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Date: May 4, 2022

**TO: MEMBERS, BOARD OF DIRECTORS**

<b>I. AGENDA ITEM # AND TITLE :</b>	Open Agenda Item 4 – Statement of Actuarial Opinion
<b>II. NAME AND PROGRAM:</b>	Guy Avagliano, Milliman
<b>III. ACTIVITY:</b>	<input checked="" type="checkbox"/> Informational <input type="checkbox"/> Request for Direction <input type="checkbox"/> Action Proposed <input type="checkbox"/> Exploratory
<b>IV. JUSTIFICATION:</b>	<input checked="" type="checkbox"/> Standard/Required Item <input type="checkbox"/> Board Request – New Item <input type="checkbox"/> New Topic from Staff

**V. EXECUTIVE SUMMARY:**

Presentation by the Appointed Actuary of the Loss and Loss Adjustment Expense reserves as of December 31, 2021.

**VI. ANALYSIS:**

Review of Loss and Loss Adjustment Expense Reserves as of December 31, 2021.  
 Recorded reserves are reasonable.

**VII. RECOMMENDATION:** Information only.

**VIII. PRESENTATION EXHIBITS:** None

**IX. APPENDIX:** See attached

State Compensation Insurance Fund

**Milliman Analysis of Statutory Loss and Loss Adjustment Expense Reserves**  
**As of December 31, 2021**

**Booked Loss and Loss Adjustment Expense Reserves**

1. Reserve for Unpaid Losses (Liabilities, Surplus and Other Funds page, Col. 1, Line 1)	\$9,425,990,066
2. Reserve for Unpaid Loss Adjustment Expenses (Liabilities, Surplus and Other Funds page, Col. 1, Line 3)	\$2,164,417,330
3. Reserve for Unpaid Losses – Direct and Assumed (Schedule P, Part 1, Totals from Cols. 13 and 15, Line 12 x 1,000)	\$9,463,468,000
4. Reserve for Unpaid Loss Adjustment Expenses – Direct and Assumed (Schedule P, Part 1, Totals from Cols. 17, 19, and 21, Line 12 x 1,000)	\$2,164,824,000
5. Retroactive Reinsurance Reserve Assumed (Page 3 write-in item)	\$0
6. Other Loss Reserve items on which the Appointed Actuary is expressing an Opinion	\$0

**Excerpt from December 31, 2021 Statement of Actuarial Opinion:**

*In my opinion, the sum of the amounts carried on account of items 1 and 2, the sum of the amounts carried on account of items 3 and 4, and the amount carried on account of item 5, all as shown in Exhibit A:*

- A. Meet the requirements of the insurance laws of the State of California;*
- B. Are consistent with reserves computed in accordance with actuarial standards of practice promulgated by the Actuarial Standards Board; and*
- C. Make a reasonable provision for all unpaid loss and loss adjustment expense obligations of the Fund under the terms of its contracts and agreements.*