Hi David,
I just left you a voice mail. I have taken a second look at the funding estimates at the various SIR options. I think Trindel's curve was a little more complicated than meets the eye. As a result, the curve has been flattened after the selections have been refined. Here is a summary:

2012-2013	Original Undiscounted 70%	Revised Undiscounted 70%	CSAC Excess	Revised Self-Insured + Excess
125,000	4,610,000	4,610,000	1,467,747	6,077,747
250,000	6,177,000	5,554,000	815,000	6,369,000
350,000	6,975,000	6,050,000	606,000	6,656,000
500,000	7,773,000	6,508,000	465,000	6,973,000

You'll notice that in the last column, the figures are still increasing, although not by as much as with our original estimates. If you have any questions feel free to call me at 916-244-1167. Then, let me know what you would like me to do next.

Thanks.

Derek

Hi David,
I haven't been able to totally match up the numbers from the CSAC spreadsheet and our analysis but that is most likely because Trindel's self-insured exposure was limited prior to 2008. But speaking in terms of our analysis, I think the following helps to explain the increased funding amounts:

	Reported Losses Capped at $125,000	Reported Losses Capped at $300,000	Increase
2001-2002	$913,549	$1,069,608	17.1%
2002-2003	1,480,367	1,964,568	32.7%
2003-2004	1,424,204	2,251,684	58.1%
2004-2005	483,295	483,295	0.0%
2005-2006	666,178	1,168,486	75.4%
2006-2007	521,312	812,710	55.9%
2007-2008	492,840	492,840	0.0%
2008-2009	2,857,370	3,103,365	8.6%
2009-2010	2,310,937	2,748,000	18.9%
2010-2011	1,522,454	1,522,454	0.0%
	$12,672,506	$15,617,010	23.2%

You can see that for the last 10 years, when losses are capped at $300,000, thus far they have been 23.2% greater than when limited to $125,000. This percentage may in fact become larger as some of the more recent years continue to develop. Therefore, if we were to simply take our 70% funding estimate at $125,000 of about $4,610,000 and multiply it by 23.2% percentage, we would come up with an additional $1,070,000 which is greater than the premium decrease Trindel would receive from CSAC. Does that make sense?

Derek