



OFFICE OF THE EXECUTIVE VICE PRESIDENT—  
CHIEF FINANCIAL OFFICER

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

April 28, 2017

To: Vice Chancellors of Administration  
Workers' Compensation Managers

Subject: FY 2017-18 Workers' Compensation Accrual Rates

Dear Colleagues,

The Workers' Compensation Actuarial Report is now complete for FY 2017/2018. Please find the attached FY 2017/2018 Workers' Compensation Accrual & Premium Exhibit and Rate History Exhibit.

As of July 1, 2016, our self-insured trust funds were transferred to the University's captive insurance company, Fiat Lux, which is the University's wholly owned insurance company. As we announced in last year's funding letter; moving these programs to Fiat Lux affords us the opportunity to take advantage of Fiat Lux's financial structure as well as our systemwide size and strength to allow us to minimize volatility in our rates so that year to year budgeting is more predictable and consistent. Furthermore, as a result of our move to Fiat Lux, we have closed our legacy individual location "banking" model and eliminated individual location statuses (surpluses and deficits). Therefore, you will notice that statuses are not included in this year's report.

Although individual location statuses no longer exist on a go forward basis, they still exist for the legacy program with a closing date of June 30, 2016. Individual location statuses will need to be reconciled in order to ultimately close out the Systemwide legacy program. We are currently working with the actuary to determine the best method to reconcile the legacy statuses starting in FY 2018/2019 and will provide that as soon as it is available. In the interim, we have suspended the deficit (unless given prior approval to continue) and surplus repayment plan for FY 2017/2018.

Your individual final location report will be sent to your workers' compensation manager under separate cover. If you have any questions, please do not hesitate to call me, Kevin Confetti 510-987-9868, or Karen Vecchi 510-987-9826. If you would like a copy of the full report, please contact Kenny Lim at [Kenny.Lim@ucop.edu](mailto:Kenny.Lim@ucop.edu) or 510-987-9591.

Regards,

Cheryl A. Eloyd

Associate Vice President & Chief Risk Officer

Risk Services website: <http://www.ucop.edu/risk-services/>

cc: Executive Vice President-CFO Brostrom  
Associate Vice President Arrivas  
Interim Associate Vice President Alcocer  
Budget Directors  
Planning & Budget Officers  
Environment Health & Safety Directors  
Accounting Managers  
Payroll Managers  
OP Budget Executive Director Baltaxe  
OP Budget Director Goode  
Director Satorre  
Manager Barrett  
Accounting Supervisor Wildeman  
Deputy Chief Risk Officer Confetti  
Program Manager DeBortoli  
Director Vecchi

**UNIVERSITY OF CALIFORNIA  
WORKERS' COMPENSATION PROGRAM  
2017/18 Rates**

Revised 5/23/17

| LOCATION                | 2017/18<br>Premium | Accrual Funding <sup>(1)</sup><br>All Fund Sources |                    | Be Smart About Safety <sup>(2)</sup><br>All Fund Sources |                   |               | Total<br>Projected<br>Premium | 2017/18<br>Premium<br>Accrual |
|-------------------------|--------------------|--|--------------------|--|-------------------|---------------|-------------------------------|-------------------------------|
|                         |                    | Rate/\$100<br>of Payroll                           | Premium<br>\$      | Rate/\$100<br>of Payroll                                 | Premium<br>\$     | Total<br>Rate |                               |                               |
| Berkeley                | 18,360,000         | 1.31   | 16,702,000         | 0.13   | 1,658,000         | 1.44          | 18,360,000                    | 18,360,000                    |
| ANR-Berkeley            | 159,000            | 1.31   | 145,000            | 0.13   | 14,000            | 1.44          | 159,000                       | 159,000                       |
| Davis                   | 13,238,000         | 0.91   | 12,046,000         | 0.09   | 1,192,000         | 1.00          | 13,238,000                    | 13,238,000                    |
| ANR-Davis               | 902,000            | 0.91   | 821,000            | 0.09   | 81,000            | 1.00          | 902,000                       | 902,000                       |
| Davis MC                | 9,136,000          | 0.95   | 8,111,000          | 0.12   | 1,025,000         | 1.07          | 9,136,000                     | 9,136,000                     |
| Irvine                  | 5,575,000          | 0.54   | 4,935,000          | 0.07   | 640,000           | 0.61          | 5,575,000                     | 5,575,000                     |
| Irvine MC               | 7,112,000          | 1.55   | 6,372,000          | 0.18   | 740,000           | 1.73          | 7,112,000                     | 7,112,000                     |
| Los Angeles             | 31,439,000         | 1.19   | 29,002,000         | 0.10   | 2,437,000         | 1.29          | 31,439,000                    | 31,439,000                    |
| Los Angeles MC          | 27,828,000         | 2.80   | 26,413,000         | 0.15   | 1,415,000         | 2.95          | 27,828,000                    | 27,828,000                    |
| Los Angeles NPH         | 646,000            | 1.39   | 525,000            | 0.32   | 121,000           | 1.71          | 646,000                       | 646,000                       |
| Merced                  | 1,528,000          | 1.13   | 1,415,000          | 0.09   | 113,000           | 1.22          | 1,528,000                     | 1,528,000                     |
| Riverside               | 3,910,000          | 0.90   | 3,483,000          | 0.11   | 426,000           | 1.01          | 3,909,000                     | 3,909,000                     |
| ANR-Riverside           | 182,000            | 0.90   | 163,000            | 0.11   | 20,000            | 1.01          | 183,000                       | 183,000                       |
| San Diego Campus        | 12,940,000         | 0.78   | 11,874,000         | 0.07   | 1,066,000         | 0.85          | 12,940,000                    | 12,940,000                    |
| San Diego MC            | 10,997,000         | 1.69   | 9,992,000          | 0.17   | 1,005,000         | 1.86          | 10,997,000                    | 10,997,000                    |
| San Francisco Campus    | 12,056,000         | 0.72   | 10,988,000         | 0.07   | 1,068,000         | 0.79          | 12,056,000                    | 12,056,000                    |
| San Francisco MC        | 20,645,000         | 1.68   | 18,850,000         | 0.16   | 1,795,000         | 1.84          | 20,645,000                    | 20,645,000                    |
| San Francisco LPPI      | 380,000            | 1.32   | 339,000            | 0.16   | 41,000            | 1.48          | 380,000                       | 380,000                       |
| Santa Barbara           | 6,287,000          | 1.20   | 5,803,000          | 0.10   | 484,000           | 1.30          | 6,287,000                     | 6,287,000                     |
| Santa Cruz              | 3,909,000          | 1.00   | 3,399,000          | 0.15   | 510,000           | 1.15          | 3,909,000                     | 3,909,000                     |
| Office of the President | 1,073,000          | 0.45   | 911,000            | 0.08   | 162,000           | 0.53          | 1,073,000                     | 1,073,000                     |
| ANR-OP                  | 18,000             | 0.45   | 15,000             | 0.08   | 3,000             | 0.53          | 18,000                        | 18,000                        |
| Lawrence Berkeley Lab   | 1,931,000          | 0.53   | 1,931,000          | 0.00   | -                 | 0.53          | 1,931,000                     | 1,931,000                     |
| <b>TOTAL</b>            | <b>190,251,000</b> |  | <b>174,235,000</b> |  | <b>16,016,000</b> |               | <b>190,251,000</b>            | <b>190,251,000</b>            |

<sup>(1)</sup> Record as Workers' Compensation expense with object code 8500.

<sup>(2)</sup> Separate premium 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).

UNIVERSITY OF CALIFORNIA  
 WORKERS' COMPENSATION  
 RATE HISTORY

|                             | 13/14        |                       |                 | 14/15        |                       |                 | 15/16        |                       |                 | 16/17        |                       |                 | 17/18        |                       |                 |
|-----------------------------|--------------|-----------------------|-----------------|--------------|-----------------------|-----------------|--------------|-----------------------|-----------------|--------------|-----------------------|-----------------|--------------|-----------------------|-----------------|
|                             | Accrual Rate | Be Smart About Safety | Deficit Surchg. | Accrual Rate | Be Smart About Safety | Deficit Surchg. | Accrual Rate | Be Smart About Safety | Deficit Surchg. | Accrual Rate | Be Smart About Safety | Deficit Surchg. | Accrual Rate | Be Smart About Safety | Deficit Surchg. |
| Berkeley Campus             | 0.80         | 0.15                  | 0.00            | 1.04         | 0.14                  | 0.01            | 1.24         | 0.13                  | 0.09            | 1.35         | 0.13                  | 0.25            | 1.31         | 0.13                  | 0.00            |
| Davis Campus                | 0.57         | 0.10                  | 0.06            | 0.83         | 0.10                  | 0.08            | 0.94         | 0.09                  | 0.12            | 0.97         | 0.09                  | 0.11            | 0.91         | 0.09                  | 0.00            |
| Davis Medical Center        | 0.80         | 0.14                  | 0.00            | 0.85         | 0.14                  | 0.00            | 0.85         | 0.13                  | 0.00            | 0.89         | 0.12                  | 0.00            | 0.95         | 0.12                  | 0.00            |
| Irvine Campus               | 0.33         | 0.07                  | 0.00            | 0.40         | 0.07                  | 0.00            | 0.50         | 0.07                  | 0.00            | 0.54         | 0.07                  | 0.00            | 0.54         | 0.07                  | 0.00            |
| Irvine Hospital             | 1.99         | 0.19                  | 0.00            | 2.10         | 0.18                  | 0.00            | 1.66         | 0.18                  | 0.00            | 1.64         | 0.18                  | 0.00            | 1.55         | 0.18                  | 0.00            |
| Los Angeles Campus          | 0.77         | 0.11                  | flat            | 0.86         | 0.11                  | flat            | 1.01         | 0.10                  | flat            | 1.10         | 0.10                  | flat            | 1.19         | 0.10                  | flat            |
| Los Angeles Hospital        | 1.75         | 0.18                  | 0.00            | 1.88         | 0.17                  | 0.00            | 2.22         | 0.17                  | 0.02            | 2.34         | 0.15                  | 0.04            | 2.80         | 0.15                  | 0.00            |
| Los Angeles NPH             | 0.81         | 0.35                  | 0.00            | 0.88         | 0.35                  | 0.00            | 0.95         | 0.34                  | 0.00            | 1.08         | 0.32                  | 0.00            | 1.39         | 0.32                  | 0.00            |
| Merced Campus               | 0.61         | 0.03                  | 0.10            | 0.84         | 0.03                  | 0.10            | 1.03         | 0.11                  | 0.10            | 1.13         | 0.10                  | 0.10            | 1.13         | 0.09                  | 0.00            |
| Riverside Campus            | 0.61         | 0.14                  | 0.00            | 0.70         | 0.14                  | 0.05            | 0.86         | 0.13                  | 0.03            | 0.93         | 0.12                  | 0.29            | 0.90         | 0.11                  | 0.00            |
| San Diego Campus            | 0.53         | 0.08                  | 0.00            | 0.71         | 0.08                  | 0.01            | 0.77         | 0.08                  | 0.09            | 0.80         | 0.07                  | 0.08            | 0.78         | 0.07                  | 0.00            |
| San Diego Hospital          | 1.49         | 0.21                  | 0.00            | 1.59         | 0.21                  | 0.00            | 1.69         | 0.20                  | 0.00            | 1.73         | 0.18                  | 0.00            | 1.69         | 0.17                  | 0.00            |
| San Francisco Campus        | 0.48         | 0.08                  | 0.00            | 0.60         | 0.08                  | 0.01            | 0.67         | 0.08                  | 0.02            | 0.73         | 0.07                  | 0.01            | 0.72         | 0.07                  | 0.00            |
| San Francisco Hospital      | 1.27         | 0.22                  | 0.00            | 1.36         | 0.22                  | 0.00            | 1.44         | 0.22                  | 0.00            | 1.58         | 0.18                  | 0.00            | 1.68         | 0.16                  | 0.00            |
| San Francisco LPPI          | 1.38         | 0.13                  | 0.00            | 1.45         | 0.15                  | 0.00            | 1.40         | 0.18                  | 0.00            | 1.38         | 0.28                  | 0.00            | 1.32         | 0.16                  | 0.00            |
| Santa Barbara Campus        | 0.91         | 0.12                  | 0.23            | 1.03         | 0.12                  | 0.22            | 1.17         | 0.11                  | 0.10            | 1.27         | 0.11                  | 0.00            | 1.20         | 0.10                  | 0.00            |
| Santa Cruz Campus           | 0.80         | 0.17                  | 0.00            | 0.87         | 0.17                  | 0.00            | 1.01         | 0.16                  | 0.00            | 1.06         | 0.15                  | 0.00            | 1.00         | 0.15                  | 0.00            |
| Office of the President     | 0.49         | 0.09                  | 0.05            | 0.52         | 0.09                  | 0.04            | 0.47         | 0.08                  | 0.04            | 0.47         | 0.08                  | 0.07            | 0.45         | 0.08                  | 0.00            |
| LBL <sup>(1)</sup>          | 0.42         | 0.00                  | 0.00            | 0.45         | 0.00                  | 0.00            | 0.45         | 0.00                  | 0.00            | 0.45         | 0.00                  | 0.00            | 0.53         | 0.00                  | 0.00            |
| Campus Composite Rate       | 0.63         | 0.10                  |                 | 0.78         | 0.10                  |                 | 0.90         | 0.10                  |                 | 0.96         | 0.09                  |                 | 1.02         | 0.09                  |                 |
| Lab Composite Rate          | 0.42         | 0.00                  |                 | 0.53         | 0.00                  |                 | 0.63         | 0.00                  |                 | 0.45         | 0.00                  |                 | 0.53         | 0.00                  |                 |
| Hospital Composite Rate     | 1.39         | 0.19                  |                 | 1.51         | 0.18                  |                 | 1.63         | 0.18                  |                 | 1.64         | 0.16                  |                 | 1.82         | 0.15                  |                 |
| Combined Composite Rate     | 0.82         | 0.12                  |                 | 0.96         | 0.12                  |                 | 1.08         | 0.12                  |                 | 1.13         | 0.11                  |                 | 1.22         | 0.11                  |                 |
| Composite Accrual+BSAS Rate |              | 0.94                  |                 |              | 1.08                  |                 |              | 1.20                  |                 |              | 1.24                  |                 |              | 1.33                  |                 |

(1) Rates effective Oct. 1st  
 at lab's option.