

UNIVERSITY OF CALIFORNIA  
WORKERS' COMPENSATION PROGRAM  
RETROSPECTIVE REBATES (Actuarial Surplus)

The University of California's Workers' Compensation Self-Insurance Program has realized a Program surplus during the last few fiscal years. This surplus is attributable to numerous factors including legislative reform, cost-cutting programs such as Be Smart About Safety, structured settlement review, accelerated claims closure project, and efforts to manage claims treated at UC occupational health clinics.

The Workers' Compensation Program has provided a Retrospective Rebate (return of a portion of surplus funds) to those locations with an actuarially determined surplus program status. Locations receive approximately 50% of the surplus amount with the remainder retained for future program uncertainty. The Workers' Compensation Program is funded on an occurrence basis which means that funds must be adequate to cover losses for many years into the future. The Program's independent actuary advised the University regarding the importance of ensuring retention of sufficient funds for future exposures given that the program status may undergo considerable change due to the immaturity of the reported claims experience for the newer years as well as changes to earlier subsequent years. There can also be significant changes in the legislation and legal decisions that influence workers' compensation benefits and adversely impact what the Program must pay for past occurrences. Due to this potential volatility, only approximately half of the surplus is returned to the locations and the remainder is retained to cover future exposures.

The Guidelines for Use of Workers' Compensation Funds Including "Be Smart About Safety" available at <http://www.ucop.edu/riskmgt/bsas/documents/besmartaboutsafety.pdf> recommends and encourages locations to utilize surplus funds for approved safety and loss prevention programs as this has a direct impact in the reduction of their future workers' compensation rates. Campus locations can use surplus funds for approved safety and loss prevention programs but any unused surplus funds must be returned to the appropriate funding sources such as state or federal funds. The Medical Center locations do not have the funding source restrictions on surplus funds.

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(Actuarial Surplus)**

**Surplus Funds Returned**

	<b>FY 2005/06</b>	<b>FY 2006/07</b>	<b>FY 2007/08</b>	<b>FY 2008/09</b>	<b>Total</b>
Berkeley	\$ 2,779,000	\$ 5,882,247	\$ 5,102,422	\$ 5,405,902	\$ 19,169,571
Davis	\$ 1,071,000	\$ 2,998,000	\$ 2,990,081	\$ 2,120,893	\$ 9,179,974
Davis MC	\$ 8,261,000	\$ 5,089,004	\$ 7,319,000	\$ 6,310,000	\$ 26,979,004
Irvine	\$ 177,000	\$ 153,000	\$ 800,000	\$ 1,361,000	\$ 2,491,000
Irvine MC	\$ 496,000	\$ 1,721,000	\$ 2,318,000	\$ 2,572,000	\$ 7,107,000
Los Angeles	\$ -	\$ -	\$ -	\$ -	\$ -
Los Angeles MC	\$ -	\$ -	\$ -	\$ -	\$ -
Los Angeles NPH	\$ -	\$ -	\$ -	\$ 61,000	\$ 61,000
Merced	\$ -	\$ 7,000	\$ 197,000	\$ 249,000	\$ 453,000
Riverside	\$ -	\$ -	\$ 285,656	\$ 980,947	\$ 1,266,603
San Diego	\$ -	\$ 2,714,000	\$ 3,605,000	\$ 3,722,000	\$ 10,041,000
San Diego MC	\$ 5,691,000	\$ 6,650,000	\$ 7,488,000	\$ 6,092,000	\$ 25,921,000
San Francisco	\$ -	\$ -	\$ -	\$ 1,010,000	\$ 1,010,000
San Francisco MC	\$ -	\$ 5,802,000	\$ 5,828,000	\$ 4,927,000	\$ 16,557,000
San Francisco LPPI	\$ -	\$ -	\$ -	\$ -	\$ -
Santa Barbara	\$ -	\$ -	\$ -	\$ -	\$ -
Santa Cruz	\$ -	\$ -	\$ 451,000	\$ 1,538,000	\$ 1,989,000
Office of the Pres.	\$ -	\$ 315,688	\$ 391,431	\$ 483,745	\$ 1,190,864
Ag. & Nat. Resources	\$ -	\$ 200,056	\$ 245,410	\$ 229,513	\$ 674,979
<b>Total Transfer</b>	<b>\$ 18,475,000</b>	<b>\$ 31,531,995</b>	<b>\$ 37,021,000</b>	<b>\$ 37,063,000</b>	<b>\$ 124,090,995</b>

**Surplus Funds Used for Safety/Loss Prevention**

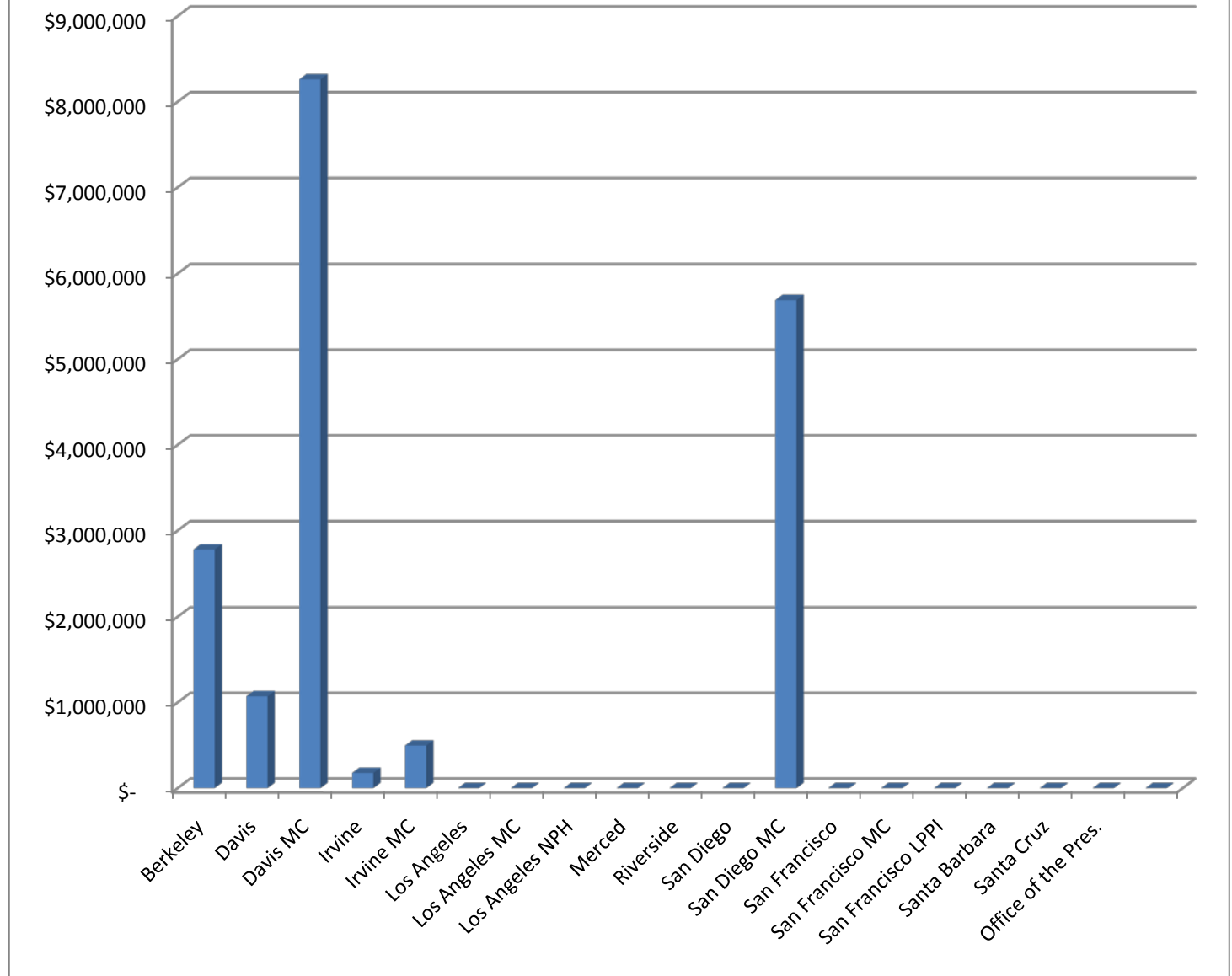
	<b>FY 2005/06</b>	<b>FY 2006/07</b>	<b>FY 2007/08</b>	<b>FY 2008/09</b>	<b>Total</b>
Berkeley	\$ -	\$ 5,289,000	\$ 5,100,000	\$ -	\$ 10,389,000
Davis	\$ -	\$ -	\$ 2,568,000	\$ 78,480	\$ 2,646,480
Davis MC	\$ 1,097,996	\$ 999	\$ 69,500	\$ -	\$ 1,168,495
Irvine	\$ 175,000	\$ 153,000	\$ 800,000	\$ 1,361,000	\$ 2,489,000
Irvine MC	\$ -	\$ -	\$ -	\$ -	\$ -
Los Angeles	\$ -	\$ -	\$ -	\$ -	\$ -
Los Angeles MC	\$ -	\$ -	\$ -	\$ -	\$ -
Los Angeles NPH	\$ -	\$ -	\$ -	\$ -	\$ -
Merced	\$ -	\$ 7,000	\$ 123,080	\$ 106,912	\$ 236,992
Riverside	\$ -	\$ -	\$ -	\$ 982,769	\$ 982,769
San Diego	\$ -	\$ -	\$ -	\$ -	\$ -
San Diego MC	\$ 15,500	\$ 40,000	\$ -	\$ 35,000	\$ 90,500
San Francisco	\$ -	\$ -	\$ -	\$ -	\$ -
San Francisco MC	\$ -	\$ -	\$ -	\$ -	\$ -
San Francisco LPPI	\$ -	\$ -	\$ -	\$ -	\$ -
Santa Barbara	\$ -	\$ -	\$ -	\$ -	\$ -
Santa Cruz	\$ -	\$ -	\$ 380,945	\$ -	\$ 380,945
Office of the Pres.	\$ -	\$ 315,688	\$ 387,931	\$ 130,000	\$ 833,619
Ag. & Nat. Resources	\$ -	\$ 82,710	\$ 237,000	\$ 188,000	\$ 507,710
<b>Total Transfer</b>	<b>\$ 1,288,496</b>	<b>\$ 5,888,397</b>	<b>\$ 9,666,456</b>	<b>\$ 2,882,161</b>	<b>\$ 19,725,510</b>

MC=Medical Center  
Valuation - 4/28/10

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<b>Location</b>	<b>FY 2005/06</b>
Berkeley	\$ 2,779,000
Davis	\$ 1,071,000
Davis MC	\$ 8,261,000
Irvine	\$ 177,000
Irvine MC	\$ 496,000
Los Angeles	\$ -
Los Angeles MC	\$ -
Los Angeles NPH	\$ -
Merced	\$ -
Riverside	\$ -
San Diego	\$ -
San Diego MC	\$ 5,691,000
San Francisco	\$ -
San Francisco MC	\$ -
San Francisco LPPI	\$ -
Santa Barbara	\$ -
Santa Cruz	\$ -
Office of the Pres.	\$ -
Ag. & Nat. Resources	\$ -
<b>Total Transfer</b>	<b>\$ 18,475,000</b>

**FY 2005/06**

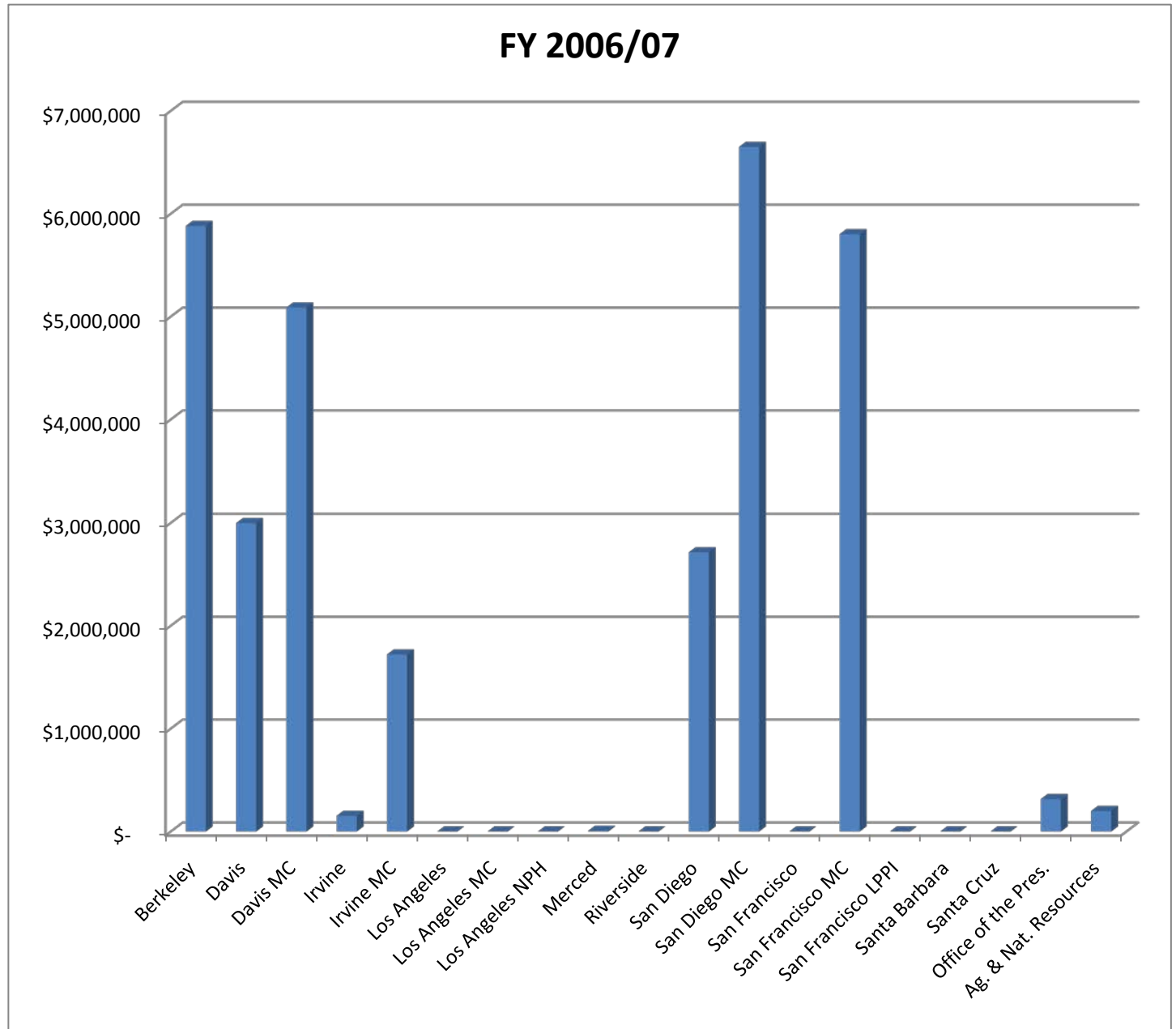


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<b>Location</b>	<b>FY 2006/07</b>
Berkeley	\$ 5,882,247
Davis	\$ 2,998,000
Davis MC	\$ 5,089,004
Irvine	\$ 153,000
Irvine MC	\$ 1,721,000
Los Angeles	\$ -
Los Angeles MC	\$ -
Los Angeles NPH	\$ -
Merced	\$ 7,000
Riverside	\$ -
San Diego	\$ 2,714,000
San Diego MC	\$ 6,650,000
San Francisco	\$ -
San Francisco MC	\$ 5,802,000
San Francisco LPPI	\$ -
Santa Barbara	\$ -
Santa Cruz	\$ -
Office of the Pres.	\$ 315,688
Ag. & Nat. Resources	\$ 200,056
<b>Total Transfer</b>	<b>\$ 31,531,995</b>



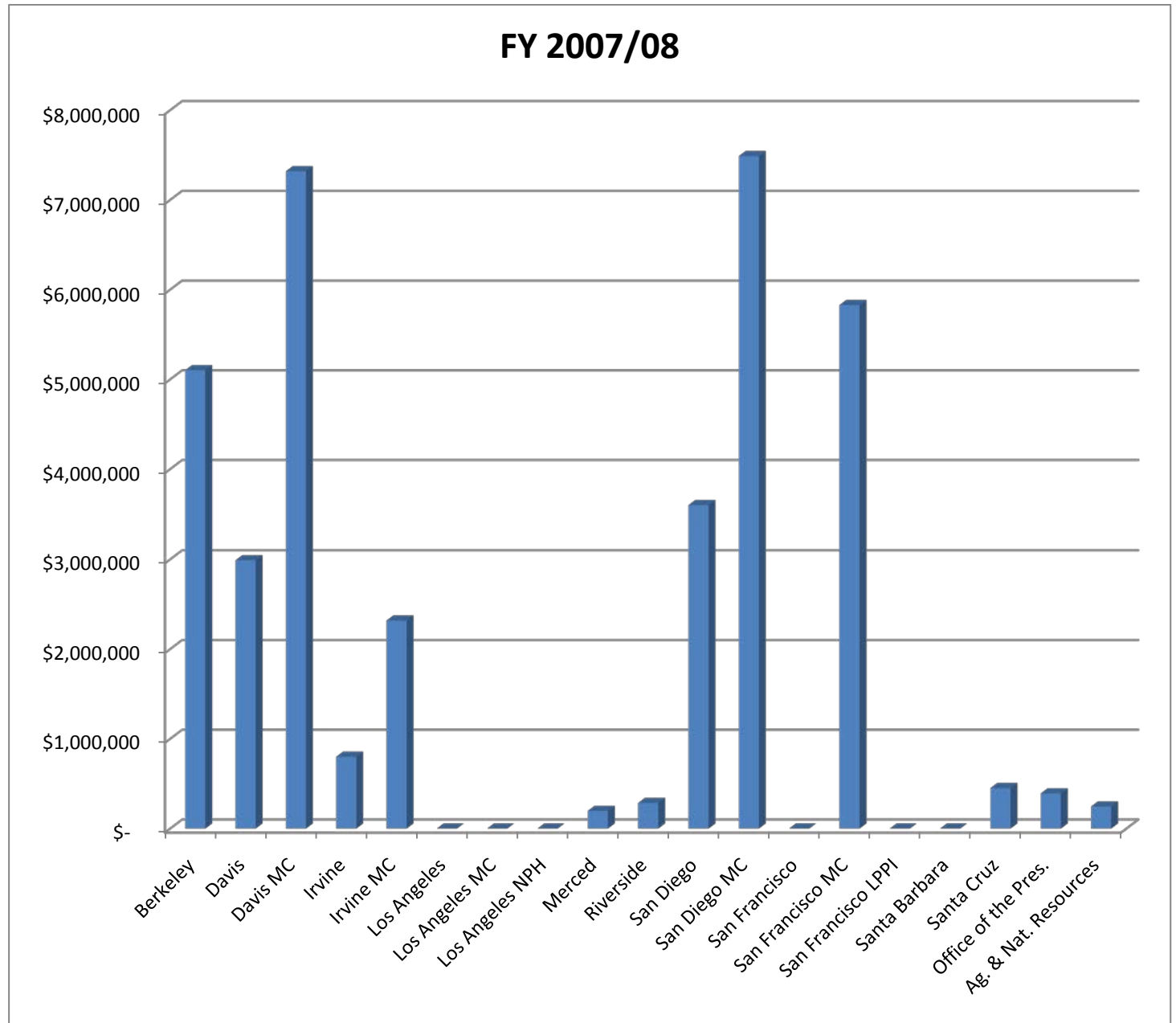
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**UNIVERSITY OF CALIFORNIA  
WORKERS' COMPENSATION  
RETROSPECTIVE REBATES  
(Actuarial Surplus)**

<b>Location</b>	<b>FY 2007/08</b>
Berkeley	\$ 5,102,422
Davis	\$ 2,990,081
Davis MC	\$ 7,319,000
Irvine	\$ 800,000
Irvine MC	\$ 2,318,000
Los Angeles	\$ -
Los Angeles MC	\$ -
Los Angeles NPH	\$ -
Merced	\$ 197,000
Riverside	\$ 285,656
San Diego	\$ 3,605,000
San Diego MC	\$ 7,488,000
San Francisco	\$ -
San Francisco MC	\$ 5,828,000
San Francisco LPPI	\$ -
Santa Barbara	\$ -
Santa Cruz	\$ 451,000
Office of the Pres.	\$ 391,431
Ag. & Nat. Resources	\$ 245,410
<b>Total Transfer</b>	<b>\$ 37,021,000</b>

**FY 2007/08**



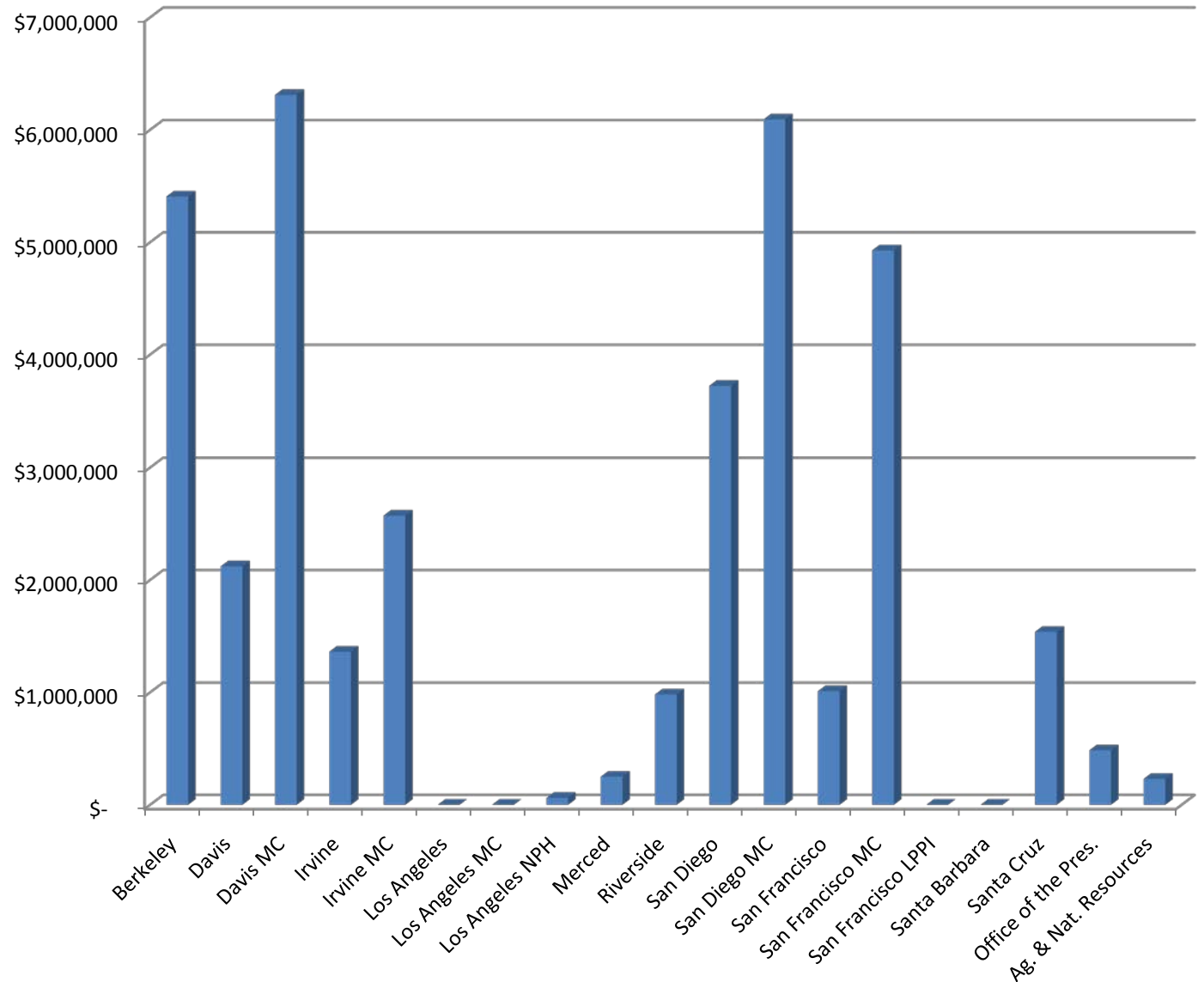
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<b>Location</b>	<b>FY 2008/09</b>
Berkeley	\$ 5,405,902
Davis	\$ 2,120,893
Davis MC	\$ 6,310,000
Irvine	\$ 1,361,000
Irvine MC	\$ 2,572,000
Los Angeles	\$ -
Los Angeles MC	\$ -
Los Angeles NPH	\$ 61,000
Merced	\$ 249,000
Riverside	\$ 980,947
San Diego	\$ 3,722,000
San Diego MC	\$ 6,092,000
San Francisco	\$ 1,010,000
San Francisco MC	\$ 4,927,000
San Francisco LPPI	\$ -
Santa Barbara	\$ -
Santa Cruz	\$ 1,538,000
Office of the Pres.	\$ 483,745
Ag. & Nat. Resources	\$ 229,513
<b>Total Transfer</b>	<b>\$ 37,063,000</b>

**FY 2008/09**



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