

# **Bay Actuarial Consultants**

April 16, 2020

Fernando J. Cubias  
Director of Budget and Finance  
Alvord Unified School District  
10365 Keller Avenue  
Riverside, California 92505

Dear Mr. Cubias:

We are pleased to have the opportunity to continue to provide actuarial consulting services to the Alvord Unified School District ("Alvord"). Alvord terminated its self-insurance program on June 30, 2016 but still has a substantial liability for unpaid self-insured losses.

## **Scope of the Review**

We have provided Alvord with comprehensive actuarial reports on its workers' compensation program annually since 2010. We propose to produce another similar actuarial report in 2020.

The main items that are covered in our reports are the following:

- 1) *Estimated Liability.* We will estimate the SI Program's remaining liability for unpaid losses as of June 30, 2020.
- 2) *Short Term Liabilities.* We will estimate the portion of the June 30, 2020 liability that will be discharged over the ensuing twelve months.
- 3) *Projected Cost of 2020-21 Losses.* We will estimate the ultimate value of the losses that will occur in 2020-21. *This benchmarking information is for evaluating the District's various options going forward, since the District is not self-insuring during 2020-21.*

- 4) *Probability Levels.* We will also estimate the amounts that would be required to fund the liability at our central estimate, as well as at the 70%, 80%, and 90% probability levels.

All actuarial estimates are uncertain. There is no guarantee, express or implied, that losses will develop as projected in the report.

#### **Data and Fees**

We will need the usual claims data and aggregate payroll information. We will continue to work with your claims administrator to obtain the claims data. Our flat fee for the 2020 work is \$5,300. Please sign below and return this letter if this is acceptable.

We will provide you with timely and professional service. Please call me at (925) 377-5269 if you have any questions or suggestions.

Respectfully,

BAY ACTUARIAL CONSULTANTS



Jack Joyce, FCAS, MAAA  
Principal

ACCEPTED

By: \_\_\_\_\_

Date: \_\_\_\_\_