

Title 8. Industrial Relations
Division 1. Department of Industrial Relations
Chapter 8. Office of the Director
Subchapter 2. Administration of Self-insurance
Article 13. Group Self Insurance

§ 15481. Annual Actuarial Certification of Losses.

(a) Annually, each group self insurer shall obtain an actuarial analysis by program year of its historical loss development at the 80% actuarial confidence level and at the expected confidence level, including incurred but not reported (IBNR) projections and unallocated loss adjustment expense (ULAE) for both calculations. The actuary performing this study shall have current experience in performing such actuarial projections involving California workers' compensation claims, and shall be:

- (1) An Associate or Fellow of the Casualty Actuary Society; or
- (2) A Member of the American Academy of Actuaries.

(b) The analysis and results of the study shall be presented to the group self insurers' Board of Trustees and made available in written form to the Board of Trustees and to any group member requesting a copy. The study shall be presented to the Group Administrator and the Board of Trustees within ~~ninety (90) seventy-five (75)~~ days after the end of the group self insurer's program year.

(c) The Group Administrator shall submit the written annual actuarial report to the Manager within one hundred (100) days ~~ninety (90)~~ days of the end of the group self insurer's program year. Included with the annual actuarial report shall be a separate page or pages with the following information for each program year reported on the Self Insurer's Annual Report:

- (1) The amount of ultimate losses projected at the 80% actuarial confidence level and at the expected confidence level, inclusive of incurred but not reported (IBNR) liabilities and unallocated loss adjustment expense (ULAE) in calculations for each of the program years covered by the report;
 - (2) The amount of contributions collected from affiliate group members for each of the program years covered by the report;
 - (3) The amount of any surplus funds distributed to affiliate group members for the program years covered by the report.
- (d) The Board of Trustees shall ensure that contribution rates for the initial funding of claims for each program year shall be based on the actuarial projection at the 80% confidence level as provided by Section 15475(d)(8).

Note: Authority cited: Sections 54, 55 and 3702.10, Labor Code. Reference: Sections 3700, 3701, 3701.5 and 3702.10, Labor Code.