



President
Ms. Liz Ehrenstrom
City of Oroville

**NCCSIF
EXECUTIVE COMMITTEE
MEETING**

Vice President
Mr. Andy Heath
City of Auburn

Treasurer
Mr. Tim Sailsbery
City of Willows

Secretary
Ms. Gina Will
Town of Paradise

Date: Thursday, March 14, 2013
Time: 10:30 a.m.

A – Action
I – Information

Location: Lincoln City Hall
600 Sixth Street
First Floor Community Room
Lincoln, CA
(530) 894-6699

1 – Attached
2 – Hand Out
3 – Separate Cover
4 – Verbal
5 – Previously Mailed

MISSION STATEMENT

The Northern California Cities Self Insurance Fund, or NCCSIF, is an association of municipalities joined to protect member resources by stabilizing risk costs in a reliable, economical and beneficial manner while providing members with broad coverage and quality services in risk management and claims management.

AGENDA

- A. CALL TO ORDER**
- B. PUBLIC COMMENTS**
This time is reserved for members of the public to address the Executive Committee on matters pertaining to NCCSIF that are of interest to them.
- C. APPROVAL OF AGENDA AS POSTED** **A 1**
- pg. 01 **D. CONSENT CALENDAR** **A 1**
All matters listed under the consent calendar are considered routine with no separate discussion necessary. Any member of the public or the Executive Committee may request any item to be considered separately.
- pg. 02 1. Draft Minutes of the Executive Committee Web-Meeting – January 9, 2013
- pg. 07 2. Investment Reports
- pg. 08 a. LAIF as of December 31, 2012
- pg. 16 b. Chandler Asset Management – Short/Long Term as of February 28, 2013
- 3. Treasurer’s Report as of December 31, 2012
- pg. 17 **E. COMMITTEE REPORTS** **I 1**
- pg. 18 1. Draft Minutes – Board of Directors Meeting – January 24, 2013
- pg. 28 2. Draft Minutes – Risk Management Committee Meeting – January 24, 2013



G. ADMINISTRATION REPORTS I 4

1. President’s Report

Liz Ehrenstrom will address the Committee on items pertaining to NCCSIF.

2. Program Administrator’s Report

Staff will address the Committee on items pertaining to NCCSIF.

F. FINANCIAL REPORTS

pg. 33 **1. Quarterly Financial Report for Period Ending December 31, 2012 A 1**
The Committee will review the quarterly financials and take action to Accept and File or give direction.

pg. 52 **2. Budget to Actual Report as of December 31, 2012 I 1**
The Committee will review the Budget to Actual Report as of December 31, 2012 and discuss any items as needed.

G. JPA BUSINESS

pg. 56 **1. Introduction of the 2013 Executive Committee and Review of their Responsibilities I 1**
The 2013 Executive Committee will be introduced and staff will review their responsibilities.

pg. 59 **2. Selection of the 2013 Claims Committee Members A 1**
The Executive Committee will be asked to select members to serve on the NCCSIF Claims Committee for 2013.

3. Review and Approval of the 2012 Banking Plan Fund Adjustment Calculation Sheets
The Committee will be asked to review and approve the distribution of Banking Layer funds to members from the following programs:

pg. 61	a. Workers’ Compensation	A 2
pg. 62	b. Liability	A 2

4. Review and Approval of the 2012 Shared Risk Layer Plan Fund Adjustments
The Committee will be asked to review and approve the distribution of funds from the Shared Risk Layer calculations for the following programs:

pg. 63	a. Workers’ Compensation program.	A 1
pg. 65	b. Liability	A 1

pg. 66 **5. 2012/13 Safety Grant Funds Utilization and Consideration of 2013/14 Safety Grant Funds program continuation. A 1**
The Committee will be asked to review and approve continuation of the Safety Grant Fund for 2013/2014.

	6. FY 2013/14 Actuarial Studies – Draft financial pages only.		
	<i>The Committee will be asked to review and approve the Draft 2013/14 Actuarial Studies for the following programs:</i>		
pg. 71	a. Workers’ Compensation	A	1
pg. 85	b. Liability	A	1
pg. 95	7. Distribution of CJPRMA Refund	A	1
	<i>The Committee will be asked to review and approve the Distribution of the CJPRMA Refund to be applied to the Liability Program as a credit toward the assessment.</i>		
	8. Preliminary 2013/14 Deposit Calculations		
	<i>The Committee will be asked to review the Preliminary 2013/14 Deposit Premium calculations for:</i>		
pg. 99	a. The Workers’ Compensation and recommend a discount rate to be used to fund losses in the Banking and Shared Risk Layers.	A	1
pg. 101	b. The Liability program (at \$1,000,000 SIR) and recommend a discount rate to be used to fund losses in the Banking and Shared Risk Layers.	A	1
pg. 103	9. Liability Shared Risk Layer Rate/Retention Analysis – \$500,000 xs \$500,000	A	1
	<i>The Committee will receive and analysis of the costs to retain this layer or transfer it to CJPRMA. The Committee will review, discuss and make a motion to either retain this layer or purchase coverage through CJPRMA.</i>		
pg. 111	10. Preliminary 2013/14 NCCSIF Budget	I	1
	<i>The Committee will be asked to review and approve the preliminary 2013/14 NCCSIF Budget.</i>		
pg. 114	11. Bickmore Agreement for Risk Control Services – Revised Contract effective 7/1/13	A	1
	<i>The Committee will be asked to review and approve the revised Risk Control contract that has been issued to include additional services to be provided.</i>		
	12. York Claims Administration Services Contract		
	<i>The Committee will be asked to review and approve York’s renewal terms for the 2013/14 program year.</i>		
pg. 123	a. Workers’ Compensation Claims Administration	A	1
pg. 126	b. Liability Claims Administration	A	1

H. INFORMATION ITEMS

pg. 128	1. NCCSIF Organizational Chart
pg. 129	2. NCCSIF 2013 Meeting Calendar
pg. 130	3. NCCSIF Travel Reimbursement Form
pg. 131	4. NCCSIF Resource Contact Guide

I. ADJOURNMENT



UPCOMING MEETINGS

Board of Directors Meeting – April 25, 2013

Risk Management Committee Meeting – January 24, 2013

Police Risk Management Committee Meeting – January 10, 2013

Executive Committee Meeting – May 9, 2013

Per Government Code 54954.2, persons requesting disability related modifications or accommodations, including auxiliary aids or services in order to participate in the meeting, are requested to contact Johnny Yang at Alliant Insurance at (916) 643-2712.

The Agenda packet will be posted on the NCCSIF website at www.nccsif.org. Documents and material relating to an open session agenda item that are provided to the NCCSIF Executive Committee less than 72 hours prior to a regular meeting will be available for public inspection and copying at 1792 Tribute Road, Suite 450, Sacramento, CA 95815.

Access to some buildings and offices may require routine provisions of identification to building security. However, NCCSIF does not require any member of the public to register his or her name, or to provide other information, as a condition to attendance at any public meeting and will not inquire of building security concerning information so provided. See Government Code section 54953.3



CONSENT CALENDAR

ACTION ITEM

ISSUE: Items on the Consent Calendar should be reviewed by the Executive Committee and, if there is any item requiring clarification or amendment, such item(s) should be pulled from the agenda for separate discussion.

RECOMMENDATION: The Program Administrator recommends adoption of the Consent Calendar after review by the Executive Committee. *Items pulled from the Consent Calendar by a member will be placed in order, back on the agenda, by the President.*

FISCAL IMPACT: None.

BACKGROUND: The Executive Committee places the following items on the Consent Calendar for adoption. The Executive Committee may accept the Consent Calendar as presented, or pull items for discussion and separate action while accepting the remaining items.

ATTACHMENT(S):

1. Draft Minutes of the Executive Committee Webinar Meeting – January 9, 2013
2. Investment Reports
 - a. LAIF as of December 31, 2012
 - b. Chandler Asset Management – Short/Long Term as of February 28, 2013
3. Treasurer's Report as of December 31, 2012



**MINUTES OF THE
NCCSIF EXECUTIVE COMMITTEE MEETING
WEB CONFERENCE, JANUARY 9, 2013**

MEMBERS PRESENT

John Brewer, City of Corning
Karin Helvey, City of Gridley
Liz Ehrenstrom, City of Oroville
Sandy Ryan, City of Red Bluff
Tim Sailsbery, City of Willows
Steve Kroeger, City of Yuba City
Gina Will, Town of Paradise

MEMBERS ABSENT

Jeff Kiser, City of Anderson

GUESTS & CONSULTANTS

Paula Islas, City of Galt
Michael Simmons, Alliant Insurance Services
Susan Adams, Alliant Insurance Services
Johnny Yang, Alliant Insurance Services
Laurence Voiculescu, Alliant Insurance Services
Jim Marta, James Marta & Company
Marcus Beverly, York Risk Services
Ben Burg, York Risk Services
Kelli Vitale-Carson, York Risk Services

A. CALL TO ORDER

The meeting was called to order at 10:32 a.m.

B. PUBLIC COMMENTS

There were no public comments made.

C. APPROVAL OF AGENDA AS POSTED

A motion was made to approve the Agenda as posted.

MOTION: Tim Sailsbery **SECOND:** Karin Helvey **MOTION CARRIED**

D. CONSENT CALENDAR

1. Executive Committee Teleconference Meeting Draft Minutes –November 15, 2012
2. Long Range Planning Draft Minutes – December 13, 2012

A motion was made to approve the Consent Calendar.

MOTION: Gina Will **SECOND:** Karin Helvey **MOTION CARRIED**

E. ADMINISTRATIVE REPORTS

E1. President’s Report

Ms. Liz Ehrenstrom advised that she did not have any items to report on.

E2. Program Administrator’s Report

Ms. Susan Adams advised the Committee that a Police Risk Management Committee meeting was held in Yuba City on January 10, 2013 explaining that during the meeting.

She then reminded the Committee that the upcoming Board of Directors meeting has been rescheduled to January 24th, 2013 and will be held at the Peach Tree Golf and Country Club in Marysville, CA.

She also reminded members of the upcoming PARMA Conference scheduled to be held on February 3 – 6, 2013 at Rancho Mirage.

Ms. Adams also explained that York has requested a Claims Committee meeting for settlement authority that is needed. The committee requested for staff to send out an e-mail to the claims committee on possible dates to hold a Claims Committee Web Conference.

F. JPA BUSINESS

F1. Review of Items Discussed During the Long Range Planning Meeting

F.1.A. Workers’ Compensation Program

1. Workers’ Compensation Claims Administration

Ms. Adams advised that at the Long Range Planning Session, Marcus Beverley and Kelli Vitale-Carson provided the Board with a presentation on Best Risk Practices for Workers’ Compensation claims handling. At the LRP Session they also addressed the Board’s concerns regarding the decline in claims handling services to members. They introduced two new Workers’ Compensation claims adjusters who were recently hired to replace the prior

adjusters who left for personal reasons. Each of the new adjusters have made contact via phone with the members and are in the process of scheduling visits with member cities for introductions and claims review. Members expressed that they are currently satisfied with York Risk Services and will inquire on the issues at upcoming Board of Directors and Claims Committee meeting. Ms. Adams then advised the Committee that a Workers' Compensation Claims Audit has been performed by North Bay Associates in November 2012 and are usually performed every two years.

Mr. Marcus Beverly advised the Committee that York will be more proactive in their claims handling services and a number of claims review are currently being set up. Mr. Beverly also encouraged members to reach out to York with any questions, concerns or feedback regarding their services.

Mr. Ben Burg advised that York has drafted a response letter to the Audit regarding the overall satisfaction percentage on 90.5% which still remains in the excellence range, but there are a couple of items that York would like to respond to with respects the Claims Audit. Ms. Kelli Vitale-Carson noted that for NCCSIF the overall claims audit rating was 91.6% and the previous year it was 94.5%.

The Committee asked that this audit be added as an item on the upcoming Board of Directors Meeting Agenda. Ms. Adams advised that the auditor will not be present at the meeting and York's Response letter will be included in the Agenda packet.

The Committee asked that the deadline of "Ongoing" be amended to reflect "Quarterly Review by the Claims Committee.

2. Workers' Compensation Self Insured Retention (SIR) Analysis

Ms. Adams explained that after the Analysis was provided at the Long Range Planning Session, members reviewed the information provided and decided not to consider increasing the Workers' Compensation Self Insured Retention of \$500,000 at this time. The current pricing is more attractive to purchase excess coverage at the current SIR than to fund an additional \$500,000 per occurrence of loss.

3. Financial Impact of Confidence Levels and Discounting Rates used in Determining Funding of Losses

Ms. Adams explained the Confidence Level funding analysis showing the additional funding required at a 70% Confidence Level. She recommended lowering the discounting rate to 1.5%. Upon further discussion the Committee wishes to recommend to the Board of Directors a 70% Confidence level and a discounting rate of 1.5%. Mr. Jim Marta expressed that he is comfortable with the proposed Confidence Level and Discounting Rate but advised that the Liability Shared Risk Layer Deficit should be recovered. Ms. Gina Will mentioned

the possible of retaining Equity from the Workers' Compensation Shared Risk Layer to offset the deficit in the Liability Shared Layer Program.

The Committee has asked staff to provide deposit calculations using 06/30/12 information at both 60 and 70 percent Confidence Levels at a 1.5% Discounting Rate with possible options of Equity Transferring between the Workers' Compensation and Liability Shared Risk Layer Programs.

4. Excess Pooling Partners

Ms. Adams advised that members expressed that they are currently satisfied with the coverage and services provided by CSAC EIA. NCCSIF receives a \$7,500 credit annually from CSAC EIA due to CAJPA Accreditation with Excellence. CSAC EIA also provides a \$1,000 annual loss control subsidiary for members to use for loss control services.

She then reminded the committee of the upcoming Wastewater Training Sessions which will be held at Yuba City and Redding in February.

5. Retrospective Rating Dividends Program

Ms. Adams advised that staff was asked to determine if NCCSIF should consider revising Policies and Procedures A-1 and A-12 with respects to the Banking and Shared Risk Layers Retrospective Rating Program. She then explained that staff has recommended changes to the NCCSIF Bylaws and the Policies and Procedures as follows:

NCCSIF Bylaws amended to reflect that if a member were to leave the program, their portion of the Shared Risk Equity stays in the program until the Organization dissolves or distributions are approved.

NCCSIF P&P A-1 amended to reflect the "Banking Layer" Plan Fund Adjustments

NCCSIF P&P A-12 amended to reflect calculation of refunds from positive years will be used to offset refunds in negative years for the Shared Risk Programs.

F.1.B. Liability Program

1. Liability Self Insured Retention (SIR) Analysis

Ms. Adams advised that staff has submitted a Notice of NCCSIF Reducing SIR to \$500,000 to CJPRMA. CJPRMA's Board of Directors approved NCCSIF to join Pool B, the \$500,000 excess \$500,000 layer at an additional premium of roughly \$312,000 for 3 years. She noted that a draft actuarial report is expected in late February. She also mentioned an option for NCCSIF to market the \$500,000 xs \$500,000 layer as she expects to see an increase in the

Liability Expected Losses. Another option would be to look at purchasing reinsurance for this layer.

2. Financial Impact of Confidence Levels and Discounting Rates used in Determining Funding of Losses

During the Workers' Compensation discussion regarding Confidence Levels and Discounting Rates the Committee also discussed options for the Liability Program. Ms. Adams recommended increasing the Confidence Level Funding for the Liability program. She noted that NCCSIF will be receiving a refund of \$400,000 which is normally applied to the upcoming year's deposit calculations. Mr. Marta mentioned that a lower Self Insured Retention would result in a lower Target Equity Ratios.

Staff was asked to provide deposit calculations at discounting rates of 1.5% and 2.0% with Confidence Level Funding Rates of 60%, 70% and 75% at a Self Insured Retention of \$500,000.

3. Excess Pooling Partners

Ms. Adams explained that at the Long Range Planning Session members felt that their relationship with CJPRMA is working well and no changes need to be considered.

4. Retrospective Rating Dividends Program

There was no discussion on this item as it was previously addressed during the Workers' Compensation Program discussion.

G. REVIEW OF JANUARY 24, 2013 BOARD OF DIRECTORS MEETING "DRAFT" AGENDA

Ms. Adams explained that staff wishes to provide a copy of the Draft Board of Directors Meeting Agenda for the Executive Committee to review prior to the Board of Directors meeting.

Mr. Tim Sailsbery expressed that this item should be presented as information only as he does not wish for non-action items to hold up meetings. This item will be presented as an information item going forward. Ms. Adams also advised that future Executive Committee meetings will be held at the City of Lincoln City Hall.

The meeting was adjourned at 11:50 a.m.



JOHN CHIANG

California State Controller

LOCAL AGENCY INVESTMENT FUND REMITTANCE ADVICE

Agency Name NO CAL CITIES SELF INSUR FUND

Account Number 35-11-001

As of 01/15/2013, your Local Agency Investment Fund account has been directly credited with the interest earned on your deposits for the quarter ending 12/31/2012.

Earnings Ratio		.00000881899236296
Interest Rate		0.32%
Dollar Day Total	\$	204,769,884.00
Quarter End Principal Balance	\$	2,929,813.39
Quarterly Interest Earned	\$	1,805.86

Monthly Account Statement

Northern Cal. Cities Self Ins. Fund Long Term

February 1, 2013 through February 28, 2013

Chandler Team

For questions about your account,
please call (800) 317-4747 or
Email operations@chandlerasset.com

Custodian

Bank of New York Mellon Trust
Company
Gaby Rodriguez
213-630-6461

Information contained herein is confidential. We urge you to compare this statement to the one you receive from your qualified custodian. Prices are provided by IDC, an independent pricing source.



PORTFOLIO CHARACTERISTICS

Average Duration	3.52
Average Coupon	2.99 %
Average Purchase YTM	2.24 %
Average Market YTM	0.80 %
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	3.83 yrs
Average Life	3.79 yrs

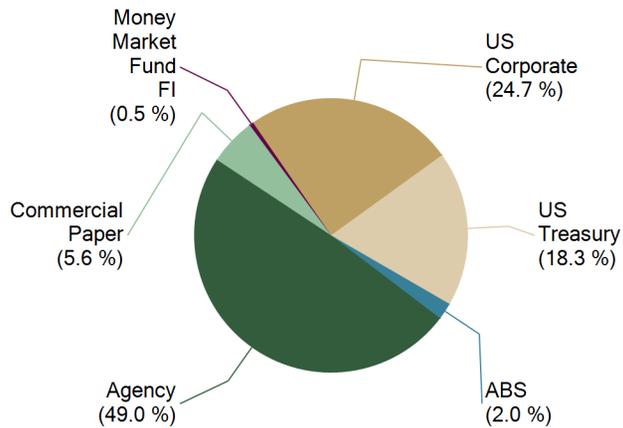
ACCOUNT SUMMARY

	Beg. Values as of 1/31/13	End Values as of 2/28/13
Market Value	22,260,981	22,364,668
Accrued Interest	143,237	136,215
Total Market Value	22,404,218	22,500,883
Income Earned	39,623	40,259
Cont/WD		0
Par	20,858,466	20,917,018
Book Value	21,328,412	21,375,693
Cost Value	21,701,001	21,759,553

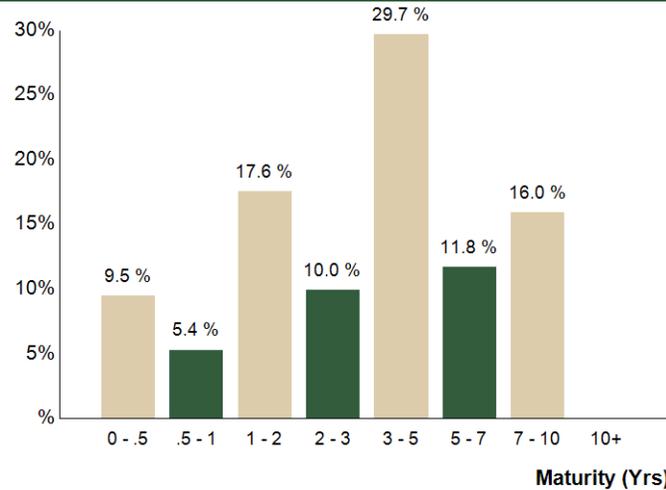
TOP ISSUERS

Issuer	% Portfolio
Government of United States	18.3 %
Tennessee Valley Authority	11.1 %
Federal National Mortgage Assoc	10.5 %
Federal Farm Credit Bank	10.0 %
Federal Home Loan Bank	9.0 %
Federal Home Loan Mortgage Corp	8.4 %
Bank of Nova Scotia	2.4 %
Toyota Motor Corp	2.1 %
Total	71.8 %

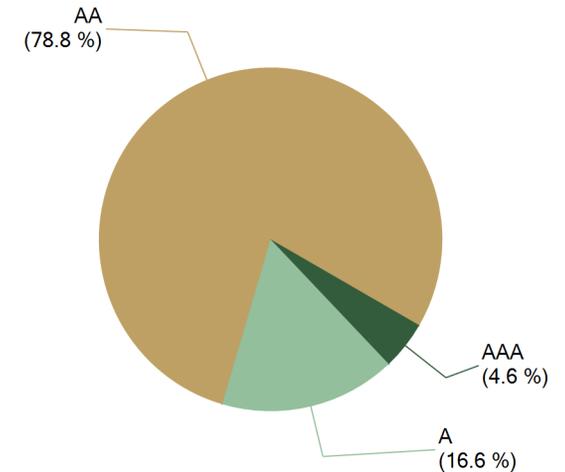
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

Total Rate of Return As of 2/28/2013	Current Month	Latest 3 Months	Year To Date	1 Yr	Annualized			Since 5/31/2006	Since 5/31/2006
					3 Yrs	5 Yrs	10 Yrs		
Northern Cal. Cities Self Ins. Fund Long Term	0.43 %	-0.16 %	0.06 %	2.36 %	4.17 %	4.39 %	N/A	5.65 %	44.89 %
1-10 yr Govt	0.47 %	-0.20 %	0.01 %	1.77 %	3.78 %	3.87 %	N/A	5.23 %	41.12 %
1-10 Year Govt/A Rated or better Corporate	0.49 %	-0.08 %	0.08 %	2.69 %	4.28 %	4.06 %	N/A	5.27 %	41.46 %



Northern California Cities Self-Insurance Fund - Long Term

February 28, 2013

COMPLIANCE WITH INVESTMENT POLICY

The portfolio complies with State law and with the Authority's investment policy.

Category	Standard	Comment
Asset-backed/MBS	20% maximum	Complies
Banker's Acceptances	A1/P1; 30% max; <180 days; L/T = AA	Complies
Commercial Paper	A1/P1; 25% max.; <270 days	Complies
LAIF	\$50 million	Complies
Medium Term Notes	30% max; A; 5 year maximum	Complies
Money Market Acct	15% maximum; AA	Complies
Mutual Funds	15% maximum; AAA	Complies
Negotiable CDs	30% overall; 3-year maximum	Complies
Repurchase Agreements	10% overall; 30 days	Complies
Time CDs	3 year maximum	Complies
Treasury issues	No limitation	Complies
US Agencies	No limitation	Complies
Per Issuer Maximum	5% (except gov'ts)	Complies
Maximum Maturity	10 years	Complies
Futures and Options	Prohibited	Complies
Reverse Repos	Prohibited	Complies
Inverse floaters	Prohibited	Complies
Range notes	Prohibited	Complies



Reconciliation Summary

As of 2/28/2013

BOOK VALUE RECONCILIATION		
Beginning Book Value		\$21,328,412.36
Acquisition		
+ Security Purchases	\$0.00	
+ Money Market Fund Purchases	\$58,552.05	
+ Money Market Contributions	\$0.00	
+ Security Contributions	\$0.00	
+ Security Transfers	\$0.00	
Total Acquisitions		\$58,552.05
Dispositions		
- Security Sales	\$0.00	
- Money Market Fund Sales	\$0.00	
- MMF Withdrawals	\$0.00	
- Security Withdrawals	\$0.00	
- Security Transfers	\$0.00	
- Other Dispositions	\$0.00	
- Maturities	\$0.00	
- Calls	\$0.00	
- Principal Paydowns	\$0.00	
Total Dispositions		\$0.00
Amortization/Accretion		
+/- Net Accretion	(\$11,271.48)	
		(\$11,271.48)
Gain/Loss on Dispositions		
+/- Realized Gain/Loss	\$0.00	
		\$0.00
Ending Book Value		\$21,375,692.93

CASH TRANSACTION SUMMARY		
BEGINNING BALANCE		\$48,465.82
Acquisition		
Contributions	\$0.00	
Security Sale Proceeds	\$0.00	
Accrued Interest Received	\$0.00	
Interest Received	\$58,552.05	
Dividend Received	\$0.00	
Principal on Maturities	\$0.00	
Interest on Maturities	\$0.00	
Calls/Redemption (Principal)	\$0.00	
Interest from Calls/Redemption	\$0.00	
Principal Paydown	\$0.00	
Total Acquisitions	\$58,552.05	
Disposition		
Withdrawals	\$0.00	
Security Purchase	\$0.00	
Accrued Interest Paid	\$0.00	
Total Dispositions	\$0.00	
Ending Book Value		\$107,017.87

Monthly Account Statement

Northern CA Cities Self Ins. Fund Short Term

February 1, 2013 through February 28, 2013

Chandler Team

For questions about your account,
please call (800) 317-4747 or
Email operations@chandlerasset.com

Custodian

Bank of New York Mellon Trust
Company
Gaby Rodriguez
213-630-6461

Information contained herein is confidential. We urge you to compare this statement to the one you receive from your qualified custodian. Prices are provided by IDC, an independent pricing source.



PORTFOLIO CHARACTERISTICS

Average Duration	2.45
Average Coupon	1.84 %
Average Purchase YTM	1.29 %
Average Market YTM	0.56 %
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	2.57 yrs
Average Life	2.49 yrs

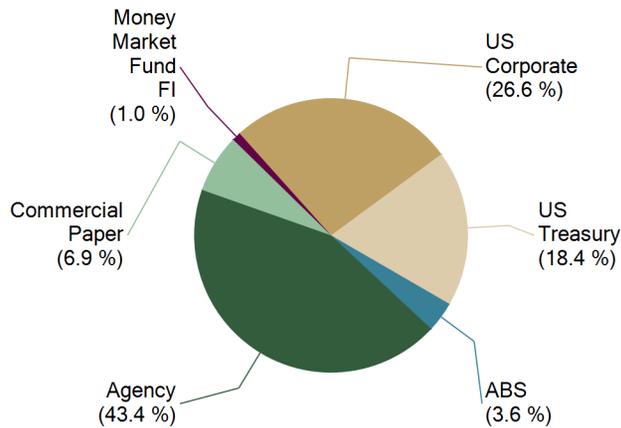
ACCOUNT SUMMARY

	Beg. Values as of 1/31/13	End Values as of 2/28/13
Market Value	21,626,792	21,680,102
Accrued Interest	108,129	102,783
Total Market Value	21,734,920	21,782,885
Income Earned	24,247	24,381
Cont/WD		0
Par	21,082,376	21,164,241
Book Value	21,270,024	21,336,244
Cost Value	21,515,581	21,592,421

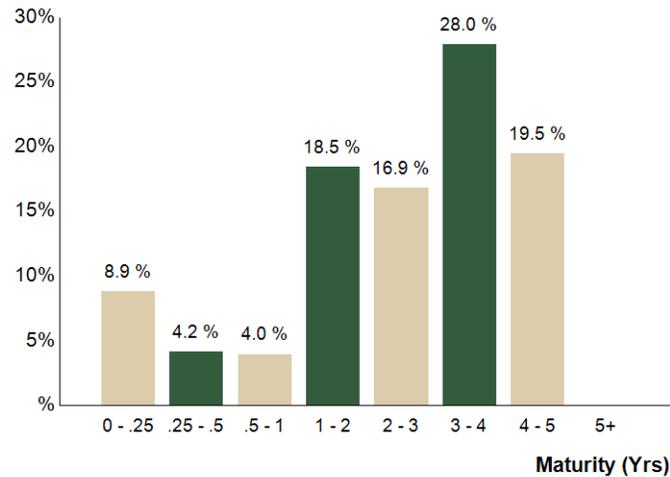
TOP ISSUERS

Issuer	% Portfolio
Government of United States	18.4 %
Federal Farm Credit Bank	12.4 %
Federal Home Loan Mortgage Corp	10.2 %
Federal National Mortgage Assoc	9.9 %
Federal Home Loan Bank	7.7 %
Tennessee Valley Authority	3.2 %
Toyota Motor Corp	2.2 %
Bank of Nova Scotia	2.2 %
Total	66.2 %

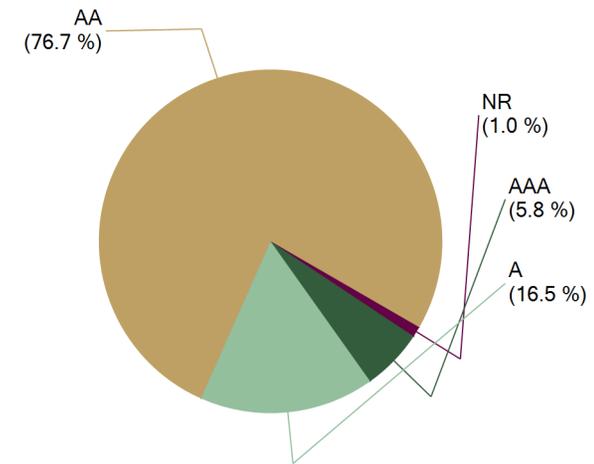
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

Total Rate of Return As of 2/28/2013	Current Month	Latest 3 Months	Year To Date	1 Yr	Annualized			Since 12/31/1997	Since 12/31/1997
					3 Yrs	5 Yrs	10 Yrs		
Northern CA Cities Self Ins. Fund Short Term	0.22 %	0.08 %	0.14 %	1.44 %	2.46 %	3.26 %	3.65 %	4.85 %	105.05 %
1-5 yr Govt	0.23 %	0.07 %	0.11 %	1.02 %	2.14 %	2.74 %	3.31 %	4.49 %	94.80 %
1-5 Year Govt/A Rated or better Corporate	0.26 %	0.16 %	0.18 %	1.66 %	2.55 %	2.97 %	3.45 %	4.67 %	99.81 %



Northern California Cities Self-Insurance Fund - Short Term

February 28, 2013

COMPLIANCE WITH INVESTMENT POLICY

The portfolio complies with State law and with the Authority's investment policy.

Category	Standard	Comment
Asset-backed/MBS	20% maximum	Complies
Banker's Acceptances	A1/P1; 30% max; <180 days; L/T = AA	Complies
Commercial Paper	A1/P1; 25% max.; <270 days	Complies
LAIF	\$50 million	Complies
Medium Term Notes	30% max; A; 5 year maximum	Complies
Money Market Acct	15% maximum; AA	Complies
Mutual Funds	15% maximum; AAA	Complies
Negotiable CDs	30% overall; 3-year maximum	Complies
Repurchase Agreements	10% overall; 30 days	Complies
Time CDs	3 year maximum	Complies
Treasury issues	No limitation	Complies
US Agencies	No limitation	Complies
Per Issuer Maximum	5% (except gov'ts)	Complies
Maximum Maturity	10 years	Complies
Futures and Options	Prohibited	Complies
Reverse Repos	Prohibited	Complies
Inverse floaters	Prohibited	Complies
Range notes	Prohibited	Complies



Reconciliation Summary

As of 2/28/2013

BOOK VALUE RECONCILIATION		
Beginning Book Value		\$21,270,024.04
Acquisition		
+ Security Purchases	\$1,044,627.59	
+ Money Market Fund Purchases	\$654,381.40	
+ Money Market Contributions	\$0.00	
+ Security Contributions	\$0.00	
+ Security Transfers	\$0.00	
Total Acquisitions		\$1,699,008.99
Dispositions		
- Security Sales	\$998,168.30	
- Money Market Fund Sales	\$462,515.69	
- MMF Withdrawals	\$0.00	
- Security Withdrawals	\$0.00	
- Security Transfers	\$0.00	
- Other Dispositions	\$0.00	
- Maturities	\$199,931.11	
- Calls	\$0.00	
- Principal Paydowns	\$0.00	
Total Dispositions		\$1,660,615.10
Amortization/Acretion		
+/- Net Accretion	(\$8,666.63)	
		(\$8,666.63)
Gain/Loss on Dispositions		
+/- Realized Gain/Loss	\$36,492.33	
		\$36,492.33
Ending Book Value		\$21,336,243.63

CASH TRANSACTION SUMMARY		
BEGINNING BALANCE		\$33,375.76
Acquisition		
Contributions	\$0.00	
Security Sale Proceeds	\$998,168.30	
Accrued Interest Received	\$5,295.63	
Interest Received	\$33,878.04	
Dividend Received	\$0.00	
Principal on Maturities	\$199,931.11	
Interest on Maturities	\$68.89	
Calls/Redemption (Principal)	\$0.00	
Interest from Calls/Redemption	\$0.00	
Principal Paydown	\$0.00	
Total Acquisitions	\$1,237,341.97	
Disposition		
Withdrawals	\$0.00	
Security Purchase	\$1,044,627.59	
Accrued Interest Paid	\$848.67	
Total Dispositions	\$1,045,476.26	
Ending Book Value		\$225,241.47

NCCSIF

Northern California Cities Self Insurance Fund

c/o Alliant Insurance Services, Inc.

Corporate Insurance License No. 0C36861

Main Location: 1792 Tribute Road, Suite 450, Sacramento, CA 95815 * (916) 643-2700 * Facsimile: (916) 643-2750
Accounting Location: Mr. James Marta, James Marta & Company, 701 Howe Avenue, Suite E3, Sacramento, CA 95825 * (916) 993-9494

NCCSIF INVESTMENT REPORT FOR THE QUARTER ENDING DECEMBER 31, 2012

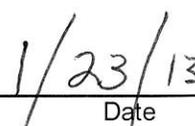
	<u>MARKET VALUE</u>
CASH:	
(1) Tri Counties Checking	\$ 154,747.65
(2) Local Agency Inv Fund (LAIF)	<u>2,929,813.39</u>
Total Cash	<u>3,084,561.04</u>
INVESTMENTS (Unrestricted):	
(3) Chandler Investments	
Account no. 170	21,654,355.00
Account no. 171	<u>22,337,079.00</u>
Total Unrestricted Investments	<u>43,991,434.00</u>
TOTAL CASH AND INVESTMENTS	<u><u>\$47,075,995.04</u></u>

- (1) This consists of one interest-bearing checking account and two pass-thru accounts (liability and workers comp claims). The rate of interest is 0.10%
- (2) The LAIF rate of return as of quarter ended December 31, 2012 0.32%
- (3) See attached Investment Activity Reports.

THIS PORTFOLIO IS IN COMPLIANCE WITH NCCSIF'S INVESTMENT POLICY AND IS LIQUID ENOUGH TO MEET EXPECTED CASH FLOW NEEDS OVER THE NEXT SIX MONTHS.



Jim Salisbury, Treasurer



Date

A Joint Powers Authority

Members: Cities of Anderson, Auburn, Colusa, Corning, Dixon, Folsom, Galt, Gridley, Ione, Jackson, Lincoln, Marysville, Nevada City, Oroville, Town of Paradise, Placerville, Red Bluff, Rio Vista, Rocklin, Willows and Yuba City.



COMMITTEE REPORTS

INFORMATION ITEM

ISSUE: Committee Reports are provided to the Executive Committee for their information.

RECOMMENDATION: None. These items are presented as information only.

FISCAL IMPACT: None.

BACKGROUND: Committee Reports are provided to the Executive Committee for their information on other committees and excess providers meetings.

ATTACHMENT(S):

1. Draft Minutes – Board of Directors Meeting – January 24, 2013
2. Draft Minutes – Risk Management Committee Meeting – January 24, 2013



**MINUTES OF THE
NCCSIF BOARD OF DIRECTORS MEETING
PEACH TREE GOLF AND COUNTRY CLUB, MARYSVILLE, CA
JANUARY 24, 2013**

MEMBERS PRESENT

Jeff Kiser, City of Anderson
Andy Heath, City of Auburn
John Brewer, City of Corning
Steve Johnson, City of Dixon
Bruce Cline, City of Folsom
Karin Helvey, City of Gridley
Ed Pattison, City of Ione
Michael Daly, City of Jackson
John Lee, City of Lincoln
Matt Michaelis, City of Marysville
Catrina Olson, City of Nevada City
Liz Ehrenstrom, City of Oroville
Dave Warren, City of Placerville
Tim Sailsbery, City of Willows
Steve Kroeger, City of Yuba City
Gina Will, Town of Paradise

MEMBERS ABSENT

Shelly Kittle, City of Colusa
Paula Islas, City of Galt
Cheryl Smith, City of Red Buff
Marni Rittburg, City of Rio Vista
Russell Hildebrand, City of Rocklin

GUESTS & CONSULTANTS

George Silva, City of Dixon
Sheila VanZandt, City of Lincoln
Michael Simmons, Alliant Insurance Services, Inc.
Susan Adams, Alliant Insurance Services, Inc.
Johnny Yang, Alliant Insurance Services, Inc.
Marcus Beverley, York Risk Services
Kelli Vitale-Carson, York Risk Services
James Marta, James Marta & Company

A. CALL TO ORDER

The meeting was called to order at 12:38 p.m.

B. PUBLIC COMMENTS

There were no public comments.

C. APPROVAL OF AGENDA AS POSTED

A motion was made to approve the Agenda as posted.

MOTION: Andy Heath **SECOND:** Tim Sailsbery **MOTION CARRIED**

D. CONSENT CALENDAR

1. Draft minutes of the Board of Directors Meeting October 18, 2012
2. Check Register at December 31, 2012
3. Investment Reports
 - a. Chandler Asset Management Report October, November, December 2012 - Short/Long Term
4. Budget to Actual Report as of December 31, 2012

Mr. Kroeger advised that at the October 18, 2012 meeting staff was directed to have the Budget to Actual Report be pulled from the Consent Calendar as a separate item for separate discussion.

A motion was made to approve the Consent Calendar and for the Budget to Actual Report be pulled from the Consent Calendar and discussed as a separate item going forward. This will give staff an opportunity to discuss any budget related items as needed.

MOTION: Karin Helvey **SECOND:** Steve Kroeger **MOTION CARRIED**

E. ACTION TAKEN BY THE EXECUTIVE COMMITTEE

1. 2013 Executive Committee Rotation Schedule
2. 2013 Nominating Committee and Nomination of Officers
3. Resolution 13-01 Authorizing Investment of Monies in LAIF
4. Long Range Planning Session
5. January Executive Committee Meeting

There were no discussions on these items.

F. MINUTES AND REPORTS

F1. Risk Management Meeting January 24, 2013 – Verbal Report

Ms. Liz Ehrenstrom gave a verbal report regarding the Risk Management Committee meeting. She advised that Ms. Henri Castro of Bickmore provided an update regarding the Hazard & Risk Assessments and there are 5 members remaining who have yet to have the Assessment completed. She then mentioned that risk management training videos are available on Bickmore's website and that staff was directed to develop a training calendar that will be available on NCCSIF's website.

Ms. Adams explained that Bickmore's contract will be reviewed and re-written to encompass the extra services being provided by Bickmore and an Ad Hoc Committee will be created to review the contract revision. She also mentioned that members will receive an email blast for all training sessions hosted by a member city. Mr. David Patzer will be hosting a Wastewater and Sewer Training in Redding and Yuba City for both NCCSIF and SCORE members.

F2. Draft Minutes – Executive Committee Meeting January 9, 2013

There was no discussion on this item.

F3. Draft Minutes – Police Risk Management Committee Meeting January 10, 2013

Ms. Adams explained that the Police Risk Management Committee meetings are going well. Mr. Tom Kline is heading these meetings and addressing claims as providing training to the NCCSIF Police Chiefs.

Mr. Steve Kroeger noted that the Draft Minutes show the City of Yuba City as being both present and absent. Ms. Adams explained that the Yuba City's police chief was not in attendance and the minutes will be updated accordingly.

F4. Minutes – Risk Management Committee Meeting October 18, 2012

There was no discussion on this item.

G. ADMINISTRATION REPORTS

G1. President's Report

Ms. Ehrenstrom had no items to report pertaining to matters of NCCSIF.

G2. Program Administrator's Report

Ms. Adams asked for feedback from members regarding the location of the venue for today's meeting.

H. FINANCIAL REPORTS

H1. Quarterly Financial Report for the Period Ending September 30, 2012

Mr. James Marta explained that the Quarterly Financial Report for the Period Ending December 31, 2012 has been completed this morning. He explained that at December 31, 2012 the Liability Shared Layer is in a deficit of \$927,000. This is due to large claims which occurred in 2010 and 2011 developing in 2012. The other programs remain healthy.

A copy of the December 31, 2012 financials and Treasurer's Report will be forwarded to members by Alliant staff.

A motion was made to approve the Quarterly Financial Report for Period Ending September 30, 2012.

MOTION: Steve Kroeger **SECOND:** Dave Warren **MOTION CARRIED**

J. JPA BUSINESS

J1. Review of Items discussed during the Long Range Planning Session

a. Workers' Compensation Program

1. Workers' Compensation Claims Administration

Ms. Adams advised that at the Long Range Planning Session York provided a presentation regarding Workers' Compensation Claims Reporting Best Practices and introduced two new Workers' Compensation Claims Adjusters who will be servicing members going forward. She then explained that the WC Claims Audits have been completed by North Bay Associates and is included in the Agenda Packet. York has written a response to the Claims Audit to CSAC EIA.

2. Workers' Compensation Self Insured Retention (SIR) Analysis

Ms. Adams explained that during the Long Range Planning Session members have decided not to take any action on the current Workers' Compensation Self Insured Retention of \$500,000.

3. Financial Impact of Confidence Levels and Discounting Rates used in Determining Funding of Losses

i. Confidence Levels

ii. Discount Rates

The Board discussed the Financial Impact of Confidence Levels and Discounting Rates used in Determining Funding of Losses in Both Programs as shown below.

4. Excess Pooling Partners

Ms. Adams advised that members are satisfied with CSAC EIA as their Excess Workers' Compensation Pool Partner. Members have requested that the Police Risk Management Committee be trained on the Claims Reporting Process.

5. Retrospective Rating Dividends Program

Ms. Adams explained that members may want to take another look at the Retrospective Rating Dividends Program in April after the calculations have been provided.

b. Liability Program

1. Liability Self Insured Retention (SIR) Analysis

Ms. Adams explained that a notice has been provided to CJPRMA regarding NCCSIF's notice to change Self Insured Retention from \$1,000,000 to \$500,000. CJPRMA has approved NCCSIF joining the \$500,000 layer. Initial indications show that there will be an additional \$365,000 to join the \$500,000 layer.

Staff was also asked to research other SIR options available at the \$500,000 excess \$500,000 layer.

2. Financial Impact of Confidence Levels and Discounting Rates used in Determining Funding of Losses

i. Confidence Levels

ii. Discount Rates

The Board discussed the Financial Impact of Confidence Levels and Discounting Rates used in Determining Funding of Losses in Both Programs as shown below.

3. Excess Pooling Partners

Ms. Adams explained that members are satisfied with CJPRMA as NCCSIF's Excess Liability Pooling Partner.



4. Retrospective Rating Dividends Program

Ms. Adams explained that members may want to take another look at the Retrospective Rating Dividends Program in April after the calculations have been provided.

Financial Impact of Confidence Levels and Discounting Rates used in Determining Funding of Losses.

Ms. Adams explained that at the Long Range Planning Session staff was directed to provide estimates of Funding at different Confidence Levels and Discount Funding percentages for consideration by the Board at today's meeting. Currently NCCSIF's LAIF rates are at .32%. Chandler Asset Management projects NCCSIF's Investments are earning a rate of 1.25%

Mr. Marta explained that the Board of Directors adopted a Target Equity policy which assists the organization in effectively funding for losses. He advised that these Target Ratios have been met with respects to the Workers' Compensation Program. Currently NCCSIF has \$293,000 extra in the WC program at a 90% Confidence Level. These calculations are as of June 30, 2012. The Target Ratios have not been met with respects to the Liability program.

Mr. Simmons explained that the Workers' Compensation is not sufficient enough to fund the deficit in the Liability program and members should consider increasing liability rates to offset the deficit in the Liability program and meet the Target Equity Ratios adopted.

Mr. Sailsbery recognizes that NCCSIF is in a negative equity position and the organization should take some time to rebuild its equity.

Mr. Marta explained that in order to offset the negative equity in the Liability program, NCCSIF would have to fund an additional \$800,000 annually over 5 years. Mr. Marta estimated the Shared Risk deposit premium would increase by 30%. In the past, members have offset this by using the CJPRMA premium.

Upon further discussion Members requested to see their expected 2013-2014 deposit premium calculations for both programs at a 60% Confidence Level and Discounting Rates of 1.5% and 2.0% including a 5-year assessment for the Liability program.

A motion was made for staff to provide calculations of estimated deposit premiums for both programs at a 60% Confidence Level and Discounting Rates of 1.5% and 2.0%. These calculations are to include assessments for the Liability program by March 1, 2013.

MOTION: Sandy Ryan **SECOND:** Steve Kroeger **MOTION CARRIED**



J2. 2013 Governance

J2.a. 2013 Executive Committee Rotation Schedule

Ms. Adams explained that the Executive Committee members rotate on an annual basis. The members coming off of the Executive Committee are the Cities of Anderson, Corning, Red Bluff and Willows. The Cities of Auburn, Lincoln, Nevada City and Rocklin will be coming on to the Executive Committee as their replacements. Mr. Tim Sailsbery will remain on the Executive Committee as the NCCSIF Treasurer.

A motion was made to approve the 2013 Executive Committee Rotation Schedule.

MOTION: Bruce Cline **SECOND:** Steve Kroeger **MOTION CARRIED**

J2.b. 2013 Slate of Officers

A motion was made to approve the 2013 Nominated Slate of Officers as follows:

President: Liz Ehrenstrom, City of Oroville
Vice President: Andy Heath, City of Auburn
Treasurer: Tim Sailsbery, City of Willows
Secretary: Gina Will, Town of Paradise

MOTION: Steve Kroeger **SECOND:** Michael Daly **MOTION CARRIED**

J3. Resolution 13-01 Authorizing Investments of Monies in LAIF

Ms. Adams explained that on an annual basis, records are updated with the Local Agency Investment Fund (LAIF) to reflect the newly elected officers of NCCSIF.

A motion was made to approve Resolution 13-01 Authorizing Investments of Monies in LAIF.

MOTION: Bruce Cline **SECOND:** Tim Sailsbery **MOTION CARRIED**

J4. 2013/14 Insurance Market Update & Renewal Marketing Plan

Ms. Adams provided the Board of Directors with an Insurance Market Update and relevant recommendations.

With respects to Workers' Compensation, staff recommends to continue purchasing excess coverage through CSAC EIA. The Workers' Compensation program was marketed last year and staff did not find another program to match the advantages of participating in CSAC EIA. CSAC EIA advises to expect an increase of around 15%. Historically, increases have been less than the initial indications.



With respects to Liability, staff recommends renewing coverage with CJPRMA of at least \$1,000,000. Staff will be obtaining quotes for different coverages.

With respects to Property, staff advised members to expect a rate increase of 10-15% due to insurance losses sustained by Hurricane Sandy. Final loss numbers from the Hurricane have not been confirmed.

J5. NCCSIF Bylaws Proposed Amendment

Ms. Adams explained that at the January 9, 2013 Executive Committee meeting, the committee reviewed and recommends to the Board of the Directors to approve the proposed amendments to the NCCSIF Bylaws with the following addition to Section 14, Withdrawals as follows:

D. Member Agencies that withdraw from NCCSIF's Liability and or Workers' Compensation plans, agree that any available funds allocated to them in the Shared Risk Layer, will remain with NCCSIF until such time as the "Program Year" is closed. This includes funds allocated to them via the "Shared Risk Plan Layer Adjustment" or any other manner of distribution other than the declaration of a dividend by the Board or in accordance with distribution described in the Joint Powers Agreement upon the dissolution of NCCSIF. Funds available from the Banking Layer to these Members are available for distribution.

If a "Program Year" is not yet closed and the "Participating Member" would otherwise be eligible for a distribution, a Member that has withdrawn from the "Authority" may annually, in writing, request an early release of their funds for consideration by the Board of Directors. This action will require approval of the Board of Directors as specified in the JPA Bylaws, Section 3, paragraph A.

A motion was made to approve the Proposed NCCSIF Bylaws Amendment.

MOTION: John Lee **SECOND:** Bruce Cline **MOTION CARRIED**

J6. NCCSIF Retrospective Rating Program Amendments

J6.a. Policy & Procedure A-1, Plan Fund Adjustments Amendment

Ms. Adams advised that staff recommends one change to P&P A-1, Plan Fund Adjustments, specifying the Subject to reflect Banking Layer Plan Fund Adjustments.

A motion was made to approve the proposed changes to Policy & Procedure A-1, Plan Fund Adjustments.

MOTION: Sheila VanZandt **SECOND:** Sandy Ryan **MOTION CARRIED**

J6.b. Policy & Procedure A-12, Shared Risk Layer Plan Fund Adjustments Amendment

Ms. Adams advised that at the Long Range Planning Session, members requested that staff review and suggest any changes as necessary to the Shared Risk Dividend Calculations. The proposed changes reflect that refunds from positive years will first go to offset negative years in another program before being refunded to Members. It also reflects that if a member withdraws from NCCSIF membership, any available funds allocated to them in the Shared Risk Layer will remain with NCCSIF until such time as the “Program Year” is closed. This includes funds allocated to them via the “Shared Risk Layer Plan Adjustment” or any other manner of distribution other than the declaration of a dividend by the Board or in accordance with distribution described in the Joint Powers Agreement upon the dissolution of NCCSIF. If a “Program Year” is not closed and the “Participating Member” would be eligible for a distribution, they may annually send a written request for release of their funds to the Board of Directors. This action will require approval of the Board of Directors as specified in the JPA Bylaws, Section 3, paragraph A.

A motion was made to approve the proposed changes to Policy & Procedure A-12, Shared Risk Layer Plan Fund Adjustments.

MOTION: Bruce Cline **SECOND:** Steve Kroeger **MOTION CARRIED**

J7. NCCSIF Target Equity Plan Amendment

Ms. Adams explained that Policy & Procedure A-17, Target Equity Policy Plan, currently shows incorrect Target Ratios and the proposed amendment corrects these ratios.

A motion was made to approve the proposed changes to Policy & Procedure A-17, Target Equity Policy Plan.

MOTION: Dave Warren **SECOND:** Bruce Cline **MOTION CARRIED**

J8. PEPiP Property and Cyber Liability Claims Reporting Best Practices

Ms. Adams explained that Authority was given to the NCCSIF President, Liz Ehrenstrom to sign the APiP Claims Reporting Acknowledgement(s) Receipt Form on behalf of NCCSIF.

J9. 2012/2013 NCCSIF Program Manual

Mr. Johnny Yang advised that the 2012/2013 NCCSIF Program Manual is available via compact disc and will also be posted on the website. Copies were brought to today’s meeting as well.



J10. 2012 NCCSIF Annual Report

Mr. Yang advised that the 2012 NCCSIF Annual Report is available via compact disc and will also be posted on the website. Copies were brought to today's meeting as well.

K. INFORMATION ITEMS

- K1. Annual PARMA Conference – February 3 – 6, 2013 – Rancho Mirage, CA**
- K2. NCCSIF Board Members and Alternates**
- K3. NCCSIF Meeting Calendar 2013**
- K4. NCCSIF Travel Reimbursement Form**
- K5. NCCSIF Resource Contact Guide**

The meeting was adjourned at 2:44 p.m.

DRAFT



**MINUTES OF THE
NCCSIF RISK MANAGEMENT COMMITTEE MEETING
PEACH TREE GOLF AND COUNTRY CLUB, MARYSVILLE, CA
JANUARY 24, 2013**

MEMBERS PRESENT

Jeff Kiser, City of Anderson
Steve Johnson, City of Dixon
Bruce Cline, City of Folsom
Karin Helvey, City of Gridley
Ed Pattison, City of Ione
Michael Daly, City of Jackson
Sheila VanZandt, City of Lincoln
Matt Michaelis, City of Marysville
Catrina Olson, City of Nevada City
Liz Ehrenstrom, City of Oroville
Dave Warren, City of Placerville
Sandy Ryan, City of Red Bluff
Natalie Walter, City of Yuba City
Crystal Peters, Town of Paradise

MEMBERS ABSENT

City of Auburn
City of Colusa
City of Corning
City of Galt
City of Rio Vista
City of Rocklin
City of Willows

GUESTS & CONSULTANTS

George Silva, City of Dixon
John Lee, City of Lincoln
Michael Simmons, Alliant Insurance Services
Susan Adams, Alliant Insurance Services
Johnny Yang, Alliant Insurance Services
Henri Castro, Bickmore
Jeff Johnston, Bickmore

A. CALL TO ORDER

The meeting was called to order at 10:04 a.m.



B. PUBLIC COMMENTS

There were no public comments made.

C. APPROVAL OF AGENDA AS POSTED

A motion was made to approve the Agenda as posted.

MOTION: Bruce Cline **SECOND:** Steve Johnson **MOTION CARRIED**

D. CONSENT CALENDAR

1. Minutes of the Risk Management Committee Meeting – October 18, 2012
2. ADA Safety Grant Funds Utilization

A motion was made to approve the consent calendar.

MOTION: Dave Warren **SECOND:** Bruce Cline **MOTION CARRIED**

F. RISK MANAGEMENT BUSINESS

F1. Risk Control Services Summary as of December 31, 2012

Ms. Susan Adams explained that staff has met with Bickmore regarding their scope of services with respects to their contract. Bickmore has since exceeded their contracted services. One of the extra services provided was coordination of risk management training sessions. Funds were allocated to a training budget but were not included in Bickmore's contract. Staff and Bickmore will be drafting a revision of the contract to be proposed at the next Risk Management Committee meeting. Staff also discussed extending the current contract to renew on July 1 and correspond with all of NCCSIF's vendor contracts.

Mr. Bruce Cline asked how the contracted hours are structured and allocated among members. He then advised that he would be interested in participating in the Ad Hoc Committee that will be reviewing Bickmore's contract. Ms. Natalie Walter would also like to be involved in the Committee as well.

Ms. Henri Castro provided the Committee with an update them on the services that BRS has provided to NCCSIF members through December 31, 2012.

F2. Member Risk Assessment Update and Discussion

Ms. Henri Castro gave an update regarding the Member Hazard and Risk Assessments explaining that the Assessments address all 35 areas that were addressed in member audits. She explained that NCCSIF, as a collective group, showed strong results in the following areas:



Police Department Operations; Fire Department Operations; Information Technology; Sewers Liability Management; Traffic Engineering; and Workers' Compensation Claims Administration. Ms. Castro also reminded members of the upcoming Wastewater Sewer Training for NCCSIF members. She also noted that, with respects to Workers' Compensation Claims Administration, NCCSIF as a group averages a 15 day difference between the Date of Loss and the Date the claims are reported to York. She advised that she is currently brainstorming ways to assist members in improving claims reporting.

The areas NCCSIF showed good results in are: Employment Practices Liability; Automobile & Fleet Liability; Injury & Illness Prevention Program; and Emergency Response & Management.

Mr. Cline recommended that members take a look at their Hearing Conservation Program as the City of Folsom had a few hearing losses in the city that could have been easily prevented at a minimal cost.

There was discussion regarding members' Return to Work programs. Ms. Castro advised that she found most members have great Return to Work philosophies but lack a written procedure on their Return to Work program.

Mr. Johnston mentioned CompanyNurse assists in timely claims reporting. He then advised that there are a few vendors who can assist members in a structured return to work program.

The remaining cities that have yet to have their Hazard and Safety Assessments are Paradise, Ione, Oroville, Auburn, Placerville and Nevada City.

F3. Upcoming Risk Control Services

Ms. Henri Castro went over Bickmore's upcoming services as shown below:

- Complete the remaining Hazard & Safety Assessments
- Contact each member to develop a 2013 action plan based on the assessment recommendations and individual member requests
- Assist members with action plan implementation such as:
 - Developing Cal/OSHA required programs
 - Developing codes of safe practices
 - Conducting inspections
 - Conducting training
- Discuss ATD regional training (follow up on discussion from the Police RMC meeting)
- Develop Volunteer Risk Management policy
- Continue to deliver phone/email consultative services
- Continue to develop and provide safety publications and resources
- Continue to conduct ergonomic evaluations as requested



Mr. Jeff Johnston then mentioned that Bickmore is in the process of updating their website and will be adding updates and resources as well as integrating quizzes upon completion of online training videos. Ms. Castro will also be offering personalized webinars for employee orientations.

Mr. Bruce Cline suggested a possible e-mail correspondence for upcoming trainings or services available to NCCSIF members.

Ms. Castro noted that she has also been trying to get members to utilize Bickmore's website for training videos but should members have any trouble locating videos on the website then they should contact Ms. Castro.

F4. NCCSIF Long Range Planning Meeting – Risk Management Training

Ms. Adams explained that at the NCCSIF Long Range Planning Meeting, a few Training Topics were suggested as follows:

1. Ms. Paula Islas, City of Galt, suggested providing training to the Police Chiefs and Lieutenants regarding the claims process.
2. Mr. Kevin Bibler suggested Employment Practices Training as these types of losses can grow sever very quickly. There was further discussion of purchasing EPL through ERMA as EPL training is provided through ERMA's program. Ms. Adams advised that two types of Employment Practices training sessions are available through Bickmore which are Ethics and Harassment. The Hazard and Risk Assessments will be completed soon and will show great information.
3. Members advised that they would like to receive a list of upcoming trainings and webinars available through CSAC EIA at no additional cost.

She then discussed the upcoming webinars currently available through the CSAC EIA website.

Ms. Castro asked for clarification regarding who the first point of contact should be for risk management training requests. The Committee agreed that the first point of contact will be Ms. Henri Castro at Bickmore and requests will be forwarded to Alliant if needed.

A motion was made to direct staff to develop a risk management training calendar on NCCSIF's website with all the training sessions and webinars available to NCCSIF members.

MOTION: Steve Johnson **SECOND:** Crystal Peters **MOTION CARRIED**

F5. Police Risk Management Committee Meetings

Ms. Liz Ehrenstrom gave an overview of the Police Risk Management Committee meeting on January 10, 2013. She explained that at the meeting, the Committee discussed the Police Liability and Workers' Compensation losses and asked staff to drill down further. Ms. Adams



suggested an allocation of funds specific for Police Risk Management. Mr. Bruce Cline felt that any allocation of NCCSIF funds should be authorized at a City Manager level.

Mr. Johnston mentioned that the training session regarding Aerosol Transmissible Diseases would be more valuable to Command Staff personnel who are writing the procedures. An overview of the training may be more suitable to the Police Risk Management Committee for the Police Chief's thoughts and approval of the training topic.

F6. Training – Sanitary Sewer Overflows and Backups: *New State water Resources Control Board Requirements and the Latest Risk Management Strategies*

Ms. Adams explained that NCCSIF has scheduled two training seminars on Sanitary Overflows and Backups by David Patzer. There will be two training sessions in Yuba City and Redding. Mr. George Silva explained that there will be many changes in the program and urges members to encourage their staff to attend.

Ms. Ehrenstrom asked that staff send a follow-up to members who have not yet responded.

G. INFORMATION ITEMS

G1. PARMA Conference at Rancho Mirage, CA on February 13 – 16, 2013

G2. NCCSIF Travel Reimbursement Form

The Information Items are provided as an update only.

G. ADJOURNMENT

The meeting was adjourned at 11:36 a.m.



Agenda Item F.1.

**QUARTERLY FINANCIAL REPORT FOR PERIOD ENDING
DECEMBER 31, 2012**

ACTION ITEM

ISSUE: The Executive Committee receives quarterly a report on the financial status of NCCSIF. James Marta & Company will present NCCSIF's Financials for Quarter ending December 31, 2012 to the Executive Committee for their review.

RECOMMENDATION: Receive and file the Quarterly Financials as presented.

FISCAL IMPACT: Unknown.

BACKGROUND: Each quarter the Executive Committee reviews the quarterly financials for accuracy and refers questions for follow-up, or receives and files the report as presented.

ATTACHMENT(S): Quarterly Financial Report for Period Ending December 31, 2012

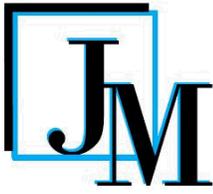
FINANCIAL REPORT

**DECEMBER 31, 2012
AND FOR THE SIX MONTHS THEN ENDED**

Northern California Cities Self Insurance Fund

Northern California Cities Self Insurance Fund
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December 31, 2012

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James Marta & Company LLP

Certified Public Accountants

Accounting, Auditing, Tax, and Consulting

ACCOUNTANT'S REPORT

Board of Directors
Northern California Cities Self Insurance Fund
701 Howe Avenue, Suite E3
Sacramento, CA 95825

We have compiled the accompanying balance sheet of Northern California Cities Self Insurance Fund as of December 31, 2012, and the related statement of revenues, expenses and changes in members' equity for the six months then ended, and the supplementary information on pages 4 through 14 are presented for purposes of additional analysis and has been compiled from information that is the representation of management. We have not audited or reviewed the accompanying financial statements and supplementary information and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements. During our compilation, we did become aware of certain departures from accounting principles generally accepted in the United States of America that are described in the following paragraph.

A statement of cash flows for the six months ended December 31, 2012 has not been presented. Accounting principles generally accepted in the United States of America require that such a statement be presented when financial statements purport to present financial position and results of operations.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the company's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to Northern California Cities Self Insurance Fund.

James Marta & Company

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
January 24, 2013

**Northern California Cities Self Insurance Fund
(Governmental Enterprise Fund)
Balance Sheet
December 31, 2012**

Assets

Current Assets	
Cash	\$ 3,084,562
Accounts Receivable	70,348
Interest Receivable	249,265
Assessments Receivable	23,640
Excess Accounts Receivable	1,133,197
Prepaid Expense	<u>1,010,086</u>
Total Current Assets	<u>5,571,098</u>
Non-Current Assets	
Investments*	<u>43,991,434</u>
Total Assets	<u>\$ 49,562,532</u>

Liabilities & Members' Equity

Current Liabilities	
Accounts Payable	\$ 44,462
Deferred Revenue	<u>3,037,781</u>
Total Current Liabilities	<u>3,082,243</u>
Non-Current Liabilities	
Outstanding Liabilities*	31,189,879
ULAE*	<u>1,627,957</u>
Total Non-Current Liabilities	<u>32,817,836</u>
Total Liabilities	<u>\$ 35,900,079</u>
Members' Equity	<u>13,662,454</u>
Liability & Members' Equity	<u>\$ 49,562,532</u>

*For internal reporting purposes, investments and claim liabilities are classified as non-current.

Northern California Cities Self Insurance Fund
(Governmental Enterprise Fund)
Statement of Revenues, Expenses and Changes in Members' Equity
For the Six Months Ended December 31, 2012

Operating Income		
Administration Deposit	\$	516,076
Banking Layer Deposit		2,670,268
Shared Risk Layer		1,597,755
Excess Deposit/Premium		701,367
Property/Crime Insurance Income		388,291
Risk Management Grants		174,207
Total Operating Income		<u>6,047,964</u>
Operating Expenses		
Claims Paid		4,919,428
O/S Liability adj.		(813,629)
ULAE		58,668
Consultants		42,646
Administration-Other		5,000
Safety Service		250,938
Claims Administration		308,749
Program Administration		166,060
Board Expenses		4,854
Excess Insurance		643,846
Property/Crime Insurance Expense		388,875
Total Operating Expenses		<u>5,975,435</u>
Operating Income (Loss)		72,529
Non-Operating Income		
Change in Fair Market Value		(334,877)
Interest Income		760,862
Total Non-Operating Income		<u>425,985</u>
Change in Members' Equity		498,515
Beginning Members' Equity		<u>13,163,939</u>
Ending Members' Equity	\$	<u>13,662,454</u>

SUPPLEMENTARY INFORMATION

Selected Information
Substantially All Disclosures Required by Generally Accepted
Accounting Principles Are Not Included

**Northern California Cities Self Insurance Fund
(Governmental Enterprise Fund)
Combining Balance Sheet - Liability
December 31, 2012**

	L Shar	L Admin	City of Anderson	City of Auburn	City of Colusa	City of Corning	City of Dixon	City of Folsom	City of Galt	City of Gridley	City of Ione
Current Assets											
Cash	\$ 96,930	\$ 55,378	\$ 10,024	\$ 12,535	\$ 16,975	\$ 15,168	\$ 12,111	\$ 17,393	\$ 19,679	\$ 13,050	\$ 14,554
Interest Receivable	46,872	11,262	1,330	4,693	913	504	956	22,628	2,706	446	(112)
Excess Accounts	565,304	-	-	-	-	-	-	-	-	-	-
Prepaid Expense	709,877	-	-	-	-	-	-	-	-	-	-
Total Current Assets	1,418,983	66,640	11,354	17,228	17,888	15,672	13,067	40,021	22,385	13,496	14,442
Non-Current Assets											
Investments*	5,076,937	398,988	139,738	156,700	36,735	19,313	181,512	1,744,423	157,897	160,552	857
Total Assets	\$ 6,495,920	\$ 465,628	\$ 151,092	\$ 173,928	\$ 54,623	\$ 34,985	\$ 194,579	\$ 1,784,444	\$ 180,282	\$ 174,048	\$ 15,299
Current Liabilities											
Accounts Payable	\$ 219	\$ 5,203	\$ 308	\$ 1,651	\$ 507	\$ 165	\$ 1,735	\$ 5,074	\$ 1,044	\$ 71	\$ 3
Deferred Revenue	1,406,903	248,613	27,025	30,604	10,540	8,296	25,200	208,159	45,238	13,015	5,712
Total Current Liabilities	1,407,122	253,816	27,333	32,255	11,047	8,461	26,935	213,233	46,282	13,086	5,715
Non-Current Liabilities											
Outstanding Liabilities*	6,016,526	-	10,926	59,422	42,727	49,799	21,937	465,222	67,754	11,092	14,638
Total Non-Current	6,016,526	-	10,926	59,422	42,727	49,799	21,937	465,222	67,754	11,092	14,638
Total Liabilities	\$ 7,423,648	\$ 253,816	\$ 38,259	\$ 91,677	\$ 53,774	\$ 58,260	\$ 48,872	\$ 678,455	\$ 114,036	\$ 24,178	\$ 20,353
Members' Equity	(927,728)	211,812	112,833	82,251	849	(23,275)	145,707	1,105,989	66,246	149,870	(5,054)
Liability & Members'	\$ 6,495,920	\$ 465,628	\$ 151,092	\$ 173,928	\$ 54,623	\$ 34,985	\$ 194,579	\$ 1,784,444	\$ 180,282	\$ 174,048	\$ 15,299

*For internal reporting purposes, investments and claim liabilities are classified as non-current.

**Northern California Cities Self Insurance Fund
(Governmental Enterprise Fund)
Combining Balance Sheet - Liability
December 31, 2012**

	City of Jackson	City of Lincoln	City of Marysville	City of Oroville	City of Paradise	City of Red Bluff	City of Rio Vista	City of Rocklin	City of Willows	City of Yuba City	Total
Current Assets											
Cash	\$ 13,068	\$ 7,318	\$ 12,536	\$ 11,607	\$ 64,953	\$ 19,128	\$ 18,009	\$ 11,738	\$ 11,667	\$ 10,571	\$ 464,392
Interest Receivable	1,443	5,059	3,478	2,476	2,193	3,955	1,404	3,314	(156)	2,320	117,684
Excess Accounts	-	-	-	-	-	-	-	-	-	-	565,304
Prepaid Expense	-	-	-	-	-	-	-	-	-	-	709,877
Total Current Assets	14,511	12,377	16,014	14,083	67,146	23,083	19,413	15,052	11,511	12,891	1,857,257
Non-Current Assets											
Investments*	50,948	358,812	195,367	154,150	68,536	166,467	54,499	572,913	90,874	574,869	10,361,087
Total Assets	\$ 65,459	\$ 371,189	\$ 211,381	\$ 168,233	\$ 135,682	\$ 189,550	\$ 73,912	\$ 587,965	\$ 102,385	\$ 587,760	\$ 12,218,344
Current Liabilities											
Accounts Payable	\$ 2,630	\$ 3,006	\$ 2,477	\$ 405	\$ 2,505	\$ 1,175	\$ 275	\$ 2,125	\$ 694	\$ 3,583	\$ 34,855
Deferred Revenue	5,652	60,133	25,418	46,397	29,176	45,629	9,641	64,259	8,578	75,221	2,399,409
Total Current Liabilities	8,282	63,139	27,895	46,802	31,681	46,804	9,916	66,384	9,272	78,804	2,434,264
Non-Current Liabilities											
Outstanding Liabilities*	94,184	162,757	51,028	26,395	183,470	87,045	40,335	210,966	38,112	216,572	7,870,907
Total Non-Current	94,184	162,757	51,028	26,395	183,470	87,045	40,335	210,966	38,112	216,572	7,870,907
Total Liabilities	\$ 102,466	\$ 225,896	\$ 78,923	\$ 73,197	\$ 215,151	\$ 133,849	\$ 50,251	\$ 277,350	\$ 47,384	\$ 295,376	\$ 10,305,171
Members' Equity	(37,007)	145,293	132,458	95,036	(79,469)	55,701	23,661	310,615	55,001	292,384	1,913,173
Liability & Members'	\$ 65,459	\$ 371,189	\$ 211,381	\$ 168,233	\$ 135,682	\$ 189,550	\$ 73,912	\$ 587,965	\$ 102,385	\$ 587,760	\$ 12,218,344

*For internal reporting purposes, investments and claim liabilities are classified as non-current.

Northern California Cities Self Insurance Fund
(Governmental Enterprise Fund)
Combining Statement of Revenues, Expenses and Changes in Members' Equity - Liability
For the Six Months Ended December 31, 2012

	L Shar	L Admin	City of Anderson	City of Auburn	City of Colusa	City of Corning	City of Dixon	City of Folsom	City of Galt	City of Gridley	City of Ione
Operating Income											
Administration Deposit	\$ -	\$ 248,613	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Banking Layer Deposit	-	-	27,025	30,604	10,540	8,296	25,200	208,159	45,238	13,015	5,712
Shared Risk Layer	618,613	-	-	-	-	-	-	-	-	-	-
Excess Deposit/Premium	400,000	-	-	-	-	-	-	-	-	-	-
Property/Crime Insurance	388,291	-	-	-	-	-	-	-	-	-	-
Total Operating Income	1,406,904	248,613	27,025	30,604	10,540	8,296	25,200	208,159	45,238	13,015	5,712
Operating Expenses											
Claims Paid	2,338,007	-	1,128	59,478	5,230	11,843	18,757	186,822	66,098	1,134	2,397
O/S Liability adj.	(1,554,647)	-	(676)	(25,943)	(2,234)	(8,446)	(4,830)	(19,664)	(57,814)	467	6,835
Consultants	-	24,083	-	-	-	-	-	-	-	-	-
Safety Service	-	136,008	-	-	-	-	-	-	-	-	-
Program Administration	-	88,249	-	-	-	-	-	-	-	-	-
Board Expenses	-	2,427	-	-	-	-	-	-	-	-	-
Excess Insurance	321,002	-	-	-	-	-	-	-	-	-	-
Property/Crime Insurance Expense	388,875	-	-	-	-	-	-	-	-	-	-
Total Operating Expense	1,493,237	250,767	452	33,535	2,996	3,397	13,927	167,158	8,284	1,601	9,232
Operating Income (Loss)	(86,333)	(2,154)	26,573	(2,931)	7,544	4,899	11,273	41,001	36,954	11,414	(3,520)
Non-Operating Income											
Change in Fair Market Value	(17,052)	(1,716)	(1,674)	(2,605)	(732)	(656)	(3,203)	(21,424)	(3,625)	(2,004)	(250)
Interest Income	40,848	3,263	3,633	5,926	1,631	1,417	6,965	46,436	7,767	4,410	518
Total Non-Operating Income	23,796	1,547	1,959	3,321	899	761	3,762	25,012	4,142	2,406	268
Change in Members' Equity	(62,537)	(607)	28,532	390	8,443	5,660	15,035	66,013	41,096	13,820	(3,252)
Beginning Members' Equity	(865,191)	212,419	84,301	81,861	(7,594)	(28,935)	130,672	1,039,976	25,150	136,050	(1,802)
Ending Members' Equity	\$ (927,728)	\$ 211,812	\$ 112,833	\$ 82,251	\$ 849	\$ (23,275)	\$ 145,707	\$ 1,105,989	\$ 66,246	\$ 149,870	\$ (5,054)

See Accompanying Accountant's Report

Northern California Cities Self Insurance Fund
(Governmental Enterprise Fund)
Combining Statement of Revenues, Expenses and Changes in Members' Equity - Liability
For the Six Months Ended December 31, 2012

	City of Jackson	City of Lincoln	City of Marysville	City of Oroville	City of Paradise	City of Red Bluff	City of Rio Vista	City of Rocklin	City of Willows	City of Yuba City	Total
Operating Income											
Administration Deposit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 248,613
Banking Layer Deposit	5,652	60,133	25,418	46,397	29,176	45,629	9,641	64,259	8,578	75,221	743,893
Shared Risk Layer	-	-	-	-	-	-	-	-	-	-	618,613
Excess Deposit/Premium	-	-	-	-	-	-	-	-	-	-	400,000
Property/Crime Insurance	-	-	-	-	-	-	-	-	-	-	388,291
Total Operating Income	5,652	60,133	25,418	46,397	29,176	45,629	9,641	64,259	8,578	75,221	2,399,410
Operating Expenses											
Claims Paid	37,905	70,011	67,874	25,514	62,467	50,469	6,780	26,863	3,817	96,877	3,139,471
O/S Liability adj.	42,742	(16,212)	(28,917)	(24,036)	36,089	(32,239)	(4,601)	82,544	27,034	(69,463)	(1,654,011)
Consultants	-	-	-	-	-	-	-	-	-	-	24,083
Safety Service	-	-	-	-	-	-	-	-	-	-	136,008
Program Administration	-	-	-	-	-	-	-	-	-	-	88,249
Board Expenses	-	-	-	-	-	-	-	-	-	-	2,427
Excess Insurance	-	-	-	-	-	-	-	-	-	-	321,002
Property/Crime Insurance Expense	-	-	-	-	-	-	-	-	-	-	388,875
Total Operating Expense	80,647	53,799	38,957	1,478	98,556	18,230	2,179	109,407	30,851	27,414	2,446,104
Operating Income (Loss)	(74,995)	6,334	(13,539)	44,919	(69,380)	27,399	7,462	(45,148)	(22,273)	47,807	(46,694)
Non-Operating Income											
Change in Fair Market Value	(1,258)	(3,294)	(3,198)	(2,448)	(3,278)	(3,058)	(1,518)	(7,653)	(1,344)	(6,517)	(88,507)
Interest Income	2,809	7,190	7,262	5,254	6,988	6,722	3,735	17,167	3,019	14,726	197,686
Total Non-Operating Income	1,551	3,896	4,064	2,806	3,710	3,664	2,217	9,514	1,675	8,209	109,179
Change in Members' Equity	(73,444)	10,230	(9,475)	47,725	(65,670)	31,063	9,679	(35,634)	(20,598)	56,016	62,485
Beginning Members' Equity	36,437	135,063	141,933	47,311	(13,799)	24,638	13,982	346,249	75,599	236,368	1,850,688
Ending Members' Equity	\$ (37,007)	\$ 145,293	\$ 132,458	\$ 95,036	\$ (79,469)	\$ 55,701	\$ 23,661	\$ 310,615	\$ 55,001	\$ 292,384	\$ 1,913,173

**Northern California Cities Self Insurance Fund
(Governmental Enterprise Fund)
Combining Balance Sheet – Workers’ Compensation
December 31, 2012**

	WC Shar	WC Admin	City of Anderson	City of Auburn	City of Colusa	City of Corning	City of Dixon	City of Folsom	City of Galt	City of Gridley	City of Ione	City of Jackson
Current Assets												
Cash	\$ 97,384	\$ 88,917	\$ 103,649	\$ 58,564	\$ 52,006	\$ 106,629	\$ 189,984	\$ 156,000	\$ 138,551	\$ 38,937	\$ 33,327	\$ 42,148
Accounts Receivable	27,037	9,378	-	-	-	-	-	-	-	-	-	-
Interest Receivable	(5,153)	7,279	2,351	3,212	4,638	2,939	4,221	42,662	10,323	2,764	(185)	217
Assessments Receivable	-	-	-	-	-	-	-	-	-	-	-	-
Excess Accounts	567,893	-	-	-	-	-	-	-	-	-	-	-
Prepaid Expense	300,209	-	-	-	-	-	-	-	-	-	-	-
Total Current Assets	987,370	105,574	106,000	61,776	56,644	109,568	194,205	198,662	148,874	41,701	33,142	42,365
Non-Current Assets												
Investments*	17,357,087	592,382	272,998	587,225	119,801	53,175	693,282	5,030,233	818,578	465,347	34,665	273,403
Total Assets	\$ 18,344,457	\$ 697,956	\$ 378,998	\$ 649,001	\$ 176,445	\$ 162,743	\$ 887,487	\$ 5,228,895	\$ 967,452	\$ 507,048	\$ 67,807	\$ 315,768
Current Liabilities												
Accounts Payable	\$ 1,383	\$ 6,230	\$ 43	\$ 77	\$ 20	\$ 14	\$ 83	\$ 569	\$ 93	\$ 57	\$ 5	\$ 35
Deferred Revenue	273,106	-	-	41,498	3,465	-	-	-	-	-	-	7,416
Total Current Liabilities	274,489	6,230	43	41,575	3,485	14	83	569	93	57	5	7,451
Non-Current Liabilities												
Outstanding Liabilities*	12,859,698	-	253,188	499,884	113,552	163,366	501,935	2,642,084	683,401	121,283	5,237	151,585
ULAE*	897,769	-	17,676	34,898	7,927	11,405	35,041	184,451	47,710	8,467	366	10,583
Total Non-Current	13,757,467	-	270,864	534,782	121,479	174,771	536,976	2,826,535	731,111	129,750	5,603	162,168
Total Liabilities	\$ 14,031,956	\$ 6,230	\$ 270,907	\$ 576,357	\$ 124,964	\$ 174,785	\$ 537,059	\$ 2,827,104	\$ 731,204	\$ 129,807	\$ 5,608	\$ 169,619
Members' Equity	4,312,501	691,726	108,091	72,644	51,481	(12,042)	350,428	2,401,791	236,248	377,241	62,199	146,149
Liability & Members'	\$ 18,344,457	\$ 697,956	\$ 378,998	\$ 649,001	\$ 176,445	\$ 162,743	\$ 887,487	\$ 5,228,895	\$ 967,452	\$ 507,048	\$ 67,807	\$ 315,768

*For internal reporting purposes, investments and claim liabilities are classified as non-current.

**Northern California Cities Self Insurance Fund
(Governmental Enterprise Fund)
Combining Balance Sheet – Workers’ Compensation
December 31, 2012**

	City of Lincoln	City of Marysville	City of Nevada City	City of Oroville	City of Paradise	City of Placerville	City of Red Bluff	City of Rio Vista	City of Rocklin	City of Willows	City of Yuba City	Total
Current Assets												
Cash	\$ 159,505	\$ 117,805	\$ 101,470	\$ 171,471	\$ 50,048	\$ 284,773	\$ 187,380	\$ 68,110	\$ 112,221	\$ 124,090	\$ 137,201	\$ 2,620,170
Accounts Receivable	-	-	-	-	-	-	-	-	-	-	33,933	70,348
Interest Receivable	871	922	1,394	14,311	8,171	8,360	(688)	1,275	7,543	2,782	11,372	131,581
Assessments Receivable	-	-	-	-	-	23,640	-	-	-	-	-	23,640
Excess Accounts	-	-	-	-	-	-	-	-	-	-	-	567,893
Prepaid Expense	-	-	-	-	-	-	-	-	-	-	-	300,209
Total Current Assets	160,376	118,727	102,864	185,782	58,219	316,773	186,692	69,385	119,764	126,872	182,506	3,713,841
Non-Current Assets												
Investments*	453,952	727,563	170,136	414,796	823,435	430,833	483,798	430,027	1,890,351	204,829	1,302,451	33,630,347
Total Assets	\$ 614,328	\$ 846,290	\$ 273,000	\$ 600,578	\$ 881,654	\$ 747,606	\$ 670,490	\$ 499,412	\$ 2,010,115	\$ 331,701	\$ 1,484,957	\$ 37,344,188
Current Liabilities												
Accounts Payable	\$ 87	\$ 94	\$ 21	\$ 72	\$ 91	\$ 52	\$ 86	\$ 53	\$ 213	\$ 40	\$ 189	\$ 9,607
Deferred Revenue	-	18,751	-	-	-	-	6,222	48,763	144,861	19,617	74,673	638,372
Total Current Liabilities	87	18,845	21	72	91	52	6,308	48,816	145,074	19,657	74,862	647,979
Non-Current Liabilities												
Outstanding Liabilities*	523,844	573,339	156,053	337,537	618,244	488,797	560,120	95,337	657,885	205,308	1,107,295	23,318,972
ULAE*	36,571	40,026	10,894	23,564	43,161	34,124	39,103	6,656	45,929	14,333	77,303	1,627,957
Total Non-Current	560,415	613,365	166,947	361,101	661,405	522,921	599,223	101,993	703,814	219,641	1,184,598	24,946,929
Total Liabilities	\$ 560,502	\$ 632,210	\$ 166,968	\$ 361,173	\$ 661,496	\$ 522,973	\$ 605,531	\$ 150,809	\$ 848,888	\$ 239,298	\$ 1,259,460	\$ 25,594,908
Members' Equity	53,826	214,080	106,032	239,405	220,158	224,633	64,959	348,603	1,161,227	92,403	225,498	11,749,281
Liability & Members'	\$ 614,328	\$ 846,290	\$ 273,000	\$ 600,578	\$ 881,654	\$ 747,606	\$ 670,490	\$ 499,412	\$ 2,010,115	\$ 331,701	\$ 1,484,957	\$ 37,344,188

*For internal reporting purposes, investments and claim liabilities are classified as non-current.

Northern California Cities Self Insurance Fund
(Governmental Enterprise Fund)
Combining Statement of Revenues, Expenses and Changes in Members' Equity - Workers' Compensation
For the Six Months Ended December 31, 2012

	WC Shar	WC Admin	City of Anderson	City of Auburn	City of Colusa	City of Corning	City of Dixon	City of Folsom	City of Galt	City of Gridley	City of Ione	City of Jackson
Operating Income												
Administration Deposit	\$ -	\$ 267,463	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Banking Layer Deposit	-	-	54,818	44,854	17,694	36,089	132,323	477,872	105,914	27,171	14,614	36,906
Shared Risk Layer	979,142	-	-	-	-	-	-	-	-	-	-	-
Excess Deposit/Premium	301,367	-	-	-	-	-	-	-	-	-	-	-
Shared Risk Layer	22,635	-	610	(916)	47	(1,304)	371	(8,279)	3,455	(2,137)	(368)	(1,382)
Risk Management Grants	-	174,207	-	-	-	-	-	-	-	-	-	-
Total Operating Income	1,303,144	441,670	55,428	43,938	17,741	34,785	132,694	469,593	109,369	25,034	14,246	35,524
Operating Expenses												
Claims Paid	249,718	-	58,623	61,014	29,862	30,708	41,657	225,707	95,235	11,029	294	27,975
O/S Liability adj.	583,680	-	(22,385)	118,038	1,807	(5,584)	(7,372)	41,332	7,004	46,954	(637)	12,795
ULAE	40,748	-	(1,563)	8,241	126	(390)	(515)	2,885	489	3,278	(44)	893
Consultants	-	18,563	-	-	-	-	-	-	-	-	-	-
Administration-Other	-	5,000	-	-	-	-	-	-	-	-	-	-
Safety Service	48,500	66,430	-	-	-	-	-	-	-	-	-	-
Claims Administration	-	49,250	7,190	6,040	4,148	5,672	13,081	62,262	14,507	3,540	148	3,705
Program Administration	-	77,811	-	-	-	-	-	-	-	-	-	-
Board Expenses	-	2,427	-	-	-	-	-	-	-	-	-	-
Excess Insurance	322,844	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses	1,245,490	219,481	41,865	193,333	35,943	30,406	46,851	332,186	117,235	64,801	(239)	45,368
Operating Income (Loss)	57,654	222,189	13,563	(149,395)	(18,202)	4,379	85,843	137,407	(7,866)	(39,767)	14,485	(9,844)
Non-Operating Income												
Change in Fair Market Value	(95,681)	(3,521)	(3,300)	(5,444)	(1,495)	(1,167)	(6,210)	(42,566)	(7,141)	(4,114)	(448)	(2,526)
Interest Income	224,979	8,954	7,393	12,392	3,376	2,758	14,066	94,774	15,786	9,148	1,006	5,764
Total Non-Operating Income	129,298	5,433	4,093	6,948	1,881	1,591	7,856	52,208	8,645	5,034	558	3,238
Change in Members' Equity	186,952	227,622	17,656	(142,447)	(16,321)	5,970	93,699	189,615	779	(34,733)	15,043	(6,606)
Beginning Members' Equity	4,125,549	464,104	90,435	215,091	67,802	(18,012)	256,729	2,212,176	235,469	411,974	47,156	152,755
Ending Members' Equity	\$ 4,312,501	\$ 691,726	\$ 108,091	\$ 72,644	\$ 51,481	\$ (12,042)	\$ 350,428	\$ 2,401,791	\$ 236,248	\$ 377,241	\$ 62,199	\$ 146,149

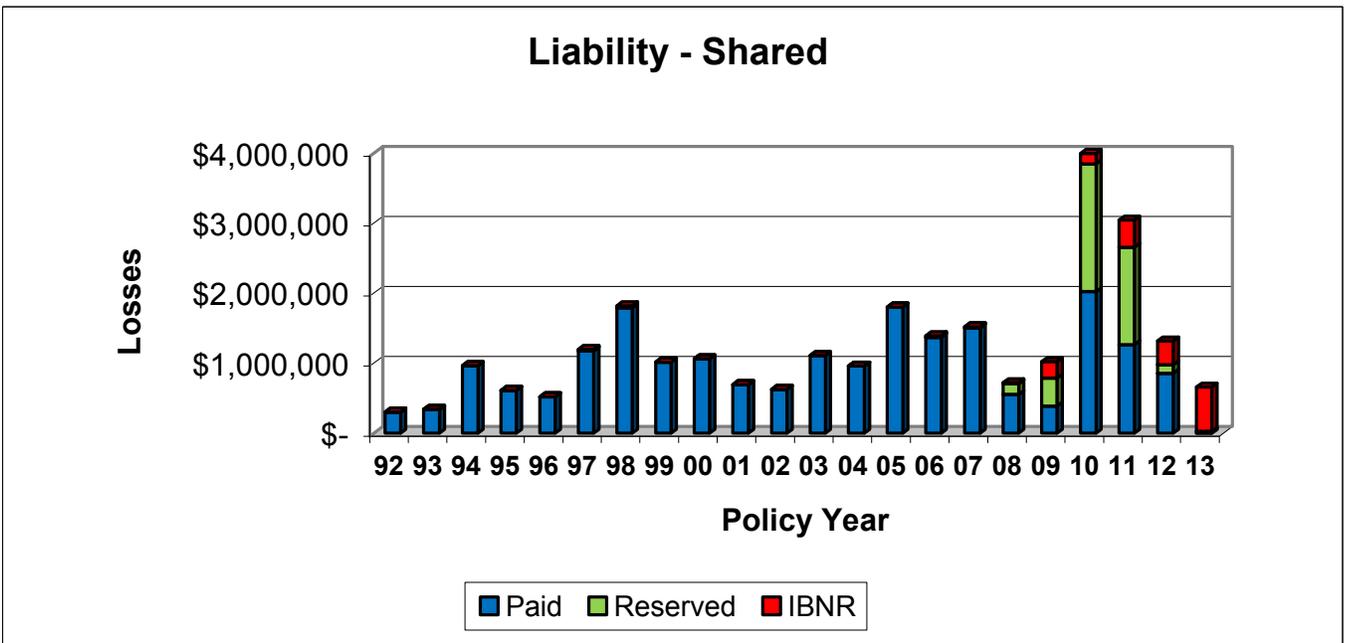
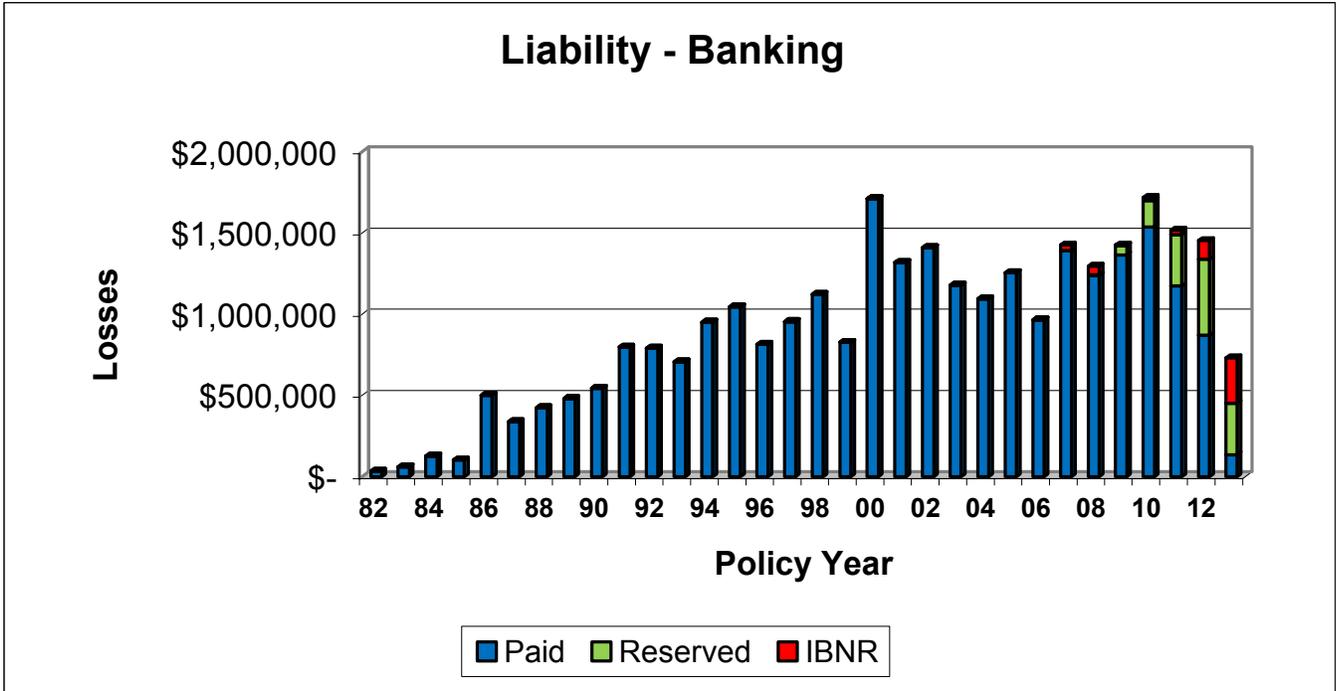
Northern California Cities Self Insurance Fund
(Governmental Enterprise Fund)
Combining Statement of Revenues, Expenses and Changes in Members' Equity - Workers' Compensation
For the Six Months Ended December 31, 2012

	City of Lincoln	City of Marysville	City of Nevada City	City of Oroville	City of Paradise	City of Placerville	City of Red Bluff	City of Rio Vista	City of Rocklin	City of Willows	City of Yuba City	Total
Operating Income												
Administration Deposit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 267,463
Banking Layer Deposit	82,266	71,580	41,767	89,429	118,054	96,273	95,781	20,286	194,058	26,088	142,538	1,926,375
Shared Risk Layer	-	-	-	-	-	-	-	-	-	-	-	979,142
Excess Deposit/Premium	-	-	-	-	-	-	-	-	-	-	-	301,367
Shared Risk Layer	5,208	(764)	(471)	(3,370)	1,984	390	616	(1,321)	(9,553)	238	(5,689)	-
Risk Management Grants	-	-	-	-	-	-	-	-	-	-	-	174,207
Total Operating Income	87,474	70,816	41,296	86,059	120,038	96,663	96,397	18,965	184,505	26,326	136,849	3,648,554
Operating Expenses												
Claims Paid	126,899	43,834	11,473	86,890	93,770	(9,799)	233,396	11,969	61,045	44,759	243,899	1,779,957
O/S Liability adj.	(63,099)	42,018	40,303	(69,894)	450	53,172	(15,252)	(7,365)	19,164	10,817	54,436	840,382
ULAE	(4,405)	2,933	2,814	(4,879)	31	3,712	(1,065)	(514)	1,338	755	3,800	58,668
Consultants	-	-	-	-	-	-	-	-	-	-	-	18,563
Administration-Other	-	-	-	-	-	-	-	-	-	-	-	5,000
Safety Service	-	-	-	-	-	-	-	-	-	-	-	114,930
Claims Administration	10,991	11,739	4,981	12,320	16,772	10,353	16,613	4,306	17,656	6,253	27,222	308,749
Program Administration	-	-	-	-	-	-	-	-	-	-	-	77,811
Board Expenses	-	-	-	-	-	-	-	-	-	-	-	2,427
Excess Insurance	-	-	-	-	-	-	-	-	-	-	-	322,844
Total Operating Expenses	70,386	100,524	59,571	24,437	111,023	57,438	233,692	8,396	99,203	62,584	329,357	3,529,331
Operating Income (Loss)	17,088	(29,708)	(18,275)	61,622	9,015	39,225	(137,295)	10,569	85,302	(36,258)	(192,508)	119,223
Non-Operating Income												
Change in Fair Market	(6,653)	(6,628)	(1,531)	(5,270)	(6,722)	(4,026)	(6,555)	(3,305)	(15,437)	(2,857)	(13,773)	(246,370)
Interest Income	14,790	15,119	3,473	11,139	14,452	9,044	14,209	7,946	35,320	6,358	30,931	563,177
Total Non-Operating Income	8,137	8,491	1,942	5,869	7,730	5,018	7,654	4,641	19,883	3,501	17,158	316,807
Change in Members' Equity	25,225	(21,217)	(16,333)	67,491	16,745	44,243	(129,641)	15,210	105,185	(32,757)	(175,351)	436,030
Beginning Members' Equity	28,601	235,297	122,365	171,914	203,413	180,390	194,600	333,393	1,056,042	125,160	400,848	11,313,251
Ending Members' Equity	\$ 53,826	\$ 214,080	\$ 106,032	\$ 239,405	\$ 220,158	\$ 224,633	\$ 64,959	\$ 348,603	\$ 1,161,227	\$ 92,403	\$ 225,498	\$ 11,749,281

**Northern California Cities Self Insurance Fund
(Governmental Enterprise Fund)
Reconciliation of Claims Liability by Program as of
December 31, 2012**

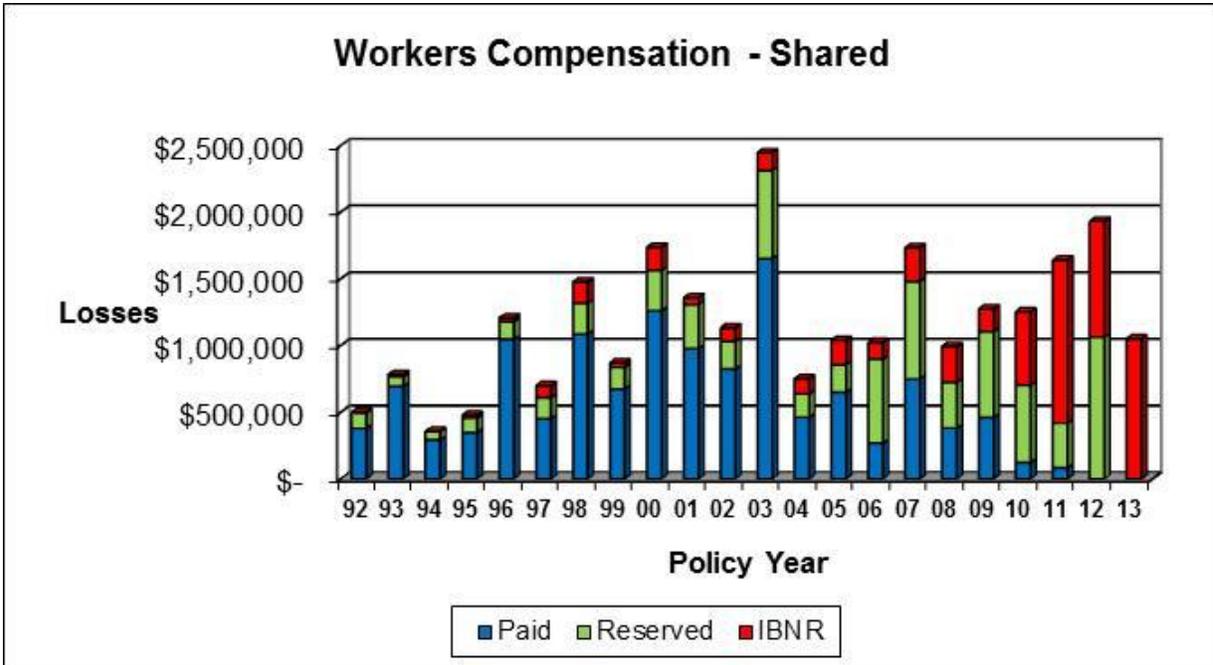
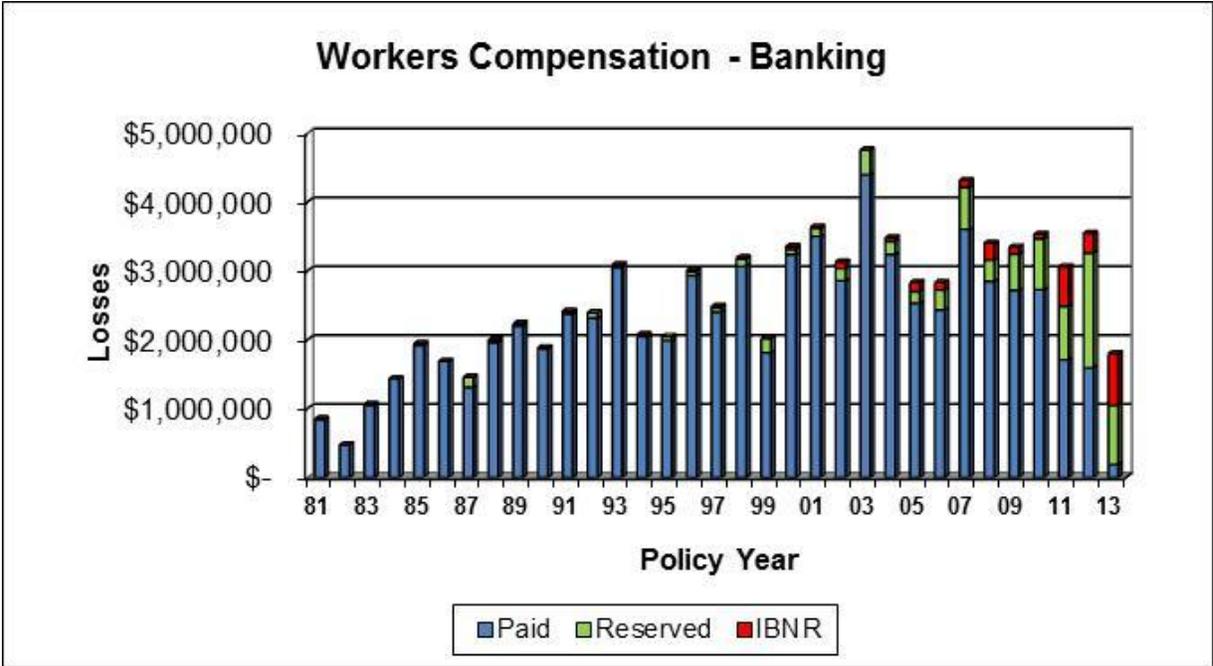
	Liability Banking 2013	Liability Shared Risk 2013	Total Liability Program		WC Banking 2013	WC Shared Risk 2013	Total WC Program		Totals	
			2013	2012			2013	2012	2013	2012
Unpaid claims and claim adjustment expenses at beginning of the fiscal year	1,953,744	7,571,173	9,524,918	6,611,383	10,914,842	13,133,039	24,047,880	23,214,284	33,572,798	29,825,666
Incurred claims and claim adjustment expenses:										
Provision for insured events of the current fiscal year	731,030	657,395	1,388,425	2,721,521	1,796,843	1,050,032	2,846,875	5,411,068	4,235,300	8,132,589
Increases (Decreases) in provision for insured events of prior fiscal years	(28,930)	125,903	96,973	3,619,779	(9,905)	(216,571)	(226,476)	(836,058)	(129,503)	2,783,720
Change in provision for ULAE in current year	-	-	-	-	17,921	40,748	58,669	54,398	58,669	54,398
Total incurred claims and claim adjustment expenses	<u>702,100</u>	<u>783,298</u>	<u>1,485,398</u>	<u>6,341,300</u>	<u>1,804,859</u>	<u>874,209</u>	<u>2,679,068</u>	<u>4,629,408</u>	<u>4,164,466</u>	<u>10,970,707</u>
Payments:										
Claims and claim adjustment expenses attributable to insured events of the current fiscal year	135,282	-	135,282	502,013	190,155	-	190,155	777,346	325,437	1,279,359
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	666,183	2,337,945	3,004,128	2,925,752	1,340,081	249,781	1,589,862	3,018,465	4,593,990	5,944,217
Total Payments	<u>801,465</u>	<u>2,337,945</u>	<u>3,139,410</u>	<u>3,427,765</u>	<u>1,530,236</u>	<u>249,781</u>	<u>1,780,017</u>	<u>3,795,811</u>	<u>4,919,427</u>	<u>7,223,576</u>
Total unpaid claims and claim adjustment expenses at end of the fiscal year	<u>1,854,379</u>	<u>6,016,526</u>	<u>7,870,906</u>	<u>9,524,918</u>	<u>11,189,464</u>	<u>13,757,467</u>	<u>24,946,931</u>	<u>24,047,880</u>	<u>32,817,837</u>	<u>33,572,798</u>
Claims Liability	1,854,379	6,016,526	7,870,906	9,524,918	10,459,275	12,859,698	23,318,973	22,478,591	31,189,878	32,003,509
Claims ULAE	-	-	-	-	730,189	897,769	1,627,959	1,569,289	1,627,959	1,569,289
Total Claim Liabilities	<u>1,854,379</u>	<u>6,016,526</u>	<u>7,870,906</u>	<u>9,524,918</u>	<u>11,189,464</u>	<u>13,757,467</u>	<u>24,946,931</u>	<u>24,047,880</u>	<u>32,817,837</u>	<u>33,572,798</u>

Northern California Cities Self Insurance Fund
Graphical Summary of Claims as of
December 31, 2012



See Accompanying Accountant's Report

**Northern California Cities Self Insurance Fund
Graphical Summary of Claims as of
December 31, 2012**



See Accompanying Accountant's Report



Agenda Item F.2.

BUDGET TO ACTUAL AS OF DECEMBER 31, 2012

INFORMATION ITEM

ISSUE: Members have asked that this item is reviewed at each meeting to provide staff with an opportunity to discuss any items pertaining to the budget and update members on the status of the current budget to actual to ensure that NCCSIF is on track.

RECOMMENDATION: None. NCCSIF is currently on track with the 2012/13 Budget to date.

FISCAL IMPACT: None.

BACKGROUND: The Budget to Actual is prepared by NCCSIF's accountant on a quarterly basis.

ATTACHMENT(S): Budget to Actual as of December 31, 2012.

NCCSIF
Budget to Actual Report with Historical Data
Fiscal Year 2012-2013
As of December 31, 2012

	Budget 2012-2013			YTD Expended 2012-2013			Remaining 2012-2013		
	Total	WC	Liab	Total	WC	Liab	Total	WC	Liab
ADMIN BUDGET									
Administrative Revenue									
41010 Administrative Deposit	\$ 1,032,150	\$ 534,925	\$ 497,225	\$ 516,076	\$ 267,463	\$ 248,613	\$ 516,074	\$ 267,462	\$ 248,612
44030 Change in Fair Value	-	-	-	(5,237)	(3,521)	(1,716)	5,237	3,521	1,716
44040 Interest Income	-	-	-	12,282	9,000	3,282	(12,282)	(9,000)	(3,282)
44080 Risk Management Grants	-	-	-	174,207	174,207	-	(174,207)	(174,207)	-
Total Admin Revenue	\$ 1,032,150	\$ 534,925	\$ 497,225	\$ 697,328	\$ 447,149	\$ 250,179	\$ 334,822	\$ 87,776	\$ 247,046
Administrative Expenses									
52101 Claims Audit	\$ -	\$ -	\$ -	\$ 5,520	\$ -	\$ 5,520	\$ (5,520)	\$ -	\$ (5,520)
52102 Financial Audit	25,500	12,750	12,750	25,300	12,650	12,650	200	100	100
52103 Legal Services	10,000	5,000	5,000	11,199	5,600	5,600	(1,199)	(600)	(600)
52104 Actuarial Services	10,000	4,000	6,000	-	-	-	10,000	4,000	6,000
52105 Computer Services	-	-	-	-	-	-	-	-	-
52106 JPA Accreditation	-	-	-	-	-	-	-	-	-
52107 Fidelity Bonds	2,000	1,000	1,000	626	313	313	1,374	687	687
52109 Miscellaneous Consultants	5,000	2,500	2,500	-	-	-	5,000	2,500	2,500
XXXXX Errors & Omissions	-	-	-	-	-	-	-	-	-
Total Admin Expenses	\$ 52,500	\$ 25,250	\$ 27,250	\$ 42,646	\$ 18,563	\$ 24,083	\$ 9,855	\$ 6,687	\$ 3,167
Safety Services									
52200 Safety Service	\$ 40,000	\$ 40,000	\$ -	\$ 15,194	\$ 14,444	\$ 750	\$ 24,806	\$ 25,556	\$ (750)
52201 Risk Mgmt Comm Services	30,000	15,000	15,000	8,885	4,443	4,443	21,115	10,557	10,557
52202 Risk Mgmt Comm Mtg Expense	1,000	500	500	-	-	-	1,000	500	500
52203 Police Risk Mgmt Comm Svcs	5,000	2,500	2,500	1,500	750	750	3,500	1,750	1,750
52204 On Site	115,000	60,000	55,000	52,470	26,235	26,235	62,530	33,765	28,765
XXXXX Yuba City On Site	-	-	-	-	-	-	-	-	-
52205 Hot Line	-	-	-	-	-	-	-	-	-
52206 Safety Library	-	-	-	-	-	-	-	-	-
52207 Seminars and PARMA	63,200	23,200	40,000	3,956	1,444	2,512	59,244	21,756	37,488
52208 Police Risk Mgmt Manual	100,000	-	100,000	92,650	-	92,650	7,350	-	7,350
52209 Safety Contingency	-	-	-	-	-	-	-	-	-
52210 Process Safety Mgmt Program	-	-	-	-	-	-	-	-	-
52211 Website Development	-	-	-	-	-	-	-	-	-
XXXXX TargetSolutions Fire Training Module	38,000	-	38,000	-	-	-	-	-	-
52212 Safety Service - Other do not use	-	-	-	-	-	-	-	-	-
52214 OCCUMED	23,000	23,000	-	8,500	8,500	-	14,500	14,500	-
52215 Online Risk Management Services	20,000	10,000	10,000	14,837	7,168	7,668	5,163	2,832	2,332
52216 Backsafe	-	-	-	3,446	3,446	-	(3,446)	(3,446)	-
52217 Wellness Optional	12,100	12,100	-	-	-	-	12,100	12,100	-
Total Safety Services Expenses	\$ 447,300	\$ 186,300	\$ 261,000	\$ 201,438	\$ 66,430	\$ 135,008	\$ 207,862	\$ 119,870	\$ 87,992
Claims Administration									
52302 Claims Administration Fee	\$ 49,250	\$ 28,350	\$ 20,900	\$ 49,250	\$ 49,250	\$ -	\$ -	\$ (20,900)	\$ 20,900
52303 Fraud Hotline	-	-	-	-	-	-	-	-	-
52305 MPN Services	12,000	12,000	-	6,000	5,000	1,000	6,000	7,000	(1,000)
52304 State Funding/Fraud Assessment	120,000	120,000	-	-	-	-	120,000	120,000	-
Total Claims Admin Expenses	\$ 181,250	\$ 160,350	\$ 20,900	\$ 55,250	\$ 54,250	\$ 1,000	\$ 126,000	\$ 106,100	\$ 19,900
Program Administration									
52401 Program Administration Fee	\$ 270,000	\$ 122,475	\$ 147,525	\$ 135,000	\$ 62,281	\$ 72,719	\$ 135,000	\$ 60,194	\$ 74,806

	Budget			YTD Expended			Remaining		
	2012-2013			2012-2013			2012-2013		
52403 Accounting Services	62,100	31,050	31,050	31,060	15,530	15,530	31,040	15,520	15,520
Total Program Admin Expenses	\$ 332,100	\$ 153,525	\$ 178,575	\$ 166,060	\$ 77,811	\$ 88,249	\$ 166,040	\$ 75,714	\$ 90,326
Board Expenses									
52501 Executive Committee	\$ 2,000	\$ 1,000	\$ 1,000	\$ 2,166	\$ 1,083	\$ 1,083	\$ (166)	\$ (83)	\$ (83)
52502 Executive Committee Member Travel	5,000	2,500	2,500	270	135	135	4,730	2,365	2,365
52503 Board of Directors Meetings (includes Tr	6,000	3,000	3,000	2,418	1,209	1,209	3,582	1,791	1,791
XXXXX Board of Directors Long Range Planning	-	-	-	-	-	-	-	-	-
52504 Association Memberships	6,000	3,000	3,000	-	-	-	6,000	3,000	3,000
Total Board Expenses	\$ 19,000	\$ 9,500	\$ 9,500	\$ 4,854	\$ 2,427	\$ 2,427	\$ 14,146	\$ 7,073	\$ 7,073
Other Administration Expenses - Not identified with above budget line items									
52000 Administrative Expense	-	-	-	-	-	-	-	-	-
52001 Administration Expense - Other	-	-	-	-	-	-	-	-	-
Total Other Admin	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contingency Reserves	-	-	-	-	-	-	-	-	-
Total Admin Expenses	\$ 1,032,150	\$ 534,925	\$ 497,225	\$ 470,248	\$ 219,481	\$ 250,767	\$ 523,903	\$ 315,444	\$ 208,458
TOTAL ADMIN REVENUE OVER EXPENSES	\$ -	\$ -	\$ -	\$ 227,080	\$ 227,668	\$ (588)	\$ (189,081)	\$ (227,668)	\$ 38,588
BANKING LAYER BUDGET									
Banking Layer Revenue									
41020 Banking Layer Deposit	\$ 5,349,790	\$ 3,862,019	\$ 1,487,771	\$ 2,670,258	\$ 1,926,370	\$ 743,888	\$ 2,679,532	\$ 1,935,649	\$ 743,883
41050 Banking Layer Refund	-	-	-	-	-	-	-	-	-
43010 Banking Layer Assessment	-	-	-	-	-	-	-	-	-
41060 Liab Shared Risk Layer Transfer	-	-	-	-	-	-	-	-	-
44020 CJPRMA Refund Transfer	(304,007)	-	(304,007)	-	-	-	(304,007)	-	(304,007)
44030 Change in Fair Value	-	-	-	(216,907)	(147,168)	(69,739)	216,907	147,168	69,739
44040 Interest Income	-	-	-	485,782	331,245	154,537	(485,782)	(331,245)	(154,537)
44010 Other Income	-	-	-	10,517	5,365	5,152	(10,517.00)	(5,365.00)	(5,152.00)
Total Banking Layer Revenue	\$ 5,045,783	\$ 3,862,019	\$ 1,183,764	\$ 2,949,650	\$ 2,115,812	\$ 833,838	\$ 2,096,133	\$ 1,746,207	\$ 349,926
Banking Layer Expenses									
51100 Claims Paid*	\$ 4,547,000	\$ 3,638,000	\$ 909,000	\$ 7,015,452	\$ 4,785,948	\$ 2,229,504	\$ (2,468,452)	\$ (1,147,948)	\$ (1,320,504)
51110 Claims Refunds*	-	-	-	(2,020)	(2,020)	-	2,020	2,020	-
51000 Claims Adjusting Fee*	924,000	519,000	405,000	-	-	-	924,000	519,000	405,000
43030 Banking Layer Refund	-	-	-	-	-	-	-	-	-
51050 Voids - claims*	-	-	-	(22,017)	(22,017)	-	22,017	22,017	-
51115 Claims Subrogation/Recoveries*	-	-	-	(63,570)	(63,570)	-	63,570	63,570	-
51130 Claims Investigation Liab and WC*	-	-	-	-	-	-	-	-	-
51135 Claims Admin - Liability	-	-	-	218,759	-	218,759	(218,759)	-	(218,759)
51140 Claims Excess Adj*	-	-	-	(76,897)	(76,897)	-	76,897	76,897	-
51400 OS Liability Adjustment*	-	-	-	(1,432,327)	840,382	(2,272,709)	1,432,327	(840,382)	2,272,709
51800 ULAE Adjustment*	-	-	-	58,669	58,669	-	(58,669)	(58,669)	-
52300 Claims Admin - Monthly WC Only	-	-	-	259,500	259,500	-	(259,500)	(259,500)	-
Total Banking Layer Expenses	\$ 5,471,000	\$ 4,157,000	\$ 1,314,000	\$ 5,955,549	\$ 5,779,995	\$ 175,554	\$ (484,549)	\$ (1,622,995)	\$ 1,138,446
TOTAL BANKING REVENUE OVER EXPENSES	\$ (425,217)	\$ (294,981)	\$ (130,236)	\$ (3,005,899)	\$ (3,664,183)	\$ 658,284	\$ 2,580,682	\$ 3,369,202	\$ (788,520)
SHARED RISK LAYER BUDGET									
Shared Layer Revenue									
41030 Shared Risk Layer Deposit	\$ 3,195,508	\$ 1,958,283	\$ 1,237,225	\$ 1,597,755	\$ 979,142	\$ 618,613	\$ 1,597,753	\$ 979,141	\$ 618,612
41040 OS Liability Adjustment	1,402,733	602,733	800,000	701,367	301,367	400,000	701,366	301,366	400,000
41060 Shared Risk Refund	-	-	-	-	-	-	-	-	-
42000 CJPRMA / Shared Risk Admin	-	-	-	-	-	-	-	-	-
43020 Shared Risk Layer Assessment/Refund	-	-	-	-	-	-	-	-	-

	Budget 2012-2013			YTD Expended 2012-2013			Remaining 2012-2013		
XXXXX CJPRMA Refund	-	-	-	-	-	-	-	-	-
44030 Change in Fair Value	-	-	-	(112,733)	(95,681)	(17,052)	112,733	95,681	17,052
44040 Interest Income	-	-	-	267,429	226,363	41,066	(267,429)	(226,363)	(41,066)
44060 Property Premium	755,883	-	755,883	377,942	-	377,942	377,941	-	377,941
44070 Crime Premium	20,698	-	20,698	10,349	-	10,349	10,349	-	10,349
Total Shared Layer Revenue	\$ 5,374,822	\$ 2,561,016	\$ 2,813,806	\$ 2,842,109	\$ 1,411,191	\$ 1,430,918	\$ 2,532,713	\$ 1,149,825	\$ 1,382,888
Shared Layer Expenses									
51100 Claims Paid*	\$ 3,414,000	\$ 2,100,000	\$ 1,314,000	\$ (2,150,280)	\$ (2,841,489)	\$ 691,209	\$ 5,564,280	\$ 4,941,489	\$ 622,791
52401 CJPRMA/Shared Risk Layer Admin	-	-	-	-	-	-	-	-	-
54100 Excess Deposit/Premium Exp	1,402,733	602,733	800,000	643,846	322,844	321,002	758,887	279,889	478,998
54200 Safety Grant Fund	250,000	250,000	-	48,500	48,500	0	201,500	201,500	-
54150 Member Property Coverage	755,883	-	755,883	388,875	-	388,875	367,008	-	367,008
54150 Member Crime Coverage	20,030	-	20,030	-	-	-	20,030	-	20,030
43020 Shared Risk Layer Refund*	-	-	-	-	-	-	-	-	-
Total Shared Layer Expenses	\$ 5,842,646	\$ 2,952,733	\$ 2,889,913	\$ (1,069,059)	\$ (2,470,145)	\$ 1,401,086	\$ 6,911,705	\$ 5,422,878	\$ 1,488,827
TOTAL SHARED REVENUE OVER EXPENSES	\$ (467,824)	\$ (391,717)	\$ (76,107)	\$ 3,911,168	\$ 3,881,336	\$ 29,832	\$ (4,378,992)	\$ (4,273,053)	\$ (105,939)
OTHER INCOME/(EXPENSE)									
Rounding	-	-	-	(15)	(5)	(10)	-	-	-
Total Other Income/(Expense)	\$ -	\$ -	\$ -	\$ (15)	\$ (5)	\$ (10)	\$ -	\$ -	\$ -
TOTAL INCOME/(EXPENSE)	(893,041)	(686,698)	(206,343)	1,132,334	444,816	687,518	(1,987,391)	(1,131,519)	(855,871)



Agenda Item G.1.

**INTRODUCTION OF 2013 EXECUTIVE COMMITTEE
 AND REVIEW OF RESPONSIBILITIES**

INFORMATION ITEM

ISSUE: Following the Board of Directors’ approval of the slate for the 2013 Executive Committee at their January 24, 2013 meeting, the Program Administrator would like to review the responsibilities of the members of the Committee.

The terms of all members of the Executive Committee shall be two years except for those of the President, Vice President, Immediate Past President and Secretary, who shall serve for one year each. The Bylaws do state that a member may be reappointed to serve on the Executive Committee.

RECOMMENDATION: None.

FISCAL IMPACT: None.

BACKGROUND: The 2013 Executive Committee is as follows:

- President: Liz Ehrenstrom, City of Oroville
- Vice President: Andy Heath, City of Auburn
- Secretary: Gina Will, Town of Paradise
- Treasurer: Tim Sailsbery, City of Willows **
- CJPRMA Board Representative: Paula Islas, City of Galt **
- EC Member: Karin Helvey, City of Gridley
- EC Member: Russell Hildebrand, City of Rocklin
- EC Member: John Lee, City of Lincoln
- EC Member: Catrina Olson, City of Nevada City ** Non Voting Members

Member	Two-Year Term
City of Gridley City of Oroville Town of Paradise	January 1, 2012 to December 31, 2013
City of Auburn City of Lincoln City of Nevada City City of Rocklin	January 24, 2013 to December 31, 2014

ATTACHMENT(S): NCCSIF Bylaws, Section 4

g. Recommend policies and procedures to the Board for implementation of the Agreement, the Bylaws and the operation of specific coverage programs; and

h. Appoint a nominating committee for each election of officers and members of the Executive Committee.

i. Amend annual budget in an amount not to exceed the contingency account.

3. Subject only to such limitations as are expressly stated in the Agreement, these Bylaws or a resolution of the Board of Directors, the Executive Committee shall have and be entitled to exercise all powers which may be reasonably implied from powers expressly granted and which are reasonably necessary to conduct, direct and supervise the business of the Authority.

D. - Meetings

1. Regular Meetings. Regular meetings shall be held at times, as the Executive Committee deems appropriate.

2. Special Meetings. Special meetings of the Executive Committee may be called by the Chairman or a majority of Executive Committee members, in accordance with the provisions of California Government Code Section 54956.

3. Public Meetings. All meetings of the Executive Committee shall be open to the public, except as provided by law.

4. Quorum. Four (4) members of the Executive Committee shall constitute a quorum for the transaction of business. Except as otherwise provided, no action may be taken by the Executive Committee except by affirmative vote of not less than a majority of those Executive Committee members present. A smaller number may adjourn a meeting.

5. Removal From Executive Committee. A member may be removed from the Executive Committee in the following ways:

a. Death of a Committee member;

b. Voluntary resignation;

c. Absence from three (3) consecutive meetings without a valid reason, in which case the Chair may recommend to the Executive Committee that member be terminated from Executive Committee membership. If the Executive Committee recommends to the Board of Directors that an Executive Committee member be terminated, the Board of Directors shall vote on the matter at its next regularly scheduled meeting.

d. When a vacancy occurs under the above provisions, a replacement shall be made from among the Board of Directors.

SECTION 5
Officers of the Authority

A. The officers of the Authority shall be a President, Vice President, Secretary, and Treasurer Officers so appointed shall serve at the pleasure of the Board of Directors. The president shall chair meetings to the Board of Directors and Executive Committee; the vice president shall act in the place of the president in the president's absence. The secretary shall keep and maintain minutes of the Board meetings and Executive Committee meetings, or to direct the keeping and maintaining of such minutes, and to promptly report minutes of meetings to all members as soon as practicable after the meeting has concluded. The treasurer's duties are as described in Sections 11 and 12 of the Bylaws. Other responsibilities may be set forth by the Board of Directors.

B. The President, Vice President and Secretary shall be elected by the Board of Directors and shall serve one (1) year terms. No officer shall serve for more than two (2) complete consecutive terms in his or her respective office. The terms of each office will ordinarily commence on January 1st of each calendar year, except that if an election has not been conducted by that date, the terms shall commence as soon as the election has been held. The terms of each office shall end on December 31st of the calendar year, except that if the election of the officers to serve the next succeeding term has not been conducted, the incumbent officers shall continue to hold their offices until the election has been conducted.

C. The Treasurer shall be appointed by the Board of Directors and, unless the Board of Directors determines otherwise, the Treasurer shall serve at the Board of Directors' pleasure. The Treasurer shall be an officer or employee of a Member Entity or a Certified Public Accountant.

D. The Board of Directors may create such other offices and appoint such other officers as it deems necessary and advisable.

SECTION 6
Committees

Committees may be formed as necessary by either the Board of Directors or the Executive Committee for the purposes of overseeing any functions that the Board or Executive Committee has authority to control, such as, but not limited to, administration and policy direction, claims administration, investments, safety/loss control, etc.

SECTION 7
Program Director and Other Staff

A. The Board of Directors shall appoint a Program Director who shall be responsible for the general administration of the business and activities of the Authority as directed by the Executive Committee.



SELECTION OF THE 2013 CLAIMS COMMITTEE MEMBERS

ACTION ITEM

ISSUE: Members of the Claims Committee are selected annually by the Executive Committee.

RECOMMENDATION: It is recommended that the members be selected from the 2013 Executive Committee to serve on the 2013 Claims Committee.

FISCAL IMPACT: None.

BACKGROUND: Section 6 of the Bylaws authorizes the Board of Directors or the Executive Committee to form committees for the purposes of overseeing functions that the Board of Directors or Executive Committee has authority to control. Historically, the Executive Committee forms a Claims Committee comprised of the Vice President serving as the Claims Chairperson, the President as the Alternate Chair and two or more other members of the Executive Committee.

The NCCSIF Claims Committee for 2012 was as follows:

- Liz Ehrenstrom, Chair
- Karin Helvey, Vice Chair
- John Brewer
- Gina Will
- Sandy Ryan

ATTACHMENT(S): NCCSIF Bylaws, Section 6

SECTION 5
Officers of the Authority

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C. The Treasurer shall be appointed by the Board of Directors and, unless the Board of Directors determines otherwise, the Treasurer shall serve at the Board of Directors' pleasure. The Treasurer shall be an officer or employee of a Member Entity or a Certified Public Accountant.

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SECTION 7
Program Director and Other Staff

A. The Board of Directors shall appoint a Program Director who shall be responsible for the general administration of the business and activities of the Authority as directed by the Executive Committee.



**2012/13 WORKERS' COMPENSATION
BANKING PLAN FUND ADJUSTMENT**

ACTION ITEM

ISSUE: The Executive Committee should review, discuss and approve the Banking Fund Calculations Sheets as presented.

RECOMMENDATION: It is the recommendation of staff that the Executive Committee recommend the distribution of the Workers' Compensation Banking Layer funds to the Board of Directors.

FISCAL IMPACT: TBD – Jim Marta will hand out the calculations at the meeting.

BACKGROUND: On an annual basis in accordance with Policy and Procedure A-1, *Plan Fund Adjustments*, the NCCSIF Board of Directors annually reviews and determines whether to approve distribution of excess funds to the members. This plan allows for redistribution to the members of funds in excess of the "outstanding liabilities" plus a reasonable contingency.

HANDOUT: Workers' Compensation Banking Layer Calculations.



**2012/13 LIABILITY
BANKING PLAN FUND ADJUSTMENT**

ACTION ITEM

ISSUE: The Executive Committee should review, discuss and approve the Liability Banking Fund Calculations Sheets as presented.

RECOMMENDATION: It is the recommendation of staff that the Executive Committee recommend the distribution of the Liability Banking Layer funds to the Board of Directors.

FISCAL IMPACT: TBD – Jim Marta will hand out calculations at the meeting.

BACKGROUND: On an annual basis in accordance with Policy and Procedure A-1, *Plan Fund Adjustments*, the NCCSIF Board of Directors annually reviews and determines whether to approve distribution of excess funds to the members. This plan allows for redistribution to the members of funds in excess of the “outstanding liabilities” plus a reasonable contingency.

HANDOUT: Liability Banking Layer Calculations



**2012/13 WORKERS' COMPENSATION
SHARED RISK LAYER
PLAN FUND ADJUSTMENT CALCULATIONS**

ACTION ITEM

ISSUE: On an annual basis in accordance with Policy and Procedure A-12, *Shared Risk Layer Plan Fund Adjustments*, the Executive Committee reviews and determines whether to approve and recommend to the Board of Directors, distribution of excess Shared Risk Layer Funds.

This year based on NCCSIF Shared Risk Layer assets at December 31, 2012, the Workers' Compensation Shared Risk Layer funds meet the 90% confidence level target and the equity to SIR ratio (5 times for WC). This is the fourth time in 13 years that the WC fund has qualified for a refund. The available refund is \$2,740,547. Last year Staff recommended 50% of the allowable refund be approved. This year we also recommend that 50% of the allowable refund be approved. This will provide a refund of \$1,370,229.

RECOMMENDATION: Staff recommends approving 50% of the allowable refund available.

FISCAL IMPACT: \$1,370,229

BACKGROUND: On an annual basis in accordance with Policy and Procedure A-12, *Shared Risk Layer Plan Fund Adjustments*, the NCCSIF Board of Directors reviews and determines whether to approve distribution of excess Shared Risk Layer Funds to members. This plan allows for redistribution to the members of funds in excess of the "outstanding liabilities" plus a reasonable contingency. In 2005, the Board also approved Policy and Procedure A-17, *Target Equity Plan*. The reasonable contingency for the plans was determined to meet certain equity targets, one of which is to be funded at the 90% confidence level before declaring any refunds and another is to maintain an equity-to-SIR ratio of between 3 and 5 to 1.

ATTACHMENT(S): Workers' Compensation Shared Risk Layer Calculations.

Shared Risk Layer Plan Fund Adjustments - Workers' Compensation for 2013 Distribution

Total Assets at 12/31/12 A	Previous Assessment (Refund) B	Discounted Outstanding Liabilities @ Expected C	Outstanding Liabilities @ 80% D	Outstanding Liabilities @ 90% E	5 times SIR F	Available Refund A-E
\$18,344,457	\$2,290,876	\$12,193,000	\$14,191,000	\$15,604,000	\$2,000,000	\$2,740,457
Recommended Refund of: \$		1,370,229			Recommended Less Risk Management Grants?	50% 1,370,229
Members	Total Premium	Total %	Refund	Assessment	Risk Mgmt. Grants	
						250,000
Anderson	\$909,526	2.98%	\$40,835		\$33,384	\$ 7,450
Auburn	\$988,430	3.24%	\$44,377		\$36,281	\$ 8,097
Colusa	\$691,111	2.26%	\$31,029		\$25,367	\$ 5,661
Corning	\$682,528	2.24%	\$30,643		\$25,052	\$ 5,591
Dixon	\$1,267,045	4.15%	\$56,886		\$46,507	\$ 10,379
Folsom	\$7,515,824	24.63%	\$337,436		\$275,870	\$ 61,566
Galt	\$1,727,811	5.66%	\$77,573		\$63,420	\$ 14,153
Gridley	\$790,667	2.59%	\$35,498		\$29,022	\$ 6,477
Ione	\$67,782	0.22%	\$3,043		\$2,488	\$ 555
Jackson	\$425,092	1.39%	\$19,085		\$15,603	\$ 3,482
Lincoln	\$1,325,095	4.34%	\$59,492		\$48,638	\$ 10,854
Maysville	\$1,020,579	3.34%	\$45,821		\$37,461	\$ 8,360
Nevada City	\$441,628	1.45%	\$19,828		\$16,210	\$ 3,618
Oroville	\$1,621,041	5.31%	\$72,779		\$59,501	\$ 13,279
Placerville	\$1,270,582	4.16%	\$57,045		\$46,637	\$ 10,408
Paradise	\$1,391,565	4.56%	\$62,477		\$51,078	\$ 11,399
Red Bluff	\$1,474,754	4.83%	\$66,212		\$54,131	\$ 12,080
Rio Vista	\$578,143	1.89%	\$25,957		\$21,221	\$ 4,736
Rocklin	\$3,110,069	10.19%	\$139,632		\$114,156	\$ 25,476
Willows	\$522,243	1.71%	\$23,447		\$19,169	\$ 4,278
Yuba City	\$2,698,034	8.84%	\$121,133		\$99,032	\$ 22,101
Total	\$30,519,549	100.00%	\$1,370,229		\$1,120,229	\$ 250,000

* Ione is put into calculation but is not eligible for a dividend until 2013.



**2012/14 LIABILITY
SHARED RISK LAYER
PLAN FUND ADJUSTMENT CALCULATIONS**

ACTION ITEM

ISSUE: On an annual basis in accordance with Policy and Procedure A-12, *Shared Risk Layer Plan Fund Adjustments*, the Executive Committee reviews and determines whether to approve and recommend to the Board of Directors, distribution of excess Shared Risk Layer Funds.

This year based on NCCSIF Shared Risk Layer assets at December 31, 2012, the Liability Shared Risk Layer has negative equity of **(\$927,728)**. Therefore, no refunds are available. Refunds were not returned for the prior year 2011/12.

RECOMMENDATION: Staff recommends no distributions from the Liability Shared Risk Layer.

FISCAL IMPACT: none

BACKGROUND: On an annual basis in accordance with Policy and Procedure A-12, *Shared Risk Layer Plan Fund Adjustments*, the NCCSIF Board of Directors reviews and determines whether to approve distribution of excess Shared Risk Layer Funds to members. This plan allows for redistribution to the members of funds in excess of the “outstanding liabilities” plus a reasonable contingency. In 2005, the Board also approved Policy and Procedure A-17, *Target Equity Plan*. The reasonable contingency for the plans was determined to meet certain equity targets, one of which is to be funded at the 90% confidence level before declaring any refunds and another is to maintain an equity-to-SIR ratio of between 3 and 5 to 1.

ATTACHMENT(S): None



Agenda Item G.5.

**2012/13 SAFETY GRANT FUNDS UTILIZATION AND CONSIDERATION
OF 2013/14 SAFETY GRANT FUNDS PROGRAM CONTINUATION**

ACTION ITEM

ISSUE: The Executive Committee should review the current year utilization of the Safety Grant Funds and consider taking action to continue Safety Grant Funds for the 2013/2014 program year.

RECOMMENDATION: Staff recommends that the Executive Committee approves the continuation of the Safety Grant Funds for 2013/14, including the stipulation that members must be allowed to opt out of the grant and receive their full refunds if they so choose.

FISCAL IMPACT: \$250,000 which is designated from the Workers' Compensation Shared Risk refunds.

BACKGROUND: ADA Grants were created in 2009/10 in order to support member efforts in managing risk associated with costly ADA claims. Over the year, the Grant was widely utilized by the members. The proposal to continue and expand the Grants for 2010/11 was developed at the January 14, 2010 Risk Management Committee meeting. The Risk Management Committee provided a recommendation to the Executive Committee that they consider increasing the Safety Grant funds available to the membership in the coming year and expanding approved uses to reflect top loss causes for the JPA. The funds for the Grant are allocated from the Workers' Compensation

In 2012/13, NCCSIF members have had available to them Safety Grant Funds that provide a source for funding ADA and Risk Management projects. Of the \$341,038 in funds available, \$217,999 has been requested and disbursed.

ATTACHMENT(S):

1. Policy and Procedure A-19, *Safety Grant Process*.
2. Safety Grant Utilization Summary as of 2/28/13.
3. 13-14 Safety Grant Funds Allocation.



ADMINISTRATIVE POLICY AND PROCEDURE #A-19

SUBJECT: RISK MANAGEMENT GRANT

Policy Statement:

It shall be the policy of the Northern California Cities Self Insurance Fund Executive Committee to establish a “Risk Management Grant” to reimburse members for costs of activities undertaken to bring member facilities into compliance with Americans With Disabilities Act standards, or to address other top frequency and severity of claims issues.

The Board will establish annually the maximum funds available to each member. A quarterly report will be developed and include all activities. Annually, top loss claims will be updated and provided to the Board.

Procedure:

In order to access funds under this Grant Program, the member must submit a brief written request explaining the intended use of the requested funds. The following is a list of NCCSIF’s top claims causes by frequency and severity for the Fiscal Year 2010-11:

Liability - Severity

- Auto
 - Head On Collisions
 - City Vehicle Rear End Claimant
 - City Vehicle Turning
 - City Vehicle Hitting Parked Car
- Employment Practices
- Civil Rights/Excessive Force
- Sewer Blockage/Backup
- Road Conditions/Design Defect

Liability – Frequency

- Auto
 - Misc Property Damage
 - City Vehicle Rear End Claimant
 - City Vehicle Hitting Parked Car
 - City Vehicle Backing
- Claimant Property Damage
- Sewer Blockage/Backup
- Civil Rights/Excessive Force
- Road Conditions/Design Defect

Workers’ Compensation - Severity

- Repetitive Motion Injury
- Lifting
- Slips & Falls
- Mental/Other Than Physical
- Vehicle

Workers’ Compensation – Frequency

- Strike/Struck
 - Strike Stationary Object
 - Struck By Object
 - Stuck By Animal/Insect
- Slips & Falls
- Lifting
- Repetitive Motion



The Program Administrator and Board President will review each request and, if found to be appropriate and consistent with the purpose of the Grant Program, will approve the request and funds disbursed.

If any request is denied, the member may submit a new or amended request, or appeal the denial to the Executive Committee, which will make the final determination whether the request should be granted.

After the funds are put to use, the member should file a brief report confirming this and relaying any information that may be helpful to the Board, so that it can monitor the Grant Program and consider the merits of future additions of funds.

Effective Date: June 26, 2009
First Revision Date: April 15, 2010

**NCCSIF
ADA and Safety Grant Fund Reimbursements History**

Member	ADA Grants Declared in FY 2009 Board Meeting 4/24/2009	Risk Management Grants elected to be retained in WC admin by members from their WC shared refund FY 2010	Risk Management Grants elected to be retained in WC admin by members from their WC shared refund FY 2011	Risk Management Grants elected to be retained in WC admin by members from their WC shared refund FY 2012	Total funds available FY 2009 - FY 2012 for ADA grants and Risk Management Grants	Total Disbursements Paid through Last Update	Funds Available
Anderson	\$ 6,496	8,039.00	7,650.00	7,540.00	29,725.00	22,185.00	7,540.00
Auburn	6,397	-	-	8,098.00	14,495.00	6,397.00	8,098.00
Colusa	6,258	-	-	5,817.00	12,075.00	6,258.00	5,817.00
Corning	6,157	6,149.00	5,788.00	5,678.00	23,772.00	23,772.00	-
Dixon	6,592	-	-	-	6,592.00	6,592.00	-
Folsom	16,732	62,977.00	-	61,737.00	141,446.00	27,037.35	114,408.65
Galt	7,613	14,375.00	14,135.00	14,171.00	50,294.00	36,123.00	14,171.00
Gridley	6,144	6,391.00	-	6,507.00	19,042.00	6,144.00	12,898.00
Ione	-	-	-	-	-	-	-
Jackson	5,627	3,510.00	3,487.00	-	12,624.00	5,500.00	7,124.00
Lincoln	6,303	8,638.00	10,028.00	-	24,969.00	24,969.00	-
Marysville	6,758	-	-	-	6,758.00	-	6,758.00
Nevada City	5,665	-	-	-	5,665.00	5,665.00	-
Oroville	7,633	-	-	-	7,633.00	7,633.00	-
Placerville	6,883	-	-	-	6,883.00	6,883.00	-
Paradise	7,182	-	-	-	7,182.00	7,182.00	-
Red Bluff	7,339	12,860.00	12,493.00	12,290.00	44,982.00	44,982.00	-
Rio Vista	5,818	-	4,770.00	4,766.00	15,354.00	5,818.00	9,536.00
Rocklin	9,178	24,019.00	25,254.00	25,419.00	83,870.00	58,451.00	25,419.00
Willows	5,856	4,618.00	4,412.00	-	14,886.00	8,656.00	6,230.00
Yuba City	8,607	-	-	22,184.00	30,791.00	30,791.00	-
	\$ 145,238	151,576.00	88,017.00	174,207.00	559,038.00	341,038.35	217,999.65

SEE DETAIL BELOW

Shared Risk Layer Plan Fund Adjustments - Workers' Compensation for 2013 Distribution

Total Assets at 12/31/12 A	Previous Assessment (Refund) B	Discounted Outstanding Liabilities @ Expected C	Outstanding Liabilities @ 80% D	Outstanding Liabilities @ 90% E	5 times SIR F	Available Refund A-E
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**WORKERS' COMPENSATION
 REVIEW AND APPROVAL OF FY 2013/14 ACTUARIAL STUDY
 CONFIDENCE LEVELS / RATES / DISCOUNT RATES**

ACTION ITEM

***TAKEAWAY:** Workers' Compensation funding rates for 2013/14 are relatively flat from expiring due to consistent loss results. The total expected undiscounted rate has decreased from \$3.84 to \$3.82. Rates will increase as the discount rate is decreased to reflect funding at rates more realistic of actual investment income.*

ISSUE: The annual actuarial review, based on 12/31/12 loss information, has been completed. The attached "draft" summary reflects the estimated ultimate cost of claims and expenses for the banking layer and the pooling layer for the 2013/2014 Program Year. This review also reflects the anticipated outstanding liabilities including ALAE for the banking and pooling layers for the FY 13/14. By having these studies done, NCCSIF is able to project their funding for the upcoming year and see how the rates affect their budgets.

Total recommended funding for banking and shared risk layer at the 60% confidence level is:

Year	Discount Rate	Rate @ 60%	Funding	% Inc. from 2012 rates
2012/13	3.0%	\$3.967	\$6,463,000	N/A
2013/14	3.0%	\$3.948	\$6,123,000	<.5%>
2013/14	2.0%	\$4.042	\$6,269,000	1.9%
2013/14	1.5%	\$4.092	\$6,346,000	3.2%

RECOMMENDATION: The financial section of the actuarial study is FINAL as to the outstanding liabilities and funding recommendations. The funding level at the 60% confidence level is recommended for approval.

FISCAL IMPACT: Banking and shared risk layer funding for 2013/14 reflect an increase of 5.88% over the prior year.

BACKGROUND: The actuary estimates that NCCSIF will have assets of approximately \$39,272,000 at June 30, 2013. Last year, the estimate was \$39,384,000 for June 30, 2012. Actual assets at June 30, 2012 as reported in the financial audit were \$36,854,951. The combined outstanding liabilities for the same period are \$30,539,000 at the 90% confidence level. This provides for an



Northern California Cities Self Insurance Fund
Executive Committee Meeting
March 14, 2013

estimated \$8,733,000 in assets excess of the 90% confidence level. At the same time last year, the assets in excess of the 90% confidence level were projected at \$10,597,000.

It is suggested that for the next fiscal year funding can remain at the at the 60% confidence level. Funding at the 60% discounted level should produce funds sufficient for the needs of NCCSIF.

Current year losses are continuing at less than anticipated. NCCSIF will need to monitor claims frequency and severity in the next year to see if losses continue at a reduced rate through this recession.

Assets for the Banking layer are estimated at \$20,590,000 as of June 30, 2013. They were estimated at \$17,545,000 in 2011. Banking layer liabilities are \$14,935,000 at the 90% confidence level. This amount is an increase of \$1,277,000 over last year. **This means that in excess of the 90% confidence level there is an anticipated surplus of \$5,655,000.**

Assets for the Shared risk layer are anticipated at \$18,682,000 at June 30, 2013. They were estimated at \$17,123,000 in 2012. This is an increase of \$1,559,000 or 9.1%. Liabilities at the 90% confidence level are estimated at \$15,604,000. **This means that in excess of the 90% confidence level there is an anticipated surplus of \$3,078,000 and increase of \$1,051,000 from 2012.**

ATTACHMENTS:

1. Workers' Compensation Actuarial Review as of February 22, 2013.
2. Exhibit of rates/contributions at 1.5% and 2% discount rates at the 60% confidence level.



DRAFT

Friday, February 22, 2013

Ms. Susan Adams
Assistant Vice President
Northern California Cities Self Insurance Fund
C/o Alliant Insurance Services, Inc.
1792 Tribute Road, Suite 450
Sacramento, CA 95815

Re: Actuarial Review of the Self-Insured Workers' Compensation Program

Dear Ms. Adams:

As you requested, we have completed our review of Northern California Cities Self Insurance Fund's self-insured workers' compensation program. Assuming pool limit of \$500,000 per occurrence, we estimate the ultimate cost of claims and expenses for claims incurred during the 2013-14 program year to be \$5,922,000. This amount includes allocated loss adjustment expenses (ALAE), unallocated loss adjustment expenses (ULAE), and a discount for anticipated investment income, but excludes 4850 benefits. Of this amount, \$3,892,000 is for the banking layer (\$0 – \$100,000 per occurrence) and \$2,030,000 is for the shared layer (\$100,000 – \$500,000 per occurrence). ALAE is the direct cost associated with the defense of individual claims (e.g. legal fees, investigation fees, court charges). ULAE is the cost to administer all claims to final settlement, which may be years into the future (e.g. claims adjusters' salaries, taxes). The discount for investment income is calculated based on the likely payout pattern of NCCSIF's claims, assuming a 3% return on investments per year. For budgeting purposes, the expected cost of 2013-14 claims translates to a rate of \$3.82 per \$100 payroll, \$2.51 for the banking layer and \$1.31 for the shared layer (assuming \$155,069,000 in rated payroll).

In addition, we estimate the program's liability for outstanding claims to be \$24,276,000 as of June 30, 2013 again including ALAE and ULAE, and discounted for anticipated investment income, but excluding 4850 benefits. Of this amount, \$12,083,000 is for the banking layer and \$12,193,000 is for the shared layer. Given estimated program assets of \$39,272,000 as of June 30, 2013, the program will be funded above the 90% confidence level on a combined basis, and for the banking and shared layers individually (see Graphs 1a, 1b and 1c on pages 11, 12, and 13.)

The \$24,276,000 estimate is the minimum liability to be booked by NCCSIF at June 30, 2013 for its workers' compensation program, in accordance with Governmental Accounting Standards Board (GASB) Statement #10. GASB #10 requires NCCSIF to accrue a liability on its financial statements for the ultimate cost of claims and expenses associated with all reported and unreported claims, including ALAE and ULAE. GASB #10 does not prohibit the discounting of losses to recognize investment income.

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Our conclusions regarding NCCSIF's liability for unpaid loss and loss adjustment expenses (LAE) at June 30, 2013 are summarized in the table below.

Northern California Cities Self Insurance Fund
Self-Insured Workers' Compensation Program
Estimated Liability for Unpaid Loss and LAE
Banking and Shared Layer Combined
at June 30, 2013

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$25,238,000					
ULAE	2,008,000					
Investment Income Offset	<u>(2,970,000)</u>					
Discounted Loss and LAE	\$24,276,000	\$26,267,000	\$27,043,000	\$27,966,000	\$29,083,000	\$30,539,000
Available Funding	<u>39,272,000</u>					
Surplus or (Deficit)	\$14,996,000	\$13,005,000	\$12,229,000	\$11,306,000	\$10,189,000	\$8,733,000

Northern California Cities Self Insurance Fund
Self-Insured Workers' Compensation Program
Estimated Liability for Unpaid Loss and LAE
Banking Layer
at June 30, 2013

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$11,553,000					
ULAE	2,008,000					
Investment Income Offset	<u>(1,478,000)</u>					
Discounted Loss and LAE	\$12,083,000	\$13,013,000	\$13,320,000	\$13,775,000	\$14,185,500	\$14,935,000
Available Funding	<u>20,590,000</u>					
Surplus or (Deficit)	\$8,507,000	\$7,577,000	\$7,270,000	\$6,815,000	\$6,404,500	\$5,655,000

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Northern California Cities Self Insurance Fund
 Self-Insured Workers' Compensation Program
 Estimated Liability for Unpaid Loss and LAE
 Shared Layer
 at June 30, 2013

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$13,685,000					
ULAE	0					
Investment Income Offset	<u>(1,492,000)</u>					
Discounted Loss and LAE	\$12,193,000	\$13,254,000	\$13,723,000	\$14,191,000	\$14,897,500	\$15,604,000
Available Funding	<u>18,682,000</u>					
Surplus or (Deficit)	\$6,489,000	\$5,428,000	\$4,959,000	\$4,491,000	\$3,784,500	\$3,078,000

GASB #10 does not address an actual funding requirement for the program, but only speaks to the liability to be recorded on NCCSIF's financial statements. Because actuarial estimates of claims costs are subject to some uncertainty, we recommend that an amount in addition to the discounted expected loss costs be set aside as a margin for contingencies. Generally, the amount should be sufficient to bring funding to the 75% to 85% confidence level for primary programs. We consider funding to the 70% confidence level to be marginally acceptable and funding to the 90% confidence level to be conservative.

Furthermore, the CSAC Excess Insurance Authority standard states that based upon the actuarial recommendations, the member should maintain reserves and make funding contributions equal to or exceeding the present value of expected losses and a reasonable margin for contingencies.

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The table below shows our funding recommendations for Northern California Cities Self Insurance Fund for the 2013-14 fiscal year.

Northern California Cities Self Insurance Fund
Self-Insured Workers' Compensation Program
Loss and LAE Funding Guidelines for 2013-14
Banking and Shared Layers Combined
Banking Layer: \$0 to \$100,000
Shared Layer: \$100,000 to \$500,000

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$5,707,000					
ULAE	674,000					
Investment Income Offset	<u>(459,000)</u>					
Discounted Loss and LAE	\$5,922,000	\$6,567,000	\$6,822,000	\$7,118,000	\$7,479,000	\$7,965,000
Rate per \$100 of 2013-14 Payroll	\$3.82	\$4.23	\$4.40	\$4.59	\$4.82	\$5.14

Northern California Cities Self Insurance Fund
Self-Insured Workers' Compensation Program
Loss and LAE Funding Guidelines for 2013-14
Banking Layer: \$0 to \$100,000

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$3,519,000					
ULAE	674,000					
Investment Income Offset	<u>(301,000)</u>					
Discounted Loss and LAE	\$3,892,000	\$4,347,000	\$4,521,500	\$4,737,000	\$4,970,000	\$5,328,000
Rate per \$100 of 2013-14 Payroll	\$2.51	\$2.80	\$2.92	\$3.05	\$3.20	\$3.44

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Northern California Cities Self Insurance Fund
Self-Insured Workers' Compensation Program
Loss and LAE Funding Guidelines for 2013-14
Shared Layer: \$100,000 to \$500,000

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$2,188,000					
ULAE	0					
Investment Income Offset	(158,000)					
Discounted Loss and LAE	\$2,030,000	\$2,220,000	\$2,300,500	\$2,381,000	\$2,509,000	\$2,637,000
Rate per \$100 of 2013-14 Payroll	\$1.31	\$1.43	\$1.48	\$1.54	\$1.62	\$1.70

The funding recommendations shown in the table above do not include any recognition of the existing funding margin at June 30, 2013. They are for losses and loss adjustment expenses only, and do not include a provision for loss control, overhead, excess insurance premiums, and other expenses associated with the program. They do not include 4850 benefits.

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The loss projections in this report reflect the estimated impact of benefit legislation contained in AB749, AB227, SB228, SB899, and recent WCAB court decisions based upon information provided by the WCIRB.

The ultimate impact on loss costs of legislated benefit adjustments are generally difficult to forecast in advance because the changes typically take place over a period of several years following enactment. Furthermore, actuarially derived benefit level evaluations often underestimate actual future cost levels. The shortfalls result from a variety of circumstances, including: increases in utilization levels, unanticipated changes in administrative procedures, and cost shifting among benefit categories. Thus, actual cost increases could differ, perhaps substantially, from the WCIRB's estimates.

The report that follows outlines the scope of our study, its background, and our conclusions, recommendations, and assumptions. Judgments regarding the appropriateness of our conclusions and recommendations should be made only after studying the report in its entirety, including the graphs, attachments, exhibits and appendices. Our report has been developed for the NCCSIF's internal use. It is not intended for general circulation.

We appreciate the opportunity to be of service to Northern California Cities Self Insurance Fund in preparing this report. Please feel free to call Mike Harrington at (916) 244-1162 or Nina Gau at (916) 244-1193 with any questions you may have concerning this report.

Sincerely,

Bickmore

DRAFT

Mike Harrington, FCAS, MAAA
Director, Property and Casualty Actuarial Services, Bickmore
Fellow, Casualty Actuarial Society
Member, American Academy of Actuaries

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Nina Gau, FCAS, MAAA
Manager, Property and Casualty Actuarial Services, Bickmore
Fellow, Casualty Actuarial Society
Member, American Academy of Actuaries

Northern California Cities Self Insurance Fund - Workers' Compensation

Funding Guidelines for Outstanding Liabilities Net of 4850 Benefits at
December 31, 2012

	Total	Banking	Shared
(A) Estimated Ultimate Losses Incurred through 12/31/12: (From Appendix G)	\$109,523,000	\$83,212,000	\$26,311,000
(B) Estimated Paid Losses through 12/31/12: (From Appendix G)	83,929,000	71,522,000	12,407,000
(C) Estimated Liability for Claims Outstanding at 12/31/12: (From Appendix G)	\$25,594,000	\$11,690,000	\$13,904,000
(D) Estimated Liability for Outstanding Claims Administration Fees at 12/31/12: (From Appendix F)	1,984,000	1,984,000	0
(E) Total Outstanding Liability for Claims at 12/31/12: ((C) + (D))	\$27,578,000	\$13,674,000	\$13,904,000
(F) Anticipated Investment Income: ((E) x [1 - Appendix I, Page 1, (H)])	3,006,000	1,490,000	1,516,000
(G) Discounted Outstanding Liability for Claims at 12/31/12: ((E) - (F))	\$24,572,000	\$12,184,000	\$12,388,000
	Total	Banking	Shared
(H) Confidence Level Factor: (From Appendix J)			
60%	1.026	1.026	1.026
70%	1.082	1.077	1.087
80%	1.152	1.140	1.164
90%	1.258	1.236	1.280
(I) Total Required Available Funding at December 31, 2012			
60%	\$25,211,000	\$12,501,000	\$12,710,000
70%	26,587,000	13,122,000	13,465,000
80%	28,307,000	13,890,000	14,417,000
90%	30,912,000	15,059,000	15,853,000
(J) Available Assets at December 31, 2012	\$34,897,000	\$17,638,000	\$17,259,000
(K) Funding Surplus/(Deficit) at December 31, 2012 ((J) - (I))			
60%	\$9,686,000	\$5,137,000	\$4,549,000
70%	8,310,000	4,516,000	3,794,000
80%	6,590,000	3,748,000	2,842,000
90%	3,985,000	2,579,000	1,406,000

Northern California Cities Self Insurance Fund - Workers' Compensation

Funding Guidelines for Outstanding Liabilities Net of 4850 Benefits at
June 30, 2013

	Total	Banking	Shared
(A) Estimated Ultimate Losses Incurred through 6/30/13: (From Appendix G)	\$112,222,000	\$84,901,000	\$27,321,000
(B) Estimated Paid Losses through 6/30/13: (From Appendix G)	86,984,000	73,348,000	13,636,000
(C) Estimated Liability for Claims Outstanding at 6/30/13: (From Appendix G)	\$25,238,000	\$11,553,000	\$13,685,000
(D) Estimated Liability for Outstanding Claims Administration Fees at 6/30/13: (From Appendix F)	2,008,000	2,008,000	0
(E) Total Outstanding Liability for Claims at 6/30/13: ((C) + (D))	\$27,246,000	\$13,561,000	\$13,685,000
(F) Anticipated Investment Income: ((E) x [1 - Appendix I, Page 1, (H)])	2,970,000	1,478,000	1,492,000
(G) Discounted Outstanding Liability for Claims at 6/30/13: ((E) - (F))	\$24,276,000	\$12,083,000	\$12,193,000
(H) Confidence Level Factor: (From Appendix J)			
60%	1.026	1.026	1.026
70%	1.082	1.077	1.087
80%	1.152	1.140	1.164
90%	1.258	1.236	1.280
(I) Total Required Available Funding at June 30, 2013 ((G) * (H))			
60%	\$24,907,000	\$12,397,000	\$12,510,000
70%	26,267,000	13,013,000	13,254,000
80%	27,966,000	13,775,000	14,191,000
90%	30,539,000	14,935,000	15,604,000
(J) Available Assets at June 30, 2013	\$39,272,000	\$20,590,000	\$18,682,000
(K) Funding Surplus/(Deficit) at June 30, 2013 ((J) - (I))			
60%	\$14,365,000	\$8,193,000	\$6,172,000
70%	13,005,000	7,577,000	5,428,000
80%	11,306,000	6,815,000	4,491,000
90%	8,733,000	5,655,000	3,078,000

Northern California Cities Self Insurance Fund - Workers' Compensation

Funding Options for Program Year 2013-2014 Excluding 4850s

Banking Layer Retention: \$100,000
Shared Layer Retention: \$500,000

	<u>Total</u>	<u>Banking</u>	<u>Shared</u>
(A) Estimated Ultimate Losses Incurred in Accident Year 2013-2014:	\$5,707,000	\$3,519,000	\$2,188,000
(B) Estimated Claims Administration Fees Incurred in Accident Year 2013-2014: (From Exhibit 5, Page 1, item (L))	674,000	674,000	0
(C) Total Claims Costs Incurred in Accident Year 2013-2014: ((A) + (B))	<u>\$6,381,000</u>	<u>\$4,193,000</u>	<u>\$2,188,000</u>
(D) Anticipated Investment Income: ((C) x [1 - Appendix I, Page 2, (F)])	459,000	301,000	157,000
(E) Discounted Total Claims Costs Incurred in Accident Year 2013-2014: ((C) - (D))	<u>\$5,922,000</u>	<u>\$3,892,000</u>	<u>\$2,031,000</u>
(F) Funding Rates for 2013-2014 Incurred Claims Costs	\$3.818	\$2.509	\$1.309
	<u>Total</u>	<u>Banking</u>	<u>Shared</u>
(H) Confidence Level Factor: (From Appendix J)			
60%	1.034	1.038	1.026
70%	1.109	1.117	1.093
80%	1.202	1.217	1.172
90%	1.345	1.369	1.298
(I) Total Required Required Funding for 2013-2014 Incurred Claims Costs ((G) * (H))			
60%	\$6,123,000	\$4,040,000	\$2,083,000
70%	6,567,000	4,347,000	2,220,000
80%	7,118,000	4,737,000	2,381,000
90%	7,965,000	5,328,000	2,637,000
(I) Funding Rates for 2013-2014 Incurred Claims Costs			
60%	\$3.948	\$2.605	\$1.343
70%	4.234	2.803	1.431
80%	4.589	3.054	1.535
90%	5.135	3.435	1.700

Rates based on 2013-2014 payroll of \$155,100,000

Northern California Cities Self Insurance Fund - Workers' Compensation

Funding Options for Program Year 2013-2014 Excluding 4850s

Banking Layer Retention: \$100,000
Shared Layer Retention: \$500,000

	<u>Total</u>	<u>Banking</u>	<u>Shared</u>
(A) Estimated Ultimate Losses Incurred in Accident Year 2013-2014:	\$5,707,000	\$3,519,000	\$2,188,000
(B) Estimated Claims Administration Fees Incurred in Accident Year 2013-2014: (From Exhibit 5, Page 1, item (L))	674,000	674,000	0
(C) Total Claims Costs Incurred in Accident Year 2013-2014: ((A) + (B))	<u>\$6,381,000</u>	<u>\$4,193,000</u>	<u>\$2,188,000</u>
(D) Anticipated Investment Income: ((C) x [1 - Appendix I, Page 2, (F)])	318,000	209,000	109,000
(E) Discounted Total Claims Costs Incurred in Accident Year 2013-2014: ((C) - (D))	<u>\$6,063,000</u>	<u>\$3,984,000</u>	<u>\$2,079,000</u>
(F) Funding Rates for 2013-2014 Incurred Claims Costs	\$3.909	\$2.569	\$1.340
	<u>Total</u>	<u>Banking</u>	<u>Shared</u>
(H) Confidence Level Factor: (From Appendix J)			
60%	1.034	1.038	1.026
70%	1.109	1.117	1.094
80%	1.202	1.217	1.173
90%	1.345	1.369	1.299
(I) Total Required Required Funding for 2013-2014 Incurred Claims Costs ((G) * (H))			
60%	\$6,269,000	\$4,135,000	\$2,134,000
70%	6,724,000	4,450,000	2,274,000
80%	7,288,000	4,849,000	2,439,000
90%	8,155,000	5,454,000	2,701,000
(I) Funding Rates for 2013-2014 Incurred Claims Costs			
60%	\$4.042	\$2.666	\$1.376
70%	4.335	2.869	1.466
80%	4.699	3.126	1.573
90%	5.258	3.516	1.741

Rates based on 2013-2014 payroll of \$155,100,000

Northern California Cities Self Insurance Fund - Workers' Compensation

Funding Options for Program Year 2013-2014 Excluding 4850s

Banking Layer Retention: \$100,000 (Excluding Folsom)

Shared Layer Retention: \$500,000 (Excluding Folsom)

	<u>Total</u>	<u>Banking</u>	<u>Shared</u>
(A) Estimated Ultimate Losses Incurred in Accident Year 2013-2014:	\$4,257,000	\$2,625,000	\$1,632,000
(B) Estimated Claims Administration Fees Incurred in Accident Year 2013-2014: (From Exhibit 5, Page 1, item (L))	503,000	503,000	0
(C) Total Claims Costs Incurred in Accident Year 2013-2014: ((A) + (B))	<u>\$4,760,000</u>	<u>\$3,128,000</u>	<u>\$1,632,000</u>
(D) Anticipated Investment Income: ((C) x [1 - Appendix I, Page 2, (F)])	237,000	156,000	81,000
(E) Discounted Total Claims Costs Incurred in Accident Year 2013-2014: ((C) - (D))	<u>\$4,523,000</u>	<u>\$2,972,000</u>	<u>\$1,551,000</u>
(F) Funding Rates for 2013-2014 Incurred Claims Costs	\$3.909	\$2.569	\$1.341
	<u>Total</u>	<u>Banking</u>	<u>Shared</u>
(H) Confidence Level Factor: (From Appendix J)			
60%	1.034	1.038	1.026
70%	1.109	1.117	1.093
80%	1.202	1.217	1.173
90%	1.345	1.369	1.299
(I) Total Required Required Funding for 2013-2014 Incurred Claims Costs ((G) * (H))			
60%	\$4,677,000	\$3,085,000	\$1,592,000
70%	5,016,000	3,320,000	1,696,000
80%	5,437,000	3,617,000	1,820,000
90%	6,083,000	4,069,000	2,014,000
(I) Funding Rates for 2013-2014 Incurred Claims Costs			
60%	\$4.042	\$2.666	\$1.376
70%	4.335	2.869	1.466
80%	4.699	3.126	1.573
90%	5.258	3.517	1.741

Rates based on 2013-2014 payroll of \$115,700,000

Northern California Cities Self Insurance Fund - Workers' Compensation

Funding Options for Program Year 2013-2014 Excluding 4850s

Banking Layer Retention: \$100,000
Shared Layer Retention: \$500,000

	<u>Total</u>	<u>Banking</u>	<u>Shared</u>
(A) Estimated Ultimate Losses Incurred in Accident Year 2013-2014:	\$5,707,000	\$3,519,000	\$2,188,000
(B) Estimated Claims Administration Fees Incurred in Accident Year 2013-2014: (From Exhibit 5, Page 1, item (L))	674,000	674,000	0
(C) Total Claims Costs Incurred in Accident Year 2013-2014: ((A) + (B))	<u>\$6,381,000</u>	<u>\$4,193,000</u>	<u>\$2,188,000</u>
(D) Anticipated Investment Income: ((C) x [1 - Appendix I, Page 2, (F)])	244,000	160,000	84,000
(E) Discounted Total Claims Costs Incurred in Accident Year 2013-2014: ((C) - (D))	<u>\$6,137,000</u>	<u>\$4,033,000</u>	<u>\$2,104,000</u>
(F) Funding Rates for 2013-2014 Incurred Claims Costs	\$3.957	\$2.600	\$1.357
	<u>Total</u>	<u>Banking</u>	<u>Shared</u>
(H) Confidence Level Factor: (From Appendix J)			
60%	1.034	1.038	1.027
70%	1.109	1.117	1.094
80%	1.202	1.217	1.173
90%	1.345	1.369	1.299
(I) Total Required Required Funding for 2013-2014 Incurred Claims Costs ((G) * (H))			
60%	\$6,346,000	\$4,186,000	\$2,160,000
70%	6,806,000	4,505,000	2,301,000
80%	7,377,000	4,908,000	2,469,000
90%	8,254,000	5,521,000	2,733,000
(I) Funding Rates for 2013-2014 Incurred Claims Costs			
60%	\$4.092	\$2.699	\$1.393
70%	4.388	2.905	1.484
80%	4.756	3.164	1.592
90%	5.322	3.560	1.762

Rates based on 2013-2014 payroll of \$155,100,000



**LIABILITY PROGRAM
 REVIEW AND APPROVAL OF FY 2013/14 ACTUARIAL STUDY
 CONFIDENCE LEVELS / RATES / DISCOUNT RATES AT \$1,000,000 SIR**

ACTION ITEM

TAKEAWAY: *The projected Liability funding rates have increased in both the banking and shared risk layers due to several large losses in the past few years that are now included in this calculation. The Combined rate at expected undiscounted is \$1.95 which is an increase from \$1.85 or 5.4%*

ISSUE: The annual actuarial review, based on 12/31/12 loss information, has been completed. The attached draft summary reflects the estimated ultimate cost of claims and expenses for the banking layer and the pooling layer for the 2013/2014 program year. This review also reflects the anticipated outstanding liabilities including ALAE for the banking and pooling layers for the 2013/2014 Program Year. By having these studies done, NCCSIF is able to project their funding for the upcoming year and see how the rates affect their budgets.

Year	Discount Rate	Rate @ 60%	Funding	% Inc. from 2012 rates
2012/13	2.0%	\$1.83	\$2,851,000	N/A
2013/14	2.0%	\$1.93	\$2,868,000	5.5%
2013/14	1.5%	\$1.95	\$2,899,000	6.6%

RECOMMENDATION: The financial section of the actuarial study is final as to the outstanding liabilities and funding recommendations. The funding level at the 60% confidence level is recommended for approval using a 1.5% discount factor.

FISCAL IMPACT: The Funding for the Liability program has increased due to incurred losses. The final impact will depend on which discount rate the Board approves.

BACKGROUND: The actuary estimates that NCCSIF will have combined assets of \$10,190,000 as of June 30, 2013. Actual assets from the financial audit were \$12,252,438. The combined outstanding liabilities are estimated at \$10,303,000 at the 90% confidence level, which results in shortfall of (\$113,000) in anticipated assets excess of the 90% confidence level. Last year, outstanding liabilities were estimated at \$2,395,000. [This decrease is because adverse development of large losses and additional costs for loss adjusting expenses. As loss-adjusting expenses are already included in the expense portion of the incurred losses, this change has resulted in a reductions of anticipated costs.]



**Northern California Cities Self Insurance Fund
Executive Committee Meeting
March 14, 2013**

Based on the asset levels, current funding levels of 60% confidence for both the banking layer and shared risk layer can be maintained for an additional year. Assets for the banking layer are anticipated at \$1,870,000 at June 30, 2013 in excess of the liabilities at the 90% confidence level. Last year the amount was \$3,029,000 anticipated at June 30, 2012. This is a decrease of 38%.

Assets for the shared risk layer are anticipated at (\$1,983,000) at June 30, 2013 in excess of the 90% confidence level. Last year the estimate was (\$634,000) at June 30, 2012 in excess of the liabilities at the 90% confidence level. **This is an increase in our deficit of funding of losses at the 90% confidence level.**

ATTACHMENTS:

1. General Liability Actuarial Review as of February 22, 2013.
2. Exhibit of rate/contributions at 1.5% and 2% discount rates at the 60% confidence level.



DRAFT

Friday, February 22, 2013

Ms. Susan Adams
Assistant Vice President
Northern California Cities Self Insurance Fund
C/o Alliant Insurance Services, Inc.
1792 Tribute Road, Suite 450
Sacramento, CA 95815

Re: Actuarial Review of the Self-Insured Liability Program

Dear Ms. Adams:

As you requested, we have completed our review of Northern California Cities Self Insurance Fund's self-insured liability program. Assuming a pool limit of \$1,000,000 per occurrence, we estimate the ultimate cost of claims and expenses for claims incurred during the 2013-14 program years to be \$2,782,000. Of this amount, \$1,416,000 is for the banking layer (\$0 – \$50,000 per occurrence) and \$1,366,000 is for the shared layer (\$50,000 – \$1,000,000 per occurrence). These amounts include allocated loss adjustment expenses (ALAE), unallocated loss adjustment expenses (ULAE), and a discount for anticipated investment income. ALAE is the direct cost associated with the defense of individual claims (e.g. legal fees, investigation fees, court charges). ULAE is the cost to administer all claims to final settlement, which may be years into the future (e.g. claims adjusters' salaries, taxes). The discount for investment income is calculated based on the likely payout pattern of NCCSIF's claims, assuming a 2% return on investments per year. For budgeting purposes, the expected cost of 2013-14 claims translates to rates of \$1.87 per \$100 payroll, \$0.95 for the banking layer and \$0.92 for the shared layer (assuming \$148,897,000 in rated payroll).

In addition, we estimate the program's liability for outstanding claims to be \$7,386,000 as of June 30, 2013, again including ALAE and ULAE, and discounted for anticipated investment income. Of this amount, \$2,059,000 is for the banking layer and \$5,327,000 is for the shared layer. Given estimated program assets of \$10,190,000 as of June 30, 2013, the program is expected to be funded between the 85% and 90% confidence level on a combined basis. Banking layer is funded above the 90% confidence level. Shared layer is funded between the expected and 70% confidence levels. (See Graphs 1a, 1b and 1c on pages 10, 11, and 12.)

The \$7,386,000 estimate is the minimum liability to be booked by NCCSIF at June 30, 2013 for Northern California Cities Self Insurance Fund's liability program, in accordance with Governmental Accounting Standards Board (GASB) Statement #10. GASB #10 requires NCCSIF to accrue a liability on its financial statements for the ultimate cost of claims and expenses associated with all reported and unreported claims, including ALAE and ULAE. GASB #10 does not prohibit the discounting of losses to recognize investment income.

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Our conclusions regarding NCCSIF's liability for unpaid loss and loss adjustment expenses (LAE) at June 30, 2013 are summarized in the table below.

Northern California Cities Self Insurance Fund
Self-Insured Liability Program
Estimated Liability for Unpaid Loss and LAE
Banking and Shared Layers Combined
at June 30, 2013

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$7,654,000					
ULAE*	0					
Investment Income Offset	(268,000)					
Discounted Loss and LAE	\$7,386,000	\$8,228,000	\$8,597,000	\$9,033,000	\$9,580,000	\$10,303,000
Available Funding	10,190,000					
Surplus or (Deficit)	\$2,804,000	\$1,962,000	\$1,593,000	\$1,157,000	\$610,000	(\$113,000)

* ULAE is included with Loss and ALAE

Northern California Cities Self Insurance Fund
Self-Insured Liability Program
Estimated Liability for Unpaid Loss and LAE
Banking Layers
at June 30, 2013

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$2,134,000					
ULAE*	0					
Investment Income Offset	(75,000)					
Discounted Loss and LAE	\$2,059,000	\$2,263,000	\$2,326,000	\$2,456,000	\$2,519,000	\$2,759,000
Available Funding	4,629,000					
Surplus or (Deficit)	\$2,570,000	\$2,366,000	\$2,303,000	\$2,173,000	\$2,110,000	\$1,870,000

* ULAE is included with Loss and ALAE

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Northern California Cities Self Insurance Fund
 Self-Insured Liability Program
 Estimated Liability for Unpaid Loss and LAE
 Shared Layers
 at June 30, 2013

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$5,520,000					
ULAE*	0					
Investment Income Offset	(193,000)					
Discounted Loss and LAE	\$5,327,000	\$5,965,000	\$6,271,000	\$6,577,000	\$7,061,000	\$7,544,000
Available Funding	5,561,000					
Surplus or (Deficit)	\$234,000	(\$404,000)	(\$710,000)	(\$1,016,000)	(\$1,500,000)	(\$1,983,000)

* ULAE is included with Loss and ALAE

GASB #10 does not address an actual funding requirement for the program, but only speaks to the liability to be recorded on NCCSIF's financial statements. Because actuarial estimates of claims costs are subject to some uncertainty, we recommend that an amount in addition to the discounted expected loss costs be set aside as a margin for contingencies. Generally, the amount should be sufficient to bring funding to the 75% to 85% confidence level for primary programs. We consider funding to the 70% confidence level to be marginally acceptable and funding to the 90% confidence level to be conservative.

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The table below shows our funding recommendations for Northern California Cities Self Insurance Fund for the 2013-14 fiscal year.

Northern California Cities Self Insurance Fund
Self-Insured Liability Program
Loss and LAE Funding Guidelines for 2013-14
Banking and Shared Layers Combined
Banking Layer: \$0 to \$50,000
Shared Layer: \$50,000 to \$1,000,000

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$2,906,000					
ULAE*	0					
Investment Income Offset	(124,000)					
Discounted Loss and LAE	\$2,782,000	\$3,280,000	\$3,528,000	\$3,822,000	\$4,190,000	\$4,679,000
Rate per \$100 of 2013-14 Payroll	\$1.87	\$2.20	\$2.37	\$2.57	\$2.82	\$3.14

* ULAE is included with Loss and ALAE

Northern California Cities Self Insurance Fund
Self-Insured Liability Program
Loss and LAE Funding Guidelines for 2013-14
Banking Layer
Banking Layer: \$0 to \$50,000

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$1,479,000					
ULAE*	0					
Investment Income Offset	(63,000)					
Discounted Loss and LAE	\$1,416,000	\$1,635,000	\$1,724,000	\$1,859,000	\$1,975,000	\$2,212,000
Rate per \$100 of 2013-14 Payroll	\$0.95	\$1.10	\$1.16	\$1.25	\$1.33	\$1.49

* ULAE is included with Loss and ALAE

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Northern California Cities Self Insurance Fund
 Self-Insured Liability Program
 Loss and LAE Funding Guidelines for 2013-14
 Shared Layer

Shared Layer: \$50,000 to \$1,000,000

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$1,427,000					
ULAE*	0					
Investment Income Offset	(61,000)					
Discounted Loss and LAE	\$1,366,000	\$1,645,000	\$1,804,000	\$1,963,000	\$2,215,000	\$2,467,000
Rate per \$100 of 2013-14 Payroll	\$0.92	\$1.11	\$1.21	\$1.32	\$1.49	\$1.66

* ULAE is included with Loss and ALAE

The funding recommendations shown in the table above do not include any recognition of the existing funding margin at June 30, 2013. They are for losses and loss adjustment expenses only, and do not include a provision for loss control, overhead, excess insurance premiums, and other expenses associated with the program.

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The report that follows outlines the scope of our study, its background, and our conclusions, recommendations, and assumptions. Judgments regarding the appropriateness of our conclusions and recommendations should be made only after studying the report in its entirety, including the graphs, attachments, exhibits and appendices. Our report has been developed for NCCSIF's internal use. It is not intended for general circulation.

We appreciate the opportunity to be of service to Northern California Cities Self Insurance Fund in preparing this report. Please feel free to call Mike Harrington at (916) 244-1162 or Nina Gau at (916) 244-1193 with any questions you may have concerning this report.

Sincerely,

Bickmore

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Mike Harrington, FCAS, MAAA
Director, Property and Casualty Actuarial Services, Bickmore
Fellow, Casualty Actuarial Society
Member, American Academy of Actuaries

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Nina Gau, FCAS, MAAA
Manager, Property and Casualty Actuarial Services, Bickmore
Fellow, Casualty Actuarial Society
Member, American Academy of Actuaries

Northern California Cities Self Insurance Fund - Liability

Funding Options for Program Year 2013-2014

Banking Layer Retention: \$50,000 (Folsom: \$100,000)

Shared Layer Retention: \$1,000,000 (Including Folsom From \$100,000 - \$1,000,000)

	<u>Total</u>	<u>Banking</u>	<u>Shared</u>
(A) Estimated Ultimate Losses Incurred in Accident Year 2013-2014: (From Appendix G)	\$2,906,000	1,479,000	1,427,000
(B) Estimated Claims Administration Fees Incurred in Accident Year 2013-2014: (From Exhibit 5, Page 1, Item (L))	0	0	0
(C) Total Claims Costs Incurred in Accident Year 2013-2014: ((A) + (B))	<u>\$2,906,000</u>	<u>\$1,479,000</u>	<u>\$1,427,000</u>
(D) Anticipated Investment Income: ((C) x [1 - Appendix I, Page 2, (F)])	124,000	63,000	61,000
(E) Discounted Total Claims Costs Incurred in Accident Year 2013-2014: ((C) - (D))	<u>\$2,782,000</u>	<u>\$1,416,000</u>	<u>\$1,366,000</u>
(F) Rate per \$100 2013-2014 Payroll:	\$1.87	\$0.95	\$0.92
	<u>Total</u>	<u>Banking</u>	<u>Shared</u>
(G) Confidence Level Factor: (From Appendix J)			
60%	1.031	1.033	1.029
70%	1.179	1.155	1.204
80%	1.374	1.313	1.437
90%	1.682	1.562	1.806
(H) Total Required Funding for 2013-2014 Incurred Claims Costs ((E) * (G))			
60%	\$2,868,000	\$1,463,000	\$1,405,000
70%	3,280,000	1,635,000	1,645,000
80%	3,822,000	1,859,000	1,963,000
90%	4,679,000	2,212,000	2,467,000
(I) Funding Rates for 2013-2014 Incurred Claims Costs			
60%	\$1.93	\$0.98	\$0.94
70%	2.20	1.10	1.11
80%	2.57	1.25	1.32
90%	3.14	1.49	1.66

Rates based on 2013-2014 payroll of \$148,800,000

Northern California Cities Self Insurance Fund - Liability

Funding Options for Program Year 2013-2014

Banking Layer Retention: \$50,000 (Folsom: \$100,000)

Shared Layer Retention: \$1,000,000 (Including Folsom From \$100,000 - \$1,000,000)

	<u>Total</u>	<u>Banking</u>	<u>Shared</u>
(A) Estimated Ultimate Losses Incurred in Accident Year 2013-2014: (From Appendix G)	\$2,906,000	1,479,000	1,427,000
(B) Estimated Claims Administration Fees Incurred in Accident Year 2013-2014: (From Exhibit 5, Page 1, Item (L))	0	0	0
(C) Total Claims Costs Incurred in Accident Year 2013-2014: ((A) + (B))	<u>\$2,906,000</u>	<u>\$1,479,000</u>	<u>\$1,427,000</u>
(D) Anticipated Investment Income: ((C) x [1 - Appendix I, Page 2, (F)])	94,000	48,000	46,000
(E) Discounted Total Claims Costs Incurred in Accident Year 2013-2014: ((C) - (D))	<u>\$2,812,000</u>	<u>\$1,431,000</u>	<u>\$1,381,000</u>
(F) Rate per \$100 2013-2014 Payroll:	\$1.89	\$0.96	\$0.93
	<u>Total</u>	<u>Banking</u>	<u>Shared</u>
(G) Confidence Level Factor: (From Appendix J)			
60%	1.031	1.033	1.029
70%	1.179	1.155	1.203
80%	1.374	1.313	1.437
90%	1.682	1.562	1.807
(H) Total Required Funding for 2013-2014 Incurred Claims Costs ((E) * (G))			
60%	\$2,899,000	\$1,478,000	\$1,421,000
70%	3,315,000	1,653,000	1,662,000
80%	3,864,000	1,879,000	1,985,000
90%	4,730,000	2,235,000	2,495,000
(I) Funding Rates for 2013-2014 Incurred Claims Costs			
60%	\$1.95	\$0.99	\$0.95
70%	2.23	1.11	1.12
80%	2.60	1.26	1.33
90%	3.18	1.50	1.68

Rates based on 2013-2014 payroll of \$148,800,000



DISTRIBUTION OF CJPRMA REFUND

ACTION ITEM

TAKEAWAY: *We can no longer use these funds as offsets to Deposits; we need them applied to Net Assets. We are recommending that one-half of this year's \$414,000 still be applied to Deposits and in the future the expected declining amount be applied to build Net Assets.*

ISSUE: For the past eight years, NCCSIF has received a refund from CJPRMA based on excess equity on hand. While CJPRMA has since changed the manner in which it calculates yearly deposits, NCCSIF still maintains a large surplus with CJPRMA. This means that we will continue to receive equity distributions however the amount will begin to diminish due to the fact that in 2008 we increased our self insured retention to \$1,000,000 and did not participate in Pool B (500x500) so we will not receive equity distributions from that Pool. We will continue to be eligible for equity distributions from the excess Pool layers.

Historically, NCCSIF has used the CJPRMA refund to offset their Liability premium costs. This year the amount of the Liability refund from CJPRMA is \$414,401.

RECOMMENDATION: Staff recommends that the CJPRMA refund be used to reduce the Liability Shared Risk equity deficit and rebuild equity in the program. We recommend that future redistributions from CJPRMA continue to be applied to build equity in the Shared Risk Layer.

FISCAL IMPACT: \$414,401 will be redistributed to NCCSIF from CJPRMA.

BACKGROUND: CJPRMA issues dividends from equity to their members annually. NCCSIF has received the following distributions:

2012 - \$304,007
2011 - \$502,233
2010 - \$357,947
2009 - \$342,624
2008 - \$357,000
2007 - \$340,260

ATTACHMENT(S): CJPRMA dividend allocation for NCCSIF Members for the years of 1993 – 2010

California Joint Powers Risk Management Authority

Equity Redistribution per Actuarial Study	\$5,056,998
Less Negative Net Equity Adjustments	(\$895,501)
Total Recommended Redistribution	\$4,161,497

Based on Equity as of June 30, 2012

MEMBER	POOL	PY 86/87	PY 93/94	PY 94/95	PY 95/96	PY 96/97	PY 97/98	PY 98/99	PY 99/00	PY 00/01	PY 01/02	PY 02/03	PY 03/04	PY 04/05	PY 05/06	PY 06/07	PY 07/08	PY 08/09	PY 09/10	Total Redist
		1																		
ALAMEDA	B	(2,015)	7	9,267	(143)	200	1,160	2,392	4,550	8,630	9,148	9,482	16,216	(7,970)	2,872	3,925	0	(29,221)	(24,639)	3,861
ALAMEDA	C	(4,777)	(0)	887	192	760	4,371	6,570	9,986	11,628	21,883	19,921	17,364	2,825	14,583	3,744	0	0	0	109,938
ALAMEDA	D	0	0	33	229	3,469	2,161	3,411	43	987	527	875	1	1,517	14	887	0	29,221	0	43,375
ALAMEDA	Total	(6,791)	7	10,186	278	4,430	7,692	12,373	14,579	21,245	31,557	30,278	33,581	(3,628)	17,469	8,555	0	(0)	(24,639)	157,173
CCCMRMA	C		17	8,601	1,696	9,655	36,658	51,262	64,377											172,265
CCCMRMA	D		2	507	2,293	21,965	17,372	25,073	295											67,508
CCCMRMA	Total		19	9,108	3,989	31,620	54,030	76,334	64,672											239,773
CHICO	A	0																		0
CHICO	B	(919)	2	4,057	(68)	96	568	1,130	2,053	4,140	4,469	4,605	8,256	(3,985)	1,292	1,906	0	(16,426)	(14,100)	(2,925)
CHICO	C	(2,137)	(0)	388	276	360	2,142	3,101	4,504	5,578	10,690	9,674	8,839	1,413	6,561	1,818	0	0	0	53,208
CHICO	D	0	(0)	14	85	8	1,058	1,609	18	474	257	425	10	759	7	431	0	16,426	0	21,582
CHICO	Total	(3,056)	2	4,459	293	464	3,768	5,841	6,575	10,192	15,416	14,704	17,105	(1,814)	7,860	4,155	0	(0)	(14,100)	71,865
CSJVRMA	B	(17,699)																		(17,699)
CSJVRMA	C	(91,207)	22	10,111	2,027	11,421	39,523	56,719	71,045											99,661
CSJVRMA	D	0	3	597	2,740	25,987	20,933	27,742	326											78,328
CSJVRMA	Total	(108,906)	24	10,708	4,767	37,408	60,456	84,461	71,371											160,290
FAIRFIELD	B	(1,566)	5	7,342	(117)	164	973	1,918	3,300	6,292	6,813	7,504	12,379	(5,843)	2,016	2,980	0	(24,193)	(21,305)	(1,336)
FAIRFIELD	C	(3,878)	(0)	703	222	(307)	3,670	5,269	7,240	8,477	16,298	15,764	13,255	2,071	10,236	2,843	0	0	0	81,862
FAIRFIELD	D	0	(0)	26	(470)	162	1,815	2,734	33	719	392	692	2	1,111	10	673	0	24,193	0	32,092
FAIRFIELD	Total	(5,443)	5	8,070	(366)	18	6,458	9,920	10,572	15,488	23,503	23,961	25,636	(2,661)	12,263	6,497	0	0	(21,305)	112,618
FREMONT	B	(3,194)	19	15,535	(245)	332	2,035	4,220	7,291	13,928	15,811	16,870	28,607	(11,984)	3,899	5,456	0	(43,832)	(38,618)	16,130
FREMONT	C	(8,811)	(0)	1,479	87	(841)	7,671	11,592	16,000	18,767	37,823	35,442	30,631	4,247	19,798	5,205	0	0	0	179,089
FREMONT	D	0	0	55	375	660	3,792	6,014	70	1,593	909	1,555	2	2,282	19	1,232	0	43,832	0	62,390
FREMONT	Total	(12,005)	19	17,069	217	150	13,498	21,826	23,361	34,288	54,544	53,867	59,240	(5,454)	23,717	11,892	0	(0)	(38,618)	257,610
LIVERMORE	A	0																		0
LIVERMORE	B	(1,276)	7	6,580	(90)	67	907	1,811	2,902	5,343	5,409	5,753	11,223	(5,413)	1,798	2,477	0	(17,150)	(17,280)	3,065
LIVERMORE	C	(3,072)	(0)	629	165	(146)	741	4,971	6,367	5,433	11,509	12,036	12,017	1,919	9,130	2,363	0	0	0	64,059
LIVERMORE	D	0	(0)	23	39	(77)	693	1,003	28	611	310	582	3	1,031	9	559	0	17,150	0	21,966
LIVERMORE	Total	(4,348)	7	7,232	114	(157)	2,341	7,785	9,297	11,386	17,228	18,371	23,243	(2,463)	10,937	5,399	0	0	(17,280)	89,091
LODI	A	0																		0
LODI	B	(1,300)	7	5,501	(92)	122	758	1,503	2,728	4,985	5,548	5,693	9,685	(4,354)	1,441	2,035	0	(14,664)	(12,987)	6,610
LODI	C	(3,504)	0	524	252	(110)	2,858	4,130	5,987	6,715	13,273	11,960	10,371	1,543	7,318	1,941	0	0	0	63,259
LODI	D	0	(0)	20	128	115	1,413	2,143	26	569	319	525	4	830	7	460	0	14,664	0	21,223
LODI	Total	(4,804)	7	6,045	288	127	5,030	7,777	8,741	12,269	19,140	18,178	20,059	(1,981)	8,767	4,435	0	0	(12,987)	91,091
MANTECA	A	0																		0
MANTECA	B	(1,291)	124	5,193	514	256	569													5,364
MANTECA	C	(6,607)	0	855	151	880	2,198													(2,523)
MANTECA	D	(0)	0	50	204	2,001	905													3,161
MANTECA	Total	(7,898)	124	6,098	869	3,137	3,672													6,002
NCCSIF	B		28	19,351	(266)	453	2,769	5,531	9,948	18,378	20,262	21,678	38,040	(17,894)	6,226	9,239	0	0	0	133,742
NCCSIF	C		(0)	1,853	1	98	10,443	15,193	21,829	24,760	48,463	45,544	40,731	6,342	31,613	8,814	0	0	0	255,683
NCCSIF	D		0	69	560	404	5,163	7,884	95	2,102	1,165	1,999	10	3,408	30	2,087	0	0	0	24,975
NCCSIF	Total		28	21,273	295	955	18,375	28,607	31,872	45,239	69,889	69,221	78,781	(8,144)	37,870	20,141	0	0	0	414,401
PERMA	C											75,942	40,148	2,310	24,619	24,406	0	0	0	167,425
PERMA	D											3,137	13	6,469	556	2,668	0	0	0	12,843
PERMA	Total											79,079	40,161	8,780	25,175	27,074	0	0	0	180,269

California Joint Powers Risk Management Authority

Equity Redistribution per Actuarial Study	\$5,056,998
Less Negative Net Equity Adjustments	(\$895,501)
Total Recommended Redistribution	\$4,161,497

Based on Equity as of June 30, 2012

MEMBER	POOL	PY 86/87	PY 93/94	PY 94/95	PY 95/96	PY 96/97	PY 97/98	PY 98/99	PY 99/00	PY 00/01	PY 01/02	PY 02/03	PY 03/04	PY 04/05	PY 05/06	PY 06/07	PY 07/08	PY 08/09	PY 09/10	Total Redist	
		1																			
PETALUMA	A	0																			
PETALUMA	B	(896)	3	4,270	(71)	103	625	1,246	2,216	4,072	4,415	4,499	7,372	(3,430)	1,119	1,691	0	(14,124)	(12,152)	958	
PETALUMA	C	(2,250)	0	408	267	389	2,355	3,421	4,864	5,486	10,562	9,453	7,894	1,215	5,680	1,614	0	0	0	51,357	
PETALUMA	D	0	0	15	98	7	1,164	1,776	20	466	254	415	6	653	6	382	0	14,124	0	19,385	
PETALUMA	Total	(3,147)	3	4,693	294	499	4,145	6,442	7,100	10,024	15,231	14,367	15,272	(1,563)	6,805	3,687	0	0	(12,152)	71,701	
POMONA	B												18,400	(17,708)	2,527	4,448	0	0	0	7,668	
POMONA	C												13,725	863	4,914	5,293	0	0	0	24,795	
POMONA	D											3	2,518	114	849	0	0	0	0	3,484	
POMONA	Total												32,128	(14,327)	7,555	10,591	0	0	0	35,947	
REDDING	B	(2,229)	10	10,488	(174)	234	1,363	2,663	4,241	7,827	9,033	9,185	15,986	(7,455)	2,616	3,543	0	(27,621)	(24,304)	5,405	
REDDING	C	(5,360)	0	1,004	163	234	5,138	7,313	9,305	10,545	21,608	19,296	17,117	2,641	13,283	3,380	0	0	0	105,668	
REDDING	D	0	0	37	281	194	2,541	3,795	40	895	519	846	4	1,420	13	800	0	27,621	0	39,006	
REDDING	Total	(7,589)	10	11,529	270	663	9,042	13,771	13,586	19,267	31,161	29,327	33,107	(3,394)	15,912	7,723	0	(0)	(24,304)	150,079	
REMIF	A	0																			
REMIF	B	(3,386)	11	16,881	(271)	376	2,263	4,432	7,842	14,709	15,865	16,450	28,225	(12,248)	3,924	5,790	0	(47,193)	(41,570)	12,100	
REMIF	C	(9,188)	0	1,616	53	(708)	8,530	12,175	17,209	19,819	37,950	34,559	30,222	4,342	19,922	5,523	0	0	0	182,024	
REMIF	D	0	0	60	457	373	4,217	6,317	75	1,681	913	1,517	2	2,333	19	1,308	0	47,193	0	66,464	
REMIF	Total	(12,574)	11	18,557	239	41	15,009	22,925	25,126	36,209	54,728	52,526	58,450	(5,574)	23,865	12,621	0	0	(41,570)	260,588	
RICHMOND	B																			(31,938)	(31,938)
RICHMOND	C																			0	0
RICHMOND	D																			31,938	31,938
RICHMOND	Total																			(0)	(0)
ROSEVILLE	A	0																			
ROSEVILLE	B	(1,464)	6	9,191	(151)	209	1,333	2,693	4,906	9,552	10,726	10,491	19,396	(9,359)	3,183	4,877	0	(44,540)	(37,907)	(16,858)	
ROSEVILLE	C	(3,684)	(0)	878	181	794	5,027	7,397	10,764	12,870	25,662	22,040	20,769	3,317	16,161	4,652	0	0	0	126,828	
ROSEVILLE	D	0	(0)	33	244	29	2,486	3,838	47	1,093	616	967	6	1,783	15	1,102	0	44,540	0	56,800	
ROSEVILLE	Total	(5,148)	6	10,102	275	1,032	8,846	13,928	15,717	23,515	37,004	33,498	40,171	(4,258)	19,359	10,630	0	0	(37,907)	166,770	
SAN LEANDRC	C	(4,155)	(0)	826	196	517	3,525	4,933	6,864	7,403	13,731	11,915	11,264	1,721	7,625	1,828	0	0	0	68,192	
SAN LEANDRC	D	0	(0)	31	224	72	1,743	2,559	31	627	331	523	12	925	8	433	0	0	0	7,518	
SAN LEANDRC	Total	(4,155)	(0)	857	421	589	5,268	7,491	6,894	8,030	14,062	12,437	11,276	2,646	7,633	2,261	0	0	0	75,710	
SAN RAFAEL	A	0																			
SAN RAFAEL	B	(1,773)	5	5,761	(97)	133	845	1,723	3,115	5,974	6,390	6,489	10,418	(4,769)	1,531	2,171	0	(17,063)	(15,020)	5,832	
SAN RAFAEL	C	(4,531)	3	549	242	77	3,185	4,730	6,835	8,049	15,284	13,632	11,155	1,692	7,774	2,071	0	0	0	70,746	
SAN RAFAEL	D	0	(0)	20	141	116	1,574	2,454	30	685	368	599	7	908	8	490	0	17,063	0	24,462	
SAN RAFAEL	Total	(6,304)	8	6,330	286	325	5,604	8,907	9,980	14,707	22,041	20,720	21,579	(2,169)	9,313	4,733	0	0	(15,020)	101,040	
SANTA ROSA	A	0																			
SANTA ROSA	B	(3,154)	9	14,057	(229)	319	1,958	4,404	7,684	14,822	15,519	16,156	27,788	(12,313)	3,796	5,339	0	(44,445)	(38,657)	13,053	
SANTA ROSA	C	(8,389)	0	1,345	101	1,216	7,380	12,092	16,863	19,970	37,125	33,941	29,753	4,364	19,276	5,092	0	0	0	180,130	
SANTA ROSA	D	0	0	50	388	76	3,648	6,274	74	1,695	892	1,490	6	2,345	18	1,206	0	44,445	0	62,606	
SANTA ROSA	Total	(11,544)	9	15,452	260	1,611	12,986	22,770	24,621	36,488	53,536	51,586	57,547	(5,604)	23,091	11,637	0	0	(38,657)	255,789	
SBAJPIA	A																				0
SBAJPIA	B																				0
SBAJPIA	C																				0
SBAJPIA	D																				0
SBAJPIA	Total																				0

California Joint Powers Risk Management Authority

Equity Redistribution per Actuarial Study	\$5,056,998
Less Negative Net Equity Adjustments	(\$895,501)
Total Recommended Redistribution	\$4,161,497

Based on Equity as of June 30, 2012

MEMBER	POOL	PY 86/87	PY 93/94	PY 94/95	PY 95/96	PY 96/97	PY 97/98	PY 98/99	PY 99/00	PY 00/01	PY 01/02	PY 02/03	PY 03/04	PY 04/05	PY 05/06	PY 06/07	PY 07/08	PY 08/09	PY 09/10	Total Redist
		1																		
SCORE	A	0																		
SCORE	B	(492)	4	4,024	(69)	90	549	1,039	1,803	3,367	3,646	3,925	7,121	(3,240)	994	1,491	0	(11,715)	(10,253)	2,284
SCORE	C	(1,218)	(0)	384	278	133	2,071	2,853	3,956	4,535	8,715	8,245	7,626	1,149	5,049	1,422	0	0	0	45,198
SCORE	D	0	(0)	14	83	72	1,024	1,480	16	385	216	362	10	617	6	337	0	11,715	0	16,336
SCORE	Total	(1,710)	4	4,422	293	294	3,644	5,372	5,775	8,288	12,577	12,531	14,756	(1,474)	6,049	3,250	0	0	(10,253)	63,819
STOCKTON	C	(11,623)	0	2,191	22	(990)	12,309	17,572	24,297	26,422	50,730	45,193	39,246	5,838	26,427	6,997	0	0	0	244,633
STOCKTON	D	0	0	83	32	522	4,915	9,118	106	2,242	1,219	1,983	13	3,137	26	1,657	0	0	0	25,052
STOCKTON	Total	(11,623)	0	2,274	54	(469)	17,225	26,689	24,403	28,664	51,950	47,176	39,260	8,975	26,452	8,654	0	0	0	269,685
SUNNYVALE	B	(3,815)	9	16,379	(248)	349	2,066	4,063	7,067	12,901	14,252	14,784	27,483	(12,680)	3,998	5,357	0	(40,288)	(34,708)	16,969
SUNNYVALE	C	(10,299)	0	1,567	74	1,327	7,786	11,157	15,508	17,382	34,094	31,059	29,429	4,494	20,300	5,111	0	0	0	168,988
SUNNYVALE	D	0	0	58	435	3,381	3,849	5,790	67	1,475	820	1,364	(0)	2,414	19	1,210	0	40,288	0	61,171
SUNNYVALE	Total	(14,115)	9	18,004	262	5,056	13,701	21,010	22,642	31,758	49,166	47,207	56,912	(5,772)	24,318	11,678	0	(0)	(34,708)	247,128
VACAVILLE	B									8,140	8,574	14,705	(6,745)	2,249	3,156	0	(25,552)	(22,304)	(17,779)	
VACAVILLE	C	(2,090)	(0)	667	221	(313)	4,045	6,021	8,500	9,892	19,472	18,012	15,745	2,390	11,419	3,010	0	0	0	96,993
VACAVILLE	D	0	0	25	173	165	2,000	3,125	37	840	468	791	13	1,283	11	713	0	25,552	0	35,197
VACAVILLE	Total	(2,090)	0	693	395	(148)	6,045	9,146	8,538	10,732	28,080	27,377	30,463	(3,073)	13,680	6,879	0	(0)	(22,304)	114,411
VALLEJO	B													(6,495)	2,648	3,162	0	(30,614)	(21,556)	(52,854)
VALLEJO	C	(4,055)	0	930	170	866	5,156	7,211	9,968	11,187	23,064	23,678	20,810	3,134	13,447	3,016	0	0	0	118,582
VALLEJO	D	0	(0)	35	267	3,948	2,549	3,741	43	948	554	1,039	3	1,683	13	714	0	30,614	0	46,151
VALLEJO	Total	(4,055)	(0)	965	437	4,814	7,705	10,952	10,011	12,135	23,618	24,717	20,813	(1,678)	16,109	6,892	0	(0)	(21,556)	111,879
YCPARMIA	B	(3,533)	12	28,250	(455)	601	3,639	7,199	13,008	24,972	27,394	28,136	46,823	(6,364)	7,260	10,555	0	(91,342)	(80,704)	15,452
YCPARMIA	C	(9,164)	(0)	2,703	69	(1,065)	13,722	19,772	28,545	33,645	65,530	59,110	50,192	7,755	36,920	10,062	0	0	0	317,799
YCPARMIA	D	0	0	100	(205)	565	6,784	10,258	124	2,856	1,575	2,936	12	4,167	35	2,970	0	91,342	0	123,519
YCPARMIA	Total	(12,697)	12	31,053	(590)	101	24,145	37,229	41,677	61,473	94,499	90,183	97,028	5,559	44,216	23,587	0	(0)	(80,704)	456,770
Total		(250,001)	314	225,178	13,639	92,561	308,685	461,557	457,109	451,396	718,930	771,310	826,569	(49,071)	388,413	212,970	0	0	(468,062)	4,161,497
All members	A	0																		
All members	B	(50,001)	268	182,125	(2,274)	4,101	24,379	47,967	84,655	159,891	182,840	190,273	348,123	(160,250)	55,393	79,597	0	(539,984)	(500,000)	107,104
All members	C	(200,000)	41	41,096	7,109	24,245	190,506	275,453	370,811	268,563	523,467	556,417	478,304	67,585	332,057	110,206	0	0	0	3,045,860
All members	D	(0)	5	1,957	8,803	64,215	93,800	138,137	1,643	22,942	12,623	24,620	142	43,594	963	23,167	0	539,984	31,938	1,008,533
Total All Pools:		(250,001)	314	225,178	13,639	92,561	308,685	461,557	457,109	451,396	718,930	771,310	826,569	(49,071)	388,413	212,970	0	0	(468,062)	4,161,497



**PRELIMINARY 2013/14 DEPOSIT CALCULATIONS
WORKERS' COMPENSATION**

ACTION ITEM

ISSUE: The 2013/14 Preliminary calculations for Workers' Compensation programs are provided to the Executive Committee for their review, approval and recommendation of the discount rates to be used to fund losses. Final deposit calculations will be presented at the June Board meeting. These calculations were sent to the Board of Directors on March 6, 2013 for their review.

RECOMMENDATION: None

FISCAL IMPACT: TBD – will be determined once the discount rate is approved for each program.

BACKGROUND: Although the costs are not finalized, it has become the practice in the past for NCCSIF to review the preliminary calculations at the March Executive Committee meeting. This practice was adopted to allow members to have an indication of costs for their individual budgets. It also allowed NCCSIF to give direction as to where they would like to expend the funds in the following year.

ATTACHMENT(S): 2013/14 Preliminary Workers' Compensation Deposit Premium Calculations.

NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND

WORKERS' COMPENSATION PROGRAM

July 1, 2013 to June 30, 2014

Funding Confidence Level:	60%	Discounting Factor	1.50%
Banking Layer Funding	\$4,020,072.18	CSAC-EIA Premium:	\$700,000
Shared Risk Layer Funding	\$2,074,827.92	Administrative Expenses:	\$533,355

MEMBER ENTITY	BANKING LAYER	SHARED RISK	CSAC PREMIUM (1)	ADMIN EXPENSE	TOTAL DEPOSIT	CAPPED DEPOSIT	CHANGE FROM LAST YEAR
Anderson	101,228	\$46,866	16,297	17,023	\$181,414	\$197,427	4%
Auburn	138,655	\$86,046	30,006	21,800	\$276,506	\$230,161	20%
Colusa	49,521	\$33,745	11,184	13,357	\$107,808	\$102,631	20%
Corning	71,876	\$40,639	12,546	14,956	\$140,017	\$156,030	18%
Dixon	226,796	\$108,694	39,062	28,083	\$402,635	\$418,648	-5%
Folsom	925,142	\$451,436	174,690	90,059	\$1,641,327	\$1,657,340	-1%
Galt	230,241	\$126,869	38,539	29,174	\$424,823	\$440,837	14%
Gridley	48,285	\$49,716	14,821	14,334	\$127,156	\$143,170	7%
Ione**	29,979	\$15,919	5,322	11,075	\$62,296	\$78,309	14%
Jackson	75,282	\$30,057	12,288	14,569	\$132,196	\$148,209	17%
Lincoln	217,857	\$149,476	23,347	28,819	\$419,499	\$402,683	20%
Marysville	122,625	\$47,210	13,969	18,017	\$201,820	\$217,833	-1%
Nevada City	58,141	\$28,329	10,226	13,468	\$110,164	\$126,178	-9%
Oroville	156,874	\$100,196	29,218	23,435	\$309,722	\$325,735	0%
Town of Paradise	268,568	\$76,059	26,557	27,830	\$399,014	\$415,027	8%
Placerville	181,190	\$81,815	25,834	23,547	\$312,387	\$328,400	3%
Red Bluff	218,209	\$92,623	30,001	26,274	\$367,106	\$374,275	20%
Rio Vista	35,548	\$34,940	10,608	12,660	\$93,756	\$109,769	13%
Rocklin	337,546	\$197,803	70,484	40,293	\$646,126	\$662,139	-6%
Willows	72,106	\$31,878	12,166	14,491	\$130,642	\$123,749	20%
Yuba City	454,402	\$244,513	92,834	50,091	\$841,841	\$669,704	20%
Total	\$4,020,072	\$2,074,828	\$700,000	\$533,355	\$7,328,255	\$7,328,255	6%



**PRELIMINARY 2013/14 DEPOSIT CALCULATIONS
LIABILITY**

ACTION ITEM

ISSUE: The 2013/14 Preliminary calculations for the program is provided to the Executive Committee for their review, approval and recommendation of the discount rates to be used to fund losses. Final deposit calculations will be presented at the June Board meeting. These calculations were sent to the Board of Directors on March 6, 2013 for their review.

RECOMMENDATION: None

FISCAL IMPACT: TBD – will be determined once the discount rate is approved for each program.

BACKGROUND: Although the costs are not finalized, it has become the practice in the past for NCCSIF to review the preliminary calculations at the March Executive Committee meeting. This practice was adopted to allow members to have an indication of costs for their individual budgets. It also allowed NCCSIF to give direction as to where they would like to expend the funds in the following year.

ATTACHMENT(S): 2013/14 Preliminary Liability Deposit Premium Calculations.

NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND

LIABILITY PROGRAM

July 1, 2013 to June 30, 2014

Funding Confidence Level:	60%	Discounting Rate	1.50%
Banking Layer Funding	\$1,531,468	CJPRMA Premium:	\$800,000
Shared Risk Layer Funding	\$1,408,593	Administrative Expenses:	\$510,655

MEMBER ENTITY	BANKING LAYER	SHARED RISK	CJPRMA PREMIUM	ADMIN EXPENSE	CJPRMA REFUND	TOTAL DEPOSIT	CAPPED DEPOSIT	CHANGE FROM LAST YEAR
Anderson	\$37,296	\$36,696	\$16,049	\$16,639	(\$4,157)	\$102,522	\$103,114	-9%
Auburn	\$64,416	\$58,573	\$28,410	\$21,498	(\$7,358)	\$165,539	\$166,131	11%
Colusa	\$34,299	\$27,328	\$12,068	\$15,074	(\$3,126)	\$85,643	\$80,257	20%
Corning	\$18,723	\$28,548	\$14,365	\$15,977	(\$3,721)	\$73,892	\$74,484	14%
Dixon	\$39,687	\$62,322	\$38,912	\$25,626	(\$10,078)	\$156,468	\$157,060	-3%
Folsom	\$435,829	\$228,399	\$206,372	\$91,456	(\$53,450)	\$908,605	\$909,197	9%
Galt	\$99,361	\$106,031	\$44,551	\$27,843	(\$11,539)	\$266,247	\$266,839	12%
Gridley	\$35,589	\$41,283	\$21,180	\$18,656	(\$5,486)	\$111,223	\$111,815	18%
Ione	\$12,515	\$12,062	\$6,685	\$12,863	(\$1,731)	\$42,393	\$42,985	-3%
Jackson	\$16,483	\$23,716	\$11,397	\$14,810	(\$2,952)	\$63,455	\$62,173	20%
Lincoln	\$122,969	\$119,581	\$58,372	\$33,276	(\$15,118)	\$319,080	\$319,672	6%
Marysville	\$59,220	\$38,823	\$16,294	\$16,735	(\$4,220)	\$126,852	\$127,444	19%
Oroville	\$79,912	\$96,260	\$35,774	\$24,393	(\$9,265)	\$227,073	\$227,665	3%
Town of Paradise	\$67,371	\$68,754	\$31,388	\$22,668	(\$8,129)	\$182,052	\$182,644	14%
Red Bluff	\$102,769	\$70,379	\$22,916	\$19,338	(\$5,935)	\$209,467	\$206,657	20%
Rio Vista	\$20,788	\$23,088	\$13,234	\$15,532	(\$3,428)	\$69,214	\$69,807	8%
Rocklin	\$121,189	\$172,312	\$107,504	\$52,590	(\$27,844)	\$425,752	\$426,344	3%
Willows	\$7,996	\$19,014	\$10,053	\$14,282	(\$2,604)	\$48,741	\$49,334	-12%
Yuba City	\$155,055	\$175,426	\$104,478	\$51,400	(\$27,060)	\$459,299	\$459,891	8%
Total:	\$1,531,468	\$1,408,593	\$800,000	\$510,655	(\$207,201)	\$4,043,515	\$4,043,515	8%



**LIABILITY SELF INSURED RETENTION ANALYSIS
SHARED RISK LAYER**

ACTION ITEM

TAKEAWAY: *The cost to transfer the risk from the \$500,000 x \$500,000 layer to CJPRMA is approximately \$50,000 higher than retaining this layer. However, the target equity ratio used as a benchmark of equity to be retained would decrease from \$3,800,000 (4 x \$950,000 SIR) to \$1,800,000 (4 x \$450,000 SIR) or \$2,000,000 less would be required over time to achieve this target. It would also stabilize our loss results, insulating us from possible shock losses over the next three years.*

ISSUE: The Executive Committee will review and discuss options for funding or transferring losses in the \$500,000 xs \$500,000 layer. NCCSIF currently has negative equity of (\$927,728) as of 12/31/12 in the shared risk layer due to several losses in the past few years in that layer.

CJPRMA has provided NCCSIF with a 3 year proposal to join their Pool B (\$500 x \$500) layer. They have proposed that NCCSIF contribute \$196,469 (\$.127) which is the 2013/14 actuarial rate for this layer for all their members, plus a surcharge of \$116,000 per year due to our adverse loss experience in this layer for a total contribution of \$312,469 (.202) for the 2013/14 program year.

NCCSIF's actuarial projections at the 60% confidence level using a 1.5% discount rate is **\$.17** which equates to a contribution of **\$256,000** using estimated payroll of \$150,499,039.

RECOMMENDATION: Staff does not recommend accepting CJPRMA's proposal as currently offered. Mike and Susan have sent a letter and had discussions with David Clovis, General Manager of CJPRMA detailing our objections to this proposal as it would unfairly subject NCCSIF to a greater share of the members in Pool B's losses. We have offered a counter proposal that will be brought to their Board on March 21, 2013 for review and approval. We have proposed creating a "Corridor Deductible" type program in this layer. We would pay in the "standard" contribution at the .127 rate. If we incur losses in that layer, we would FIRST pay \$348,000 (\$116,000*3) of our own losses excess of the \$500,000 attachment. No other members of CJPRMA would share our losses until that Paid Loss amount over three years is contributed. This allows NCCSIF to retain that surcharge until such time it is needed, if any, and our share of CJPRMA losses are based on our equity in the program less the surcharge.

FISCAL IMPACT: The financial impact will be in the range of \$200,000 - \$260,000 depending on the decision of the Executive Committee and ultimately the Board of Directors on transferring this layer or retaining it.



**Northern California Cities Self Insurance Fund
Executive Committee Meeting
March 14, 2013**

BACKGROUND: The Board of Directors approved reducing the Liability Self Insured Retention from \$1,000,000 to \$500,000 at the December 2012 Long Range Planning meeting. Due to several losses that exceeded \$500,000, the equity in the Shared Risk layer has been depleted and we are now in a deficit position.

Staff was directed to request actuarial projections for contributions for this layer from Bickmore and to approach CJPRMA to offer coverage for this layer. Staff has received both of the above and they are attached.

ATTACHMENTS:

1. Actuarial analysis of funding \$500,000 xs \$500,000 layer
2. CJPRMA Board Item proposal regarding NCCSIF joining Pool B (\$500 x \$500)
3. March 4, 2013 Letter to CJPRMA regarding their proposal

NCCSIF LIABILITY - \$500K xs \$500K

2013/2014 Rates

Funded at 60%

Confidence level	2.0%	1.5%
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Banking	0	0
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Shared Risk	0.17	0.17
	<hr/>	<hr/>
	0.17	0.17

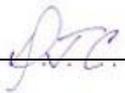
Est. Payroll =

\$150,499,039	\$	253,300	\$	253,300
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CJPRMA	0.127
	\$ 191,134
Surcharge	\$ 116,000
	<hr/>
	\$ 307,134

**CALIFORNIA JOINT POWERS
RISK MANAGEMENT AUTHORITY**

AGENDA BILL

ITEM: 6	TITLE: CHANGE IN S.I.R FOR NCCSIF
MEETING: 12/20/2012	
GENERAL MANAGER: 	

Recommended Actions:

Approval of the NCCSIF request to change their S.I.R. from \$1 million to \$500,000.

Item Explanation:

The Northern California Cities Self Insurance Fund (NCCSIF) notified CJPRMA, that it was considering lowering its self insured retention level (SIR) to \$500,000 effective July 1, 2013. NCCSIF will be taking formal action on this item at their December 13, 2012 Board of Directors meeting. Susan Adams administrator to the NCCSIF program submitted the request and will provide a formal notice of the action taken by their board immediately following their meeting.

Article XIX of the JPA Agreement provides member entities with the ability to determine, on a year to year basis, their own self-insured retention level.

Article XIX also provides that such a determination be communicated in writing at least 180 days prior to the commencement of the program year.

NCCSIF joined CJPRMA July 10, 1993 and at that time elected to participate in Pool B with a \$500,000 SIR. NCCSIF remained in Pool B through program year 2006-2007. Effective program year 2007-2008 NCCSIF opted out of Pool B increasing their SIR to \$1,000,000.

In order to calculate future liability premiums, CJPRMA bases losses on a rolling ten year average of actual claims expenses. The most current actuarial study used program years 1999/00–2008/09 for the rolling 10 year loss average. Since NCCSIF participated in Pool B through 2006-2007, their losses were included for eight years in the current actuarial study for Pool B.

Loss history for NCCSIF for these eight years reveals developed trended losses in Pool B of \$2,066,404, for an average of \$258,300 per year at expected. Increasing this to a 70% confidence level increases the annual loss average to \$312,543. The proposed rate for CJPRMA for PY 2013/14 for Pool B is \$0.127 per \$100 of payroll. With payroll estimated at \$154.7 million, this will generate approximately \$196,469 of Pool B premium contribution from NCCSIF. The data also showed that NCCSIF has five incurred losses greater than \$500,000 in years 2010 and 2011.

Given the adverse loss development, it is recommended that NCCSIF pay an additional premium contribution of \$116,000 in Pool B. The overall impact to Pool B members would be mitigated by the increase in contribution. In addition, to lessen the negative claims experience for future years, staff recommends the additional contribution of \$116,000 for Pool B be applied to their PY 2014-2015 and 2015-2016 premium. A three year term was chosen as this is the minimum requirement for a new member joining CJPRMA.

Staff recommends that the NCCSIF be permitted to change its retained limit to \$500,000 for program year 2013-2014 and contribute an additional premium of approximately \$116,000 making their total contribution to Pool B \$312,543.

Fiscal Impact:

1. Additional deposit contribution in Pool B of approximately \$312,543.

Exhibits:

None.



March 1, 2013

Mr. David Clovis
General Manager
California Joint Powers Risk Management Authority
3201 Doolan Rd., Suite 285
Livermore, CA 94551

NCCSIF CHANGE IN S.I.R.

Dear David:

We have reviewed the 12/13/12 Agenda Packet item #6 – Change in SIR for NCCSIF. First, thank you (and the CJPRMA Board) for considering this request and taking timely action to allow NCCSIF the opportunity to evaluate this change in attachment. Second, we'd like to report that one of our largest claims (with a reserve of \$829,750 just settled for \$30,000); providing us some relief from what has been an unusual trend in our historical experience. And third; we obviously have a few questions we'd like to discuss with you which will assist in our decision regarding the reduction in our SIR from \$1,000,000 to \$500,000.

The 2013/14 rate for Pool B is \$.127. You are proposing an additional contribution of \$116,000 in this layer for a total contribution of \$312,469 or \$.202. ***This represents a 59% rate increase; and approximately \$350,000 in additional contributions over the three years that it is imposed.***

Based on total NCCSIF payroll of \$1,198,622,000 in Pool B, NCCSIF represents 12.55% of the total payroll. With the proposed surcharge of \$116,000 (or \$.075) NCCSIF would then be responsible for 20.5% of the losses used in the distribution calculation. While this may seem appropriate for this initial Three Year 'penalty period', it's based on CJPRMA expected losses in the layer around \$1,500,000 each year. Our concerns center around this possible not occurring.

We have no issue paying more for our participation in this layer due to our larger than average losses during the past few years. What we don't want to find ourselves faced with, is paying a significantly greater share of all other members' losses at a time when we are at the high end of the curve, and hopefully recovering. We are sure that this concern could be understood – we think we have developed an option for consideration by staff, and the CJPRMA Board.



We would like to propose that we pay the additional \$116,000 a year, for the Three Year ‘penalty period’ as if this were an NCCSIF ‘Corridor Deductible’. CJPRMA has explored this concept in the past for their pool. NCCSIF would pay the **FIRST** \$348,000 of our own losses excess of the \$500,000 attachment; no other members would share NCCSIF losses until that Paid Loss amount over the Three Years is contributed. The following chart(s) project our costs at various loss levels with this proposed plan with 3 loss scenarios; \$1,000,000 a year, \$2,000,000 a year and then, **Worst Case**, \$3,000,000 every year for all three years. You can see our concern.

\$1,000,000 times 3 Years =			\$3,000,000
% Share	CJPRMA PROPOSED	Group RATE	NCCSIF PROPOSED
0.205	\$615,000	0.127	\$381,000
		<i>plus</i>	<u>\$348,000</u>
			\$729,000

Represents the \$116,000 penalty over 3 years

\$2,000,000 times 3 Years =			\$6,000,000
% Share	CJPRMA PROPOSED	Group RATE	NCCSIF PROPOSED
0.205	\$1,230,000	0.127	\$762,000
		<i>plus</i>	<u>\$348,000</u>
			\$1,110,000

Represents the \$116,000 penalty over 3 years

\$3,000,000 times 3 Years =			\$9,000,000
% Share	CJPRMA PROPOSED	Group RATE	NCCSIF PROPOSED
0.205	\$1,845,000	0.127	\$1,143,000
		<i>plus</i>	<u>\$348,000</u>
			\$1,491,000

Represents the \$116,000 penalty over 3 years

A Public Entity Joint Powers Authority



In the *Worst Case*, NCCSIF could end up paying \$350,000 more if one, NCCSIF had losses, and two, \$700,000 if NCCSIF had no losses. On the other hand, if losses are low and they are NCCSIF losses then we pay appropriately more. Interestingly (but as expected) at a level of \$1,500,000 claims a year we pay just slightly more - \$10,000 (*but obviously if the claims are not NCCSIF losses then we pay equal to all other members of CJPRMA*).

Our proposal is that this Three Year 'penalty period' Corridor Deductible of \$348,000 would be documented by Resolution as a promise to pay on immediate demand as any amount is paid by CJPRMA on our behalf for claims that were incurred during these years. (*Obviously, CJPRMA holds significant NCCSIF Dividend Funds, so there should never be an issue of NCCSIF's ability to pay*).

David, we now have our 2013/2014 actuarial study completed which provides us with the estimated funding for the \$500,000 xs \$500,000 layer. We will send this to you under separate cover once we review it. There is considerable improvement in our funding rates as a result of the change in losses. In conjunction with the above, we will address the Board of Directors at the April 25th meeting for direction for this layer of coverage.

As we previously discussed, Mike Simmons and I are planning to meet with you on March 5th at 9am in your office to review the above questions and gain a better understanding of the proposed funding.

Sincerely,

A handwritten signature in cursive script that reads "Susan A. Adams".

Susan Adams
NCCSIF Program Administrator
sadams@alliant.com

Cc: Mike Simmons, Alliant Insurance Services, Inc.



NCCSIF PRELIMINARY 2013/14 BUDGET

INFORMATION ITEM

ISSUE: On an annual basis, NCCSIF Board reviews and discuss the budget for the next fiscal year. The preliminary budget is reviewed in the spring with the final budget reviewed and approved at the June Board meeting. Items highlighted in blue on the attached preliminary budget are items with substantial increase from last year. The Administrative Costs are discussed in more detail below. We reviewed the budget to actual revenues provided by our accountant in creating the 2013/14 budget.

ADMINISTRATIVE EXPENSES

- The Claims Audits – We are including \$7,000 to have a Workers’ Compensation claims audit done this year. The last audit was done during the 10/11 year. We have received claims audits from North Bay Associates as part of our membership in CSAC EIA however they review a limited amount of files.
- The Financial Audit reflects an increase of \$800 in accordance with the current contract with Perry Smith to a total of \$26,100.
- Legal Services have increased from \$10,000 to \$12,000 to reflect current year expense..
- Actuarial Services remain the same at \$6,000 for the liability and \$4,000 for the WC which includes the \$2,000 credit we received from CSAC for the actuarial study each year.
- Fidelity Bonds are expected to remain the same at \$3,000. This is the bond for the JPA/Treasurer.
- Miscellaneous Consultants remains the same at \$5,000.
- Risk Control Services has been increased from \$115,000 to \$155,260 to reflect the costs proposed by Bickmore regarding their revised contracted services.
- Lexipol Law Enforcement Policy Manual currently remains the same at \$100,000.
- Property Appraisal Budget in the amount of \$70,000 was included to reflect the Property Appraisals being done by AssetWorks for the 13/14 year.
- Safety Services from OccuMed remains the same at \$23,000.
- Online Risk Management Services which is for TargetSolutions remains the same at \$20,000.
- ACI Wellness remains the same at \$12,100.
- State Funding/Fraud Assessment has been increased from \$120,000 to \$135,000 to reflect actual billing increase we received in 2012.



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- Program Administration costs remain flat.

RECOMMENDATION: There is no recommendation as this is an information item only.

FISCAL IMPACT: The Total Admin Expense is \$1,100,010.

BACKGROUND: Annually NCCSIF sets a budget for revenues and expenses to be incurred during the fiscal year.

ATTACHMENT(S): Preliminary 2013/14 NCCSIF Budget

NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND

BUDGET

July 1, 2013 to June 30, 2014

CATEGORY	PRIOR YEAR	TOTAL	WORKERS' COMP.	LIABILITY	PROPERTY	CRIME
Chart of Acc't						
REVENUES:						
41010 Program Administration	\$ 332,100	\$ 332,100	\$ 153,525	\$ 178,575		
Claims Administration	\$ 181,250	\$ 196,250	\$ 175,350	\$ 20,900		
Other Expenses	\$ 558,800	\$ 515,660	\$ 204,480	\$ 311,180		
Banking Layer Deposit	\$ 5,349,790	\$ 5,396,861	\$ 3,880,062	\$ 1,516,799		
CJPRMA Refund Distribution	\$ (304,007)	\$ (414,401)	\$ -	\$ (414,401)		
Shared Risk Layer Deposit	\$ 3,195,509	\$ 3,397,027	\$ 2,000,355	\$ 1,396,672		
Excess Coverage Deposit (CSAC and CJPRMA)	\$ 1,402,733	\$ 1,500,000	\$ 700,000	\$ 800,000		
Group Purchase Coverage	\$ 776,581	\$ 889,964			\$ 869,265	\$ 20,698
TOTAL REVENUES	\$ 11,492,756	\$ 11,813,461	\$ 7,113,772	\$ 3,809,725	\$ 869,265	\$ 20,698
Administrative Expenses:						
52101 Claims Audit	\$ -	\$ 7,000	\$ 7,000			
52102 Financial Audit	\$ 25,500	\$ 26,100	\$ 13,050	\$ 13,050		
52103 Legal Services	\$ 10,000	\$ 15,000	\$ 7,500	\$ 7,500		
52104 Actuarial Review	\$ 10,000	\$ 10,000	\$ 4,000	\$ 6,000		
52105 Computer Services	\$ -	\$ -	\$ -	\$ -		
52106 CAJPA Accreditation	\$ -	\$ -	\$ -	\$ -		
52107 Employee Dishonesty Bonds	\$ 2,000	\$ 2,000	\$ 1,000	\$ 1,000		
52109 Misc. Consulting	\$ 5,000	\$ 5,000	\$ 2,500	\$ 2,500		
Total Administration Expenses	\$ 52,500	\$ 65,100	\$ 35,050	\$ 30,050		
Safety Services:						
52200 Injury and Prevention Training	\$ 40,000	\$ 25,000		\$ 25,000		
52201 Risk Mgmt Services & Trainings	\$ 30,000	\$ 25,000	\$ 12,500	\$ 12,500		
52202 Risk Mgmt Comm Mtg Expense	\$ 1,000	\$ 1,000	\$ 500	\$ 500		
52203 Police Risk Mgmt Comm Training Budget	\$ 5,000	\$ 12,000	\$ 6,000	\$ 6,000		
52204 Bickmore Risk Control Services	\$ 115,000	\$ 155,260	\$ 77,630	\$ 77,630		
52205 Hotline	\$ -	\$ -	\$ -	\$ -		
52206 Safety Library	\$ -	\$ -	\$ -	\$ -		
52207 Seminars and PARMA	\$ 63,200	\$ 63,200	\$ 23,200	\$ 40,000		
52208 Lexipol Law Enforcement Policy Manual Upd	\$ 100,000	\$ 100,000	\$ -	\$ 100,000		
52209 Safety Contingency	\$ -	\$ -	\$ -	\$ -		
52210 Process Safety Mgmt Program	\$ -	\$ -	\$ -	\$ -		
52212 Safety Service - Other	\$ -	\$ -	\$ -	\$ -		
52213 Property Appraisals	\$ -	\$ 56,000	\$ -	\$ -		
OCCUMED Occupational Health Consulting	\$ 23,000	\$ 18,000	\$ 18,000	\$ -		
52215 Online Risk Management Services - TargetS	\$ 20,000	\$ 20,000	\$ 10,000	\$ 10,000		
52217 ACI - Wellness Optional	\$ 12,100	\$ 12,100	\$ 12,100	\$ -		
Total Safety Services Expense	\$ 409,300	\$ 487,560	\$ 159,930	\$ 271,630		
Claims Administration						
52302 Claims Administration Fee	\$ 49,250	\$ 49,250	\$ 28,350	\$ 20,900		
52303 Fraud Hotline	\$ -	\$ -	\$ -	\$ -		
52305 MPN Services	\$ 12,000	\$ 12,000	\$ 12,000	\$ -		
52304 State Funding/Fraud Assessment	\$ 120,000	\$ 135,000	\$ 135,000	\$ -		
Total Claims Admin Expenses	\$ 181,250	\$ 196,250	\$ 175,350	\$ 20,900		
Program Administration						
52401 Program Administration Fee	\$ 270,000	\$ 270,000	\$ 122,475	\$ 147,525		
52403 Accounting Services	\$ 62,100	\$ 62,100	\$ 31,050	\$ 31,050		
Total Program Admin Expenses	\$ 332,100	\$ 332,100	\$ 153,525	\$ 178,575		
Board Expenses						
52501 Executive Committee	\$ 2,000	\$ 2,000	\$ 1,000	\$ 1,000		
52502 Executive Committee Member Travel	\$ 5,000	\$ 5,000	\$ 2,500	\$ 2,500		
52503 Board of Directors Meetings (includes Trave	\$ 6,000	\$ 6,000	\$ 3,000	\$ 3,000		
Board of Directors Long Range Planning	\$ -	\$ -	\$ -	\$ -		
XXXXX Session (every 3 years, 2012)	\$ -	\$ -	\$ -	\$ -		
52504 Association Memberships (PARMA, CAJPA)	\$ 6,000	\$ 6,000	\$ 3,000	\$ 3,000		
Total Board Expenses	\$ 19,000	\$ 19,000	\$ 9,500	\$ 9,500		
Other Administration Expenses - Not identified with above budget line items						
52000 Administrative Expense	\$ -	\$ -	\$ 0	\$ 0		
52001 Administration Expense - Other	\$ -	\$ -	\$ 0	\$ 0		
Total Other Admin	\$ -	\$ 0	\$ 0	\$ 0		
Total Admin Expenses	\$ 994,150	\$ 1,100,010	\$ 533,355	\$ 510,655		



Agenda Item G.11.

BICKMORE RISK CONTROL CONTRACT

ACTION ITEM

ISSUE: Program Administrator and Bickmore met in December to discuss the scope of services included in the original contract executed January 1, 2011. Bickmore has since exceeded their contracted services to NCCSIF members. Bickmore has presented staff with a “Draft” of a new contract effective July 1, 2013 which now incorporates expected hours per service. This draft is being presented to the Executive Committee for their review and will be proposed at the next Risk Management Committee meeting. An Ad Hoc committee has been formed to review Bickmore’s Contract Revision. Mr. Jeff Johnston from Bickmore will be attending the Executive Committee meeting to address the Committee and answer any questions.

The summary of revisions to Bickmore’s contract is proposed as follows:

1. Each city will be given two service days to specifically work on the action plan that resulted from the assessment
2. The Police Committee meetings increased from three to four
3. The phone and email consultation increased from 20 hours per year to 10 hours per month, based on our experience last year
4. Added the concept of a bank of service days – each city would be allocated one service day to use for requests that are not within the scope or the allotted time of the action plan, any remaining days at the end of the third quarter would be released to the general membership and provided on a first-come, first-served basis
5. Added training coordination for members.

RECOMMENDATION: The Ad Hoc Committee will make a recommendation to the Executive Committee. Staff recommends that the current contract expire 6/30/13 and be replaced effective 7/1/13 with the new contract.

FISCAL IMPACT: The proposed revised contract includes a not to exceed amount of \$155,260 annually. Without conditions 4 and 5 listed above the total will be \$108,880 annually.

BACKGROUND: The Ad Hoc Committee held a teleconference on March 6th to review and discuss this proposed contract. The Committee is comprised of Bruce Cline, City of Folsom, Liz Ehrenstrom,



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City of Oroville and Board President and Natalie Walter, City of Yuba City. The Committee requested staff contact Bickmore and request additional information as to how the projected hours were determined especially for the Risk Management Committee and Police RMC meetings. They also discussed if 2 days per member is sufficient for the Assessment Follow up. We also discussed the Fee structure and have requested that a detailed summary of services be provided monthly and requested clarification on how the fee is to be billed.

Staff has discussed these items with Jeff Johnston at Bickmore and he will provide us with a written reply as well as attend the Executive Committee meeting on March 14th.

ATTACHMENT(S): Draft Revised Bickmore Contract

AGREEMENT FOR RISK CONTROL SERVICES

This Agreement, made and entered into this 1st day of July 2013, by and between Northern California Cities Self Insurance Fund (hereinafter NCCSIF), and Bickmore and Associates, Inc., dba Bickmore Risk Services, a California Corporation (hereinafter Bickmore).

A. SCOPE OF AGREEMENT

NCCSIF enters into this Agreement with Bickmore for the purpose of having Bickmore provide safety and risk control services to NCCSIF.

B. INTENT OF AGREEMENT

It is the intent of the parties for Bickmore to provide safety and risk control related services to NCCSIF and its members.

The recital of Proposed Services is not necessarily all-inclusive. NCCSIF reserves unto itself the authority to authorize any services that are not specifically set forth in this agreement. To the extent that the demand for services by NCCSIF should substantially increase/decrease because of an increase/decrease in the number of members, the parties agree to negotiate in good faith the scope, extent, and cost of such services.

C. PROPOSED SERVICES

Services will be coordinated with the NCCSIF Risk Management Committee, and at its direction, annual services will include:

Assessment Follow Up Recommendation Implementation - \$63,000 (2 days each @ \$1,500/day)

The equivalent of two days (half day and full day increments) of follow up service will be provided per member to help implement recommendations from the action plans developed as a result of the initial assessment. All service from this category will be focused on addressing the prioritized action plan, and any other requests for miscellaneous services not directly related to the agreed upon action plan would not fall under this category. Examples of service include:

- Written program development
- Program implementation
- Customized webinars
- In-house training
- Ergonomic evaluations
- Playground inspections
- Hazard inspections
- Hazards assessments

Per day pricing takes into consideration coordination of appointments, preparation of training programs/materials, copies of presentations, GoToMeeting access, streaming video and website access, on-site time, travel time, and expenses.

Phone and Email Consultation - \$18,600 (average 10 hours/month @ \$155/hour)

Toll-free telephone access to a risk control/safety professional(s) for technical information and guidance will be provided to NCCSIF members. The telephone service will provide one central resource to help answer questions about occupational safety and health and JPA best practices. Pricing is based on an average of 10 hours per month.

Safety Communication - \$5,580 (average 3 hours/month @ \$155/hour)

Timely safety topic information will be provided to NCCSIF members on a regular basis. In addition the Bickmore website will be updated regularly, and links will be provided in the safety communication. Pricing is based on an average of 3 hours per month for this activity.

Risk Management Committee Preparation and Participation - \$9,300 (15 hours/mtg @ \$155/hour)

At least one Bickmore staff will attend each JPA Risk Management Committee meeting and if requested, at no additional cost, the NCCSIF Board of Directors meetings. Bickmore will deliver a progress report that reflects the status of contract activities including the member city on-site visits, training activities, identification of service and loss control recommendations, and other appropriate topics. Pricing is based on the average time of 15 hours per meeting, four times per year. Pricing takes into account time for staff report development, on-site time, travel time, and expenses.

Police Risk Management Committee - \$12,400 (20 hours/mtg @ \$155/hour)

Four Police Risk Management Committee meetings will be facilitated. Pricing takes into account time for analysis/research of topics, training coordination, agenda preparation, meeting attendance, travel, and expenses.

Bank of Service Days - \$31,500 (1 day @ \$1,500/day)

One service day will be allocated to each member for the purposes of responding to any needs or requests that fall outside the scope and/or allotted time of the prioritized action plan described above. For those members not taking advantage of the additional service time, unused days would be released to the general membership during the last quarter of the program year, and days would be provided on a first come-first served basis.

Training Coordination \$14,880 (24 hours per quarter @\$155 per hour)

Training coordination services will be provided when subject matter experts are contracted through NCCSIF. Coordination will be provided for regional training workshops and member specific training requests. Coordination includes topic research, trainer selection and negotiation, location selection, registration management, and materials coordination. Examples of this type of training include CPR/first aid, AB1825, certified pool operator, confined space, sewer, and Hazwoper.

D. TERM & TERMINATION OF AGREEMENT

1. Term of Agreement

- a. This is a three-year agreement that shall be in effect from July 1, 2013, through June 30, 2016.
- b. This Agreement may be renewed based on the terms to be agreed upon between Bickmore and NCCSIF.
- c. Annual renewal fees could include a cost of living adjustment to be agreed upon by both parties.

2. Termination

- a. NCCSIF shall have the right to terminate this Agreement, without cause, by giving not less than thirty (30) days written notice of termination.
- b. Bickmore shall have the right to terminate this Agreement, without cause, by giving not less than thirty (30) days written notice of termination.

3. Breach

NCCSIF shall have the same rights as Bickmore, if Bickmore breaches any of the obligations set forth above in Section D.

E. COST OF SERVICES

Fee Structure

1. All services identified in this agreement will be provided for the not-to-exceed fee of \$155,260 annually, which is equivalent to \$155 per hour. This rate includes mileage travel expenses, and value-added services such as access to streaming videos, webinars, and safety communications.
2. Bickmore will invoice NCCSIF monthly, with payment due on the last day of the month of service for the life of the Agreement; the first payment will be due on January 31, 2012.
3. NCCSIF will be asked to reimburse Bickmore for any pre-approved additional expense(s) incurred that are beyond the scope of the Agreement. This will include such things as industrial hygiene lab work and supplies, training materials, refreshments for training attendees, etc.

Additional Services

Additional services consistent with this proposal will be available to NCCSIF on a time and materials basis. Fees for such additional services will be billed at the aggregate rate of \$155 per hour.

F. INDEPENDENT CONTRACTOR

Bickmore is and at all times shall remain an independent contractor.

G. HOLD HARMLESS AND INDEMNIFICATION

Bickmore shall defend, indemnify and hold harmless NCCSIF, its officials, officers, employees, volunteers and agents from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury, to property or persons, including wrongful death, in any manner arising out of or incident to any alleged acts, omissions, negligence or willful misconduct of Bickmore, its officials, officers, employees, agents, sub-consultants and subcontractors arising out of or in connection with the performance of the Services, the Project or this Agreement, including without limitation the payment of all consequential damages and attorneys' fees and other related costs and expenses. Bickmore shall pay and satisfy any judgment, award or decree that may be rendered against NCCSIF or its directors, officials, officers, employees, agents or volunteers, in any such suit, action or other legal proceeding. Bickmore shall reimburse NCCSIF and its directors, officials, officers, employees, agents and/or volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Bickmore's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by NCCSIF, its directors, officials, officers, employees, agents or volunteers.

H. INSURANCE REQUIREMENTS

Bickmore, at its expense, shall at all times maintain in full force and effect workers' compensation insurance covering all employees of Bickmore in an amount required by the laws of the State of California. Bickmore hereby declares that said employees are the employees of Bickmore and at no time shall said employees be held in the employ of NCCSIF. Bickmore shall hold NCCSIF harmless against any liability that it may incur toward said employees, specifically including liability for the payment of workers' compensation benefits.

Bickmore, at its expense, shall maintain general liability and automobile liability insurance in an amount no less than \$1,000,000 per occurrence (as to automobile liability said insurance to be for those vehicles owned or leased by Bickmore).

Bickmore, at its expense, shall maintain errors and omissions insurance in an amount of not less than \$1,000,000 per claim with a deductible of not more than \$25,000.

Bickmore, at its expense, shall maintain premises property insurance that shall include a provision to provide reimbursement for the expense of reproduction of papers that may be lost due to a fire.

NCCSIF shall be named as an Additional Insured by Bickmore in respect to the work performed on behalf of NCCSIF.

Upon request of NCCSIF, Bickmore shall provide NCCSIF with copies of any or all referenced insurance policies.

I. ASSIGNMENT

NCCSIF and Bickmore each binds itself, its principals, successors, assigns, and legal representatives to the other party to this Agreement and to the principals, successors, assigns, and legal representatives of such other party with respect to all covenants of this Agreement. Neither NCCSIF nor Bickmore shall assign, sublet, or transfer its interest in this Agreement without the written consent of the other.

J. CONFLICTS OF INTEREST

Bickmore hereby certifies, to the best of its knowledge, that it has no conflict of interest in carrying out the provisions of this Agreement. Should any conflict, apparent or real, occur in the future, all parties to this Agreement shall be notified immediately.

K. DISCLAIMER OF GUARANTEE

Bickmore makes no promise or guarantee to NCCSIF about the outcome of services provided and nothing in this Agreement shall be construed as such a promise or guarantee.

NCCSIF

Ms. Susan Adams
Alliant Insurance Services, Inc.
1792 Tribute Road, Suite 450
Sacramento, CA 95815
Fax Number: (916) 643-2750

BRS:

Mr. Rob Kramer
Bickmore and Associates, Inc.
1750 Creekside Oaks Drive, Suite 200
Sacramento, CA 95833
Fax Number: (916) 244-1199

L. ASSURANCES OF NON-DISCRIMINATION

Bickmore agrees that it will not discriminate in employment or provision of services on the basis of any characteristic or condition upon which discrimination is prohibited.

M. NOTICES

Except as may otherwise be required by law, any notice to be given shall be in writing and shall be personally delivered, sent by facsimile transmission, or sent by first class mail, postage pre-paid and addressed as follows:

M. Notice delivered personally or successfully sent by facsimile transmission is deemed to be received upon receipt. Notice sent by first-class mail shall be deemed received on the fourth day after the date of mailing. Either party may change the address to which notice is to be given by providing written notice pursuant to this section.

N. FURTHER ASSURANCES

Each party agrees to execute any additional documents and to perform any further acts that may be reasonably necessary to affect the purposes of this Agreement.

O. GOVERNING LAW; VENUE

This Agreement shall be governed by and interpreted under the laws of the State of California. Venue for any dispute resolution, mediation, arbitration, or action in Superior Court shall be the County of Sacramento.

P. DISPUTE RESOLUTION

Any dispute between the parties shall not be subject to any court action but shall instead be submitted to binding arbitration.

Arbitration shall be conducted pursuant to the California Code of Civil Procedure. Arbitration shall be conducted by a single neutral arbitrator. The parties shall select the arbitrator by mutual agreement. No arbitrator shall be employed or affiliated with either party.

The selection of the arbitrator shall take place within forty-five (45) calendar days from the receipt of the request for arbitration; if not agreed to within forty-five (45) days, an immediate petition to a court of law for appointment of a neutral arbitrator may be filed by either party. The arbitration hearing shall commence within ninety (90) calendar days from the date of the selection or court appointment of the arbitrator.

Each party shall bear equally the cost of the selected or appointed arbitrator. In addition, each party shall be responsible for its own costs and expenses of arbitration.

Except for notification of appointment and as provided in the California Code of Civil Procedure, there shall be no communication between the parties and the arbitrator relating to the subject of the arbitration other than at oral hearings.

The procedures set forth in California Code of Civil Procedure Section 1293.05 relating to depositions and discovery shall apply to any arbitration pursuant to this paragraph 26.

Except as provided otherwise, arbitration shall be conducted as provided in Title 9 of the Code of Civil Procedure (commencing with Section 1280).

The decision of single neutral arbitrator shall be final and binding and shall not be subject to appeal except as provided for in California Code of Civil Procedure sections 1286.2 and 1286.6.

Q. SUPERSESSION OF PRIOR TERMS AND CONDITIONS

This Agreement integrates all terms and conditions mentioned herein or incidental hereto and supersedes all oral negotiations and prior writings with respect to the matter hereof. In the event of conflict between terms, conditions, or provisions of this Agreement and such document or instrument, the terms and conditions of the Agreement shall prevail.

WITNESS THE EXECUTION HEREOF on the day and year first hereinabove written.

NCCSIF

Northern California Cities Self-Insurance a
Public Entity

By: _____

Date: _____

Bickmore

Bickmore and Associates, Inc. California
a California Corporation

By: _____

Date: _____



Agenda Item G.12.a.

**YORK CLAIMS ADMINISTRATION SERVICES CONTRACT –
WORKERS' COMPENSATION PROGRAM**

ACTION ITEM

ISSUE: The Executive Committee is asked to review the attached renewal extension letter from York Risk Insurance Services to extend their Workers' Compensation claims administration contract for one year.

RECOMMENDATION: Staff recommends renewing the contract for one year with continued monitoring of claims administration service for quality. If the issues that have been discussed at the December 13th Long Range Planning session have been resolved and the members are satisfied with their service, we will recommend approving the 2014/15 year.

FISCAL IMPACT: York is proposing a 1% increase in their fee (\$432.50 per month) from \$43,250 to \$43,682.50 per month. They are also proposing two additional years with an increase of 2% or the CPI for the Bay Area Urban Wage Earners, whichever is less, in each of those two years, 2014-15 and 2015-16. All other terms and fees will remain the same.

BACKGROUND: The monthly fees listed in the contract are \$43,250 for Fiscal Year 2010-11, \$44,500 for 2011-12, and \$45,750 for 2012/13.

In 2011-12 York recognized the continuing economic challenges and agreed to waive their contracted fee increase and rolled back their fee from \$43,250 to \$41,000 per month.

In 2012-13 York's contract allowed for a rate of \$45,750 per month but agreed to the same fees as the 2010-11 fiscal year of \$43,250 per month.

ATTACHMENT(S):

1. Workers' Compensation Renewal Extension letter from York Risk Insurance Services.



York Insurance Services Group, Inc.
P.O. Box 619058
Roseville, CA 95661-9058

February 25, 2013

NCCSIF
c/o Susan Adams
Alliant Insurance Services, Inc.
1792 Tribute Road, Suite 450
Sacramento, CA 95815

Re: Workers' Compensation Claims Administration Services for FY 2013-14

Dear Susan:

I'm writing on behalf of York to express our continuing commitment to working with the Northern California Cities Self Insurance Fund (NCCSIF) in managing member Workers' Compensation claims.

We are approaching the end of the initial three-year term of our agreement that began on July 1, 2010. The contract calls for automatic one-year extensions unless it is terminated or amended. The monthly fees listed in the contract are \$43,250 for Fiscal Year 2010-11, \$44,500 2011-12, and \$45,750 for 2012-13.

For the second year of the contract, 2011-12, recognizing that the continuing economic challenges faced by NCCSIF members, we agreed to waive our contracted fee increase and rolled back our fee from \$43,250 to \$41,000 per month.

For the third year of the contract, 2012-13, we noted an increase in pending from 503 to 525. Though claims were trending back up, and our contract allowed for a rate of \$45,750 per month, we agreed to the same fee as the 2010-11 fiscal year, \$43,250 per month.

For the 2013-14 fiscal year we note the pending has increased 4%, to a total of 546 claims. However, given the ongoing budget concerns of the members, and recognizing their continued commitment to allowing York to manage their claims, we are proposing a 1% increase in our fee, \$432.50 per month, from \$43,250 to \$43,682.50. We are also proposing two additional years with an increase of 2% or the CPI for the Bay Area Urban Wage Earners, whichever is less, in each of those two years, 2014-15 and 2015-16. All other terms and fees will remain the same.

Susan Adams
February 25, 2013
Page 2

York values its partnership with NCCSIF and is committed to continuing to provide outstanding service to its members. We appreciate the opportunity to be of service and look forward to working together in 2013-14 to lower the pending and the pool's cost of risk.

Sincerely,

A handwritten signature in blue ink, appearing to read 'MB', is positioned above the typed name of Marcus Beverly.

Marcus Beverly
Client Relations Director
marcus.beverly@yorkisg.com
(916) 746-8828



Agenda Item G.12.b.

**YORK CLAIMS ADMINISTRATION SERVICES CONTRACT –
LIABILITY PROGRAM**

ACTION ITEM

ISSUE: The Executive Committee is asked to review the attached renewal extension letter from York Risk Insurance Services to extend their Liability claims administration contract for three years.

RECOMMENDATION: Staff recommends renewing the contract for three years.

FISCAL IMPACT: York is offering extension of their Liability Claims Administration Service Agreement through June 30, 2016. York agrees to keep their hourly rate for services at \$86.38 for the 2013-14 Fiscal Year. For 2014-15 York is offering an increase of 1.9%, to \$88.00 per hour, with no change in the rate for the third year, 2015-16. York will also reduce their rate for photos from \$2.50 to \$1.00 each.

York is also offering to continue the Property Loss Recovery Services with an increase from \$330 to \$350 per claim for recoveries of \$500 or more and 20% of any recovery of \$500 or less. This would remain the same for the three-year term, with no fee due unless there is a recovery. In addition, York proposes an additional \$150 fee (\$500 total) for any claim where a promissory note is obtained and collected from the claimant over time. The \$150 fee for these claims would be payable at the time the note is signed and is meant to reflect the additional time and expense it takes to process these claims.

BACKGROUND: None.

ATTACHMENT(S):

1. Liability Renewal Extension letter from York Risk Insurance Services.



York Risk Services Group, Inc.
P.O. Box 619058
Roseville, CA 95661-9058

February 25, 2013

Susan Adams, Assistant Vice President
Alliant Insurance Services
1792 Tribute Road, Suite 450
Sacramento, CA 95815

Re: NCCSIF Liability Claims Services FY 2013-16

Dear Susan:

I am writing to provide York's offer to an extension of our agreement to provide Liability Claims Services to NCCSIF members.

We are offering to extend our service agreement through June 30, 2016. We will agree to keep our hourly rate for services at \$86.38 for the 2013-14 Fiscal Year. For 2014-15 we are offering an increase of 1.9%, to \$88.00 per hour, with no change in the rate for the third year, 2015-16. We also will reduce our rate for photos from \$2.50 to \$1.00 each.

We are also offering to continue the Property Loss Recovery Services with an increase from \$335 to \$350 per claim for recoveries of \$500 or more and 20% of any recovery of \$500 or less. This would remain the same for the three-year term, with no fee due unless there is a recovery, payable when the file closes. In addition, we propose an additional \$150 fee (\$500 total) for any claim where we obtain a promissory note and collect from the claimant over time. The fee for these claims would be payable at the time the note is signed and is meant to reflect the additional time and expense it takes to process these claims.

This offer is part of our ongoing commitment to partnering with NCCSIF members to deliver the exceptional claims service they deserve and have come to expect from York. Please let me know if you have any questions or would like more information or a presentation to NCCSIF members regarding this proposal.

Sincerely,

A handwritten signature in blue ink, appearing to read "Marcus Beverly", is written over a light blue circular stamp.

Marcus Beverly
Client Relations Director
marcus.beverly@yorkrsg.com
(916) 746-8828

NCCSIF Organizational Chart

BOARD OF DIRECTORS			
Jeff	Kiser		City of Anderson
Andy	Heath	VP	City of Auburn
Shelly	Kittle		City of Colusa
John	Brewer		City of Corning
Steve	Johnson		City of Dixon
Bruce	Cline		City of Folsom
Paula	Islas		City of Galt
Karin	Helvey	EC	City of Gridley
Ed	Pattison		City of Ione
Michael	Daly		City of Jackson
John	Lee	EC	City of Lincoln
Matt	Michaelis		City of Marysville
Catrina	Olson	EC	City of Nevada City
Harold	Duffey		City of Oroville
Gina	Will	S	Town of Paradise
Dave	Warren		City of Placerville
Sandy	Ryan		City of Red Bluff
Marni	Rittburg		City of Rio Vista
Russell	Hildebrand	EC	City of Rocklin
Tim	Sailsbery	T	City of Willows
Steve	Kroeger		City of Yuba City

ALTERNATES		
TBD		City of Anderson
Joanna	Belanger	City of Auburn
TBD		City of Colusa
Tom	Watson	City of Corning
Kim	Stalie	City of Dixon
Kristine	Wilfong	City of Folsom
Jason	Behrmann	City of Galt
Elisa	Arteaga	City of Gridley
Jane	Wright	City of Ione
TBD		City of Jackson
Sheila	Vanzandt	City of Lincoln
Walter	Munchheimer	City of Marysville
TBD		City of Nevada City
Liz	Ehrenstrom	P City of Oroville
Crystal	Peters	Town of Paradise
John	Driscoll	City of Placerville
Cheryl	Smith	City of Red Bluff
TBD		City of Rio Vista
Colleen	Laubinger	City of Rocklin
Steve	Holsinger	City of Willows
Robin	Bertagna	City of Yuba City

EXECUTIVE COMMITTEE			
Liz	Ehrenstrom	P	City of Oroville
Andy	Heath	VP	City of Auburn
Gina	Will	S	Town of Paradise
Tim	Sailsbery	T	City of Willows
Karin	Helvey	EC	City of Gridley
John	Lee	EC	City of Lincoln
Catrina	Olson	EC	City of Nevada City
Russell	Hildebrand	EC	City of Rocklin

RISK MANAGEMENT COMMITTEE		
Juanita	Barnett	City of Anderson
Robert	Richardson	City of Auburn
Shelly	Kittle	City of Colusa
Tom	Watson	City of Corning
Kim	Stalie	City of Dixon
Bruce	Cline	City of Folsom
Paula	Islas	City of Galt
Karin	Helvey	City of Gridley
Ed	Pattison	City of Ione
Carla	Soracco	City of Jackson
John	Lee	City of Lincoln
Matt	Michaelis	City of Marysville
Catrina	Olson	City of Nevada City
Liz	Ehrenstrom	City of Oroville
Crystal	Peters	Town of Paradise
Dave	Warren	City of Placerville
Sandy	Ryan	City of Red Bluff
Marni	Rittburg	City of Rio Vista
Russell	Hildebrand	City of Rocklin
Wayne	Peabody	City of Willows

PROGRAM ADMINISTRATORS		
Susan	Adams	Alliant Insurance Services
Michael	Simmons	Alliant Insurance Services
Joan	Crossley	Alliant Insurance Services
Johnny	Yang	Alliant Insurance Services
Laurence	Voiculescu	Alliant Insurance Services

ADVISORS		
Byrne	Conley	Byrne and Conleys
James	Marta	James Marta & Company

RISK CONTROL CONSULTANTS		
Henri	Castro	Bickmore
Jeff	Johnston	Bickmore
Tom	Kline	Bickmore

P = President	VP = Vice President
S = Secretary	T = Treasurer

2013 MEETING CALENDAR

BOARD OF DIRECTORS 12:00 p.m.	EXECUTIVE COMMITTEE 10:30 a.m.	CLAIMS COMMITTEE 12:30 p.m.
January 24	January 9	March 14
April 25	March 14	May 9
June 13	May 9	September 12
October 10	September 12	November 14
December 12	November 14	

RISK MANAGEMENT COMMITTEE 9:30 a.m.	POLICE RISK MANAGEMENT COMMITTEE 10:30 a.m.	FINANCE COMMITTEE 10:30 a.m.
January 24	January 10	September 5
April 25	April	
June 13	August	
October 10	November	
December 12		

ALL MEETINGS ARE SCHEDULED ON THURSDAYS

Risk Management Committee meetings are scheduled for 9:30 a.m.

Board of Director Meetings will start at 12:00 p.m.

**This meeting will follow the EC meeting, as the Claims Committee members will be selected at that meeting.*

CJPRMA 2013 MEETING DATES –

March 21, 2013 – Board of Directors
 May 14-16, 2013 – Annual Membership Meeting
 June 20, 2013 – Board Meeting
 October 16-17, 2013 – Board Meeting
 December 19, 2013 – Board Meeting

Northern California Cities State Self Insurance Fund

Travel Reimbursement Expense Form

Member Representative: _____

Entity: _____

Payee Address: _____

Meeting or Committee: _____

Date of Meeting: _____

Location of Meeting: _____

Total Mileage: _____

Payment Made to:

Signature _____ Date _____

2013 NCCSIF RESOURCE CONTACT GUIDE

PROGRAM ADMINISTRATION Alliant Insurance Services, Inc. www.alliantinsurance.com Main: (916) 643-2700 Fax: (916) 643-2750		
SUBJECT	MAIN CONTACT	
COVERAGE / RISK MANAGEMENT ISSUES – <ul style="list-style-type: none"> ➤ Certificates of coverage, additions/deletions of coverages, special events liability coverage, automobile identification cards, auto/mobile equipment physical damage programs ➤ Coverage questions, quotations, new members, development of shared risk program coverage agreements, RFPs for actuarial services, actuary liaison, excess insurance/additional coverage marketing (Crime coverage, etc.), program development ➤ Insurance Requirements in Contracts (IRIC), hold harmless agreements, indemnification clauses, safety program planning, RFPs for JPA services & audits, third party contract review 	Susan Adams Joan Crossley	
JPA MANAGEMENT ISSUES – program budget/funding, financial analysis, coordination w/financial auditor/JPA accountant	Susan Adams Joan Crossley Johnny Yang	
JPA ADMINISTRATIVE ISSUES – meeting agendas; minutes; development/maintenance of governing documents, development/interpretation of policies & procedures, JPA state compliance, Form 700, changes in Board members.	Johnny Yang Susan Adams Joan Crossley	
COVERAGE ISSUES - coverage questions, quotations, new members, development of shared risk program coverage agreements, RFPs for actuarial services, actuary liaison, excess insurance/additional coverage marketing (Crime coverage, etc.), program development	Susan Adams Joan Crossley	
Susan Adams Johnny Yang Joan Crossley Mike Simmons Marilyn Kelley	(916) 643-2704 / (916) 203-1541 (cell) (916) 643-2712 (916) 643-2708 (415) 403-1425 / (925) 708-3374 (cell) (415) 403-1448	sadams@alliantinsurance.com jyang@alliantinsurance.com jcrossley@alliantinsurance.com msimmons@alliantinsurance.com mkelley@alliantinsurance.com

2013 NCCSIF RESOURCE CONTACT GUIDE

<p style="text-align: center;"><u>ACCOUNTING SERVICES</u> James Marta & Company CPAs 701 Howe Avenue, Suite E3 Sacramento, California 95825 Main: (916) 993-9494 · Fax: (916) 993-9489 www.jpmpca.com Jim Marta - jmarta@jpmpca.com</p>	<p style="text-align: center;"><u>EMPLOYEE ASSISTANCE PROGRAM</u> ACI Specialty Benefits Corporation 5414 Oberlin Drive, Suite 240 San Diego, California 92121 Main: (858) 452-1254 · Fax: (858) 452-7819 www.acieap.com Tori Barr - tbarr@acieap.com</p>		
<p><u>CLAIMS ADMINISTRATION / LOSS CONTROL</u> York Risk Services Group, Inc. www.yorkrsg.com P.O. Box 619058 Roseville, CA 95661-9058 (800) 922-5020 · Fax (800) 921-7683</p>			
LIABILITY CONTACTS	WORKERS' COMPENSATION		
<p>Mike Berndt Unit Manager (925) 349-3891 mike.berndt@yorkrsg.com Cameron Dewey Senior Adjuster - Redding (530) 243-3249 cameron.dewey@yorkrsg.com Shawn Millar Senior Adjuster - Chico (530) 345-5998 shawn.millar@yorkrsg.com Olivia Doney Adjuster - Chico (530) 345-5883 olivia.doney@yorkrsg.com Dan Lamb Senior Adjuster - Foothills (209) 795-0742 dan.lamb@yorkrsg.com Bernard Sarmiento Senior Adjuster - Roseville (916) 960-0902 bernard.sarmiento@yorkrsg.com</p> <p>Resources Tom Baber Vice President Liability (916) 746-8834 tom.baber@yorkrsg.com Marcus Beverly Client Relations Director (916) 746-8828 marcus.beverly@yorkrsg.com</p>	<p>Jennifer Nogosek Unit Manager (916) 960-0997 jennifer.nogosek@yorkrsg.com Joy Potter Senior Adjuster - Roseville (916) 960-0919 joy.potter@yorkrsg.com D'Ana Seivert Adjuster - Roseville (916) 960-0987 d'ana.seivert@yorkrsg.com Erica Nichols Adjuster - Roseville (916) 960-1026 erica.nichols@yorkrsg.com Erik Baldwin Adjuster - Roseville (916) 746-8856 erik.baldwin@yorkrsg.com John Tucker Senior Adjuster - Stockton (209) 320-0804 john.tucker@yorkrsg.com</p> <p>Resources Craig Wheaton, J.D. Assistant Vice President Liability - Roseville (916) 960-0988 craig.wheaton@yorkrsg.com</p>	<p>Lela Casey Senior Claims Examiner lela.casey@yorkrsg.com</p> <p>Federica Simpson Future Medical Examiner (916) 960-1021 federica.simpson@yorkrsg.com MO's and FM's for Kelly's cities Michelle Bridges Senior Claims Examiner michelle.bridges@yorkrsg.com</p> <p>Debra Yokota Regional Vice President Workers' Compensation (916) 960-0965 debra.yokota@yorkrsg.com Marcus Beverly Client Relations Director (916) 746-8828 marcus.beverly@yorkrsg.com</p>	<p>Christine Stillwell Future Medical Examiner (916) 960-0950 christine.stillwell@yorkrsg.com MO's and FM's for Carol and Teresa's cities Ben Burg Unit Manager (916) 960-0946 ben.burg@yorkrsg.com</p> <p>Resources Kelli Vitale Carson Assistant Vice President Workers' Compensation (916) 960-0998 kelli.vitalecarson@yorkrsg.com</p>