

UNIVERSITY OF CALIFORNIA

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SANTA BARBARA • SANTA CRUZ

OFFICE OF THE EXECUTIVE VICE PRESIDENT—
CHIEF FINANCIAL OFFICER

OFFICE OF THE PRESIDENT
1111 Franklin Street, 10th Floor
Oakland, California 94607-5200

April 7, 2011

Vice Chancellors – Administration
Associate Laboratory Director
Medical Center Chief Financial Officers
Campus Budget Directors
Workers' Compensation Managers

Sent via e-mail on April 7, 2011

Subject: 2011-12 Workers' Compensation Actuarial Report & Funding

Dear Colleagues,

The Workers' Compensation Actuarial Report is now complete for FY 2011/2012. If you would like to review the report in its entirety, please visit our website. The full report is located in the "Risk Services Only (login required)" page and the link to this page is on the Risk Services website (<http://www.ucop.edu/riskmgt/>) at the bottom of the menu on the right of the screen, under "Resources/Partners". If you do not have the login and password, please contact Kenny Lim at Kenny.Lim@ucop.edu or 510-987-9591 and he will provide you with the required information.

For your immediate review, please find the attached FY 2011/2012 Workers' Compensation Accrual & Funding Exhibit and Status History Exhibit. The combined rate for campuses is 2.9% lower than the prior year and the combined rate for medical centers is 6.3% lower. Your individual final location report will be sent to your workers' compensation manager under separate cover.

As a result of numerous reasons but primarily due to our loss prevention and loss mitigation efforts, we continue to trend in a positive fashion. In order to continue our positive results, we must stay the current course while remaining nimble to make timely and effective program changes as future new challenges arise. Therefore, we look forward to receiving your FY11/12 BSAS applications and working with you to continue to reduce the cost of risk and creating a safe environment for our faculty, staff, and student employees.

If you have any questions, please do not hesitate to call either me, Kevin Confetti (510-987-9868), or Karen Vecchi (510-987-9826).

Regards,



Grace M. Crickette
Chief Risk Officer
Office of Risk Services

CC: Executive Vice President Brostrom
Chief Financial Officer Taylor
Vice President Lenz

Director O'Neil
Director Confetti
Director Young

Risk Manager Vecchi

UNIVERSITY OF CALIFORNIA
WORKERS' COMPENSATION SELF-INSURANCE PROGRAM
2011/12 Rates

LOCATION	2011/12 Funding Assessment	Accrual Funding ⁽¹⁾ All Fund Sources		Be Smart About Safety ⁽²⁾ All Fund Sources			Total Projected Assessment	Add'l Safety Funds or Deficit Funding ⁽³⁾ All Fund Sources		2011/12 Expense Accrual
		Rate/\$100 of Payroll	Assessment \$	Rate/\$100 of Payroll	Assessment \$	Total Rate		Rate/\$100 of Payroll	Assessment \$	
Berkeley	7,334,000	0.61	5,735,000	0.17	1,599,000	0.78	7,334,000	0.00	-	7,334,000
ANR-Berkeley	55,000	0.61	43,000	0.17	12,000	0.78	55,000	0.00	-	55,000
Davis	6,488,000	0.56	5,386,000	0.11	1,102,000	0.67	6,488,000	0.00	-	6,488,000
ANR-Davis	462,000	0.56	384,000	0.11	78,000	0.67	462,000	0.00	-	462,000
Davis MC	5,674,000	0.84	4,675,000	0.18	999,000	1.02	5,674,000	0.00	-	5,674,000
Irvine	2,682,000	0.34	2,121,000	0.08	561,000	0.42	2,682,000	0.00	-	2,682,000
Irvine MC	6,653,000	2.16	5,998,000	0.24	655,000	2.40	6,653,000	0.00	-	6,653,000
Los Angeles	16,452,000	0.88	14,240,000	0.13	2,212,000	1.01	16,452,000	0.29	4,612,000	21,064,000
Los Angeles MC	14,845,000	2.16	13,432,000	0.22	1,413,000	2.38	14,845,000	0.05	266,000	15,111,000
Los Angeles NPH	677,000	1.96	557,000	0.42	120,000	2.38	677,000	0.00	-	677,000
Merced	234,000	0.35	209,000	0.04	25,000	0.39	234,000	0.05	31,000	265,000
Riverside	2,052,000	0.59	1,607,000	0.16	445,000	0.75	2,052,000	0.00	-	2,052,000
ANR-Riverside	55,000	0.59	43,000	0.16	12,000	0.75	55,000	0.00	-	55,000
San Diego Campus	6,743,000	0.52	5,705,000	0.10	1,038,000	0.62	6,743,000	0.00	-	6,743,000
San Diego MC	7,035,000	1.76	6,050,000	0.29	985,000	2.05	7,035,000	0.00	-	7,035,000
San Francisco Campus	7,051,000	0.57	6,019,000	0.10	1,032,000	0.67	7,051,000	0.00	-	7,051,000
San Francisco MC	15,386,000	1.96	13,548,000	0.27	1,838,000	2.23	15,386,000	0.00	-	15,386,000
San Francisco LPPI	528,000	1.61	486,000	0.14	42,000	1.75	528,000	1.04	313,000	841,000
Santa Barbara	3,222,000	0.75	2,729,000	0.14	493,000	0.89	3,222,000	0.24	862,000	4,084,000
Santa Cruz	2,681,000	0.83	2,185,000	0.19	496,000	1.02	2,681,000	0.00	-	2,681,000
Office of the President	656,000	0.38	498,000	0.12	158,000	0.50	656,000	0.00	-	656,000
ANR-OP	17,000	0.38	13,000	0.12	4,000	0.50	17,000	0.00	-	17,000
Lawrence Berkeley Lab	1,977,000	0.67	1,977,000	0.00	-	0.67	1,977,000	0.00	-	1,977,000
TOTAL	108,959,000		93,640,000		15,319,000		108,959,000		6,084,000	115,043,000

⁽¹⁾ Record as Workers' Compensation expense with object code 8500.

⁽²⁾ Separate assessment for the "Be Smart About Safety" Program. To be classified as a fund balance transfer to UCOP as outlined in the "Be Smart About Safety" document (excludes labs).

⁽³⁾ Locations can elect to retain these funds and use for approved BSAS programs. If they do not use for approved safety programs, funds have to be sent to OP to reduce their deficit and record as Workers' Compensation expense with object code 8500.

**UNIVERSITY OF CALIFORNIA
WORKERS' COMPENSATION SELF-INSURANCE PROGRAM
PROGRAM STATUS HISTORY
(in thousands 000's)**

<u>LOCATION</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Berkeley	1,961	3,106	2,793	581	(5,462)	(3,156)	6,175	13,143	11,412	12,103	14,883	13,771
Davis	231	865	952	600	(770)	(196)	2,379	6,662	7,085	5,048	4,876	4,022
Davis MC	1,659	209	(14,545)	(19,655)	(10,544)	2,900	18,358	13,748	16,265	14,022	14,722	10,925
Irvine	(1,473)	(2,485)	(3,370)	(3,209)	(3,927)	(2,559)	394	339	1,779	3,023	2,937	3,726
Irvine MC	390	(230)	(1,781)	(2,733)	(3,440)	(2,224)	1,103	3,824	5,152	5,715	3,584	955
Los Angeles	774	(1,929)	(5,848)	(15,836)	(31,130)	(33,453)	(27,251)	(22,394)	(19,207)	(16,951)	(18,638)	(13,837)
Los Angeles MC	(1,454)	(5,393)	(11,321)	(15,534)	(21,221)	(20,333)	(11,280)	(6,350)	(3,528)	(4,628)	(3,105)	(798)
Los Angeles NPH	138	(3)	(333)	(537)	(701)	(990)	(274)	(502)	(202)	136	553	1,336
Merced	-	-	-	-	-	-	-	15	438	554	170	(155)
Riverside	(215)	(625)	(2,143)	(3,625)	(6,570)	(6,335)	(4,341)	(1,828)	649	2,239	3,573	1,510
San Diego Campus	(131)	2,040	3,869	1,498	(5,359)	(5,871)	(2,144)	6,030	8,010	8,272	4,358	733
San Diego MC	(4,601)	(4,580)	(3,478)	(2,985)	(1,245)	4,221	12,647	14,778	16,639	13,537	11,273	8,750
San Francisco Campus	(4,503)	(5,613)	(4,009)	(4,756)	(4,220)	(4,638)	(4,013)	(2,786)	(2,969)	2,245	3,662	3,016
San Francisco MC	(75)	(193)	(182)	(5,153)	(6,952)	(7,763)	(1,730)	12,894	12,951	10,949	14,165	17,065
San Francisco LPPI	(1,119)	(1,282)	(1,586)	(1,759)	(1,766)	(2,254)	(1,406)	(1,400)	(3,189)	(2,523)	(1,864)	(940)
Santa Barbara	(3,863)	(7,197)	(8,156)	(10,329)	(11,318)	(9,247)	(5,163)	(6,587)	(4,354)	(3,481)	(2,662)	(2,586)
Santa Cruz	(1,232)	(803)	(748)	(996)	(3,748)	(3,248)	(2,917)	(1,878)	1,003	3,417	5,267	4,531
Office of the President	123	511	600	(525)	(1,360)	(1,065)	(98)	717	889	1,102	922	345
Lawrence Berkeley Lab	680	(95)	365	(2,077)	(2,586)	(3,220)	97	2,301	2,368	1,974	4,045	3,826
Lawrence Livermore Lab	<u>2,159</u>	<u>4,851</u>	<u>5,439</u>	<u>5,359</u>	<u>2,500</u>	<u>(276)</u>	<u>3,850</u>	<u>5,300</u>	<u>5,670</u>	<u>815</u>	<u>-</u>	<u>-</u>
TOTAL	<u>(10,551)</u>	<u>(18,846)</u>	<u>(43,482)</u>	<u>(81,671)</u>	<u>(119,819)</u>	<u>(99,707)</u>	<u>(15,614)</u>	<u>36,026</u>	<u>56,861</u>	<u>57,568</u>	<u>62,721</u>	<u>56,195</u>