	1.261	1.082	1.046	1.035	1.025	1.018	1.006	1.010	1.012	1.021	1.003	1.001	1.000	1.000	1.000	1.000	1.000	
Wtd 3	1.739	3.137	1.447	1.604	1.073	1.028	1.005	1.005	1.000	1.000	1.000	1.014	1.007	1.001	1.000	1.000	1.000	1.000	1.000	1.000	
Last 3	2.099	11.979	1.624	1.381	1.030	1.011	1.004	1.021	1.000	1.000	1.000	1.010	1.004	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Last 5	4.645	1.188	1.624	1.366	1.032	1.011	1.001	1.002	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
x-hi,low																					
Similar																					
Previous	5.000	2.000	1.600	1.200	1.075	1.050	1.025	1.010	1.005	1.005	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Selected	5.000	2.000	1.600	1.200	1.075	1.050	1.025	1.010	1.005	1.005	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Cumulative	22.661	4.532	2.266	1.416	1.180	1.098	1.046	1.020	1.010	1.005	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Percent	4.4%	22.1%	44.1%	70.6%	84.7%	91.1%	95.6%	98.0%	99.0%	99.5%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	

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Amounts are limited (net of excess insurance).

Data was provided by MWDSC.

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
LIABILITY

Historical Limited Reported Incurred Losses (\$000) and Limited Reported Incurred Loss Development

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

Claim Period	Months of Development:																			
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240
to 1992/93									\$5,140	\$5,140	\$5,187	\$5,289	\$5,636	\$6,400	\$6,836	\$6,833	\$6,557	\$6,557	\$6,557	\$6,557
1993/94	58	116	198	307	448	576	576	576	576	576	576	576	576	576	576	576	576	576	576	576
1994/95	627	773	887	1,113	1,113	1,113	1,113	1,113	1,113	1,113	1,113	1,113	1,113	1,113	1,113	1,113	1,113	1,113	1,113	1,113
1995/96	125	197	310	366	440	440	476	476	476	476	476	476	476	476	476	476	476	476	476	476
1996/97	88	334	829	947	947	947	947	947	947	947	947	947	947	947	947	947	947	947	947	947
1997/98	34	61	147	2,299	2,759	3,405	4,241	5,514	7,360	8,555	9,016	9,602	9,938	9,438	9,438					
1998/99	343	1,202	3,322	4,276	4,271	4,071	4,042	4,099	4,099	4,099	4,099	4,099	4,099	4,099	4,099					
1999/00	141	856	4,289	4,680	4,776	4,834	6,206	6,379	6,341	6,341	6,341	5,792	5,792							
2000/01	512	572	860	1,519	1,667	2,175	2,130	1,667	1,667	1,667	1,667	1,667								
2001/02	358	1,728	3,345	4,713	5,971	6,069	5,960	5,460	4,860	4,860	4,860									
2002/03	185	508	1,606	7,918	7,973	16,106	16,999	8,965	9,017	9,017										
2003/04	91	615	2,359	2,491	2,167	2,167	2,117	1,827												
2004/05	27	1,528	2,488	5,150	9,840	10,372	10,489	10,550												
2005/06	248	440	338	313	288	288	288													
2006/07	469	1,862	1,702	1,665	1,665	1,665														
2007/08	475	955	1,120	2,643	6,397															
2008/09	310	360	2,234	3,081																
2009/10	345	413	412																	
2010/11	1,028	7,985																		
2011/12	667																			

II. Limited Reported Incurred Loss Development

Claim Period	Months of Development:																				
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192	192-204	204-216	216-228	228-240	240-Ult	
to 1992/93									1.000	1.009	1.020	1.068	1.135	1.068	1.000	0.959	1.000	1.000	1.000	1.000	
1993/94	2.000	1.707	1.551	1.459	1.286	1.000	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
1994/95	1.233	1.147	1.255	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
1995/96	1.576	1.574	1.181	1.202	0.999	1.082	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
1996/97	3.795	2.482	1.142	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
1997/98	1.794	2.410	15.636	1.200	1.234	1.246	1.300	1.335	1.182	1.054	1.065	1.035	0.950	1.000							
1998/99	3.504	2.763	1.287	0.999	0.953	0.993	1.014	1.000	1.000	1.000	1.000	1.000	1.000	1.000							
1999/00	6.071	5.011	1.091	1.021	1.012	1.284	1.028	0.994	1.000	1.000	0.914	1.000									
2000/01	1.118	1.503	1.767	1.097	1.305	0.979	0.783	1.000	1.000	1.000	1.000										
2001/02	4.821	1.936	1.409	1.267	1.016	0.982	0.916	0.890	1.000	1.000											
2002/03	2.741	3.160	4.930	1.007	2.020	1.055	0.527	1.006	1.000												
2003/04	6.764	3.837	1.056	0.870	1.000	0.977	0.863	1.000													
2004/05	56.312	1.628	2.070	1.911	1.054	1.011	1.006														
2005/06	1.772	0.768	0.926	0.919	1.000	1.000															
2006/07	3.973	0.914	0.979	1.000	1.000																
2007/08	2.013	1.172	2.360	2.421																	
2008/09	1.159	6.209	1.379																		
2009/10	1.197	0.997																			
2010/11	7.766																				
2011/12																					
Average																					
All	6.089	2.307	2.501	1.225	1.134	1.047	0.953	1.020	1.015	1.006	1.000	1.013	1.012	1.011	1.000	0.990	1.000	1.000	1.000	1.000	
Wtd 3	5.203	2.179	1.462	1.807	1.045	1.005	0.721	0.966	1.000	1.000	0.955	1.017	0.967	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Last 3	3.374	2.793	1.573	1.447	1.018	0.996	0.799	0.965	1.000	1.000	0.971	1.012	0.983	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Last 5	2.394	1.028	1.476	1.277	1.018	0.998	0.854	0.998	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
x-hi,low																					
Similar																					
Previous	2.500	1.700	1.250	1.030	1.015	1.005	1.002	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Selected	2.500	1.700	1.250	1.030	1.015	1.005	1.002	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Cumulative	5.598	2.239	1.317	1.054	1.023	1.008	1.003	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Percent	17.9%	44.7%	75.9%	94.9%	97.7%	99.2%	99.7%	99.9%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	

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METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
LIABILITY

Historical Reported Claims and Reported Claim Development

I. Historical Reported Claims

Claim Period	Months of Development:																			
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240
to 1992/93									787	788	796	797	797	797	797	798	798	798	798	798
1993/94	87	101	103	124	124	124	124	124	124	124	124	124	124	124	124	124	124	124	124	124
1994/95	97	111	112	112	112	112	112	112	112	112	112	112	112	112	112	112	112	112	112	112
1995/96	72	81	82	83	83	83	84	84	84	84	84	84	84	84	84	84	84	84	84	84
1996/97	91	105	105	105	105	105	105	105	105	105	105	105	105	105	105	105	105	105	105	105
1997/98	75	81	84	86	86	86	87	87	87	87	87	87	87	87	87	87	87	87	87	87
1998/99	78	85	86	87	87	87	87	89	89	89	89	89	89	89	89	89	89	89	89	89
1999/00	66	88	94	94	94	95	95	95	95	95	95	95	95	95	95	95	95	95	95	95
2000/01	60	80	84	84	84	84	84	84	84	84	84	84	84	84	84	84	84	84	84	84
2001/02	66	82	85	85	85	85	85	85	85	85	85	85	85	85	85	85	85	85	85	85
2002/03	60	74	78	79	79	79	79	79	79	79	79	79	79	79	79	79	79	79	79	79
2003/04	66	95	96	96	96	96	96	96	96	96	96	96	96	96	96	96	96	96	96	96
2004/05	52	59	59	59	59	59	59	59	59	59	59	59	59	59	59	59	59	59	59	59
2005/06	37	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48
2006/07	39	47	47	47	47	47	47	47	47	47	47	47	47	47	47	47	47	47	47	47
2007/08	57	62	65	68	68	68	68	68	68	68	68	68	68	68	68	68	68	68	68	68
2008/09	27	29	29	29	29	29	29	29	29	29	29	29	29	29	29	29	29	29	29	29
2009/10	28	34	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35
2010/11	49	73																		
2011/12	33																			

II. Reported Claim Development

Claim Period	Months of Development:																				
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192	192-204	204-216	216-228	228-240	240-Ult	
to 1992/93									1.001	1.010	1.001	1.000	1.000	1.000	1.001	1.000	1.000	1.000	1.000	1.000	
1993/94	1.161	1.020	1.204	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
1994/95	1.144	1.009	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
1995/96	1.125	1.012	1.012	1.000	1.000	1.000	1.012	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
1996/97	1.154	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
1997/98	1.080	1.037	1.024	1.000	1.000	1.000	1.012	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
1998/99	1.090	1.012	1.012	1.000	1.000	1.000	1.023	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
1999/00	1.333	1.068	1.000	1.011	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2000/01	1.333	1.050	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2001/02	1.242	1.037	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2002/03	1.233	1.054	1.013	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2003/04	1.439	1.011	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2004/05	1.135	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2005/06	1.297	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2006/07	1.205	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2007/08	1.088	1.048	1.046	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2008/09	1.074	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2009/10	1.214	1.029	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2010/11	1.490																				
2011/12																					
Average																					
All	1.213	1.023	1.019	1.001	1.000	1.002	1.002	1.000	1.000	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Wtd 3	1.308	1.032	1.021	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Last 3	1.259	1.026	1.015	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Last 5	1.169	1.010	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
x-hi,low																					
Similar																					
Previous	1.200	1.030	1.004	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Selected	1.200	1.030	1.004	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Cumulative	1.241	1.034	1.004	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Percent	80.6%	96.7%	99.6%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	

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Data was provided by MWDSC.

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
LIABILITY

Exhibit LI-2 (page 5)

Historical Ratio of Limited Paid Losses and Limited Reported Incurred Losses

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

Claim Period	Months of Development:																				
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240	
to 1992/93									100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	95.5%	95.9%	100.0%	100.0%	100.0%	100.0%
1993/94	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
1994/95	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
1995/96	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
1996/97	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
1997/98	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	90.7%	93.0%	92.8%	93.2%	92.6%	98.6%	98.7%					
1998/99	20.4%	30.0%	28.1%	94.3%	94.4%	99.0%	99.8%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%						
1999/00	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	85.1%	90.2%	91.3%	91.4%	91.4%	100.0%	100.0%	100.0%							
2000/01	100.0%	100.0%	100.0%	100.0%	100.0%	76.7%	78.3%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%								
2001/02	100.0%	100.0%	100.0%	100.0%	80.6%	80.1%	81.5%	89.0%	100.0%	100.0%	100.0%	100.0%									
2002/03	100.0%	100.0%	100.0%	39.3%	65.1%	48.6%	52.7%	100.0%	99.5%	99.5%											
2003/04	100.0%	100.0%	33.1%	40.5%	52.1%	52.4%	53.7%	62.4%	66.3%												
2004/05	100.0%	47.3%	58.9%	89.0%	92.2%	95.3%	97.3%	97.6%													
2005/06	48.8%	62.0%	85.1%	91.9%	100.0%	100.0%	100.0%														
2006/07	35.7%	83.9%	97.9%	100.0%	100.0%	100.0%															
2007/08	13.2%	60.8%	74.8%	82.7%	73.3%																
2008/09	4.3%	10.4%	56.0%	51.2%																	
2009/10	11.4%	17.4%	18.4%																		
2010/11	19.8%	4.2%																			
2011/12	3.0%																				
Average																					
All	66.1%	73.1%	79.5%	86.8%	90.5%	89.4%	88.3%	94.9%	95.6%	98.5%	98.4%	99.2%	99.1%	99.8%	99.0%	99.2%	100.0%	100.0%	100.0%	100.0%	100.0%
Last 3	11.4%	10.7%	49.7%	78.0%	91.1%	98.4%	83.6%	86.7%	88.8%	99.8%	97.1%	100.0%	97.5%	99.5%	99.6%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Last 5	9.6%	29.5%	72.0%	87.9%	88.5%	82.6%	77.5%	95.5%	96.9%	99.8%	97.6%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
x-hi,low																					
Implicit	24.7%	49.4%	58.1%	74.4%	86.7%	91.8%	95.9%	98.1%	99.0%	99.5%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Developed Limited Paid Losses

Claim Period (1)	Months of Development 12/31/12 (2)	Limited Paid Losses 12/31/12 (3)	Percent Losses Paid (4)	Developed Limited Paid Losses (3)/(4) (5)
to 1993/94	234.0	\$7,132,451	100.0%	\$7,132,451
1994/95	222.0	1,112,906	100.0%	1,112,906
1995/96	210.0	475,577	100.0%	475,577
1996/97	198.0	946,609	100.0%	946,609
1997/98	186.0	9,310,446	100.0%	9,310,446
1998/99	174.0	4,098,516	100.0%	4,098,516
1999/00	162.0	5,792,412	100.0%	5,792,412
2000/01	150.0	1,667,454	100.0%	1,667,454
2001/02	138.0	4,860,124	100.0%	4,860,124
2002/03	126.0	8,967,080	99.8%	8,989,442
2003/04	114.0	1,210,995	99.3%	1,220,085
2004/05	102.0	10,297,192	98.5%	10,452,164
2005/06	90.0	287,620	96.8%	297,031
2006/07	78.0	1,665,023	93.4%	1,783,458
2007/08	66.0	4,688,486	87.9%	5,333,590
2008/09	54.0	1,578,269	77.7%	2,032,098
2009/10	42.0	75,821	57.4%	132,167
2010/11	30.0	448,947	33.1%	1,356,469
2011/12	18.0	30,947	18.2%	233,759

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(3) is from Exhibit LI-1.

(4) is from Exhibit LI-2.

Developed Limited Reported Incurred Losses

Claim Period (1)	Months of Development 12/31/12 (2)	Limited Reported Incurred Losses 12/31/12 (3)	Percent Losses Reported (4)	Developed Limited Reported Incurred Losses (3)/(4) (5)
to 1993/94	234.0	\$7,132,451	100.0%	\$7,132,451
1994/95	222.0	1,112,906	100.0%	1,112,906
1995/96	210.0	475,577	100.0%	475,577
1996/97	198.0	946,609	100.0%	946,609
1997/98	186.0	9,437,847	100.0%	9,437,847
1998/99	174.0	4,098,516	100.0%	4,098,516
1999/00	162.0	5,792,412	100.0%	5,792,412
2000/01	150.0	1,667,454	100.0%	1,667,454
2001/02	138.0	4,860,124	100.0%	4,860,124
2002/03	126.0	9,016,507	100.0%	9,016,507
2003/04	114.0	1,826,693	100.0%	1,826,693
2004/05	102.0	10,549,508	100.0%	10,554,780
2005/06	90.0	287,620	99.8%	288,196
2006/07	78.0	1,665,023	99.5%	1,674,186
2007/08	66.0	6,376,258	98.5%	6,475,223
2008/09	54.0	2,990,781	96.3%	3,105,201
2009/10	42.0	730,614	85.4%	855,493
2010/11	30.0	7,685,066	60.3%	8,465,797 *
2011/12	18.0	726,197	31.3%	2,323,198

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* - Indicates large claim(s) limited to retention. For details, see Exhibit LI-15.

(3) is from Exhibit LI-1.

(4) is from Exhibit LI-2.

Developed Limited Case Reserves

Claim Period (1)	Months of Development 12/31/12 (2)	Percent Losses Paid (3)	Percent Losses Reported (4)	Percent Losses Reserved 12/31/12 [(4)-(3)]/ [100.0%-(3)] (5)	Limited Paid Losses 12/31/12 (6)	Limited Case Reserves 12/31/12 (7)	Developed Limited Case Reserves (6)+(7)/(5) (8)
to 1993/94	234.0	100.0%	100.0%	100.0%	\$7,132,451	\$0	\$7,132,451
1994/95	222.0	100.0%	100.0%	100.0%	1,112,906	0	1,112,906
1995/96	210.0	100.0%	100.0%	100.0%	475,577	0	475,577
1996/97	198.0	100.0%	100.0%	100.0%	946,609	0	946,609
1997/98	186.0	100.0%	100.0%	100.0%	9,310,446	127,401	9,437,847
1998/99	174.0	100.0%	100.0%	100.0%	4,098,516	0	4,098,516
1999/00	162.0	100.0%	100.0%	100.0%	5,792,412	0	5,792,412
2000/01	150.0	100.0%	100.0%	100.0%	1,667,454	0	1,667,454
2001/02	138.0	100.0%	100.0%	100.0%	4,860,124	0	4,860,124
2002/03	126.0	99.8%	100.0%	100.0%	8,967,080	49,427	9,016,507
2003/04	114.0	99.3%	100.0%	100.0%	1,210,995	615,699	1,826,693
2004/05	102.0	98.5%	100.0%	96.6%	10,297,192	252,316	10,558,304
2005/06	90.0	96.8%	99.8%	93.7%	287,620	0	287,620
2006/07	78.0	93.4%	99.5%	91.8%	1,665,023	0	1,665,023
2007/08	66.0	87.9%	98.5%	87.4%	4,688,486	1,687,772	6,620,376
2008/09	54.0	77.7%	96.3%	83.5%	1,578,269	1,412,512	3,269,885
2009/10	42.0	57.4%	85.4%	65.8%	75,821	654,793	1,071,553
2010/11	30.0	33.1%	60.3%	40.6%	448,947	7,236,119	8,760,395 *
2011/12	18.0	13.2%	31.3%	20.8%	30,947	695,250	3,378,420

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* - Indicates large claim(s) limited to retention. For details, see Exhibit LI-15.

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

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

Preliminary Projected Ultimate Limited Losses to 2011/12

Claim Period (1)	Developed Limited Paid Losses (2)	Developed Limited Reported Incurred Losses (3)	Developed Limited Case Reserves (4)	Preliminary Projected Ultimate Limited Losses (5)
to 1993/94	\$7,132,451	\$7,132,451	\$7,132,451	\$7,132,451
1994/95	1,112,906	1,112,906	1,112,906	1,112,906
1995/96	475,577	475,577	475,577	475,577
1996/97	946,609	946,609	946,609	946,609
1997/98	9,310,446	9,437,847	9,437,847	9,450,587
1998/99	4,098,516	4,098,516	4,098,516	4,098,516
1999/00	5,792,412	5,792,412	5,792,412	5,792,412
2000/01	1,667,454	1,667,454	1,667,454	1,667,454
2001/02	4,860,124	4,860,124	4,860,124	4,860,124
2002/03	8,989,442	9,016,507	9,016,507	9,021,450
2003/04	1,220,085	1,826,693	1,826,693	1,888,263
2004/05	10,452,164	10,554,780	10,558,304	10,574,739
2005/06	297,031	288,195	287,620	287,620
2006/07	1,783,458	1,674,186	1,665,023	1,665,023
2007/08	5,333,590	6,475,223	6,620,376	6,562,315
2008/09	2,032,098	3,105,201	3,269,885	3,132,032
2009/10	132,167	855,493	1,071,553	797,252
2010/11	1,356,469	8,465,797	8,760,395	8,408,677
2011/12	233,759	2,323,198	3,378,420	2,327,399

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(2) is from Exhibit LI-3.

(3) is from Exhibit LI-4.

(4) is from Exhibit LI-5.

(5) is based on (2) to (4) and actuarial judgment.

Bornhuetter - Ferguson Analysis

I. A-priori Loss Rate

Claim Period (1)	Preliminary Projected Ultimate Limited Losses (2)	Payroll (000) (3)	Limited Loss Rate per \$100 of Payroll (2)/(3)/10 (4)	Loss Rate Trend (2012/13 = 1.000) (5)	Trended Limited Loss Rate per \$100 of Payroll (4)X(5) (6)	Projected A-priori Loss Rate per \$100 of Payroll (7)/(5) (8)
2002/03	\$9,021,450	\$147,515	\$6.12	1.219	\$7.45	\$2.46
2003/04	1,888,263	151,940	1.24	1.195	1.49	2.50
2004/05	10,574,739	156,498	6.76	1.172	7.92	2.55
2005/06	287,620	161,193	0.18	1.149	0.20	2.61
2006/07	1,665,023	174,956	0.95	1.126	1.07	2.66
2007/08	6,562,315	190,527	3.44	1.104	3.80	2.71
2008/09	3,132,032	190,897	1.64	1.082	1.78	2.76
2009/10	797,252	192,857	0.41	1.061	0.44	2.82
2010/11	8,408,677	191,363	4.39	1.040	4.57	2.88
2011/12	2,327,399	197,185	1.18	1.020	1.20	2.93

(7) Projected 2012/13 a-priori loss rate per \$100 of Payroll \$2.99

II. Bornhuetter - Ferguson Analysis Based on Limited Paid Losses

Claim Period (1)	Limited Paid Losses 12/31/12 (2)	Percent Losses Paid (3)	Projected A-priori Loss Rate per \$100 of Payroll (4)	Payroll (000) (5)	B-F Unpaid Losses [100.0%-(3)] X(4)X(5)X10 (6)	B-F Ultimate Limited Paid Losses (2)+(6) (7)
2007/08	\$4,688,486	87.9%	\$2.71	\$190,527	\$624,635	\$5,313,121
2008/09	1,578,269	77.7%	2.76	190,897	1,178,709	2,756,978
2009/10	75,821	57.4%	2.82	192,857	2,318,641	2,394,462
2010/11	448,947	33.1%	2.88	191,363	3,682,684	4,131,630
2011/12	30,947	13.2%	2.93	197,185	5,019,505	5,050,451

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

Claim Period (1)	Limited Reported Incurred Losses 12/31/12 (2)	Percent Losses Reported (3)	Projected A-priori Loss Rate per \$100 of Payroll (4)	Payroll (000) (5)	B-F Unreported Losses [100.0%-(3)] X(4)X(5)X10 (6)	B-F Ultimate Limited Reported Losses (2)+(6) (7)
2007/08	\$6,376,258	98.5%	\$2.71	\$190,527	\$78,930	\$6,455,189
2008/09	2,990,781	96.3%	2.76	190,897	194,478	3,185,259
2009/10	730,614	85.4%	2.82	192,857	793,904	1,524,518
2010/11	7,685,066	60.3%	2.88	191,363	2,186,150	9,871,216
2011/12	726,197	31.3%	2.93	197,185	3,976,984	4,703,181

Section I, (2) is from Exhibit LI-6.

Section I, (3), Section II, (5) and Section III, (5) are from Exhibit LI-10.

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

Section I, (7) is based on Section I, (6) and actuarial judgment.

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

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

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

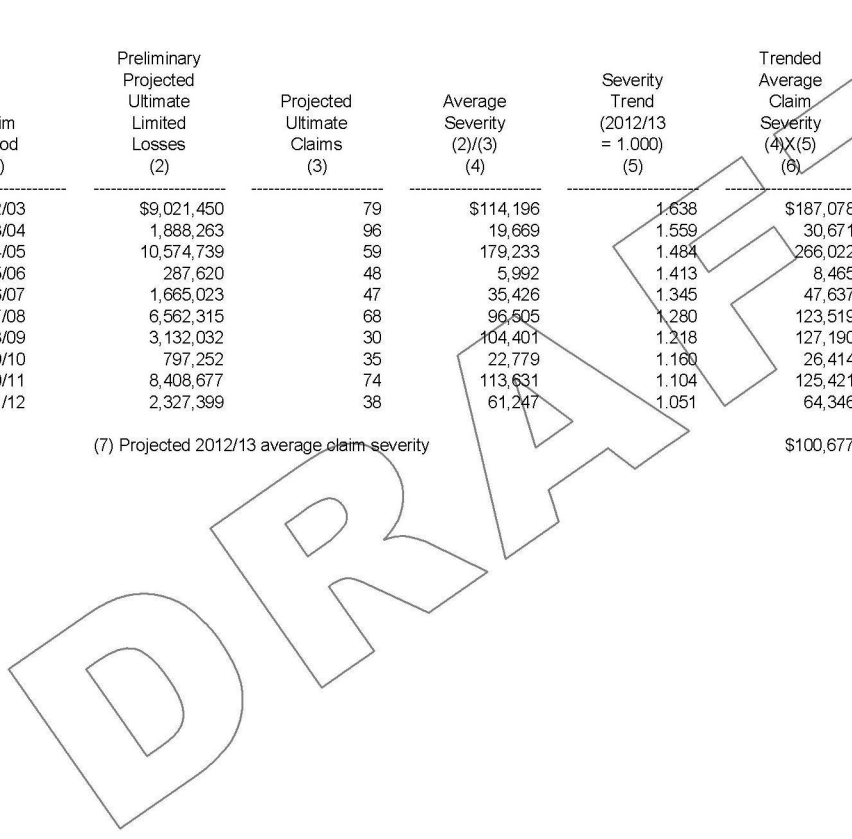
Frequency Times Severity Analysis

I. Projected Ultimate Claims

Claim Period (1)	Months of Development 12/31/12 (2)	Reported Claims 12/31/12 (3)	Percent Claims Reported (4)	Projected Ultimate Claims (3)/(4) (5)	Payroll (000) (6)	Frequency (per \$1M of Payroll) (5)/(6)X1,000 (7)
2002/03	126.0	79	100.0%	79	\$147,515	0.54
2003/04	114.0	96	100.0%	96	151,940	0.63
2004/05	102.0	59	100.0%	59	156,498	0.38
2005/06	90.0	48	100.0%	48	161,193	0.30
2006/07	78.0	47	100.0%	47	174,956	0.27
2007/08	66.0	68	100.0%	68	190,527	0.36
2008/09	54.0	30	100.0%	30	190,897	0.16
2009/10	42.0	35	99.8%	35	192,857	0.18
2010/11	30.0	73	98.2%	74	191,363	0.39
2011/12	18.0	34	88.6%	38	197,185	0.19

II. Frequency Times Severity

Claim Period (1)	Preliminary Projected Ultimate Limited Losses (2)	Projected Ultimate Claims (3)	Average Severity (2)/(3) (4)	Severity Trend (2012/13 = 1.000) (5)	Trended Average Claim Severity (4)X(5) (6)	De-Trended Projected 2012/13 Average Claim Severity (7)/(5) (8)	Frequency Times Severity (3)X(8) (9)
2002/03	\$9,021,450	79	\$114,196	1.638	\$187,078	\$61,455	\$4,854,911
2003/04	1,888,263	96	19,669	1.559	30,671	64,564	6,198,160
2004/05	10,574,739	59	179,233	1.484	266,022	67,831	4,002,036
2005/06	287,620	48	5,992	1.413	8,465	71,263	3,420,642
2006/07	1,665,023	47	35,426	1.345	47,637	74,869	3,518,857
2007/08	6,562,315	68	96,505	1.280	123,519	78,658	5,348,722
2008/09	3,132,032	30	104,401	1.218	127,190	82,638	2,479,133
2009/10	797,252	35	22,779	1.160	26,414	86,819	3,038,673
2010/11	8,408,677	74	113,631	1.104	125,421	91,212	6,749,709
2011/12	2,327,399	38	61,247	1.051	64,346	95,828	3,641,450
(7) Projected 2012/13 average claim severity					\$100,677		



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

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

Section I, (6) is from Exhibit LI-10.

Section II, (2) is from Exhibit LI-6.

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

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

Section II, (7) is based on (6) and actuarial judgment.

Projected Ultimate Limited Losses to 2011/12

Claim Period (1)	Developed Limited Paid Losses (2)	Developed Limited Reported Incurred Losses (3)	Developed Limited Case Reserves (4)	B-F Ultimate Limited Paid Losses (5)	B-F Ultimate Limited Reported Losses (6)	Frequency Times Severity (7)	Projected Ultimate Limited Losses (8)
to 1993/94	\$7,132,451	\$7,132,451	\$7,132,451				\$7,132,451
1994/95	1,112,906	1,112,906	1,112,906				1,112,906
1995/96	475,577	475,577	475,577				475,577
1996/97	946,609	946,609	946,609				946,609
1997/98	9,310,446	9,437,847	9,437,847				9,451,000
1998/99	4,098,516	4,098,516	4,098,516				4,098,516
1999/00	5,792,412	5,792,412	5,792,412				5,792,412
2000/01	1,667,454	1,667,454	1,667,454				1,667,454
2001/02	4,860,124	4,860,124	4,860,124				4,860,124
2002/03	8,989,442	9,016,507	9,016,507				9,021,450
2003/04	1,220,085	1,826,693	1,826,693				1,888,263
2004/05	10,452,164	10,554,780	10,558,304				10,575,000
2005/06	297,031	288,195	287,620				287,620
2006/07	1,783,458	1,674,186	1,665,023				1,665,023
2007/08	5,333,590	6,475,223	6,620,376	5,313,121	6,455,189	5,348,722	6,562,000
2008/09	2,032,098	3,105,201	3,269,885	2,756,978	3,185,259	2,479,133	3,132,032
2009/10	132,167	855,493	1,071,553	2,394,462	1,524,518	3,038,673	1,362,000
2010/11	1,356,469	8,465,797	8,760,395	4,131,630	9,871,216	6,749,709	8,408,677
2011/12	233,759	2,323,198	3,378,420	5,050,451	4,703,181	3,641,450	3,943,000

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(2) is from Exhibit LI-3.

(3) is from Exhibit LI-4.

(4) is from Exhibit LI-5.

(5) and (6) are from Exhibit LI-7.

(7) is from Exhibit LI-8.

(8) is based on (2) to (7) and actuarial judgment.

Projected Ultimate Limited Losses for 2012/13 and Subsequent

Claim Period (1)	Projected Ultimate Limited Losses (2)	Payroll (000) (3)	Limited Loss Rate per \$100 of Payroll (2)/(3)X10 (4)	Loss Rate Trend (2012/13 = 1.000) (5)	Trended Limited Loss Rate per \$100 of Payroll (4)X(5) (6)		
2002/03	\$9,021,450	\$147,515	\$6.12	1.219	\$7.45		
2003/04	1,888,263	151,940	1.24	1.195	1.49		
2004/05	10,575,000	156,498	6.76	1.172	7.92		
2005/06	287,620	161,193	0.18	1.149	0.20		
2006/07	1,665,023	174,956	0.95	1.126	1.07		
2007/08	6,562,000	190,527	3.44	1.104	3.80		
2008/09	3,132,032	190,897	1.64	1.082	1.78		
2009/10	1,362,000	192,857	0.71	1.061	0.75		
2010/11	8,408,677	191,363	4.39	1.040	4.57		
2011/12	3,943,000	197,185	2.00	1.020	2.04		
Total	\$46,845,065	\$1,754,931	\$2.67		\$3.11		

Claim Period (1)	Projected Limited Loss Rate per \$100 of Payroll (7)	Projected Payroll (000) (8)	Projected Ultimate Limited Losses (7)X(8)X10 (9)	Present Value Factor (10)	Present Value of Projected Limited Loss Rate per \$100 of Payroll (7)X(10) (11)	Present Value of Projected Ultimate Limited Losses (8)X(11)X10 (12)
2012/13	\$3.11	\$186,506	\$5,795,000	0.95	\$2.95	\$5,511,000
2013/14	3.17	189,771	6,015,000	0.95	3.01	5,719,000
2014/15	3.23	195,464	6,319,000	0.95	3.07	6,009,000

(2) is from Exhibit LI-9.

(3) for 2005/06, 2006/07, 2007/08, 2008/09, 2009/10, 2010/11 and 2011/12 were provided by MWDSC. Other periods assume a 3% trend.

(5) is based on a 2% trend.

(7) for 2012/13 is based on (6) and actuarial judgment.

(7) for 2013/14 and subsequent are based on 2012/13 plus a 2% trend.

(8) to 2013/14 was provided by MWDSC. Other claim periods are based on a 3% trend.

(10) is based on a 1.5% interest rate and the payout pattern in Exhibit LI-2.

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
LIABILITY

Exhibit LI-11

Estimated Outstanding Losses as of December 31, 2012

Claim Period (1)	Limited Paid Losses 12/31/12 (2)	Limited Case Reserves 12/31/12 (3)	Limited Reported Incurred Losses 12/31/12 (4)	Projected Ultimate Limited Losses (5)	Estimated IBNR 12/31/12 (5)-(4) (6)	Estimated Outstanding Losses 12/31/12 (3)+(6) (7)	Present Value Factor (8)	Present Value of Estimated Outstanding Losses 12/31/12 (7)X(8) (9)
to 1993/94	\$7,132,451	\$0	\$7,132,451	\$7,132,451	\$0	\$0	1.00	\$0
1994/95	1,112,906	0	1,112,906	1,112,906	0	0	1.00	0
1995/96	475,577	0	475,577	475,577	0	0	1.00	0
1996/97	946,609	0	946,609	946,609	0	0	1.00	0
1997/98	9,310,446	127,401	9,437,847	9,451,000	13,153	140,554	1.00	140,554
1998/99	4,098,516	0	4,098,516	4,098,516	0	0	1.00	0
1999/00	5,792,412	0	5,792,412	5,792,412	0	0	1.00	0
2000/01	1,667,454	0	1,667,454	1,667,454	0	0	1.00	0
2001/02	4,860,124	0	4,860,124	4,860,124	0	0	1.00	0
2002/03	8,967,080	49,427	9,016,507	9,021,450	4,943	54,370	1.00	54,370
2003/04	1,210,995	615,699	1,826,693	1,888,263	61,570	677,269	0.99	672,246
2004/05	10,297,192	252,316	10,549,508	10,575,000	25,492	277,808	0.99	273,705
2005/06	287,620	0	287,620	287,620	0	0	0.98	0
2006/07	1,665,023	0	1,665,023	1,665,023	0	0	0.98	0
2007/08	4,688,486	1,687,772	6,376,258	6,562,000	185,742	1,873,514	0.98	1,835,746
2008/09	1,578,269	1,412,512	2,990,781	3,132,032	141,251	1,553,763	0.98	1,517,541
2009/10	75,821	654,793	730,614	1,362,000	631,386	1,286,179	0.98	1,256,371
2010/11	448,947	7,236,119	7,685,066	8,408,677	723,612	7,969,731	0.98	7,774,254
2011/12	30,947	695,250	726,197	3,943,000	3,216,803	3,912,053	0.97	3,798,008
2012/13	115	92,007	92,122	2,897,500	2,805,378	2,897,365	0.96	2,790,656
Total	\$64,646,989	\$12,823,295	\$77,470,283	\$85,279,614	\$7,809,330	\$20,632,626		\$20,113,451

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(2), (3) and (4) are net of specific self insured retention and aggregate retention.

(5) to 2011/12 is from Exhibit LI-9. The amount for 2012/13 is from Exhibit LI-10. (50% of the period).

(8) is based on a 1.5% interest rate and the payout pattern in Exhibit LI-2.

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
LIABILITY

Exhibit LI-12

Projected Losses Paid January 1, 2013 to June 30, 2013

Claim Period (1)	Months of Development 12/31/12 (2)	Percent Losses Paid (3)	Months of Development 6/30/13 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 1/1/13 to 6/30/13 [(5)-(3)]/ [100.0%-(3)] (6)	Estimated Outstanding Losses 12/31/12 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/13 (7)-(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/13 (9)X(10) (11)
to 1993/94	234.0	100.0%	240.0	100.0%	100.0%	\$0	\$0	\$0	1.00	\$0
1994/95	222.0	100.0%	228.0	100.0%	100.0%	0	0	0	1.00	0
1995/96	210.0	100.0%	216.0	100.0%	100.0%	0	0	0	1.00	0
1996/97	198.0	100.0%	204.0	100.0%	100.0%	0	0	0	1.00	0
1997/98	186.0	100.0%	192.0	100.0%	100.0%	140,554	140,554	0	1.00	0
1998/99	174.0	100.0%	180.0	100.0%	100.0%	0	0	0	1.00	0
1999/00	162.0	100.0%	168.0	100.0%	100.0%	0	0	0	1.00	0
2000/01	150.0	100.0%	156.0	100.0%	100.0%	0	0	0	1.00	0
2001/02	138.0	100.0%	144.0	100.0%	100.0%	0	0	0	1.00	0
2002/03	126.0	99.8%	132.0	100.0%	100.0%	54,370	54,370	0	1.00	0
2003/04	114.0	99.3%	120.0	99.5%	33.2%	677,269	225,006	452,263	0.99	448,909
2004/05	102.0	98.5%	108.0	99.0%	33.1%	277,808	91,836	185,972	0.99	183,225
2005/06	90.0	96.8%	96.0	98.0%	37.7%	0	0	0	0.98	0
2006/07	78.0	93.4%	84.0	95.6%	34.3%	0	0	0	0.98	0
2007/08	66.0	87.9%	72.0	91.1%	26.3%	1,873,514	492,156	1,381,358	0.98	1,353,511
2008/09	54.0	77.7%	60.0	84.7%	31.6%	1,553,763	491,225	1,062,538	0.98	1,037,768
2009/10	42.0	57.4%	48.0	70.6%	31.1%	1,286,179	399,399	886,780	0.98	866,229
2010/11	30.0	33.1%	36.0	44.1%	16.5%	7,959,731	1,312,546	6,647,185	0.98	6,492,293
2011/12	18.0	13.2%	24.0	22.1%	10.2%	3,912,053	397,953	3,514,100	0.97	3,411,656
2012/13	6.0	2.2%	12.0	4.4%	2.3%	5,784,885	130,746	5,654,139	0.96	5,455,492
Total						\$23,530,126	\$3,735,791	\$19,794,335		\$19,249,083

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(3) and (5) are from Exhibit LI-2.

(7) to 2011/12 is from Exhibit LI-11. The amount for 2012/13 is for the full period.

(10) is based on a 1.5% interest rate and the payout pattern in Exhibit LI-2.

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
LIABILITY

Exhibit LI-13

Projected Losses Paid July 1, 2013 to June 30, 2014

Claim Period (1)	Months of Development 6/30/13 (2)	Percent Losses Paid (3)	Months of Development 6/30/14 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/13 to 6/30/14 [(5)-(3)]/ [100.0%-(3)] (6)	Estimated Outstanding Losses 6/30/13 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/14 (7)-(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/14 (9)X(10) (11)
to 1993/94	240.0	100.0%	252.0	100.0%	100.0%	\$0	\$0	\$0	1.00	\$0
1994/95	228.0	100.0%	240.0	100.0%	100.0%	0	0	0	1.00	0
1995/96	216.0	100.0%	228.0	100.0%	100.0%	0	0	0	1.00	0
1996/97	204.0	100.0%	216.0	100.0%	100.0%	0	0	0	1.00	0
1997/98	192.0	100.0%	204.0	100.0%	100.0%	0	0	0	1.00	0
1998/99	180.0	100.0%	192.0	100.0%	100.0%	0	0	0	1.00	0
1999/00	168.0	100.0%	180.0	100.0%	100.0%	0	0	0	1.00	0
2000/01	156.0	100.0%	168.0	100.0%	100.0%	0	0	0	1.00	0
2001/02	144.0	100.0%	156.0	100.0%	100.0%	0	0	0	1.00	0
2002/03	132.0	100.0%	144.0	100.0%	100.0%	0	0	0	1.00	0
2003/04	120.0	99.5%	132.0	100.0%	100.0%	452,263	452,263	0	1.00	0
2004/05	108.0	99.0%	120.0	99.5%	49.9%	185,972	92,754	93,218	0.99	92,527
2005/06	96.0	98.0%	108.0	99.0%	49.7%	0	0	0	0.99	0
2006/07	84.0	95.6%	96.0	98.0%	54.8%	0	0	0	0.98	0
2007/08	72.0	91.1%	84.0	95.6%	51.1%	1,381,358	705,424	675,934	0.98	663,119
2008/09	60.0	84.7%	72.0	91.1%	41.6%	1,062,538	442,103	620,435	0.98	607,928
2009/10	48.0	70.6%	60.0	84.7%	48.0%	886,780	426,026	460,754	0.98	450,013
2010/11	36.0	44.1%	48.0	70.6%	47.4%	6,647,185	3,150,111	3,497,074	0.98	3,416,028
2011/12	24.0	22.1%	36.0	44.1%	28.3%	3,514,100	994,884	2,519,216	0.98	2,460,513
2012/13	12.0	4.4%	24.0	22.1%	18.5%	5,664,139	1,045,968	4,618,171	0.97	4,483,541
2013/14	0.0	0.0%	12.0	4.4%	4.4%	6,015,000	265,436	5,749,564	0.96	5,537,771
Total						\$25,809,335	\$7,574,969	\$18,234,366		\$17,711,440

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(3) and (5) are from Exhibit LI-2.

(7) to 2012/13 is from Exhibit LI-12, (9). The amount for 2013/14 is from Exhibit LI-10.

(10) is based on a 1.5% interest rate and the payout pattern in Exhibit LI-2.

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
LIABILITY

Exhibit LI-14

Projected Losses Paid July 1, 2014 to June 30, 2015

Claim Period (1)	Months of Development 6/30/14 (2)	Percent Losses Paid (3)	Months of Development 6/30/15 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/14 to 6/30/15 [(5)-(3)]/ [100.0%-(3)] (6)	Estimated Outstanding Losses 6/30/14 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/15 (7)-(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/15 (9)X(10) (11)
to 1993/94	252.0	100.0%	264.0	100.0%	100.0%	\$0	\$0	\$0	1.00	\$0
1994/95	240.0	100.0%	252.0	100.0%	100.0%	0	0	0	1.00	0
1995/96	228.0	100.0%	240.0	100.0%	100.0%	0	0	0	1.00	0
1996/97	216.0	100.0%	228.0	100.0%	100.0%	0	0	0	1.00	0
1997/98	204.0	100.0%	216.0	100.0%	100.0%	0	0	0	1.00	0
1998/99	192.0	100.0%	204.0	100.0%	100.0%	0	0	0	1.00	0
1999/00	180.0	100.0%	192.0	100.0%	100.0%	0	0	0	1.00	0
2000/01	168.0	100.0%	180.0	100.0%	100.0%	0	0	0	1.00	0
2001/02	156.0	100.0%	168.0	100.0%	100.0%	0	0	0	1.00	0
2002/03	144.0	100.0%	156.0	100.0%	100.0%	0	0	0	1.00	0
2003/04	132.0	100.0%	144.0	100.0%	100.0%	0	0	0	1.00	0
2004/05	120.0	99.5%	132.0	100.0%	100.0%	93,218	93,218	0	1.00	0
2005/06	108.0	99.0%	120.0	99.5%	49.9%	0	0	0	0.99	0
2006/07	96.0	98.0%	108.0	99.0%	49.7%	0	0	0	0.99	0
2007/08	84.0	95.6%	96.0	98.0%	54.8%	675,934	370,347	305,587	0.98	299,952
2008/09	72.0	91.1%	84.0	95.6%	51.1%	620,435	316,840	303,595	0.98	297,839
2009/10	60.0	84.7%	72.0	91.1%	41.6%	460,754	191,711	269,043	0.98	263,619
2010/11	48.0	70.6%	60.0	84.7%	48.0%	3,497,074	1,680,059	1,817,015	0.98	1,774,656
2011/12	36.0	44.1%	48.0	70.6%	47.4%	2,519,216	1,193,860	1,325,356	0.98	1,294,640
2012/13	24.0	22.1%	36.0	44.1%	28.3%	4,618,171	1,307,459	3,310,712	0.98	3,233,566
2013/14	12.0	4.4%	24.0	22.1%	18.5%	5,749,564	1,061,743	4,687,821	0.97	4,551,161
2014/15	0.0	0.0%	12.0	4.4%	4.4%	6,319,000	278,851	6,040,149	0.96	5,817,652
Total						\$24,553,366	\$6,494,088	\$18,059,278		\$17,533,085

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(3) and (5) are from Exhibit LI-2.

(7) to 2013/14 is from Exhibit LI-13, (9). The amount for 2014/15 is from Exhibit LI-10.

(10) is based on a 1.5% interest rate and the payout pattern in Exhibit LI-2.

List of Large Claims
Reported Incurred Losses Greater Than \$1,000,000

Claim Number (1)	Date of Loss (2)	Claim Period (3)	Specific Self-Insured Retention (4)	Unlimited Paid Losses 12/31/12 (5)	Unlimited Case Reserves 12/31/12 (6)	Unlimited Reported Incurred Losses 12/31/12 (7)
163454	10/7/1989	to 1993/94	\$25,000,000	\$2,550,000	\$0	\$2,550,000
204306	1/1/1992	to 1993/94	25,000,000	1,405,144	0	1,405,144
199592	5/18/1998	1997/98	25,000,000	8,786,689	127,401	8,914,090
202668	2/1/1999	1998/99	25,000,000	3,449,314	0	3,449,314
202162	4/20/2000	1999/00	25,000,000	1,638,305	0	1,638,305
203586	6/1/2000	1999/00	25,000,000	2,500,000	0	2,500,000
203874	10/2/2001	2001/02	25,000,000	2,733,014	0	2,733,014
206093	10/8/2002	2002/03	25,000,000	4,067,950	49,427	4,117,376
207480	10/11/2002	2002/03	25,000,000	1,613,142	0	1,613,142
206417	6/5/2003	2002/03	25,000,000	1,568,916	0	1,568,916
1414816	4/5/2005	2004/05	25,000,000	9,846,349	252,316	10,098,665
1438034	9/25/2006	2006/07	25,000,000	1,468,554	0	1,468,554
1468923	12/1/2007	2007/08	25,000,000	1,567,888	96,934	1,664,823
1478264	1/10/2008	2007/08	25,000,000	2,731,867	1,515,838	4,247,705
1487667	10/1/2008	2008/09	25,000,000	1,014,048	0	1,014,048
1521291	6/23/2009	2008/09	25,000,000	533,154	1,412,505	1,945,659
1596157	6/23/2011	2010/11	6,500,000	0	6,500,000 *	6,500,000 *

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

(1) through (7) were provided by MWDSC.

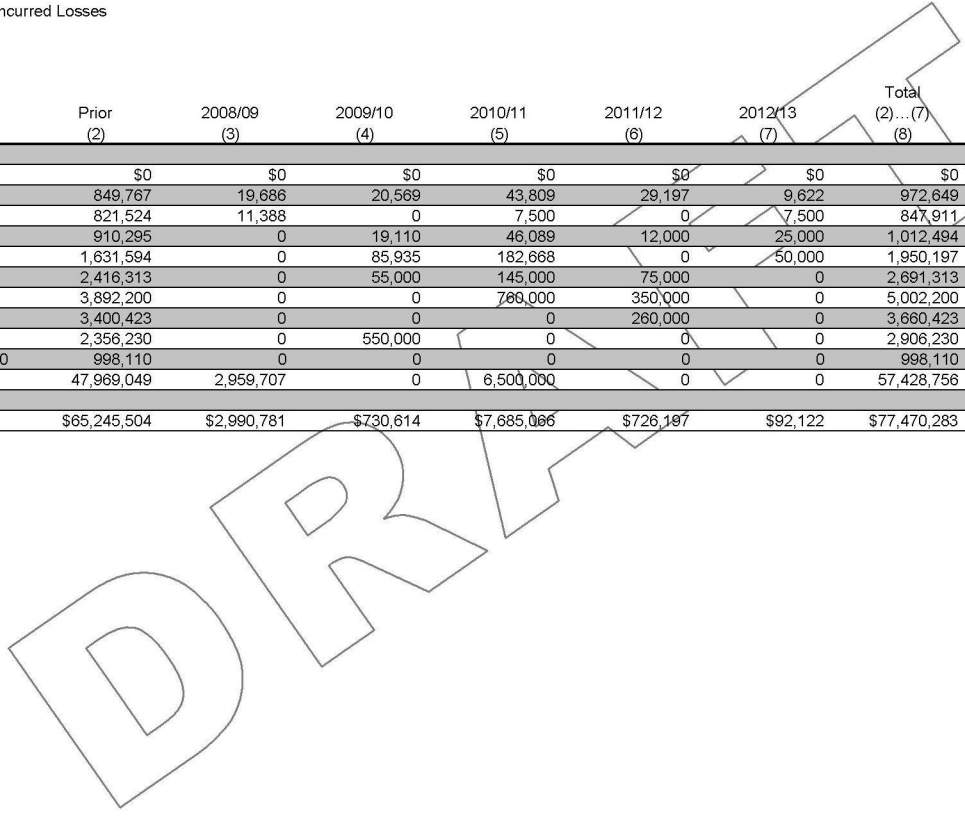
Size of Loss Distribution

I. Reported Claim Count

Layer (1)	Prior (2)	2008/09 (3)	2009/10 (4)	2010/11 (5)	2011/12 (6)	2012/13 (7)	Total (2)...(7) (8)	Non-Zero Claim Cumulative Total (9)	Non-Zero Claim Cumulative % of Total (10)
0	1,117	10	20	36	14	0	1,197		
0.01 - 5,000	650	16	10	21	15	6	718	718	68.8%
5,000 - 10,000	112	2	0	1	0	1	116	834	79.9%
10,000 - 25,000	54	0	1	3	1	1	60	894	85.6%
25,000 - 50,000	41	0	2	4	0	1	48	942	90.2%
50,000 - 100,000	32	0	1	2	1	0	36	978	93.7%
100,000 - 250,000	25	0	0	5	2	0	32	1,010	96.7%
250,000 - 500,000	10	0	0	0	1	0	11	1,021	97.8%
500,000 - 750,000	4	0	1	0	0	0	5	1,026	98.3%
750,000 - 1,000,000	1	0	0	0	0	0	1	1,027	98.4%
Over 1,000,000	14	2	0	1	0	0	17	1,044	100.0%
Total	2,060	30	35	73	34	9	2,241	1,044	

II. Total Reported Incurred Losses

Layer (1)	Prior (2)	2008/09 (3)	2009/10 (4)	2010/11 (5)	2011/12 (6)	2012/13 (7)	Total (2)...(7) (8)	Non-Zero Claim Cumulative Total (9)	Non-Zero Claim Cumulative % of Total (10)
0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
0.01 - 5,000	849,767	19,686	20,569	43,809	29,197	9,622	972,649	972,649	1.3%
5,000 - 10,000	821,524	11,388	0	7,500	0	7,500	847,911	1,820,560	2.4%
10,000 - 25,000	910,295	0	19,110	46,089	12,000	25,000	1,012,494	2,833,055	3.7%
25,000 - 50,000	1,631,594	0	85,935	182,668	0	50,000	1,950,197	4,783,251	6.2%
50,000 - 100,000	2,416,313	0	55,000	145,000	75,000	0	2,691,313	7,474,564	9.6%
100,000 - 250,000	3,892,200	0	0	769,000	350,000	0	5,002,200	12,476,764	16.1%
250,000 - 500,000	3,400,423	0	0	0	260,000	0	3,660,423	16,137,188	20.8%
500,000 - 750,000	2,356,230	0	550,000	0	0	0	2,906,230	19,043,417	24.6%
750,000 - 1,000,000	998,110	0	0	0	0	0	998,110	20,041,527	25.9%
Over 1,000,000	47,969,049	2,959,707	0	6,500,000	0	0	57,428,756	77,470,283	100.0%
Total	\$65,245,504	\$2,990,781	\$730,614	\$7,685,066	\$726,197	\$92,122	\$77,470,283	\$77,470,283	



2012/13 reflects 6.0 months of exposure.

Data was provided by MWDC.