



Town of Wellesley

Workers Compensation Loss and ALAE Analysis as of June 30, 2023

October 26, 2023

wtwco.com



October 26, 2023

Ms. Maura O'Connor
Treasurer/Collector
Town of Wellesley
525 Washington St.
Wellesley, MA 02482

Dear Ms. O'Connor:

Attached is our report regarding the Town of Wellesley's (Wellesley's) workers compensation self-insured unpaid loss and allocated loss adjustment expense as of June 30, 2023. We also include estimated ultimate loss amounts for accident periods July 1, 2023-2024 and July 1, 2024-2025.

This report replaces and supersedes the draft report that was issued on October 23, 2023.

Attention is called to the section of the report entitled *Distribution*, which sets out the limits on distribution of the final report.

This report contains workpapers, trade secrets, and confidential information of both Wellesley and WTW, and as such, it is not intended to be subject to disclosure requirements under any Freedom of Information Act or similar laws.

I, Christina L. Centofanti, am a member of the American Academy of Actuaries and meet its qualification standards to render the actuarial opinion contained herein.

Please contact me if you have any questions.

Sincerely,

A handwritten signature in black ink, reading "Christina Centofanti".

Christina L. Centofanti, FCAS, MAAA
617.638.3986

Attachment

cc: Jim Swanke – WTW

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Purpose and Scope

WTW was retained by the Town of Wellesley (Wellesley, the Town or you) to prepare an actuarial analysis of Wellesley's loss and allocated loss adjustment expense (ALAE) experience for the purpose of estimating unpaid loss and ALAE as of June 30, 2023 and June 30, 2024. We also provide projections of ultimate loss and ALAE for the July 1, 2023-2024 (2023/24) and July 1, 2024-2025 (2024/25) accident periods.

This report was prepared for the internal use of the Town's management in the context of presenting our findings with respect to this analysis, under the terms of our Statement of Work with you dated September 26, 2023. It is our understanding that Wellesley management will consider our findings for the purpose of establishing liability estimates for external financial reporting and internal management reporting.

Our report is not intended nor necessarily suitable for any other purpose and we accept no responsibility for any such use.

Draft versions of this report should not be relied upon by any person for any purpose.

The exhibits attached in support of our conclusions are an integral part of this report. These sections have been prepared so that our actuarial assumptions and judgments are documented. This report must be considered in its entirety as individual sections may be misleading if considered in isolation. Our projections are predicated on a number of assumptions as to future conditions and events. These assumptions are documented in subsequent sections of this report and should be understood in order to place the actuarial estimates in their appropriate context. In addition, these projections are subject to a number of reliances and limitations, as described in subsequent sections of this report.

This report was prepared for use by persons technically competent in the areas addressed and with the necessary background information, and for the stated purpose only. We are available to answer any questions that may arise regarding this report. We assume that the users of this report will seek such explanation on any matter in question.

In this report we provide estimates of Wellesley's unpaid loss and ALAE as of June 30, 2023 and June 30, 2024 on several bases representing various intended measures. These include an actuarial central estimate, as well as estimates above the actuarial central estimate. The actuarial central estimate was arrived at through evaluation of the results of various actuarial methods and models applied to Wellesley's experience. As such, the derivation of this estimate does not reflect extreme events which are believed to have a remote possibility of occurring. The other higher estimates are intended to present measures of Wellesley's unpaid loss and ALAE that consider risk margins or outcomes that may be considered unlikely, but that are not remote. We consider the actuarial central estimate presented here suitable for use in financial reporting contexts. The unpaid losses at higher confidence levels may not be suitable for this purpose.

We also provide estimates of Wellesley's projected 2023/24 and 2024/25 ultimate losses on several bases representing various intended measures. These include an actuarial central estimate, as well as estimates both above and below the actuarial central estimate. The actuarial central estimate was

described in the preceding paragraph. The range of estimates are intended to present measures of Wellesley's prospective loss and ALAE that consider outcomes that may be considered unlikely, but that are not remote. We consider the range of estimated prospective ultimate losses presented here suitable for use in financial reporting contexts.

For the purpose of our report, the "accounting date" of June 30, 2023 is the date used to separate paid and unpaid claim amounts. Transactions through the "valuation date" of August 31, 2023 are included in the data used in our analysis. No account whatsoever has been taken in the projections of developments or data received subsequent to the "review date" of October 23, 2023.

With the exception of coverage period 1/1/01-6/30/01, our analysis was performed net of excess insurance and net of anticipated future salvage and subrogation. Our estimate for the 1/1/01-6/30/01 period is on a gross basis as Wellesley does not believe that there will be any recovery for losses in excess of the aggregate retention for those periods. This is due to the fact that the Town's former excess insurer, Legion Insurance Company (Legion), is in liquidation. We have assumed that all of the Town's excess insurance for other coverage periods and all future salvage/subrogation or other recoveries will be valid and collectible.

All unpaid and prospective ultimate loss amounts are stated on both an undiscounted and discounted basis as regards future investment income.

We have not included in our estimate of unpaid loss and ALAE as of June 30, 2023 any provision for any expenses other than ALAE, such as the cost of excess reinsurance, actuarial and audit fees, risk management fees or in-house legal counsel fees. The ALAE amounts included in our unpaid loss and ALAE as of June 30, 2023 include only those categories of loss adjustment expenses (e.g., claims defense, cost containment) that are reflected in the historical ALAE data provided to us. In contrast, the *Findings* section of this report includes an estimate of the additional contribution for the 2024/25 fiscal year. This estimate does include provision for excess insurance, risk management, actuarial and audit fees.

Throughout this report, the use of the term loss without modification includes loss and ALAE but does not include unallocated loss adjustment expense (ULAE).

Material Assumptions Set by Wellesley

The findings in this report are materially influenced by certain assumptions selected by Wellesley, specifically: the 5.0% interest rate used for discounting, estimated operational expenses for 2024/25 and estimated exposure growth for 2023/24 and 2024/25. The interest rate assumption is based on Wellesley's knowledge of its investment returns. The operational expense and exposure growth assumptions are based on Wellesley's knowledge of its projected budget and personnel changes. Evaluating the reasonableness of these assumptions is outside the scope of this assignment.

Distribution

We have prepared this report solely for Wellesley's internal use as described in the preceding section. It was not prepared for use by any other party and may not address their needs, concerns or objectives. We do not assume any responsibility, or accept any duty of care or liability, to any third party who may obtain a copy of this document and any reliance placed by such party on it is entirely at their own risk.

This report may be distributed to your affiliates, provided that you ensure that each such affiliate complies with the terms herein and those governing the applicable statement of work as if it were a party to them, and you remain responsible for such compliance.

We understand that Wellesley may wish to provide copies of this report to its external auditors and current or prospective excess insurers (the Recipients) in the course of the Recipients' standard duties. Permission is hereby granted for such distribution on the conditions that:

- WTW is provided a list of the Recipients to whom this report is provided.
- The report is distributed in its entirety.
- Each Recipient recognizes that WTW is available, at the expense of Wellesley and with its prior consent, to answer any questions concerning the report.
- Each Recipient agrees not to reference or distribute the report to any other party.
- Each Recipient recognizes that the furnishing of this report is not a substitute for its own due diligence and agrees to place no reliance on this report or the data contained herein that would result in the creation of any duty or liability by WTW to such party.
- In the event that the Recipient is required by order of a court of competent jurisdiction, administrative agency or governmental body, or by any law, rule, regulation, subpoena, or any other administrative or legal process to disclose this report, the Recipient may disclose this report, provided that the Recipient gives WTW prompt notice of any such requirement and, at our discretion, either (1) cooperates with us, at our expense, to prohibit such disclosure, or (2) uses all reasonable efforts to obtain confidential treatment of this report under a protective order or other appropriate mechanism.
- Each Recipient understands that such RECIPIENT IS DEEMED TO HAVE ACCEPTED THESE TERMS AND CONDITIONS by retaining a copy of this report.

This report contains workpapers, trade secrets, and confidential information of Wellesley and WTW. Because of the nature of the material contained in the report, it is not intended to be subject to disclosure requirements under any Freedom of Information Act or similar laws.

You shall not refer to us or include any portion of this report in any shareholder communication or in any offering materials or fairness opinion provided by your professional advisors prepared in connection with the public offering or private placement of any security, unless otherwise agreed in writing.

No further distribution of this report and any related information or advice, nor reference, either oral or written, to WTW, our analysis or findings related to this report may be made other than agreed by us in advance in writing. We may permit disclosure of this report to other third parties, conditional on each third-party agreeing to Disclaimer and Release terms acceptable to WTW.

Background

Overview

Wellesley became self-insured on January 1, 1993 for its workers compensation exposures. Effective July 1, 1993, the program year changed from a January 1 to December 31 year to a July 1 to June 30 program year. As a result of this change, the program has a 6-month plan year from January 1, 1993 to June 30, 1993. In the past, Wellesley's self-insured retention (SIR) was on a calendar year basis. As of June 30, 2001, however, Wellesley's excess insurance is on a fiscal year basis, which coincides with the policy periods of its trust fund.

Changes in Operations

Based on discussions with Wellesley management, we are not aware of any recent changes in its claim, excess insurance or any other aspect of the Town's operation that would be expected to materially affect the methods or assumptions used in this analysis. Consequently, we have not made any adjustments to the data, methods, assumptions or parameters implied by the Town's historical data to account for such changes.

Excess Insurance

Wellesley's historical per occurrence and aggregate SIRs are as follows:

Period	Per Occurrence SIR	Aggregate SIR
1/1/93-12/31/97	Unlimited	N/A
1/1/98-99	Unlimited	\$470,880
1/1/99-00	Unlimited	\$410,293
1/1/00-01	\$200,000	\$412,123
1/1/01-6/30/01	\$200,000	\$206,000
7/1/01-6/30/02	\$250,000	\$424,779
7/1/02-6/30/03	\$300,000	\$995,000
7/1/03-6/30/04	\$350,000	\$870,148
7/1/04-6/30/05	\$350,000	\$999,914
7/1/05-6/30/06	\$400,000	\$1,000,812
7/1/06-6/30/07, 7/1/08-6/30/12	\$500,000	\$2,000,000
7/1/07-6/30/08	\$550,000	\$2,000,000
7/1/13-6/30/18	\$600,000	\$2,000,000
7/1/18-6/30/23	\$650,000	\$2,000,000

Terminology

Accident Year: Includes all claims that occurred during the “accident year,” e.g., accident year July 1, 2022 through June 30, 2023 would include all claims during that period, regardless of when they were reported.

Allocated Loss Adjustment Expense (ALAE): ALAE refers to defense, litigation and medical cost containment expenses, whether internal or external (e.g., attorney fees for defense, cost of engaging experts).

Case Reserves: The estimate of unpaid loss (or loss and ALAE) amounts established for unpaid claims that have been reported to Wellesley. Case reserves are established on an individual claim basis.

Exposure: The units in which the exposure to loss are measured. In Wellesley’s case, exposures are defined as payroll.

Frequency: Claims per unit of exposure.

IBNR: Loss and/or ALAE for claims Incurred But Not Reported. In this report, we have used the term in its broader, more general sense, to represent development on outstanding case reserves (also referred to as supplemental or IBNER – Incurred But Not Enough Reported) and unreported claims (also referred to as “pure” IBNR or IBNYR – Incurred But Not Yet Reported).

Loss Adjustment Expense (LAE): The term LAE includes both allocated and unallocated loss adjustment expense. See definition of unallocated loss adjustment expense below.

Loss Development Factors: Factors used to project losses and/or ALAE to their ultimate value. These factors adjust actual losses to include IBNR and case reserve adequacy, or total unpaid amounts, to produce an estimate of total or ultimate loss (and/or ALAE).

Loss Reserves: A liability item on the balance sheet to provide for unpaid claims. It consists of two components – case reserves and IBNR reserves.

Paid Loss: The amount of money that has been paid to cover claims.

Pure Premium: Loss (or loss and ALAE) per unit of exposure.

Reported Loss: The total of paid loss and case reserves for known claims.

Severity: Average loss per claim.

Trend Factors: Factors used to adjust the past loss experience to the cost levels of the period being considered. Trend factors include the effects of inflation and may also include adjustment for anticipated changes in laws, technology and other factors which may be expected to affect loss frequency or severity.

Ultimate Loss: The total of reported loss and IBNR.

Unallocated Loss Adjustment Expense (ULAE): Those loss adjustment expenses not included within ALAE (e.g., fees of adjusters, attorney fees incurred in the determination of coverage).

Findings

Based on our analysis of Wellesley's experience at June 30, 2023 and August 31, 2023, and subject to the considerations set forth in the *Reliances and Limitations* section, we have reached the following conclusions.

Net Unpaid Loss and ALAE as of June 30, 2023

The table below details the estimated net unpaid loss and ALAE as of June 30, 2023.

NET UNPAID LOSS AND ALAE AS OF JUNE 30, 2023 (\$000s)		
Accident Year	Nominal	Discounted @ 5.0%
Prior	\$3	\$3
2017/18	0	0
2018/19	12	10
2019/20	11	9
2020/21	105	92
2021/22	175	155
<u>2022/23</u>	<u>287</u>	<u>260</u>
Total	\$593	\$530

*1/1/93-6/30/98 not shown on exhibits, but have \$0 unpaid loss

Discounting of estimated unpaid loss and ALAE is based on the assumption that all investment income earned on the assets underlying the unpaid loss and ALAE liabilities is used to fund loss and ALAE payments as those become due.

These results are summarized on Exhibit 1, Sheet 1. We also calculated discounted unpaid loss and ALAE at 75% and 90% confidence levels as of June 30, 2023 to be \$660,000 and \$840,000, respectively. The 75% confidence level implies there is a 75% probability that Wellesley's discounted unpaid loss and ALAE will be less than \$660,000. Other results on Exhibit 1, Sheet 1 can be interpreted similarly.

Estimated Prospective Losses

We use our estimates of historical ultimate losses, adjusted for loss cost trend, benefit level changes and varying retentions, to project ultimate losses for the 2023/24 and 2024/25 accident years. In Exhibit 2, Sheet 1, we select a range of pure premiums, with a central estimate pure premium of \$0.490 per hundred dollars of payroll. This represents a 4.5% increase from the trended, benefit level adjusted expected pure premium used in our previous analysis reflecting Wellesley's loss experience in the more recent years. We multiply the selected pure premiums by the projected payroll for 2023/24 to provide a low, actuarial central estimate and high estimate of ultimate losses. The undiscounted, actuarial central estimate is \$546,000. This estimate is based on a \$650,000 retention.

We also calculate losses discounted at 5.0% and at higher confidence levels.

A similar approach is used for the 2024/25 accident year, based on a 5.0% trend in payroll, as advised by Wellesley, estimated pure premium trend, estimated benefit level adjustments and an assumed \$650,000 retention. Note that the low and high estimates do not represent best or worst case scenarios; results outside of this range are possible if not likely.

As noted above, the 2023/24 and 2024/25 accident period estimates are highly dependent on Wellesley's exposure estimates. The estimates also assume that Wellesley's loss experience will be similar to pre-pandemic levels.

Indicated Contribution for the July 1, 2024/25 Fiscal Year

The following table displays the total estimated operational expenses for fiscal year 2024/25, as provided by Wellesley:

TOWN OF WELLESLEY WORKERS COMPENSATION JULY 1, 2024/25 FISCAL YEAR ESTIMATED OPERATIONAL EXPENSES (\$000s)	
Operational Expenses	Undiscounted
Excess Insurance	\$125
Claims Handling	25
Audit/Actuarial/Legal	25
Miscellaneous/Clerical	55
Total Estimated Miscellaneous Costs	\$230

The following table provides a comparison of the total estimated unpaid loss and ALAE as of July 1, 2023 compared to the June 30, 2023 market value of Wellesley's workers compensation fund:

TOWN OF WELLESLEY WORKERS COMPENSATION ESTIMATED CONTRIBUTION FOR THE JULY 1, 2024/25 FISCAL YEAR (\$000s)				
Cost	75% Confidence Level		Expected Level	
	Undisc	Disc (5%)	Undisc	Disc (5%)
Estimated Unpaid Loss and ALAE	\$870	\$770	\$692	\$620
Loss and ALAE for 2024/25	722	655	578	524
Operational Expenses	230	230	230	230
Total	1,822	1,655	1,500	1,373
Market Value as of 6/30/23	883	883	883	883
Estimated (Excess)/Contribution	\$939	\$772	\$617	\$490

As seen in the table, the fund value as of June 30, 2023 of \$883,002 is approximately \$939,000 less than the total estimated undiscounted unpaid loss at a 75% confidence level as of June 30, 2023 plus

losses and operational expenses for fiscal year 2024/25. The fund value is projected to be \$772,000 less than the unpaid loss as of June 30, 2023 plus the fiscal year 2024/25 expense on a discounted, 75% confidence level basis.

The estimated loss for 2024/25 is dependent on the estimated payroll for that period and the selected loss cost. The estimated payroll is based on the 2022/23 payroll, trended forward two years at 5.0% each year.

The estimated unpaid loss and ALAE as of June 30, 2023 and June 30, 2024 can be found on Exhibit 1, Sheet 1. The expected losses and contingency margin for fiscal years 2023/24 and 2024/25 can be found on Exhibit 2, Sheet 1.

Comparison of Estimated Ultimate Loss and ALAE for 7/1/98 through 6/30/23

A comparison of current and prior estimates of ultimate loss and ALAE is shown in the following table.

COMPARISON OF ESTIMATED ULTIMATE LOSS AND ALAE PRIOR TO AGGREGATE (\$000s)			
Accident Year	Valuation		Percentage Difference
	2022	2023	
1998/2017	\$5,503	\$5,505	0%
2017/18	70	65	-7%
2018/19	268	260	-3%
2019/20	460	420	-9%
2020/21	485	480	-1%
2021/22	600	750	25%
<u>2022/23*</u>	<u>493</u>	<u>390</u>	<u>-21%</u>
Total	\$7,880	\$7,871	0%

*Adjusted for updated payroll.

Note that the 1/1/93-6/30/98 periods are not shown on the exhibits since they are closed.

Overall, Wellesley's loss emergence was flat compared to last year. As was the case last year, we had previously assumed the 2008/09 period was closed; however, a claim re-opened and re-closed with additional payments. This also happened in the 2010/11 period. The most notable change in ultimate losses was in the two most recent periods. Our ultimate loss for the 2021/22 period increased by \$150,000 due to an increase in reported loss for two large claims. Conversely, the 2022/23 ultimate loss estimate decreased by \$103,000 since both paid and reported losses are less than expected at this point in time.

Estimated Loss Payout Projection

Exhibit 1, Sheet 2 displays the projected expected payments (by accident period, by fiscal year) for Wellesley's workers compensation unpaid loss and ALAE as of June 30, 2023. Of the indicated \$593,000 of unpaid loss as of June 30, 2023 (i.e., excluding accident year 2023/24), \$284,000 (48%) is expected to be paid in the 2023/24 fiscal year and \$309,000 (52%) is expected to be paid thereafter.

Summary Statistics

Exhibit 2, Sheet 2 shows estimated claim frequencies (ultimate claims relative to \$1,000 of payroll) and estimated claim severities limited to historical retentions (average cost per claim). We also calculate benefit level-adjusted, trended severities assuming a 0% annual trend rate. Key observations are as follows:

Claim Frequency – As we observed last year, there was a decrease in frequency for during the COVID-19 pandemic; however, 2021/22 and subsequent frequency appears to have reverted to pre-pandemic levels.

Claim Severity – Claim severity has been volatile. This is due primarily to the relatively large retention levels as compared to Wellesley's annual volume of loss. Higher values are generally observed in periods where there is a claim worth \$100,000 or more (e.g., 2016/17, 2020/21 and 2021/22)..

Analysis

Our analysis consisted of the steps outlined below.

Development Patterns

Our projection of future claim reporting and payment is based on Wellesley's historical experience. Using historical loss development experience provided by Wellesley, we select report-to-report (RTR) development factors. In cases for which Wellesley's historical data is not sufficiently credible, stable, or mature, we have supplemented Wellesley's experience with benchmark workers compensation reporting and payment patterns for the state of Massachusetts.

The benchmark development patterns were constructed internally by WTW based on analysis of Massachusetts workers compensation data compiled by the National Council on Compensation Insurance (NCCI). These results were reviewed for consistency and reasonableness. Benchmark patterns were selected for each state. Using an interpolation routine, monthly patterns were calculated from annual values.

While each entity's own development can be expected to vary from the benchmark based on individual circumstances, we believe the benchmark is an appropriate supplement to the analysis of entity data, as it represents our current judgment as to the typical emergence of loss that can be expected for that class of business.

The selected development patterns are used for the development, Bornhuetter-Ferguson (B-F) and case outstanding projection methods and the cash flow projection.

Initial Expected Losses

The selected initial expected losses (IELs) for accident periods through 7/1/2021-2022 (2021/22) are based on the selected ultimate losses from our prior analysis. The IEL for accident period 7/1/2022-2023 (2022/23) is based on the pure premium selected in our prior report and Wellesley's most recent 2022/23 payroll data.

Selected Ultimate Losses

In general, our selected ultimate losses are based on the results of five projection methods: the reported and paid development methods, the reported and paid B-F methods and the case outstanding method. Our selections are based on judgment reflecting the range of estimates produced by the methods and the strengths and weaknesses of each method. These methods are described in the final section of this report.

Trend/Benefit Levels

The first step in determining ultimate losses for the prospective year is to apply combined frequency and severity trend factors to estimate the impact on historical loss experience of the economic, judicial and social changes that affect loss costs over time. Historical losses are also adjusted to the benefit level expected for 2023/24 and 2024/25.

The pure premium trend assumption utilized in this analysis is 0%. This is based on consideration of Wellesley's data and the Massachusetts workers compensation industry trend selected by the Massachusetts Workers Compensation Rating and Inspection Bureau (WCRIBMA). Benefit changes are based on benefit level changes through October 1, 2022 and assumed annual benefit changes through October 1, 2024 based on data from WCRIBMA.

Increased Limits/Size of Loss Distribution

Increased limit factors (ILFs) are used to project pure premiums at the historical retentions to the retention level for 2023/24 and 2024/25.

We do not believe that the data available for Wellesley's exposure is sufficient in size or maturity to draw any conclusions regarding expected costs at the retained limits under consideration. As such, we apply increased limits factors from the historical retained limits to adjust to the 2023/24 and 2024/25 limit. The industry increased limits relationships used are based on workers compensation industry aggregate loss distributions. We adjust the industry increased limits based on consideration of actual Wellesley experience.

Estimated Pure Premiums

We use our projections of ultimate losses to estimate historical pure premiums (losses per exposure unit). For workers compensation, we adjust these historical pure premiums to the accident year 2023/24 level by adjusting for loss cost trend, benefit level adjustments, and changes in retention.

Our accident year 2024/25 selected pure premium is based on a similar approach with the estimated historical loss costs adjusted to the accident year 2024/25 level.

Estimated Ultimate Losses for the 2023/24 and 2024/25 Accident Periods

We use our estimates of Wellesley's exposures and pure premium to derive estimated accident year 2023/24 losses. Estimated exposures for accident year 2023/24 are based on actual 2022/23 exposures, adjusted upward by 5.0% as requested by Wellesley. Estimated ultimate losses for accident year 2023/24 are calculated as the product of the estimated 2023/24 pure premium and estimated 2023/24 exposures. Our estimate of accident year 2023/24 losses is highly dependent on Wellesley's estimate of 2023/24 exposures.

Ultimate losses for accident year 2024/25 are calculated in a similar manner.

Variation from Expected Results

We use the results of our analysis to estimate Wellesley's experience at higher confidence levels. These estimates are derived using computer simulation techniques. Claim frequency is assumed to occur according to a Poisson probability distribution, and the costs associated with these claims (severity) are assumed to follow a Lognormal distribution. These distributions are commonly used in the actuarial profession as models for claim frequency and claim severity, respectively.

A simulation model of this type cannot capture all or completely describe all of the dynamic forces that impact property and casualty losses. Such a model can, however, provide considerable insight into the range of potential fluctuations of losses.

Estimated Unpaid Loss and ALAE as of June 30, 2023

We use our loss estimates and Wellesley's historical payments to estimate unpaid loss and ALAE as of June 30, 2023. We first adjust the ultimate loss selections to reflect Wellesley's excess insurance. Estimated unpaid loss and ALAE as of June 30, 2023 is calculated by subtracting the net loss payments from the estimated retention-adjusted ultimate losses. Estimated unpaid loss and ALAE as of June 30, 2024 is calculated in a similar manner; however, the net loss payments as of June 30, 2024 are estimated based on the unpaid loss as of June 30, 2023, the projected ultimate loss for the 2023/24 period and a selected payment pattern (described in *Development Patterns*).

Discounted unpaid loss and ALAE estimates are also calculated by discounting future loss payments to present value using the selected payment pattern and an interest rate of 5.0%.

Reliances and Limitations

Inherent Uncertainty

In our judgment, we have employed techniques and assumptions that are appropriate, and the estimates presented herein are reasonable, given the information currently available. However, it should be recognized that actual future results will vary from those projected. Projections of loss and ALAE are subject to potentially large errors of estimation since the ultimate disposition of claims incurred prior to the financial statement date, whether reported or not, is subject to the outcome of events that have not yet occurred. Examples of these events include jury decisions and the size of awards, court interpretations, changes in legislation, insurance regulations and the standards of liability, changes in the medical condition of claimants, public attitudes, and social/economic conditions such as inflation. It should therefore be expected that the actual emergence of loss and ALAE will vary, perhaps materially, from our estimates. Thus, no assurance can be given that Wellesley's actual unpaid loss and ALAE and prospective loss and ALAE will not ultimately differ materially from the estimates contained herein.

The inherent uncertainty associated with loss and ALAE estimates is increased in this case due to the following circumstances:

- Wellesley's exposures are in one coverage, workers compensation, for which the estimation of unpaid loss is more uncertain than for shorter-tailed coverages.
- Wellesley has high retentions in the most recent policy years (up to \$650,000 per occurrence) with very little loss experience in the higher retention levels. This lack of fully credible data in the higher retention layers makes loss projections more uncertain.
- Wellesley has a relatively small volume of losses. Loss projections based on small volumes of data tend to be volatile.
- The geographic, coverage and industry (public entity) concentration of Wellesley could cause adverse results due to legislative or judicial changes or catastrophic events (e.g., terrorism).
- The data provided to us was valued as of August 31, 2023. We are projecting unpaid loss and ALAE as of June 30, 2024. While we believe that our estimation of payments from August 31, 2023 through June 30, 2024 to be reasonable, this process introduces additional uncertainty to our analysis.
- The projected payout of claims by year is highly uncertain. Actual loss and ALAE payments could occur materially more or less rapidly than projected due to random variations and the timing of large claim payments.
- Recent changes in general inflation could have an impact on the run-off of reserves. As of the review date of this report, our view is that inflation spikes are most likely to impact short-tailed coverages, principally in recent years. However, the potential exists for longer term inflationary pressure which could impact wage and medical costs, therefore impacting longer tailed coverages such as workers compensation. Such inflationary increases could also impact the run-off of the reserves for many accident years. We have not made any explicit adjustments in our estimates to account for such potential impacts.

Furthermore, there is no guarantee that the prospective accident year loss and ALAE estimates will prove to be adequate or not excessive.

The absence of other recognized uncertainties at this time does not imply that factors will not be identified in the future as having been a significant influence on our findings.

Note that a quantification of this uncertainty would likely reflect a range of reasonable favorable and adverse scenarios, but not necessarily a range of all possible outcomes. Further, the proper application of any range is dependent on the context. Wellesley's financial reports are governed by accounting standards, and such standards vary among jurisdictions. Under current accounting standards, the ends of a range that is illustrative of uncertainty would likely not be suitable for financial reporting purposes.

Coronavirus Impacts

The coronavirus (COVID-19) pandemic had a significant impact on businesses and individuals around the world. It is unclear if there are claims related to COVID-19 in the loss data provided to us. Our analysis does not make any adjustments for the impact of the coronavirus, either from a claims standpoint or its effects on economic and legal activity. The level of uncertainty inherent in our conclusions and underlying volatility in potential future outcomes is therefore increased as a result of COVID-19.

Ranges of Estimates

The range of estimated pure premiums for the prospective periods presented herein is intended to reflect the reasonably expected variation in loss and ALAE based on information currently available. It is possible that actual results will fall outside this range.

Data Reliance

Throughout this analysis we relied on historical data and other quantitative and qualitative information supplied by or on behalf of Wellesley, both in writing and discussions, and described in the *Data and Information* section. We have not independently audited or verified this information; however, we have reviewed it for general reasonableness, internal consistency and consistency with our knowledge of the insurance industry. Our analysis inherently assumes that the information is complete and accurate, and that we have been provided with all information relevant to the analysis of Wellesley's ultimate loss and ALAE. The accuracy of our findings is dependent upon the accuracy and completeness of the underlying data; therefore, any material discrepancies discovered in this data should be reported to us and this report amended accordingly, if warranted.

Extraordinary Future Emergence

We have not anticipated any extraordinary changes to the legal, social, or economic environment that might affect the cost, frequency, or future reporting of claims. In addition, our estimates make no provision for potential future claims arising from loss causes not substantially recognized in the historical data (such as new types of mass torts or latent injuries, pandemic events, terrorist acts) except in so far as claims of these types are included incidentally in the reported claims and are implicitly reflected.

Discounting

Estimates discounted for time value of money can be more uncertain than those on an undiscounted basis. In addition to the usual uncertainty in projecting ultimate loss and ALAE, discounted estimates are also influenced by:

- Variations in the timing of actual loss and ALAE payments versus the rate of payment assumed in discounting estimates to present value
- Variation in the actual investment yield on the assets underlying the liabilities versus the assumed interest rate used in discounting

Excess Insurance

As noted earlier, with the exception of policy period 1/1/01-6/30/01, our estimates are presented net of excess insurance. Our estimate for this policy period is on a gross basis as Wellesley does not believe that there will be any recovery for losses in excess of the aggregate retention for that period. This is due to the fact that the Town's former excess insurer, Legion, is in liquidation. An independent evaluation of the quality of security provided by Wellesley's other excess insurers is outside the scope of our engagement. Our estimates consider all of the Town's excess insurance protection, other than for policy period 1/1/01-6/30/01, to be valid and collectible. Contingent liability may exist for any other excess insurance recoveries that may prove to be uncollectible. Should any uncollectible liabilities materialize, they would be in addition to the net unpaid loss and ALAE estimates contained herein.

No Evaluation of the Town's Assets

We have not examined the assets underlying Wellesley's loss reserves and we have formed no opinion as to the validity, quality or value of these assets. We have assumed throughout the analysis that Wellesley's loss reserves are backed by valid assets with suitably scheduled maturities and/or adequate liquidity to meet cash flow requirements.

Self-Insurance Risk

When reviewing our findings, it is important to note certain implications of a self-insurance plan. The entire retained risk remains with the self-insured, which likely exposes this entity to greater potential fluctuations in financial experience than does a first dollar insurance program. Wellesley should have sufficient financial capacity to reserve for and withstand those fluctuations. Actual losses in excess of projected losses will have to be paid by Wellesley. It is not possible to estimate such fluctuations with complete accuracy; however, the effects of such fluctuations can be reduced by the funding of a provision for contingencies (a margin for the risk of adverse deviation from the expected loss levels).

An important factor bearing on a self-insured's financial capacity is the existence of an excess insurance program. Excess insurance is generally considered an integral part of programs with the potential for catastrophic losses. Workers compensation losses are characterized by this potential.

Nothing in this report should be construed as recommending that Wellesley should or should not self-insure this coverage. Many factors other than the unpaid loss and ALAE and prospective accident year loss and ALAE estimates should be considered in that decision.

Risk Margins

The mathematical techniques underlying our estimate of the risk margin are intended to provide a rough approximation of the potential variations in losses. This estimate reflects only the potential “process” risk (defined as the risk associated with the projection of future contingencies that are inherently variable, even when the parameters are known with certainty) and some portion of the “parameter risk” (where “parameter” risk is defined as the risk that the parameters used in the methods or models are not representative of future outcomes) based on the assumed loss model and the selected parameters and our selected model for estimating parameter risk. Additional “parameter” and “model” risk (i.e., “model” risk is the risk that the methods are not appropriate to the circumstances or the models are not representative of the specified phenomenon) exists and is not reflected by the risk margins estimated in our model.

Note that the results at higher confidence levels by accident year represent an allocation of the total liability (and prospective year losses) at higher confidence levels. If we had calculated risk margins by year, the indicated results would be different and greater than the results shown in Exhibit 1. Since Wellesley treats the liability (and corresponding assets) on a pooled basis (i.e., not allocated by year) the pooled allocation approach to the confidence level calculation is not unreasonable.

Data and Information

Wellesley provided the following data and information for use in this analysis:

- Paid and reported loss and ALAE data, as well as reported claim count data evaluated as of June 30, 2023 and August 31, 2023
- 2022/23 payroll and an assumption regarding the change in payroll for accident years 2023/24 and 2024/25
- Fund balance as of June 30, 2023
- Interest rate used for discount rate unpaid loss and ALAE
- Excess insurance retentions
- Estimated operational expenses for fiscal year 2024/25

We supplemented this information with similar information provided by Wellesley for prior analyses conducted by us, and with discussions with the Town's staff.

Description of Projection Methods

The choice of method to estimate ultimate losses should consider, among other things, the line of business, the number of years of experience, and the age of the experience year being developed. In general, these methods can be applied to losses, ALAE, and various measures of claim count.

Reported Development Method

The reported development method is based upon the assumption that the relative change in a given year's reported loss estimates from one evaluation point to the next is similar to the relative change in prior years' reported loss estimates at similar evaluation points. In utilizing this method, actual annual historical reported loss data is evaluated. Successive years can be arranged to form a triangle of data.

RTR development factors are calculated to measure the change in cumulative reported costs from one evaluation point to the next. These historical RTR factors and comparable benchmark factors form the basis for selecting the RTR factors used in projecting the current valuation of losses to an ultimate basis. In addition, a tail factor is selected to account for loss development beyond the observed experience. The tail factor is based on trends shown in the data and consideration of external benchmarks.

This method's implicit assumption is that the relative adequacy of case reserves has been consistent over time, and that there have been no material changes in the rate at which claims have been reported.

Paid Development Method

The paid development method is similar to the reported development method; however, case reserves are excluded from the analysis. While this method has the disadvantage of not recognizing the information provided by current case reserves, it has the advantage of avoiding potential distortions in the data due to changes in case reserving methodology.

This method's implicit assumption is that the rate of payment of claims has been relatively consistent over time.

Reported Bornhuetter-Ferguson Method

The reported B-F method is essentially a blend of two other methods. The first method is the loss development method whereby actual reported losses are multiplied by an expected loss development factor. For slow reporting coverages, the loss development method can lead to erratic and unreliable projections because a relatively small swing in early reported losses can result in a large swing in ultimate projections. The second method is the expected loss method whereby the IBNR estimate equals the difference between a predetermined estimate of expected losses and actual reported losses. This has the advantage of stability, but it does not respond to actual results as they emerge.

The reported B-F method combines these two methods by setting ultimate losses equal to actual reported losses plus expected unreported losses. As an experience year matures and expected unreported losses become smaller, the initial expected loss assumption becomes gradually less important.

Two parameters are needed to apply the B-F method: the initial expected losses and the expected reporting pattern. The initial expected losses are selected as described in the *Analysis* section, while the expected reporting pattern is based on the reported loss development method described above.

This method is often used for long-tail lines and in situations where the reported loss experience is relatively immature or lacks sufficient credibility for the application of other methods.

Paid Bornhuetter-Ferguson Method

The paid B-F method is analogous to the reported B-F method using paid losses and development patterns in place of reported losses and patterns.

Case Outstanding Method (IBNR to Case Method)

This method calculates developed case reserves by dividing the latest evaluation of the case reserves by the difference between the assumed reporting and payment patterns percentages at the appropriate maturities. Estimated ultimate losses are determined by adding developed case reserves to actual paid losses. This method yields a potentially volatile estimate of ultimate losses, meaning that a small change in the data could cause a large change in the projection. Therefore, this method is generally used only where sufficient data is not available to use the more stable methods described previously or where few unreported claims are expected.

Accident Year (1)	As of 6/30/2023				
	Estimated Ultimate Losses after Aggregate (2)	Paid Losses @ 6/30/2023 (3)	Estimated Unpaid Losses @ 6/30/2023 (4)	Discount Factor @ 5.0 % (5)	Discounted Unpaid Losses @ 6/30/2023 (6)
7/1/1998 - 6/30/1999	\$685	\$685	\$0	1.0000	\$0
7/1/1999 - 6/30/2000	195	195	0	1.0000	0
7/1/2000 - 6/30/2001	348	348	0	1.0000	0
7/1/2001 - 6/30/2002	92	92	0	1.0000	0
7/1/2002 - 6/30/2003	563	563	0	1.0000	0
7/1/2003 - 6/30/2004	233	233	0	1.0000	0
7/1/2004 - 6/30/2005	163	163	0	1.0000	0
7/1/2005 - 6/30/2006	183	183	0	1.0000	0
7/1/2006 - 6/30/2007	311	311	0	1.0000	0
7/1/2007 - 6/30/2008	328	328	0	1.0000	0
7/1/2008 - 6/30/2009	331	331	0	1.0000	0
7/1/2009 - 6/30/2010	333	333	0	0.9759	0
7/1/2010 - 6/30/2011	320	317	3	0.9661	3
7/1/2011 - 6/30/2012	301	301	0	0.9516	0
7/1/2012 - 6/30/2013	163	163	0	0.9379	0
7/1/2013 - 6/30/2014	300	300	0	0.9291	0
7/1/2014 - 6/30/2015	93	93	0	0.9176	0
7/1/2015 - 6/30/2016	62	62	0	0.9070	0
7/1/2016 - 6/30/2017	504	504	0	0.8992	0
7/1/2017 - 6/30/2018	65	65	0	0.8888	0
7/1/2018 - 6/30/2019	260	248	12	0.8795	10
7/1/2019 - 6/30/2020	420	409	11	0.8689	9
7/1/2020 - 6/30/2021	480	375	105	0.8749	92
7/1/2021 - 6/30/2022	750	575	175	0.8892	155
7/1/2022 - 6/30/2023	390	103	287	0.9063	260
Total	\$7,871	\$7,278	\$593		\$530
(7) Estimated Unpaid Losses at a					
(a) 75% Confidence level			\$740		\$660
(b) 90% Confidence level			940		840

Accident Year (1)	As of 6/30/2024				
	Estimated Ultimate Losses after Aggregate (8)	Estimated Paid Losses @ 6/30/2024 (9)	Estimated Unpaid Losses @ 6/30/2024 (10)	Discount Factor @ 5.0 % (11)	Discounted Unpaid Losses @ 6/30/2024 (12)
7/1/1998 - 6/30/1999	\$685	\$685	\$0	1.0000	\$0
7/1/1999 - 6/30/2000	195	195	0	1.0000	0
7/1/2000 - 6/30/2001	348	348	0	1.0000	0
7/1/2001 - 6/30/2002	92	92	0	1.0000	0
7/1/2002 - 6/30/2003	563	563	0	1.0000	0
7/1/2003 - 6/30/2004	233	233	0	1.0000	0
7/1/2004 - 6/30/2005	163	163	0	1.0000	0
7/1/2005 - 6/30/2006	183	183	0	1.0000	0
7/1/2006 - 6/30/2007	311	311	0	1.0000	0
7/1/2007 - 6/30/2008	328	328	0	1.0000	0
7/1/2008 - 6/30/2009	331	331	0	1.0000	0
7/1/2009 - 6/30/2010	333	333	0	1.0000	0
7/1/2010 - 6/30/2011	320	319	1	0.9759	1
7/1/2011 - 6/30/2012	301	301	0	0.9661	0
7/1/2012 - 6/30/2013	163	163	0	0.9516	0
7/1/2013 - 6/30/2014	300	300	0	0.9379	0
7/1/2014 - 6/30/2015	93	93	0	0.9291	0
7/1/2015 - 6/30/2016	62	62	0	0.9176	0
7/1/2016 - 6/30/2017	504	504	0	0.9070	0
7/1/2017 - 6/30/2018	65	65	0	0.8992	0
7/1/2018 - 6/30/2019	260	251	9	0.8888	8
7/1/2019 - 6/30/2020	420	411	9	0.8795	8
7/1/2020 - 6/30/2021	480	422	58	0.8689	50
7/1/2021 - 6/30/2022	750	658	92	0.8749	80
7/1/2022 - 6/30/2023	390	249	141	0.8892	125
7/1/2023 - 6/30/2024	546	163	383	0.9063	347
Total	\$8,417	\$7,724	\$692		\$620
(13) Estimated Unpaid Losses at a					
(a) 75% Confidence level			\$870		\$770
(b) 90% Confidence level			1,100		990

Notes:

- (2), (8) From Exhibit 3, Column (11). 7/1/2023 - 6/30/2024 from Exhibit 2, Sheet 1, Item (12).
(3) Data provided by Town of Wellesley.
(4) (2) - (3).
(5), (11) Based on Exhibit 7, Column (5).
(6) (4) x (5).
(7), (13) Adjusted for risk margin based on simulation of Town of Wellesley experience.
(9) #NAME?
(10) (8) - (9).
(12) (10) x (11).

TOWN OF WELLESLEY

Workers Compensation
Estimation of Expected Claim Payments as of 6/30/2023
Data in Thousands

Exhibit 1
Sheet 2

Accident Year (1)	Estimated Unpaid Losses @ 6/30/2023 (2)	Paid Losses during Fiscal Year														
		7/2023-2024 (3)	7/2024-2025 (4)	7/2025-2026 (5)	7/2026-2027 (6)	7/2027-2028 (7)	7/2028-2029 (8)	7/2029-2030 (9)	7/2030-2031 (10)	7/2031-2032 (11)	7/2032-2033 (12)	7/2033-2034 (13)	7/2034-2035 (14)	7/2035-2036 (15)	7/2036-2037 (16)	7/2037 & Subs. (17)
7/1/1998 - 6/30/1999	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7/1/1999 - 6/30/2000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7/1/2000 - 6/30/2001	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7/1/2001 - 6/30/2002	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7/1/2002 - 6/30/2003	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7/1/2003 - 6/30/2004	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7/1/2004 - 6/30/2005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7/1/2005 - 6/30/2006	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7/1/2006 - 6/30/2007	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7/1/2007 - 6/30/2008	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7/1/2008 - 6/30/2009	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7/1/2009 - 6/30/2010	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7/1/2010 - 6/30/2011	3	3	1	0	0	0	0	0	0	0	0	0	0	0	0	0
7/1/2011 - 6/30/2012	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7/1/2012 - 6/30/2013	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7/1/2013 - 6/30/2014	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7/1/2014 - 6/30/2015	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7/1/2015 - 6/30/2016	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7/1/2016 - 6/30/2017	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7/1/2017 - 6/30/2018	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7/1/2018 - 6/30/2019	12	3	2	2	1	1	1	0	0	0	0	0	0	0	0	0
7/1/2019 - 6/30/2020	11	2	2	2	2	1	1	1	0	0	0	0	0	0	0	0
7/1/2020 - 6/30/2021	105	48	10	11	8	8	6	5	4	2	2	2	1	0	0	0
7/1/2021 - 6/30/2022	175	83	41	9	7	7	7	5	4	3	2	2	2	1	0	0
7/1/2022 - 6/30/2023	287	146	67	33	7	8	6	6	4	3	3	1	1	1	0	0
7/1/2023 - 6/30/2024	546	163	195	89	45	10	10	8	8	5	4	4	2	2	2	1
Total	\$1,139	\$447	\$319	\$146	\$73	\$35	\$30	\$24	\$20	\$14	\$11	\$8	\$5	\$3	\$2	\$1

Notes:

(2) Exhibit 1, Sheet 1, Column (4); Exhibit 1, Sheet 1, Column (8) for 7/2023-2024.
(3)-(15) Based on Column (2) and payment pattern in Exhibit 8.

TOWN OF WELLESLEY

Workers Compensation

Estimation of 2023/2024 and 2024/2025 Losses Limited to \$650,000

Data in Thousands

Exhibit 2

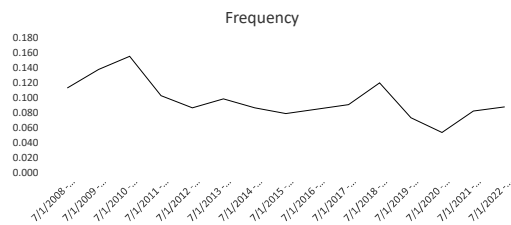
Sheet 1

Accident Year (1)	Estimated Ultimate Losses (2)	Trend and Current Benefit Factor to 2023/2024 (3)	Increased Limit Factor (4)	Trended Ultimate Losses (5)	Payroll (00's) (6)	Estimated Trended Pure Premium (7a)	Estimated Untrended Pure Premium (7b)				
7/1/1998 - 6/30/1999	\$685	1.242	1.000	\$850	\$336,836	\$2.525	\$2.525				
7/1/1999 - 6/30/2000	195	1.228	1.000	239	364,714	0.655	0.655				
7/1/2000 - 6/30/2001	348	1.196	1.044	434	393,853	1.101	1.101				
7/1/2001 - 6/30/2002	92	1.180	1.046	114	414,012	0.275	0.275				
7/1/2002 - 6/30/2003	563	1.164	1.048	687	444,493	1.546	1.546				
7/1/2003 - 6/30/2004	233	1.155	1.051	283	459,718	0.615	0.615				
7/1/2004 - 6/30/2005	163	1.145	1.055	197	539,559	0.365	0.365				
7/1/2005 - 6/30/2006	183	1.137	1.060	221	510,056	0.433	0.433				
7/1/2006 - 6/30/2007	311	1.129	1.065	374	552,641	0.676	0.676				
7/1/2007 - 6/30/2008	328	1.121	1.222	449	566,759	0.792	0.792				
7/1/2008 - 6/30/2009	331	1.109	1.076	395	652,988	0.606	0.606				
7/1/2009 - 6/30/2010	333	1.097	1.082	395	672,326	0.587	0.587				
7/1/2010 - 6/30/2011	320	1.098	1.086	381	681,420	0.560	0.560				
7/1/2011 - 6/30/2012	301	1.092	1.090	358	706,653	0.507	0.507				
7/1/2012 - 6/30/2013	163	1.086	1.094	194	738,137	0.263	0.263				
7/1/2013 - 6/30/2014	300	1.084	1.098	357	769,733	0.464	0.464				
7/1/2014 - 6/30/2015	93	1.080	1.102	111	806,240	0.138	0.138				
7/1/2015 - 6/30/2016	62	1.074	1.107	73	836,133	0.087	0.087				
7/1/2016 - 6/30/2017	504	1.069	1.058	570	869,981	0.655	0.655				
7/1/2017 - 6/30/2018	65	1.062	1.060	73	912,626	0.080	0.080				
7/1/2018 - 6/30/2019	260	1.056	1.063	292	923,322	0.316	0.316				
7/1/2019 - 6/30/2020	420	1.049	1.064	469	949,868	0.494	0.494				
7/1/2020 - 6/30/2021	480	1.041	1.066	533	948,302	0.562	0.562				
7/1/2021 - 6/30/2022	750	1.020	1.068	817	1,020,461	0.801	0.801				
7/1/2022 - 6/30/2023	390	1.008	1.070	421	1,061,286	0.396	0.396				
Total	\$7,871			\$9,286	\$17,132,117	\$0.542	\$0.542				
(8) Averages of Estimated Pure Premium											
Latest 5						\$0.514	\$0.514				
Latest 7						0.472	0.472				
Weighted Latest 5						0.516	0.516				
Weighted Latest 7						0.475	0.475				
All Years						0.620	0.620				
All Years (excluding hi & lo)						0.561	0.561				
						Low	Central	High			
(9) Prior Selected Central Estimate Pure Premium, adjusted to 2023/2024 level						\$0.393	\$0.469	\$0.645			
(10) Selected 2023/2024 \$650,000 Limit Pure Premium						\$0.430	\$0.490	\$0.620			
						7/1/2023 - 6/30/2024			7/1/2024 - 6/30/2025		
						Low	Central	High	Low	Central	High
(11) Estimated Payroll (00's)							\$1,114,351			\$1,170,068	
(12) Estimated Ultimate Losses (000's)			\$479	\$546	\$691	\$507	\$578	\$731			
(13) Discount factor at 5.0%				0.9063			0.9063				
(14) Estimated Discounted Ultimate Losses			\$434	\$495	\$626	\$460	\$524	\$663			
(15) Estimated Discounted Ultimate Losses at											
a) 75% Confidence Level			\$543	\$619	\$783	\$575	\$655	\$828			
b) 90% Confidence Level			691	787	996	731	833	1,054			

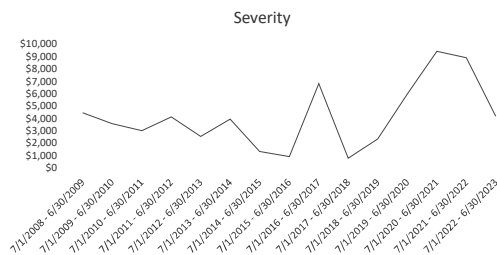
Notes:

- | | |
|--|--|
| (2) From Exhibit 3, Column (10). | (10) Selected judgmentally. |
| (3) From Exhibit 2, Sheet 3, Column (8). | (11) 7/1/2023 - 6/30/2024 and 7/1/2024 - 6/30/2025 assume a 5.0% annual payroll trend as requested by Town of Wellesley. |
| (4) Selected judgmentally based on WTW analysis of industry data and Wellesley experience. | (12) (10) x (11), 7/1/2024 - 6/30/2025 adjusted for pure premium trend and benefit level changes. |
| (5) (2) x (3) x (4). | (13) From Exhibit 7, Column (5). |
| (6) Data provided by Town of Wellesley. | (14) (12) x (13). |
| (7a) (5) / (6) x 1,000. | (15) (14), adjusted by risk margins based on simulation of Town of Wellesley experience. |
| (7b) [(5) / Exhibit 2, Sheet 3, Column (7)] / (6) x 1,000. | |
| (8) Averages of (7). | |
| (9) From June 2022 report, adjusted by 0.0% trend, 0.8% benefit level change. | |

Accident Year (1)	Estimated Ultimate Claim Counts (2)	Payroll (00's) (3)	Estimated Frequency (000's) (4)
7/1/1998 - 6/30/1999	98	\$336,836	0.291
7/1/1999 - 6/30/2000	91	364,714	0.250
7/1/2000 - 6/30/2001	102	393,853	0.259
7/1/2001 - 6/30/2002	81	414,012	0.196
7/1/2002 - 6/30/2003	102	444,493	0.229
7/1/2003 - 6/30/2004	95	459,718	0.207
7/1/2004 - 6/30/2005	76	539,559	0.141
7/1/2005 - 6/30/2006	80	510,056	0.157
7/1/2006 - 6/30/2007	82	552,641	0.148
7/1/2007 - 6/30/2008	68	566,759	0.120
7/1/2008 - 6/30/2009	74	652,988	0.113
7/1/2009 - 6/30/2010	93	672,326	0.138
7/1/2010 - 6/30/2011	106	681,420	0.156
7/1/2011 - 6/30/2012	73	706,653	0.103
7/1/2012 - 6/30/2013	64	738,137	0.087
7/1/2013 - 6/30/2014	76	769,733	0.099
7/1/2014 - 6/30/2015	70	806,240	0.087
7/1/2015 - 6/30/2016	66	836,133	0.079
7/1/2016 - 6/30/2017	74	869,981	0.085
7/1/2017 - 6/30/2018	83	912,626	0.091
7/1/2018 - 6/30/2019	111	923,322	0.120
7/1/2019 - 6/30/2020	70	949,868	0.074
7/1/2020 - 6/30/2021	51	948,302	0.054
7/1/2021 - 6/30/2022	84	1,020,461	0.082
7/1/2022 - 6/30/2023	93	1,061,286	0.088
Total/Average	2,063	\$17,132,117	0.120



Accident Year (1)	Estimated Ultimate Losses (000's)		Estimated Severity	
	Untrended (5)	Trended/Ben Adj. (6)	Untrended (7)	Trended/Ben Adj. (8)
7/1/1998 - 6/30/1999	\$685	\$850	\$6,985	\$8,677
7/1/1999 - 6/30/2000	195	239	2,138	2,626
7/1/2000 - 6/30/2001	348	416	3,407	4,074
7/1/2001 - 6/30/2002	92	109	1,137	1,342
7/1/2002 - 6/30/2003	563	655	5,519	6,426
7/1/2003 - 6/30/2004	233	269	2,454	2,835
7/1/2004 - 6/30/2005	163	186	2,142	2,453
7/1/2005 - 6/30/2006	183	208	2,292	2,605
7/1/2006 - 6/30/2007	311	351	3,791	4,279
7/1/2007 - 6/30/2008	328	367	4,819	5,401
7/1/2008 - 6/30/2009	331	367	4,474	4,964
7/1/2009 - 6/30/2010	333	365	3,576	3,923
7/1/2010 - 6/30/2011	320	351	3,019	3,314
7/1/2011 - 6/30/2012	301	329	4,120	4,500
7/1/2012 - 6/30/2013	163	177	2,549	2,768
7/1/2013 - 6/30/2014	300	325	3,944	4,276
7/1/2014 - 6/30/2015	93	101	1,332	1,438
7/1/2015 - 6/30/2016	62	66	932	1,001
7/1/2016 - 6/30/2017	504	539	6,811	7,281
7/1/2017 - 6/30/2018	65	69	784	833
7/1/2018 - 6/30/2019	260	274	2,342	2,473
7/1/2019 - 6/30/2020	420	441	6,000	6,296
7/1/2020 - 6/30/2021	480	500	9,412	9,802
7/1/2021 - 6/30/2022	750	765	8,922	9,103
7/1/2022 - 6/30/2023	390	393	4,176	4,209
Total/Average	\$7,871	\$8,713	\$3,814	\$4,223



Notes:

- (2) From Exhibit 6, Column (4).
(3) Data provided by Town of Wellesley.
(4) (2) / (3) x 1,000.
(5) From Exhibit 3, Column (10).
(6) (5) x Exhibit 2, Sheet 1, Column (3).
(7) (5) / (2) x 1,000.
(8) (6) / (2) x 1,000.

TOWN OF WELLESLEY
Workers Compensation
Benefit Level and Trend Adjustment Factors

Exhibit 2
Sheet 3

Date (1)	Benefit Level Change (2)	Cumulative Index (3)	Experience Period (4)	Weighted Average Index for Experience Period (5)	On-Level Benefit Factor to 2023/2024 (6)	Residual Trend to 2023/2024 (7)	Trend and Current Benefit Factor to 2023/2024 (8)
10/1/1987	1.016	1.016	7/1/1998 - 6/30/1999	0.959	1.242	1.000	1.242
7/1/1988	1.036	1.053					
10/1/1988	1.017	1.070	7/1/1999 - 6/30/2000	0.970	1.228	1.000	1.228
9/1/1989	1.002	1.073					
10/1/1989	1.016	1.090	7/1/2000 - 6/30/2001	0.996	1.196	1.000	1.196
10/1/1990	1.008	1.098					
10/1/1991	1.012	1.112	7/1/2001 - 6/30/2002	1.010	1.180	1.000	1.180
12/1/1991	1.006	1.118					
12/23/1991	0.800	0.895	7/1/2002 - 6/30/2003	1.023	1.164	1.000	1.164
10/1/1992	1.011	0.905					
7/1/1993	1.002	0.906	7/1/2003 - 6/30/2004	1.031	1.155	1.000	1.155
10/1/1993	1.009	0.914					
10/1/1994	1.006	0.920	7/1/2004 - 6/30/2005	1.040	1.145	1.000	1.145
2/1/1995	1.006	0.925					
10/1/1995	1.005	0.930	7/1/2005 - 6/30/2006	1.048	1.137	1.000	1.137
7/1/1996	1.006	0.936					
10/1/1996	1.008	0.943	7/1/2006 - 6/30/2007	1.056	1.129	1.000	1.129
10/1/1997	1.010	0.953					
10/1/1998	1.009	0.961	7/1/2007 - 6/30/2008	1.063	1.121	1.000	1.121
10/1/1999	1.012	0.973					
9/1/2000	1.010	0.982	7/1/2008 - 6/30/2009	1.074	1.109	1.000	1.109
10/1/2000	1.021	1.003					
10/1/2001	1.009	1.012	7/1/2009 - 6/30/2010	1.086	1.097	1.000	1.097
10/1/2002	0.999	1.011					
12/1/2002	1.020	1.031	7/1/2010 - 6/30/2011	1.085	1.098	1.000	1.098
10/1/2003	1.000	1.031					
9/1/2004	1.005	1.036	7/1/2011 - 6/30/2012	1.091	1.092	1.000	1.092
10/1/2004	1.006	1.043					
10/1/2005	1.007	1.050	7/1/2012 - 6/30/2013	1.097	1.086	1.000	1.086
10/1/2006	1.007	1.057					
10/1/2007	1.007	1.065	7/1/2013 - 6/30/2014	1.099	1.084	1.000	1.084
10/1/2008	1.007	1.072					
4/1/2009	1.013	1.086	7/1/2014 - 6/30/2015	1.103	1.080	1.000	1.080
10/1/2009	1.000	1.086					
10/1/2010	0.999	1.085	7/1/2015 - 6/30/2016	1.109	1.074	1.000	1.074
10/1/2011	1.007	1.093					
10/1/2012	1.005	1.098	7/1/2016 - 6/30/2017	1.114	1.069	1.000	1.069
10/1/2013	1.001	1.099					
10/1/2014	1.005	1.105	7/1/2017 - 6/30/2018	1.122	1.062	1.000	1.062
10/1/2015	1.005	1.110					
10/1/2016	1.005	1.116	7/1/2018 - 6/30/2019	1.129	1.056	1.000	1.056
10/1/2017	1.007	1.124					
10/1/2018	1.006	1.130	7/1/2019 - 6/30/2020	1.135	1.049	1.000	1.049
10/1/2019	1.006	1.137					
10/1/2020	1.008	1.146	7/1/2020 - 6/30/2021	1.144	1.041	1.000	1.041
10/1/2021	1.025	1.175					
10/1/2022	1.008	1.184	7/1/2021 - 6/30/2022	1.168	1.020	1.000	1.020
10/1/2023	1.008	1.194					
10/1/2024	1.008	1.203	7/1/2022 - 6/30/2023	1.182	1.008	1.000	1.008
			7/1/2023 - 6/30/2024	1.191	1.000	1.000	1.000

Notes:

- (2) Based on WCR/BMA rate level filings.
- (3) Cumulative multiplier of (2).
- (4) Insurance Period.
- (5) Weighted Average of (3) for experience period.
- (6) Last entry in (5) / (5).
- (7) 0.0% annual rate, based on consideration of Wellesley data and MA WC industry information.
- (8) (6) x (7).

TOWN OF WELLESLEY
Workers Compensation
Selection of Ultimate Losses
Data in Thousands

Exhibit 3

Accident Year	as of 8/31/2023		Estimated Ultimate Losses Based on:					Prior Selected Ultimate prior to agg. excess ins.	Selected Ultimate Losses prior to agg. excess ins.	Selected Ultimate Losses after agg. excess ins.
	Reported Losses	Paid Losses	Loss Development Method on:		Bornhuetter- Ferguson Method on:		Case Outstanding			
			Reported Losses	Paid Losses	Reported Losses	Paid Losses				
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
7/1/1998 - 6/30/1999	\$685	\$685	\$685	\$685	\$685	\$685	\$685	\$685	\$685	\$685
7/1/1999 - 6/30/2000	195	195	195	195	195	195	195	195	195	195
7/1/2000 - 6/30/2001	348	348	348	348	348	348	348	348	348	348
7/1/2001 - 6/30/2002	92	92	92	92	92	92	92	92	92	92
7/1/2002 - 6/30/2003	563	563	563	563	563	563	563	563	563	563
7/1/2003 - 6/30/2004	233	233	233	233	233	233	233	233	233	233
7/1/2004 - 6/30/2005	163	163	163	163	163	163	163	163	163	163
7/1/2005 - 6/30/2006	183	183	183	183	183	183	183	183	183	183
7/1/2006 - 6/30/2007	311	311	311	311	311	311	311	311	311	311
7/1/2007 - 6/30/2008	328	328	328	328	328	328	328	328	328	328
7/1/2008 - 6/30/2009	331	331	331	331	331	331	331	329	331	331
7/1/2009 - 6/30/2010	333	333	333	333	333	333	333	340	333	333
7/1/2010 - 6/30/2011	317	317	317	318	317	318	317	317	320	320
7/1/2011 - 6/30/2012	301	301	302	303	302	303	301	301	301	301
7/1/2012 - 6/30/2013	163	163	164	165	164	165	163	163	163	163
7/1/2013 - 6/30/2014	300	300	302	304	302	304	300	300	300	300
7/1/2014 - 6/30/2015	93	93	95	95	95	95	93	93	93	93
7/1/2015 - 6/30/2016	62	62	63	64	63	64	62	62	62	62
7/1/2016 - 6/30/2017	504	504	516	528	516	527	504	499	504	504
7/1/2017 - 6/30/2018	65	65	67	69	67	69	65	70	65	65
7/1/2018 - 6/30/2019	248	248	258	269	259	269	248	268	260	260
7/1/2019 - 6/30/2020	409	409	428	453	429	453	409	460	420	420
7/1/2020 - 6/30/2021	442	427	488	509	488	505	463	485	480	480
7/1/2021 - 6/30/2022	638	617	831	895	777	803	702	600	750	750
7/1/2022 - 6/30/2023	131	109	243	289	358	417	194	493	390	390
Total	\$7,436	\$7,377	\$7,836	\$8,024	\$7,899	\$8,055	\$7,583	\$7,880	\$7,871	\$7,871

Notes:

- (2), (3) Based on data provided by Town of Wellesley.
(4) Exhibit 5, Sheet 1, Item (4).
(5) Exhibit 5, Sheet 2, Item (4).
(6) Exhibit 4, Sheet 1, Item (7).
(7) Exhibit 4, Sheet 2, Item (7).

- (8) Exhibit 4, Sheet 3, Item (6).
(9) Accident years through 6/30/2022 equal to selected ultimate from prior report.
Accident year 7/1/2022 - 6/30/2023 based on pure premium selected in the prior report and most recent payroll data.
(10) Selected judgmentally based on (2) through (9).
(11) (10), adjusted for aggregate retention.

TOWN OF WELLESLEY

Workers Compensation

Development of Reported Losses Using the Bornhuetter-Ferguson Technique

Data in Thousands

Exhibit 4

Sheet 1

Accident Year	Initial Expected Ultimate Losses	Percent Unreported	Estimated Unreported Losses	Expected Reported Losses as of 8/31/2023	Actual Reported Losses as of 8/31/2023	Estimated Ultimate Losses
(1)	(2)	(3)	(4)	(5)	(6)	(7)
7/1/1998 - 6/30/1999	\$685	0.0%	\$0	\$685	\$685	\$685
7/1/1999 - 6/30/2000	195	0.0%	0	195	195	195
7/1/2000 - 6/30/2001	348	0.0%	0	348	348	348
7/1/2001 - 6/30/2002	92	0.0%	0	92	92	92
7/1/2002 - 6/30/2003	563	0.0%	0	563	563	563
7/1/2003 - 6/30/2004	233	0.0%	0	233	233	233
7/1/2004 - 6/30/2005	163	0.0%	0	163	163	163
7/1/2005 - 6/30/2006	183	0.0%	0	183	183	183
7/1/2006 - 6/30/2007	311	0.0%	0	311	311	311
7/1/2007 - 6/30/2008	328	0.0%	0	328	328	328
7/1/2008 - 6/30/2009	329	0.0%	0	329	331	331
7/1/2009 - 6/30/2010	340	0.0%	0	340	333	333
7/1/2010 - 6/30/2011	317	0.1%	0	316	317	317
7/1/2011 - 6/30/2012	301	0.3%	1	300	301	302
7/1/2012 - 6/30/2013	163	0.5%	1	162	163	164
7/1/2013 - 6/30/2014	300	0.9%	3	297	300	302
7/1/2014 - 6/30/2015	93	1.4%	1	92	93	95
7/1/2015 - 6/30/2016	62	1.9%	1	60	62	63
7/1/2016 - 6/30/2017	499	2.4%	12	488	504	516
7/1/2017 - 6/30/2018	70	3.2%	2	68	65	67
7/1/2018 - 6/30/2019	268	3.9%	10	258	248	259
7/1/2019 - 6/30/2020	460	4.3%	20	440	409	429
7/1/2020 - 6/30/2021	485	9.6%	46	439	442	488
7/1/2021 - 6/30/2022	600	23.2%	139	461	638	777
7/1/2022 - 6/30/2023	493	45.9%	227	267	131	358
Total	\$7,880		\$463	\$7,416	\$7,436	\$7,899

Notes:

- (2) Exhibit 3, Item (9).
- (3) Based on selected pattern in Exhibit 9.
- (4) (2) x (3).
- (5) (2) x [100.0%- (3)].
- (6) Data provided by Town of Wellesley.
- (7) (4) + (6).

TOWN OF WELLESLEY

Workers Compensation

Development of Paid Losses Using the Bornhuetter-Ferguson Technique

Data in Thousands

Exhibit 4

Sheet 2

Accident Year	Initial Expected Ultimate Losses	Percent Unpaid	Estimated Unpaid Losses	Expected Paid Losses as of 8/31/2023	Actual Paid Losses as of 8/31/2023	Estimated Ultimate Losses
(1)	(2)	(3)	(4)	(5)	(6)	(7)
7/1/1998 - 6/30/1999	\$685	0.0%	\$0	\$685	\$685	\$685
7/1/1999 - 6/30/2000	195	0.0%	0	195	195	195
7/1/2000 - 6/30/2001	348	0.0%	0	348	348	348
7/1/2001 - 6/30/2002	92	0.0%	0	92	92	92
7/1/2002 - 6/30/2003	563	0.0%	0	563	563	563
7/1/2003 - 6/30/2004	233	0.0%	0	233	233	233
7/1/2004 - 6/30/2005	163	0.0%	0	163	163	163
7/1/2005 - 6/30/2006	183	0.0%	0	183	183	183
7/1/2006 - 6/30/2007	311	0.0%	0	311	311	311
7/1/2007 - 6/30/2008	328	0.0%	0	328	328	328
7/1/2008 - 6/30/2009	329	0.0%	0	329	331	331
7/1/2009 - 6/30/2010	340	0.1%	0	340	333	333
7/1/2010 - 6/30/2011	317	0.3%	1	315	317	318
7/1/2011 - 6/30/2012	301	0.7%	2	299	301	303
7/1/2012 - 6/30/2013	163	0.9%	2	162	163	165
7/1/2013 - 6/30/2014	300	1.5%	5	295	300	304
7/1/2014 - 6/30/2015	93	2.3%	2	91	93	95
7/1/2015 - 6/30/2016	62	3.3%	2	60	62	64
7/1/2016 - 6/30/2017	499	4.6%	23	477	504	527
7/1/2017 - 6/30/2018	70	6.0%	4	66	65	69
7/1/2018 - 6/30/2019	268	7.7%	21	247	248	269
7/1/2019 - 6/30/2020	460	9.6%	44	416	409	453
7/1/2020 - 6/30/2021	485	16.0%	78	407	427	505
7/1/2021 - 6/30/2022	600	31.1%	187	413	617	803
7/1/2022 - 6/30/2023	493	62.4%	308	185	109	417
Total	\$7,880		\$678	\$7,202	\$7,377	\$8,055

Notes:

- (2) Exhibit 3, Item (9).
- (3) Based on selected pattern in Exhibit 8.
- (4) (2) x (3).
- (5) (2) x [100.0%- (3)].
- (6) Data provided by Town of Wellesley.
- (7) (4) + (6).

TOWN OF WELLESLEY
Workers Compensation
Estimation of Unpaid Loss and ALAE based on Case Outstanding Development

Data in Thousands

Exhibit 4

Sheet 3

Accident Year (1)	Case Outstanding Loss & ALAE of 8/31/2023 (2)	Expected Percent Reported (3)	Expected Percent Paid (4)	Estimated IBNR (5)	Estimated Ultimate Loss & ALAE (6)
7/1/1998 - 6/30/1999	\$0	100.0%	100.0%	\$0	\$685
7/1/1999 - 6/30/2000	0	100.0%	100.0%	0	195
7/1/2000 - 6/30/2001	0	100.0%	100.0%	0	348
7/1/2001 - 6/30/2002	0	100.0%	100.0%	0	92
7/1/2002 - 6/30/2003	0	100.0%	100.0%	0	563
7/1/2003 - 6/30/2004	0	100.0%	100.0%	0	233
7/1/2004 - 6/30/2005	0	100.0%	100.0%	0	163
7/1/2005 - 6/30/2006	0	100.0%	100.0%	0	183
7/1/2006 - 6/30/2007	0	100.0%	100.0%	0	311
7/1/2007 - 6/30/2008	0	100.0%	100.0%	0	328
7/1/2008 - 6/30/2009	0	100.0%	100.0%	0	331
7/1/2009 - 6/30/2010	0	100.0%	99.9%	0	333
7/1/2010 - 6/30/2011	0	99.9%	99.7%	0	317
7/1/2011 - 6/30/2012	0	99.7%	99.3%	0	301
7/1/2012 - 6/30/2013	0	99.5%	99.1%	0	163
7/1/2013 - 6/30/2014	0	99.1%	98.5%	0	300
7/1/2014 - 6/30/2015	0	98.6%	97.7%	0	93
7/1/2015 - 6/30/2016	0	98.1%	96.7%	0	62
7/1/2016 - 6/30/2017	0	97.6%	95.4%	0	504
7/1/2017 - 6/30/2018	0	96.8%	94.0%	0	65
7/1/2018 - 6/30/2019	0	96.1%	92.3%	0	248
7/1/2019 - 6/30/2020	0	95.7%	90.4%	0	409
7/1/2020 - 6/30/2021	14	90.4%	84.0%	21	463
7/1/2021 - 6/30/2022	22	76.8%	68.9%	64	702
7/1/2022 - 6/30/2023	23	54.1%	37.6%	63	194
Total	\$59			\$148	\$7,583

Notes:

- (2) Data provided by Town of Wellesley.
- (3) Based on selected pattern in Exhibit 9.
- (4) Based on selected pattern in Exhibit 8.
- (5) $= (2) \times [100.0\% - (3)] / [(3) - (4)]$.
- (6) $= (5) + \text{Exhibit 4, Sheet 1, Item (6)}$.

TOWN OF WELLESLEY**Workers Compensation****Development of Reported Losses Using the Loss Development Technique
Data in Thousands**

Exhibit 5

Sheet 1

Accident Year	Reported Losses as of 8/31/2023	Development Factor to Ultimate	Estimated Ultimate Losses
(1)	(2)	(3)	(4)
7/1/1998 - 6/30/1999	\$685	1.000	\$685
7/1/1999 - 6/30/2000	195	1.000	195
7/1/2000 - 6/30/2001	348	1.000	348
7/1/2001 - 6/30/2002	92	1.000	92
7/1/2002 - 6/30/2003	563	1.000	563
7/1/2003 - 6/30/2004	233	1.000	233
7/1/2004 - 6/30/2005	163	1.000	163
7/1/2005 - 6/30/2006	183	1.000	183
7/1/2006 - 6/30/2007	311	1.000	311
7/1/2007 - 6/30/2008	328	1.000	328
7/1/2008 - 6/30/2009	331	1.000	331
7/1/2009 - 6/30/2010	333	1.000	333
7/1/2010 - 6/30/2011	317	1.001	317
7/1/2011 - 6/30/2012	301	1.003	302
7/1/2012 - 6/30/2013	163	1.005	164
7/1/2013 - 6/30/2014	300	1.009	302
7/1/2014 - 6/30/2015	93	1.014	95
7/1/2015 - 6/30/2016	62	1.019	63
7/1/2016 - 6/30/2017	504	1.024	516
7/1/2017 - 6/30/2018	65	1.033	67
7/1/2018 - 6/30/2019	248	1.041	258
7/1/2019 - 6/30/2020	409	1.045	428
7/1/2020 - 6/30/2021	442	1.106	488
7/1/2021 - 6/30/2022	638	1.302	831
7/1/2022 - 6/30/2023	131	1.850	243
Total	\$7,436		\$7,836

Notes:

- (2) Data provided by Town of Wellesley.
 (3) Based on selected pattern in Exhibit 9.
 (4) (2) x (3).

TOWN OF WELLESLEY**Workers Compensation****Development of Paid Losses Using the Loss Development Technique
Data in Thousands**

Exhibit 5

Sheet 2

Accident Year	Paid Losses as of 8/31/2023	Development Factor to Ultimate	Estimated Ultimate Losses
(1)	(2)	(3)	(4)
7/1/1998 - 6/30/1999	\$685	1.000	\$685
7/1/1999 - 6/30/2000	195	1.000	195
7/1/2000 - 6/30/2001	348	1.000	348
7/1/2001 - 6/30/2002	92	1.000	92
7/1/2002 - 6/30/2003	563	1.000	563
7/1/2003 - 6/30/2004	233	1.000	233
7/1/2004 - 6/30/2005	163	1.000	163
7/1/2005 - 6/30/2006	183	1.000	183
7/1/2006 - 6/30/2007	311	1.000	311
7/1/2007 - 6/30/2008	328	1.000	328
7/1/2008 - 6/30/2009	331	1.000	331
7/1/2009 - 6/30/2010	333	1.001	333
7/1/2010 - 6/30/2011	317	1.003	318
7/1/2011 - 6/30/2012	301	1.007	303
7/1/2012 - 6/30/2013	163	1.010	165
7/1/2013 - 6/30/2014	300	1.015	304
7/1/2014 - 6/30/2015	93	1.024	95
7/1/2015 - 6/30/2016	62	1.034	64
7/1/2016 - 6/30/2017	504	1.048	528
7/1/2017 - 6/30/2018	65	1.064	69
7/1/2018 - 6/30/2019	248	1.084	269
7/1/2019 - 6/30/2020	409	1.106	453
7/1/2020 - 6/30/2021	427	1.191	509
7/1/2021 - 6/30/2022	617	1.451	895
7/1/2022 - 6/30/2023	109	2.662	289
Total	\$7,377		\$8,024

Notes:

- (2) Data provided by Town of Wellesley.
 (3) Based on selected pattern in Exhibit 8.
 (4) (2) x (3).

TOWN OF WELLESLEY

Exhibit 6

Workers Compensation

Development of Reported Counts Using the Loss Development Technique

Accident Year	Reported Counts as of 8/31/2023	Development Factor to Ultimate	Projected Ultimate Claims	Indicated Frequency	Selected Frequency	Estimated Ultimate Claims
(1)	(2)	(3)	(4)	(5)	(6)	(7)
7/1/1998 - 6/30/1999	98	1.000	98	0.291	0.291	98
7/1/1999 - 6/30/2000	91	1.000	91	0.250	0.250	91
7/1/2000 - 6/30/2001	102	1.000	102	0.259	0.259	102
7/1/2001 - 6/30/2002	81	1.000	81	0.196	0.196	81
7/1/2002 - 6/30/2003	102	1.000	102	0.229	0.229	102
7/1/2003 - 6/30/2004	95	1.000	95	0.207	0.207	95
7/1/2004 - 6/30/2005	76	1.000	76	0.141	0.141	76
7/1/2005 - 6/30/2006	80	1.000	80	0.157	0.157	80
7/1/2006 - 6/30/2007	82	1.000	82	0.148	0.148	82
7/1/2007 - 6/30/2008	68	1.000	68	0.120	0.120	68
7/1/2008 - 6/30/2009	74	1.000	74	0.113	0.113	74
7/1/2009 - 6/30/2010	93	1.000	93	0.138	0.138	93
7/1/2010 - 6/30/2011	106	1.000	106	0.156	0.156	106
7/1/2011 - 6/30/2012	73	1.000	73	0.103	0.103	73
7/1/2012 - 6/30/2013	64	1.000	64	0.087	0.087	64
7/1/2013 - 6/30/2014	76	1.000	76	0.099	0.099	76
7/1/2014 - 6/30/2015	70	1.000	70	0.087	0.087	70
7/1/2015 - 6/30/2016	66	1.000	66	0.079	0.079	66
7/1/2016 - 6/30/2017	74	1.000	74	0.085	0.085	74
7/1/2017 - 6/30/2018	83	1.000	83	0.091	0.091	83
7/1/2018 - 6/30/2019	111	1.000	111	0.120	0.120	111
7/1/2019 - 6/30/2020	70	1.000	70	0.074	0.074	70
7/1/2020 - 6/30/2021	51	1.000	51	0.054	0.054	51
7/1/2021 - 6/30/2022	84	1.001	84	0.082	0.082	84
7/1/2022 - 6/30/2023	92	1.013	93	0.088	0.088	93
Total	2,062		2,063	0.120	0.120	2,063

Notes:

- (2) Data provided by Town of Wellesley. Includes claims without any payment or reserves.
- (3) Based on selected pattern in Exhibit 10.
- (4) (2) x (3).
- (5) (5) / Exhibit 2, Sheet 1, Column (6) x 1,000.
- (6) Selected judgmentally based on (5).
- (7) (6) x Exhibit 2, Sheet 1, Column (6) / 1,000.

TOWN OF WELLESLEY

Exhibit 7

Workers Compensation

Calculation of Discount Factors

Interest Rate = 5.0%

Annual Funding - Beginning of Year

Year (T)	Percent Paid In Year (T)	Percent Unpaid At Beginning Of Year (T)	Present Value Of Payments In Year (T)	Average Discount Factor for Remaining Payments at Beginning Of Year (T)
(1)	(2)	(3)	(4)	(5)
1	29.7847	100.0000	29.0669	0.9063
2	35.7417	70.2153	33.2194	0.9207
3	16.3816	34.4736	14.5005	0.9066
4	8.1908	18.0919	6.9050	0.8860
5	1.8020	9.9011	1.4468	0.8523
6	1.8380	8.0992	1.4054	0.8660
7	1.4061	6.2611	1.0240	0.8754
8	1.4272	4.8551	0.9898	0.8886
9	0.9657	3.4279	0.6379	0.8949
10	0.7803	2.4622	0.4909	0.9063
11	0.6882	1.6819	0.4123	0.9177
12	0.2970	0.9936	0.1695	0.9213
13	0.2979	0.6966	0.1619	0.9430
14	0.2988	0.3987	0.1546	0.9643
15	0.0999	0.0999	0.0492	0.9759
16	0.0000	0.0000	0.0000	1.0000

Notes:

(2) [(3) at time T] - [(3) at time T+1].

(3) Based on payment pattern from Exhibit 8.

(4) $(2) \times [(1.0 + 0.050) ^ - (1) - 0.5)]$.(5) $(5), \text{Year (T)} = [\text{Sum (4), Year (T) to Year (16)}] / (3) \times [(1.0 + 0.050) ^ ((1) - 1)]$.

Age Interval in Months

Averages

Averages															
1:	Volume - 3 of 5	2.470	1.224	1.010	1.003	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2:	Volume - 3	2.585	1.429	1.010	1.008	1.002	1.007	1.000	1.000	1.000	1.000	1.005	1.086	1.002	1.000
3:	Volume - 5	2.263	1.381	1.087	1.007	1.002	1.004	1.000	1.000	1.000	1.003	1.002	1.003	1.056	1.001
4:	Volume - 7	2.203	1.335	1.079	1.006	1.001	1.006	1.002	1.003	1.007	1.012	1.002	1.003	1.046	1.001
5:	Volume - 10	1.917	1.295	1.071	1.010	1.025	1.009	1.011	1.013	1.005	1.011	1.002	1.003	1.030	1.002
6:	Benchmark Pattern	2.406	1.388	1.160	1.065	1.032	1.013	1.012	1.008	1.007	1.007	1.007	1.006	1.004	1.004
7:	Prior Analysis	2.050	1.250	1.120	1.030	1.020	1.015	1.015	1.010	1.010	1.007	1.003	1.003	1.003	1.001
Selected Values		2.200	1.250	1.100	1.020	1.020	1.015	1.015	1.010	1.008	1.007	1.003	1.003	1.003	1.001
Cumulative		3.357	1.526	1.221	1.110	1.088	1.067	1.051	1.035	1.025	1.017	1.010	1.007	1.004	1.001

Accident Period	204	216	228	240	252	264	276	288	300	312	324	336	348	360	372
07/92 - 06/93	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11
07/93 - 06/94	432	432	432	432	432	432	432	432	432	432	432	432	432	432	432
07/94 - 06/95	117	117	117	117	117	117	117	117	117	117	117	117	117		
07/95 - 06/96	239	239	239	239	239	239	239	239	239	239	239	239	239		
07/96 - 06/97	300	300	300	300	300	300	300	300	300	300	300	300			
07/97 - 06/98	259	259	259	259	259	259	259	259	259	259	259	259			
07/98 - 06/99	685	685	685	685	685	685	685	685	685	685					
07/99 - 06/00	195	195	195	195	195	195	195	195							
07/00 - 06/01	347	347	348	348	348	348	348								
07/01 - 06/02	92	92	92	92	92	92									
07/02 - 06/03	563	563	563	563	563										
07/03 - 06/04	233	233	233	233											
07/04 - 06/05	163	163	163												
07/05 - 06/06	183	183													
07/06 - 06/07	311														
07/07 - 06/08															
07/08 - 06/09															
07/09 - 06/10															
07/10 - 06/11															
07/11 - 06/12															
07/12 - 06/13															
07/13 - 06/14															
07/14 - 06/15															
07/15 - 06/16															
07/16 - 06/17															
07/17 - 06/18															
07/18 - 06/19															
07/19 - 06/20															
07/20 - 06/21															
07/21 - 06/22															
07/22 - 06/23															

Accident Period	204-216	216-228	228-240	240-252	252-264	264-276	276-288	288-300	300-312	312-324	324-336	336-348	348-360	360-372	372-Ult
07/92 - 06/93	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/93 - 06/94	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/94 - 06/95	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/95 - 06/96	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/96 - 06/97	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/97 - 06/98	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/98 - 06/99	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/99 - 06/00	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/00 - 06/01	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/01 - 06/02	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/02 - 06/03	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/03 - 06/04	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/04 - 06/05	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/05 - 06/06	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/06 - 06/07	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/07 - 06/08	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/08 - 06/09	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/09 - 06/10	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/10 - 06/11	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/11 - 06/12	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/12 - 06/13	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/13 - 06/14	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/14 - 06/15	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/15 - 06/16	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/16 - 06/17	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/17 - 06/18	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/18 - 06/19	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/19 - 06/20	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/20 - 06/21	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/21 - 06/22	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/22 - 06/23	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Averages															
1:	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2:	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
3:	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
4:	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
5:	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
6:	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
7:	1.005	1.004	1.004	1.004	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.013
	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Selected Values	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Cumulative	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Town of Wellesley

Paid Loss & ALAE Limited to Retention

Data in Thousands

Data Evaluated as of 6/30/2023

Divided Difference Interpolation

Exhibit 8

Sheet 2

Evaluation Point	Expected Percentage	
(Months)	Developed	Undeveloped
(1)	(2)	(3)
3	3.04%	96.96%
6	9.21%	90.79%
9	18.23%	81.77%
12	29.78%	70.22%
15	41.15%	58.85%
18	50.77%	49.23%
21	58.84%	41.16%
24	65.53%	34.47%
27	70.49%	29.51%
30	74.85%	25.15%
33	78.65%	21.35%
36	81.91%	18.09%
39	84.91%	15.09%
42	87.20%	12.80%
45	88.90%	11.10%
48	90.10%	9.90%
51	90.52%	9.48%
54	90.97%	9.03%
57	91.43%	8.57%
60	91.90%	8.10%
63	92.43%	7.57%
66	92.90%	7.10%
69	93.34%	6.66%
72	93.74%	6.26%
75	94.06%	5.94%
78	94.41%	5.59%
81	94.77%	5.23%
84	95.14%	4.86%
87	95.56%	4.44%
90	95.93%	4.07%
93	96.27%	3.73%
96	96.57%	3.43%
99	96.84%	3.16%
102	97.08%	2.92%
105	97.32%	2.68%
108	97.54%	2.46%
111	97.73%	2.27%
114	97.92%	2.08%
117	98.12%	1.88%
120	98.32%	1.68%
123	98.55%	1.45%
126	98.74%	1.26%
129	98.89%	1.11%
132	99.01%	0.99%
135	99.08%	0.92%
138	99.15%	0.85%
141	99.23%	0.77%
144	99.30%	0.70%
147	99.37%	0.63%
150	99.44%	0.56%

Evaluation Point	Expected Percentage	
(Months)	Developed	Undeveloped
(1)	(2)	(3)
153	99.52%	0.48%
156	99.60%	0.40%
159	99.70%	0.30%
162	99.78%	0.22%
165	99.85%	0.15%
168	99.90%	0.10%
171	99.94%	0.06%
174	99.97%	0.03%
177	99.99%	0.01%
180	100.00%	0.00%

Accident Period	Evaluation Age in Months															
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192
07/92 - 06/93	0	0	0	0	0	0	11	11	11	11	11	11	11	11	11	11
07/93 - 06/94	0	0	0	0	0	587	592	597	603	612	612	612	605	457	456	432
07/94 - 06/95	0	0	0	0	117	117	117	117	117	117	117	117	117	117	117	117
07/95 - 06/96	0	0	0	239	239	239	239	239	239	239	239	239	239	239	239	239
07/96 - 06/97	0	0	225	274	278	301	301	300	300	300	300	300	300	300	300	300
07/97 - 06/98	0	212	229	254	260	259	259	259	259	259	259	259	259	259	259	259
07/98 - 06/99	296	387	460	475	510	701	933	685	685	685	685	685	685	685	685	685
07/99 - 06/00	36	74	125	127	136	159	211	211	213	243	195	195	195	195	195	195
07/00 - 06/01	153	205	297	358	347	347	347	347	347	347	347	347	347	347	347	347
07/01 - 06/02	70	90	90	90	90	90	90	90	90	90	90	90	90	94	92	92
07/02 - 06/03	221	379	526	487	487	487	487	489	532	563	563	563	563	563	563	563
07/03 - 06/04	159	186	204	202	203	201	209	231	231	232	233	235	235	237	233	233
07/04 - 06/05	100	222	157	157	163	163	163	163	163	163	163	163	163	163	163	163
07/05 - 06/06	137	176	183	183	183	183	183	183	183	183	183	183	183	183	183	183
07/06 - 06/07	141	242	325	311	313	313	311	311	311	311	311	311	311	311	311	311
07/07 - 06/08	76	119	185	230	250	246	261	276	301	316	328	328	328	328	328	328
07/08 - 06/09	148	158	183	222	221	224	228	232	236	240	244	247	251	344	344	328
07/09 - 06/10	181	217	321	337	312	327	328	330	332	332	332	334	337	337	337	331
07/10 - 06/11	200	322	309	304	309	310	319	316	317	317	317	317	317			
07/11 - 06/12	267	213	291	301	301	301	301	301	301	301	301	301	301			
07/12 - 06/13	189	144	162	163	163	163	163	163	163	163	163	163				
07/13 - 06/14	255	251	280	310	300	300	300	300	300	300						
07/14 - 06/15	95	96	93	93	93	93	93	93	93							
07/15 - 06/16	52	60	62	62	62	62	62	62								
07/16 - 06/17	201	350	428	496	498	499	504									
07/17 - 06/18	45	61	64	65	65	65										
07/18 - 06/19	219	244	244	244	244											
07/19 - 06/20	142	187	411	409												
07/20 - 06/21	199	344	403													
07/21 - 06/22	302	624														
07/22 - 06/23	125															

Accident Period	Age Interval in Months															
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192	192-204
07/92 - 06/93	0.000	0.000	0.000	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/93 - 06/94	0.000	0.000	0.000	0.000	0.000	1.008	1.008	1.010	1.015	0.999	1.000	0.990	0.755	0.999	0.947	1.000
07/94 - 06/95	0.000	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/95 - 06/96	0.000	0.000	0.000	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/96 - 06/97	0.000	0.000	1.218	1.015	1.083	1.000	0.995	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/97 - 06/98	0.000	1.081	1.110	1.024	0.995	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/98 - 06/99	1.308	1.199	1.032	1.074	1.374	1.332	0.733	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/99 - 06/00	2.081	1.678	1.019	1.068	1.168	1.328	1.000	1.007	1.144	0.800	1.000	1.000	1.000	1.000	1.000	1.000
07/00 - 06/01	1.342	1.447	1.205	0.970	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/01 - 06/02	1.297	1.003	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.041	0.978	1.000	1.000
07/02 - 06/03	1.714	1.388	0.926	0.999	1.000	1.000	1.004	1.089	1.058	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/03 - 06/04	1.170	1.096	0.990	1.008	0.987	1.041	1.104	1.000	1.005	1.006	1.005	1.000	1.012	0.982	1.000	1.000
07/04 - 06/05	2.217	0.705	1.000	1.038	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/05 - 06/06	1.289	1.041	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/06 - 06/07	1.724	1.341	0.959	1.005	1.000	0.992	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/07 - 06/08	1.562	1.554	1.245	1.086	0.965	1.061	1.058	1.090	1.050	1.035	1.000	1.000	1.000	1.000	1.000	1.000
07/08 - 06/09	1.206	1.199	1.213	0.993	1.015	1.019	1.018	1.014	1.019	1.014	1.013	1.018	1.370	0.962	1.000	1.000
07/09 - 06/10	1.203	1.475	1.051	0.927	1.047	1.003	1.007	1.004	1.001	1.000	1.007	1.008	1.000			
07/10 - 06/11	1.612	0.958	0.984	1.018	1.003	1.028	0.991	1.000	1.000	1.000	1.000	1.000				
07/11 - 06/12	0.797	1.367	1.035	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000					
07/12 - 06/13	0.763	1.128	1.002	1.002	1.000	1.000	1.000	1.000	1.000	1.000						
07/13 - 06/14	0.985	1.116	1.107	0.966	1.000	1.000	1.000	1.000	1.000							
07/14 - 06/15	1.016	0.963	1.005	1.000	1.000	1.000	1.000	1.000								
07/15 - 06/16	1.157	1.021	1.000	1.000	1.000	1.000	1.000									
07/16 - 06/17	1.739	1.222	1.159	1.005	1.003	1.009										
07/17 - 06/18	1.351	1.043	1.019	1.000												
07/18 - 06/19	1.115	1.000	1.001	1.017												
07/19 - 06/20	1.322	2.194	0.995													
07/20 - 06/21	1.730	1.173														
07/21 - 06/22	2.067															
07/22 - 06/23																

Averages																
1:	Volume - 3 of 5															
	1.536	1.185	1.004	1.003	1.000	1.000	1.000	1.000	1.000	1.000	1.003	1.003	1.000	1.000	1.000	1.000
2:	Volume - 3															
	1.798	1.365	0.999	1.008	1.002	1.007	1.000	1.000	1.000	1.000	1.002	1.008	1.101	0.987	1.000	1.000
3:	Volume - 5															
	1.611	1.307	1.056	1.007	1.002	1.004	1.000	1.000	1.000	1.003	1.004	1.005	1.066	0.990	1.000	1.000
4:	Volume - 7															
	1.613	1.269	1.062	0.997	1.001	1.008	1.000	1.003	1.010	1.007	1.003	1.004	1.053	0.992	1.000	1.000
5:	Volume - 10															
	1.391	1.250	1.044	0.990	1.009	1.013	1.008	1.012	1.008	1.006	1.002	1.003	1.035	0.993	1.000	1.000
6:	Benchmark Pattern															
	1.545	1.150	1.058	1.019	1.004	0.993	1.005	0.998	1.001	0.998	1.002	1.003	1.001	1.001	0.998	1.002
7:	Prior Analysis															
	1.400	1.200	1.090	1.005	1.010	1.010	1.010	1.005	1.005	1.005	1.002	1.002	1.001	1.000	1.000	1.000
Selected Values																
Cumulative	2.033	1.355	1.130	1.046	1.041	1.036	1.025	1.020	1.015	1.010	1.005	1.003	1.001	1.000	1.000	1.000

Accident Period	204	216	228	240	252	264	276	288	300	312	324	336	348	360	372
07/92 - 06/93	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11
07/93 - 06/94	432	432	432	432	432	432	432	432	432	432	432	432	432	432	432
07/94 - 06/95	117	117	117	117	117	117	117	117	117	117	117	117	117		
07/95 - 06/96	239	239	239	239	239	239	239	239	239	239	239	239	239		
07/96 - 06/97	300	300	300	300	300	300	300	300	300	300	300	300			
07/97 - 06/98	259	259	259	259	259	259	259	259	259	259	259	259			
07/98 - 06/99	685	685	685	685	685	685	685	685	685	685					
07/99 - 06/00	195	195	195	195	195	195	195	195							
07/00 - 06/01	347	347		348		348	348								
07/01 - 06/02	92	92	92	92	92	92									
07/02 - 06/03	563	563	563	563	563										
07/03 - 06/04	233	233	233	233											
07/04 - 06/05	163	163	163												
07/05 - 06/06	183	183													
07/06 - 06/07	311														
07/07 - 06/08															
07/08 - 06/09															
07/09 - 06/10															
07/10 - 06/11															
07/11 - 06/12															
07/12 - 06/13															
07/13 - 06/14															
07/14 - 06/15															
07/15 - 06/16															
07/16 - 06/17															
07/17 - 06/18															
07/18 - 06/19															
07/19 - 06/20															
07/20 - 06/21															
07/21 - 06/22															
07/22 - 06/23															

Accident Period	204-216	216-228	228-240	240-252	252-264	264-276	276-288	288-300	300-312	312-324	324-336	336-348	348-360	360-372	372-Ult
07/92 - 06/93	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/93 - 06/94	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/94 - 06/95	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/95 - 06/96	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/96 - 06/97	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/97 - 06/98	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/98 - 06/99	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/99 - 06/00	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/00 - 06/01	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/01 - 06/02	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/02 - 06/03	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/03 - 06/04	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/04 - 06/05	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/05 - 06/06	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/06 - 06/07	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/07 - 06/08	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/08 - 06/09	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/09 - 06/10	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/10 - 06/11	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/11 - 06/12	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/12 - 06/13	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/13 - 06/14	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/14 - 06/15	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/15 - 06/16	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/16 - 06/17	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/17 - 06/18	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/18 - 06/19	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/19 - 06/20	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/20 - 06/21	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/21 - 06/22	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/22 - 06/23	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Averages															
1:	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2:	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
3:	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
4:	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
5:	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
6:	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
7:	1.000	0.999	1.000	1.001	1.002	1.003	1.004	1.004	1.000	1.000	1.000	1.000	1.000	1.000	1.000
	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Selected Values	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Cumulative	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Town of Wellesley

Reported Loss & ALAE Limited to Retention

Data in Thousands

Data Evaluated as of 6/30/2023

Divided Difference Interpolation

Exhibit 9

Sheet 2

Evaluation Point	Expected Percentage	
(Months)	Developed	Undeveloped
(1)	(2)	(3)
3	15.41%	84.59%
6	28.59%	71.41%
9	39.77%	60.23%
12	49.18%	50.82%
15	56.37%	43.63%
18	62.84%	37.16%
21	68.63%	31.37%
24	73.77%	26.23%
27	78.24%	21.76%
30	82.18%	17.82%
33	85.60%	14.40%
36	88.53%	11.47%
39	91.28%	8.72%
42	93.31%	6.69%
45	94.72%	5.28%
48	95.61%	4.39%
51	95.76%	4.24%
54	95.88%	4.12%
57	95.99%	4.01%
60	96.09%	3.91%
63	96.11%	3.89%
66	96.21%	3.79%
69	96.37%	3.63%
72	96.57%	3.43%
75	96.88%	3.12%
78	97.14%	2.86%
81	97.36%	2.64%
84	97.54%	2.46%
87	97.66%	2.34%
90	97.78%	2.22%
93	97.90%	2.10%
96	98.02%	1.98%
99	98.15%	1.85%
102	98.27%	1.73%
105	98.39%	1.61%
108	98.51%	1.49%
111	98.62%	1.38%
114	98.74%	1.26%
117	98.87%	1.13%
120	99.01%	0.99%
123	99.17%	0.83%
126	99.31%	0.69%
129	99.42%	0.58%
132	99.50%	0.50%
135	99.55%	0.45%
138	99.59%	0.41%
141	99.65%	0.35%
144	99.70%	0.30%
147	99.76%	0.24%
150	99.81%	0.19%

Evaluation Point	Expected Percentage	
(Months)	Developed	Undeveloped
(1)	(2)	(3)
153	99.86%	0.14%
156	99.90%	0.10%
159	99.94%	0.06%
162	99.97%	0.03%
165	99.99%	0.01%
168	100.00%	0.00%

Accident Period	Evaluation Age in Months															
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192
07/92 - 06/93	0	0	0	0	0	0	43	43	43	43	43	43	43	43	43	43
07/93 - 06/94	0	0	0	0	0	99	99	99	99	99	99	99	99	99	99	99
07/94 - 06/95	0	0	0	0	85	85	85	85	85	85	85	85	85	85	85	85
07/95 - 06/96	0	0	0	107	107	107	107	107	107	107	107	107	107	107	107	107
07/96 - 06/97	0	0	109	110	110	110	110	110	110	110	110	110	110	110	110	110
07/97 - 06/98	0	101	101	101	101	101	101	101	101	101	101	101	101	101	101	101
07/98 - 06/99	91	97	97	98	98	98	98	98	98	98	98	98	98	98	98	98
07/99 - 06/00	89	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91
07/00 - 06/01	100	102	102	102	102	102	102	102	102	102	102	102	102	102	102	102
07/01 - 06/02	80	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81
07/02 - 06/03	101	102	102	102	102	102	102	102	102	102	102	102	102	102	102	102
07/03 - 06/04	91	94	95	95	95	95	95	95	95	95	95	95	95	95	95	95
07/04 - 06/05	73	76	76	76	76	76	76	76	76	76	76	76	76	76	76	76
07/05 - 06/06	76	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80
07/06 - 06/07	77	81	82	82	82	82	82	82	82	82	82	82	82	82	82	82
07/07 - 06/08	67	68	68	68	68	68	68	68	68	68	68	68	68	68	68	68
07/08 - 06/09	71	74	74	74	74	74	74	74	74	74	74	74	74	74	74	74
07/09 - 06/10	92	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93
07/10 - 06/11	106	106	106	106	106	106	106	106	106	106	106	106	106	106	106	106
07/11 - 06/12	72	73	73	73	73	73	73	73	73	73	73	73	73	73	73	73
07/12 - 06/13	63	64	64	64	64	64	64	64	64	64	64	64	64	64	64	64
07/13 - 06/14	74	76	76	76	76	76	76	76	76	76	76	76	76	76	76	76
07/14 - 06/15	70	70	70	70	70	70	70	70	70	70	70	70	70	70	70	70
07/15 - 06/16	61	65	66	66	66	66	66	66	66	66	66	66	66	66	66	66
07/16 - 06/17	72	74	74	74	74	74	74	74	74	74	74	74	74	74	74	74
07/17 - 06/18	82	83	83	83	83	83	83	83	83	83	83	83	83	83	83	83
07/18 - 06/19	110	111	111	111	111	111	111	111	111	111	111	111	111	111	111	111
07/19 - 06/20	69	70	70	70	70	70	70	70	70	70	70	70	70	70	70	70
07/20 - 06/21	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51
07/21 - 06/22	83	84	84	84	84	84	84	84	84	84	84	84	84	84	84	84
07/22 - 06/23	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91

Accident Period	Age Interval in Months															
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192	192-204
07/92 - 06/93	0.000	0.000	0.000	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/93 - 06/94	0.000	0.000	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/94 - 06/95	0.000	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/95 - 06/96	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/96 - 06/97	0.000	0.000	1.009	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/97 - 06/98	0.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/98 - 06/99	1.066	1.000	1.010	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/99 - 06/00	1.022	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/00 - 06/01	1.020	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/01 - 06/02	1.013	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/02 - 06/03	1.010	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/03 - 06/04	1.033	1.011	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/04 - 06/05	1.041	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/05 - 06/06	1.053	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/06 - 06/07	1.052	1.012	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/07 - 06/08	1.015	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/08 - 06/09	1.042	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/09 - 06/10	1.011	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/10 - 06/11	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/11 - 06/12	1.014	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/12 - 06/13	1.016	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/13 - 06/14	1.027	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/14 - 06/15	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/15 - 06/16	1.066	1.015	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/16 - 06/17	1.028	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/17 - 06/18	1.012	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/18 - 06/19	1.009	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/19 - 06/20	1.014	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/20 - 06/21	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/21 - 06/22	1.012	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/22 - 06/23	1.018	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Averages																
1:	Volume - 3 of 5	1.011	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2:	Volume - 3	1.010	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
3:	Volume - 5	1.010	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
4:	Volume - 7	1.019	1.002	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
5:	Prior Analysis	1.018	1.002	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Selected Values																
Cumulative		1.017	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Accident Period	204	216	228	240	252	264	276	288	300	312	324	336	348	360	372
07/92 - 06/93	43	43	43	43	43	43	43	43	43	43	43	43	43	43	43
07/93 - 06/94	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99
07/94 - 06/95	85	85	85	85	85	85	85	85	85	85	85	85	85	85	85
07/95 - 06/96	107	107	107	107	107	107	107	107	107	107	107	107	107	107	107
07/96 - 06/97	110	110	110	110	110	110	110	110	110	110	110	110	110	110	110
07/97 - 06/98	101	101	101	101	101	101	101	101	101	101	101	101	101	101	101
07/98 - 06/99	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98
07/99 - 06/00	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91
07/00 - 06/01	102	102	102	102	102	102	102	102	102	102	102	102	102	102	102
07/01 - 06/02	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81
07/02 - 06/03	102	102	102	102	102	102	102	102	102	102	102	102	102	102	102
07/03 - 06/04	95	95	95	95	95	95	95	95	95	95	95	95	95	95	95
07/04 - 06/05	76	76	76	76	76	76	76	76	76	76	76	76	76	76	76
07/05 - 06/06	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80
07/06 - 06/07	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82
07/07 - 06/08															
07/08 - 06/09															
07/09 - 06/10															
07/10 - 06/11															
07/11 - 06/12															
07/12 - 06/13															
07/13 - 06/14															
07/14 - 06/15															
07/15 - 06/16															
07/16 - 06/17															
07/17 - 06/18															
07/18 - 06/19															
07/19 - 06/20															
07/20 - 06/21															
07/21 - 06/22															
07/22 - 06/23															

Accident Period	204-216	216-228	228-240	240-252	252-264	264-276	276-288	288-300	300-312	312-324	324-336	336-348	348-360	360-372	372-UH
07/92 - 06/93	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/93 - 06/94	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/94 - 06/95	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/95 - 06/96	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/96 - 06/97	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/97 - 06/98	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/98 - 06/99	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/99 - 06/00	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/00 - 06/01	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/01 - 06/02	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/02 - 06/03	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/03 - 06/04	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/04 - 06/05	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/05 - 06/06	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
07/06 - 06/07															
07/07 - 06/08															
07/08 - 06/09															
07/09 - 06/10															
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07/19 - 06/20															
07/20 - 06/21															
07/21 - 06/22															
07/22 - 06/23															

Averages															
1:	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2:	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
3:	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
4:	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
5:	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Selected Values	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Cumulative	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Town of Wellesley
Reported Counts
Data Evaluated as of 6/30/2023

Exhibit 10
 Sheet 2

Divided Difference Interpolation

Evaluation Point	Expected Percentage	
(Months)	Developed	Undeveloped
(1)	(2)	(3)
3	38.80%	61.20%
6	67.12%	32.88%
9	86.44%	13.56%
12	98.23%	1.77%
15	98.88%	1.12%
18	99.35%	0.65%
21	99.69%	0.31%
24	99.90%	0.10%
27	99.94%	0.06%
30	99.97%	0.03%
33	99.99%	0.01%
36	100.00%	0.00%