
ACTUARIAL REVIEW OF SELF-INSURED WORKERS COMPENSATION
PROGRAM (RSK-P200)
SACRAMENTO CITY UNIFIED SCHOOL DISTRICT

1.0 SCOPE:

- 1.1 Process by which the district obtains an actuarial review report of the self insured workers' compensation program. This report helps determine the reserve funding required for the self insured workers' compensation program. The Education Code 42141 requires school districts who self-insure their workers' compensation program to annually report the status of the self-insurance fund to the Board. The annual report must include estimates of any unfunded liabilities. The estimates must be based on an actuarial report obtained at least every three years.

The online version of this procedure is official. Therefore, all printed versions of this document are unofficial copies.

2.0 RESPONSIBILITY:

- 2.1 Office of Risk Management

3.0 APPROVAL AUTHORITY:

Approved signature on file

- 3.1 Director of Risk Management

4.0 DEFINITIONS:

- 4.1 IBNR – Incurred but not reported reserves
4.2 ALEA – allocated loss adjustment expense
4.3 ULAE – unallocated loss adjustment expense
4.4 SIR – self insured retention limit
4.5 TPA – Third Party Administrator responsible for claim administration

5.0 PROCEDURE:

- 5.1 Determine if an actuarial report is needed or required (at least every three years)
5.2 Provide at least the following information to the actuary:
5.2.1 Loss runs from the TPA or insurance company as applicable for date of loss as specified by the actuarial firm.
5.2.2 Excess and aggregate insurance levels of coverage and SIR limits
5.2.3 Date of validation of the report
5.2.4 Payroll or projected payroll for the period being studied
5.2.5 SCUSD financial statements as requested
5.2.6 Include ULAE in liability funding level
5.3 Review draft report and finalize as needed after CFO reviews
5.4 Prepare Board Agenda Item and attach executive summary of report
5.5 Advise accounting department liabilities to book reserves at expected level of confidence

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6.0 RECORD RETENTION TABLE:

<u>Identification</u>	<u>Storage</u>	<u>Retention</u>	<u>Disposition</u>	<u>Protection</u>
Actuarial Report for Workers' Compensation	Hard copy in Risk Manager's Office	10 years	Discard as desired	Secure Area

7.0 REVISION HISTORY:

<u>Date:</u>	<u>Rev.</u>	<u>Description of Revision:</u>
11/19/04	A	Initial release

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