



Northern California Cities Self Insurance Fund 2024-2025 Annual Report



LETTER TO OUR MEMBERS

I am proud to serve as President of the NorCal Cities Self Insurance Fund (NCC) and present their Annual Report for FY 24/25. In this 45th year of operation the risks that challenge our member cities continue to evolve and show no signs of letting up, from wildfires to cyber-attacks to record snow and flooding. I am confident NCC will continue to serve members by evolving as well to provide the coverage and services that allow us to respond and prepare for present and future risks.

The JPA was formed in the late 1970's when the concern was Workers' Compensation coverage. In the 1980's members were faced with a liability insurance crisis and NCC responded by creating a self-insured Liability Program. In the past few years, we have faced an unprecedented "hard market" cycle with most lines of coverage extremely challenging to place. Liability judgements and settlements continue to set records in an environment often unfriendly to public agencies. Property insurance is increasingly expensive and harder to find, with carriers increasing rates, decreasing coverage, and pulling out of California entirely. The only recent good news is the Cyber market has stabilized after a few years of extreme volatility.

NCC members have responded to this environment with continued focus on risk management and conservative funding. The group added training and services related to wildfire, cyber, and critical incident risk management while continuing to address public safety and public works risks. In FY 23/24, over \$600,000 was allocated to member risk management programs and reserves, and three members received NCC's first Cash for Safety Culture Awards for their efforts. This dual focus on risk control and conservative funding is reflected in the results; during FY 23/24, Net Position increased \$471,380 after payment of dividends totaling \$5,325,577.

The Workers' Compensation Program continues to provide stable results, with an underlying NCC rate *decrease* of (-5.2%) and a net increase of 8% in total funding, reducing the impact of a 10% increase in the excess insurance rate. Net Position increased by \$1,582,007 to \$20.2 million after more than \$4.5 million in dividends were returned to members. And while challenges accessing prompt and effective medical treatment continue to impact return to work programs, we were successful in working with other organizations and a new partner to open a clinic in Chico, an underserved area for our members.

The Liability Program has experienced similar though more dramatic results. NCC's self-insured funding has been relatively stable while weathering big increases in excess coverage costs, driven by more frequent severe claims against public entities in general. The rate for the self-insured coverage increased by 10.5%, with the self-insured retention increasing from \$1000,000 to \$1,250,000. Excess coverage increased 24%, representing 41% of the total funding increase in FY 24/25. Net Position decreased (\$1,110,627) after payment of dividends totaling \$737,280 and total non-operating income of \$1,181,055.

Members will continue to face challenges in this unprecedented environment, and NCC will continue to be a valuable partner delivering on its mission to protect member resources by providing access to broad coverage and quality services at rates more competitive than members could obtain on their own. As NCC President I am pleased to support the continued success of the group in providing exceptional service, coverage, and sound risk management practices to our members.

Sincerely,



Rachel Ancheta

NORCAL CITIES President, Human Resources Director- City of Dixon

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HISTORY OF THE JPA

NCCSIF was **founded in 1979** as the Northern California Cities **Workers' Compensation Fund**.

Formed as a Joint Powers Authority (JPA), it is **one of the first pooled municipal programs in California**.

In 1981, members formed the Liability Program to apply the same concepts of pooling coverage for comprehensive coverage designed for municipalities.

In 1987, the Joint Powers Authority's name was changed to **Northern California Cities Self Insurance Fund (NCCSIF)**, **rebranded as NorCal Cities, or NCC, for the group's 40th anniversary**.

The same year NorCal Cities began to offer group purchase of:

- › Property
- › Crime
- › Employee Assistance Program (EAP) coverage

In 1991, the pool **began shared risk programs** for Liability and Workers' Compensation.

The group has **grown to twenty-two cities** that pool coverage to \$500,000 for Workers' Compensation and \$1,250,000 for Liability.

In 1993, NCC joined CJPRMA for Excess Liability Coverage. The same year, NorCal Cities became one of the first pools to achieve **CAJPA Accreditation with Excellence**.

In 2003, NorCal Cities joined PRISM (formerly CSAC-EIA) for Excess Workers' Compensation Pooled Coverage.

Since 2008 the pool has expanded coverage and increased the number and variety of risk management services and resources for members, including:

- › **Cyber and Pollution Liability Coverage** through the Property Program
- › Online training and risk management resources through Vector Solutions
- › **Sewer operations risk management** through DKF Solutions
- › Police Policy updates and training through Lexipol
- › Body-worn camera grants for police agencies
- › **Risk Management Best Practices and Scorecard** to benchmark and improve member operations
- › Comprehensive Risk Assessments, training, and consultation from Sedgwick Risk Services
- › **Deadly Weapons Response Coverage** to assist members in responding to such incidents.
- › Cyber Excess and Risk Control Resources
- › **Wildfire Risk Assessments** and mitigation

Among the training topics this year were Sidewalk Safety Inspection, the Sewer Summit, Heat Illness Prevention, Insurance Requirements in Contracts, and the first annual Law Enforcement Training Day. ACI Specialty hosted trainings on several topics, including Fostering Resiliency, Emotional Intelligence, and Managing Organizational Change. New Workplace Violence regulations were incorporated into Member Injury and Illness Prevention Plans (IIPPs) and training provided to inform employees on recognizing and mitigating the risk. Members will continue to receive access to these and other training topics in FY 24/25.

MISSION STATEMENT

The Northern California Cities Self Insurance Fund (NCC) is an association of municipalities joined together to protect Member resources by stabilizing risk costs in a reliable, economical and beneficial manner while providing members with broad coverage

GOVERNANCE

NorCal Cities operates under the direction of its 22 Member Cities, with each **member represented on the Board of Directors. The Executive Committee consists** of seven to eleven members that rotate on a geographical basis, with the President, Vice President and Treasurer elected by the Board. Four other committees review and make recommendations regarding risk management, claims, or financial issues.

Board of Directors

The Board of Directors is composed of a representative appointed by the City Council of each member agency. An Alternate Representative is also appointed to serve and may vote in the Board Member's absence. Current Board Members and Alternates are listed below.

Member	Board Director	Alternate
City of Anderson*	Christy White	Joey Forseth-Deshais
City of Auburn	Jennifer Leal	Sean Rabe
City of Colusa	Ishrat Aziz-Khan	Shelly Kittle
City of Corning*	Brant Mesker	Vacant
City of Dixon	Rachel Ancheta	Kate Zawadzki
City of Elk Grove	Melissa Rojas	Kara Reddig
City of Folsom*	Allison Garcia	Steven Wang
City of Galt*	Tricia Cobey	Rachelle Jennings
City of Gridley	Martin Pineda	Elisa Arteaga
City of Ione	Vacant	Vacant
City of Jackson*	Carl Simpson	Dalacie Blankenship
City of Lincoln	Veronica Rodriguez	Claire True
City of Marysville	Jennifer Styczynski	Vacant
City of Nevada City	Sean Grayson	Gabrielle Christakes
City of Oroville	Elizabeth Ehrenstrom	Vacant
Town of Paradise	Vacant	Crystal Peters
City of Placerville*	Dave Warren	Cleve Morris
City of Red Bluff	Paul Young	Tom Westbrook
City of Rio Vista*	Jennifer Schultz	Jen Lee
City of Rocklin	Tameka Usher	Vacant
City of Willows*	Vacant	Marti Brown
City of Yuba City	Spencer Morrison	Natalie Springer

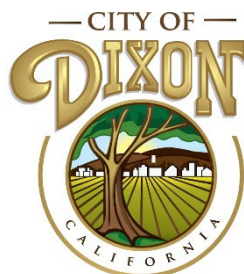
***Founding Members**



Executive Committee

The Executive Committee is a standing committee of the Board that acts as a steering committee for overall operation of the JPA and has been delegated certain duties in the Bylaws. The President of the Board serves as the Chair of the Committee, with the Vice President and Secretary as voting members. Remaining voting seats are selected on a rotating geographical basis. The Treasurer and CJPRMA Board Representative are non-voting members of the Committee.

Member	Name	Position
City of Dixon	Rachel Ancheta	President
City of Yuba City	Spencer Morrison	Vice President
City of Rio Vista	Jen Lee	Treasurer
City of Marysville	Jennifer Styczynski	Secretary
City of Colusa	Ishrat Aziz-Khan	Member-at-large
City of Folsom	Allison Garcia	Member-at-large
City of Gridley	Martin Pineda	Member-at-large
City of Jackson	Dalacie Blankenship	Member-at-large
City of Nevada City	Sean Grayson	Member-at-large
City of Oroville	Elizabeth Ehrenstrom	Member-at-large
City of Rio Vista	Jennifer Schultz	Member-at-large
Town of Paradise	Crystal Peters	Member-at-large
City of Willows	Marti Brown	Member-at-large



GOVERNANCE

Claims Committee

The Claims Committee reviews claims in the Shared Risk Layer, authorizes settlements, and makes determinations on coverage. The Claims Committee has settlement authority from a Member's Banking Layer up to the shared layer of both the Liability and Workers' Compensation Programs. The Committee also reviews NorCal Cities' claims management practices, claim audits, litigation management and approved attorney lists and makes recommendations as needed. The Executive Committee appoints members to the Claims Committee from their ranks.



Finance Committee

The Board of Directors has delegated financial investment authority and other duties to the Executive Committee. The Executive Committee delegates these duties to the Finance Committee on an as-needed basis. The Treasurer is appointed annually by the Board and serves as the Chair of the Finance Committee.

Risk Management Committee

NorCal Cities established a Risk Management Committee in 1991, comprised of at least one member from each City. Over the years, it has been enriched by participation from employees from Public Works, Finance, Human Resources, Police, Fire, and City Management who have contributed a broad range of ideas and best practices to the members.

The Committee's goal is to foster member risk management programs to reduce the frequency and severity of accidents and claims for loss or damage. Recognizing this goal, the Committee recently approved a **Cash for Safety Culture Award Program** to recognize and reward Members for promoting a positive safety culture within their organizations. The Committee annually recommends and administers a budget to provide each member hands-on risk management consultation and training. For FY 24/25, the risk management budget is \$559,140, or 33% of the pool's administration expenses.



City of Anderson

Police Risk Management Committee

Given the importance of managing public safety risks and the unique nature of their operations, members formed a separate Police Risk Management Committee, and all members with police departments are encouraged to participate. Members meet quarterly to share risk management tips, keep abreast of legislative and case law changes, and attend a training session at each Committee meeting.

The Committee also reviews major claims for risk management practices that can be shared or improved and evaluates equipment to prevent or minimize losses. **Over the last twelve years, members have approved a total of \$600,000 in grant funds** to implement body-worn camera programs, purchase protective gear, and other risk management goods and services. Effective FY 24/25, the Board of Directors voted to double the Police Risk Management Grant Funds, increasing the annual funds to \$100,000 from \$50,000.

Each meeting includes feedback on how effective the funding and risk management techniques have been in reducing the number of claims and their severity. Over the last year the committee has hosted training sessions including Law Enforcement Wellness and Implementation Strategies for Maximum Success, Your Black Swan is Someone Else's Grey Rhino, Improving Police Performance and the first annual Law Enforcement Training Day.

FY 24/25 MEMBERS PARTICIPATING IN EACH PROGRAM

MEMBER	POOLED PROGRAMS		GROUP PURCHASE							INDIVIDUAL PURCHASE					
	WORKERS' COMP	LIABILITY	APIP PROPERTY/Pollution/Cyber	APIP - Auto Physical Damage	APIP - FLOOD	EXCESS CYBER	ACIP - CRIME	ID FRAUD	ADWRP - DEADLY WEAPON RESPONSE	AMVP - Auto Physical Damage	AIRPORT	POLLUTION	DIC-Earthquake	Fiduciary Liability	EAP through ACI
City of Anderson	✓	✓	✓			✓	✓	✓	✓	✓					✓
City of Auburn	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			✓
City of Colusa	✓	✓	✓			✓	✓	✓	✓	✓					✓
City of Corning	✓	✓					✓	✓							✓
City of Dixon	✓	✓	✓			✓	✓	✓	✓	✓					✓
City of Elk Grove	✓							✓	✓						✓
City of Folsom	✓	✓	✓	✓		✓		✓	✓	✓				✓	✓
City of Galt	✓	✓	✓			✓	✓	✓	✓	✓					
City of Gridley	✓	✓	✓			✓	✓	✓	✓	✓					✓
City of Ione	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓			✓
City of Jackson	✓	✓	✓			✓	✓	✓		✓					✓
City of Lincoln	✓	✓	✓			✓	✓	✓	✓	✓	✓	✓			✓
City of Marysville	✓	✓	✓		✓	✓	✓	✓	✓	✓					✓
City of Nevada City	✓							✓							✓
City of Oroville	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓				
Town of Paradise	✓	✓	✓			✓	✓	✓	✓	✓					✓
City of Placerville	✓							✓							✓
City of Red Bluff	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓		✓		✓
City of Rio Vista	✓	✓	✓			✓	✓	✓		✓	✓				✓
City of Rocklin	✓	✓	✓			✓	✓	✓	✓	✓					✓
City of Willows	✓	✓					✓	✓							✓
City of Yuba City	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓					✓

APIP = Alliant Property Insurance Program
ADWRP = Alliant Deadly Weapon Response Program

ACIP = Alliant Crime Insurance Program
AMVP = Alliant Mobile Vehicle Program

LIABILITY PROGRAM

Coverage Highlights

The Liability Program provides coverage for losses Members become legally obligated to pay as damages due to:

- › **Bodily Injury and Property Damage,**
- › **Employment Practices Liability (EPL),**
- › **Personal Injury, and**
- › **Public Officials' Errors or Omissions.**

Coverage is included for the Member City and its commissions, agencies, districts, authorities, boards, or similar entities coming under the Member's direction or control, in addition to officials, employees, or volunteers while acting for or on behalf of the Member.

The program is divided into **three separate coverage layers** - Banking, Shared Risk and Excess Coverage, as illustrated in the table to the right.

All three coverage layers include self-insurance. The Banking Layer is funded to pay for each Member's own claims, like a pre-funded deductible.

The Shared Risk Layer is funded to pay for claims that are shared by all NorCal Cities Members. The Excess Layer is funded through the [California Joint Powers Risk Management Authority \(CJPRMA\)](#).



**CALIFORNIA JOINT POWERS
RISK MANAGEMENT AUTHORITY**

CJPRMA members pool risk up to \$7,500,000 and purchase excess reinsurance for total limits up to \$40,000,000, inclusive of NCC's Self-Insured Retention (SIR) of \$1,250,000 per occurrence, an increase from \$1,000,000 in FY 23/24, \$750,000 in 22-23 and \$500,000 in previous years, an indication of the increasing severity of claims and excess premiums. Other sublimits apply, including for subsidence coverage. **The prior EPL sublimit of \$12,500,000 has been eliminated for FY 24/25.**

While the last few years have seen tremendous increases in reinsurance pricing and reductions of coverage, CJPRMA has continued to provide broad coverage, valuable risk management training, and professional excess claim management services.

<u>Excess Layer</u> <u>CJPRMA</u> Excess Insurance \$7,500,000 to \$40,000,000 <u>CJPRMA Members</u> \$1,250,000 to \$7,500,000
<u>Shared Risk Layer</u> <u>NCCSIF</u> Banking Layer Limit to \$1,250,000
<u>Banking Layer</u> <u>Member</u> Folsom: \$0 to \$100,000 All Other Members: \$0 to \$50,000



City of Willows



City of Yuba City



City of Rocklin

LIABILITY PROGRAM

Financial Highlights

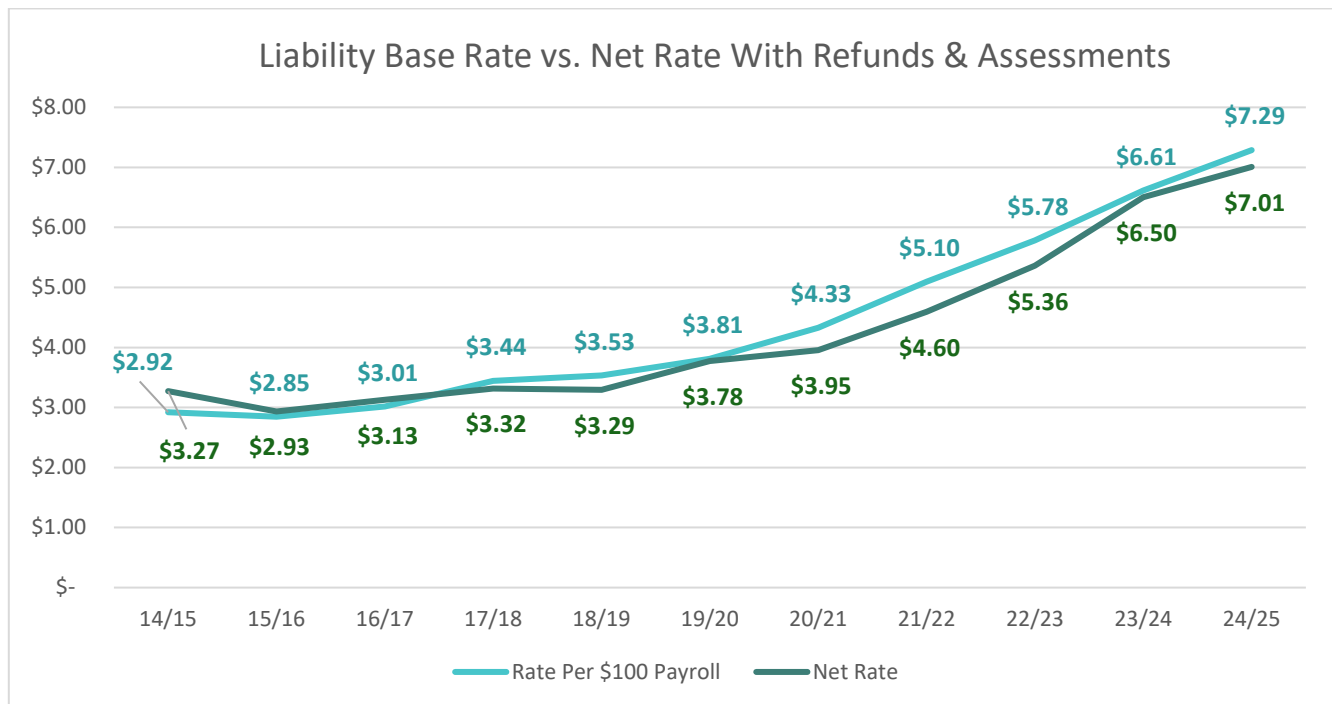
Total FY 24/25 funding for the Liability Program is \$17,123,297. Members have agreed to maintain the funding Confidence Level at 80% despite recent rate increases. Member payroll accounted for 13% of this year's increase, with the base rate for the NCC coverage increasing by 10.5%. The excess insurance market continues to be challenging, with increases of 24% and 21% in the last two years but easing from the 103% increase in FY 21/22.

Increased funding confidence levels have stabilized results, enabling NCC to book a CJPRMA assessment of \$2,583,998, pay dividends of \$737,280, and sustain a decrease in net position of (\$1,110,627).

Program Highlights

The Board of Directors annually reviews the Banking and Shared Risk financial status to evaluate the appropriateness of declaring either a refund or an assessment. **The Banking Fund returned dividends of \$737,280** to Members who exceeded their target funding levels. The Shared Risk Layer has remained stable, with funding above benchmarks and able to sustain an increase in the SIR. However, rates have been increasing due to extremely "hard" excess insurance market conditions, and an excess assessment has decreased net position, causing a shortfall in meeting two benchmarks. The following chart shows the historical rates with and without the impact of refunds and assessments.

The chart below compares the initial base rate per \$100 of payroll for liability coverage to the net rate after dividends or assessments. Beginning in FY 20/21 the rate increased from \$3.81 to \$4.33 and has increased each year to the current rate of \$7.29. While most of this has been due to the increasing exposure created by "social inflation", the rate also increased due to an **increase in the funding Confidence Level**, from 60% in 13/14, increasing each year to 80% in 18/19, where it remains today. The net rate exceeded the base rate from 14/15 to 16/17 due to Shared Layer Assessments caused in part to increase losses during a period when the SIR was \$1 million. Since that time, the net rate has remained below the base rate due to Banking Layer dividends.



WORKERS COMPENSATION PROGRAM

Coverage Highlights

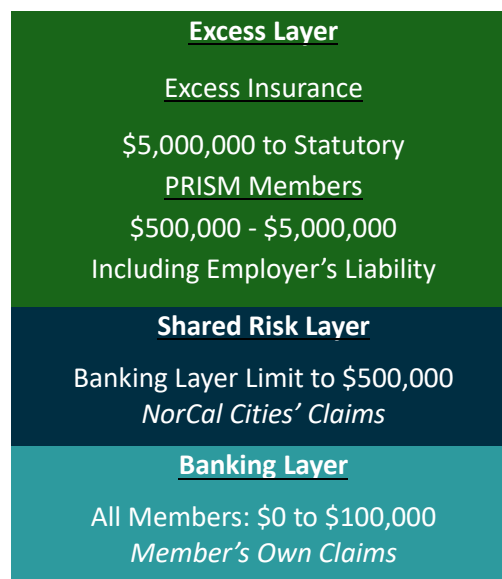
California Workers' Compensation laws require every employer to provide benefits to employees for injury and/or illness arising out of, or in the course and scope of, employment. Statutory benefits prescribed by law include:

- › Medical Treatment
- › Temporary Disability Payments
- › Permanent Disability Compensation
- › Rehabilitation
- › Death Benefits

Like the Liability Program, coverage is divided into three separate layers, Banking, Shared Risk and Excess as illustrated in the chart to the right.

All three coverage layers include self-insurance. The Banking Layer is funded to pay for each Member's own claims, like a pre-funded deductible.

The Shared Risk Layer is funded to pay for claims that are shared by all NorCal Cities Members. The Excess Layer is funded through the [Public Risk Innovation, Solutions, and Management JPA \(PRISM\)](#).



PRISM

PRISM is a risk-sharing pool of most of the counties and many cities and special districts in California. Since 2003, NorCal Cities has participated in PRISM, currently providing coverage from \$500,000 to \$5 Million and purchasing excess reinsurance to provide Statutory limits.

The program also provides Employer's Liability Coverage up to \$5 Million. **PRISM provides a variety of risk management resources**, including online training, consulting, and monthly webinars on a variety of topics.

Financial Highlights

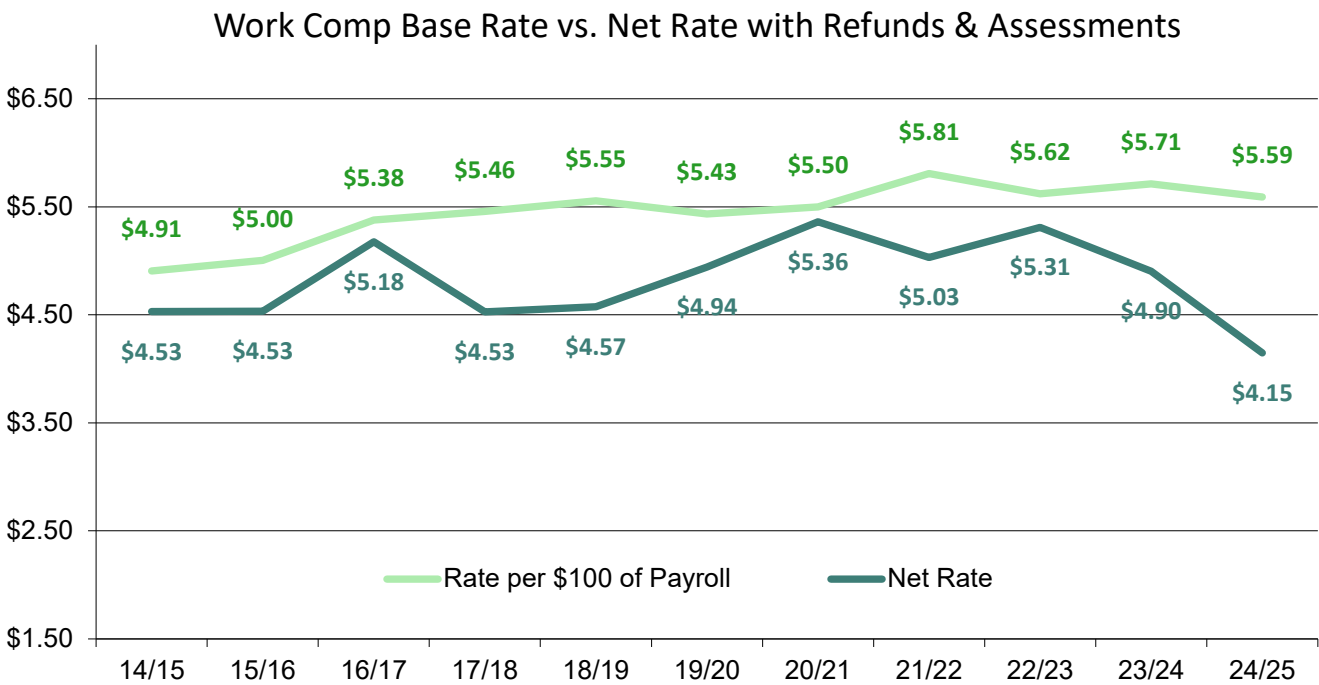
The total funding of the program for FY 24/25 is \$17,302,507 before dividends, an increase of 8% over the prior year 3% less than *the total payroll increases of 11%*. This is due to the **underlying NCC rate decreasing (-5.2%)**, while excess coverage increased 10%. Over the last several years members have increased the annual funding confidence level from 60% to 80% and kept it there, a funding increase that has provided a consistently high margin for maintaining budget stability and meeting or exceeding financial benchmarks.

The Board of Directors annually reviews the Program's financial status to evaluate the appropriateness of declaring either a refund or an assessment. **In 2024 NorCal Cities returned dividends to members of \$2,603,000 the Shared Layer and \$1,985,297 in the Banking Layer.**



WORKERS COMPENSATION PROGRAM

The following chart shows the historical rates with and without the impact of refunds and assessments. The rates decreased (5.2%) this year, with the gross rate at \$5.59 and the **net rate falling to \$4.15 due to refunds. Due to the continued success of the program, members distributed \$2,256,653** out of the shared layer which caused the net rate to dip to \$4.15, the lowest net rate in the last decade. Rates have been relatively low and stable, largely due to the last regulatory reforms, but they have been increasing since then due to increases in disability benefits, medical inflation, COVID-19 claims, and new fee schedules for related services.



Program Highlights

These results are due to a combination of cost containment strategies, including return to work programs with modified duty “bridge” assignments for injured workers. This despite a very challenging environment with rising medical and disability costs and a lack of qualified treatment facilities. NCC management and members worked together to support the opening of a new clinic in Chico and will continue to look for more treatment options.

City of Corning



City of Willows

Looking Ahead

As we move in 2024, training will continue to be a major focus. NCC, together with CJPRMA, will be hosting another Law Enforcement Training Day. Members will hear from several speakers discussing challenges specific to the Law Enforcement community including responding to persons in crisis, managing g risks for deposition and trial and improving leadership performance.

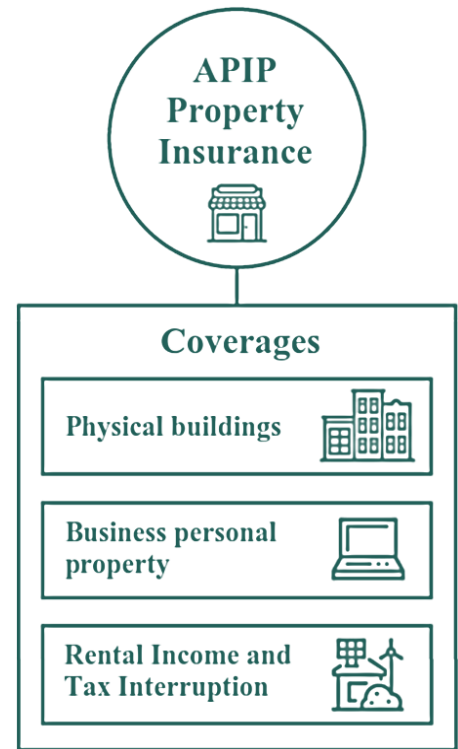
PROPERTY PROGRAM

Coverage Highlights

NorCal Cities continues to offer coverage through the Alliant Property Insurance Program (APIP). This group purchase program provides the following coverages:

- › **Broad Replacement Cost valuation**
- › **\$25,000 All Risk Deductible per claim**
- › **Rental Income and Tax Interruption**
- › Course of Construction (Builder's Risk)
- › **Auto Coverage with optional Replacement Cost**
- › **Increased Cost of Construction (Code Upgrade)**
- › Boiler & Machinery Coverage: \$100,000,000 limit per occurrence & \$25,000 deductible per claim
- › **OPTIONAL Flood coverage** with deductible of \$100,000, or \$250,000 for Flood Zones A & V

The APIP Property Program automatically includes coverage for Pollution Liability as well as Cyber Liability.



Pollution Liability

- › Shared limit of \$2M between all NorCal Cities members that participate in APIP
- › New Pollution Conditions or Indoor Environmental Conditions Coverage: First-party and third-party coverage for **claims arising out of a pollution condition on, at, under or migrating from a covered location, or an indoor environmental condition** at a covered location
- › Transportation Coverage: First-party and third-party coverage for claims arising out of a pollution condition resulting from transportation
- › Non-Owned Disposal Site Coverage: Third-party coverage for claims arising out of a pollution condition on, at, under or migrating *from a non-owned disposal site*
- › **Coverage for catastrophe management costs and emergency response costs** (first-party remediation costs incurred within seven (7) days following the discovery of a pollution condition) included, **provided that the claim is reported to the insurer within seven (7) days.**

Cyber Liability

- › Data and Network Liability – each member in APIP has a **\$2M/\$55M** aggregate limit.
- › NorCal Cities purchases **excess limits of \$2M/\$4M** aggregate – *various controls & sublimits apply*
- › **Breach Response Costs** - limit of \$500,000, increased to \$1M if Beazley Vendor Services are used.
- › **Cyber Extortion Loss** – sublimit of \$750,00 + \$750,000 excess coverage IF controls are in place.
- › Data Recovery Costs - \$750,000 + \$ 750,000
- › Business Interruption Security Breach - \$750,000 + \$ 750,000
- › Computer Hardware Replacement \$200,000 + \$200,000 excess
- › **Fraudulent Instruction** resulting directly from an Insured having transferred, paid, or delivered any Money or Securities as a direct result of Fraudulent Instruction - \$75,000 + \$75,000 excess.



PROPERTY PROGRAM

Financial Highlights

For FY 24/25 total insurable values increased to \$1.8 billion, in part due to inflation adjustments averaging 5% due to increased costs related to general inflation related to measures following the increases due to COVID supply chain issues. Rates have finally started to stabilize with NCC seeing its first single-digit rate increase in several years. While rates are improving, we continue to see increasing catastrophic losses, including CA wildfires, floods, tornadoes, ice storms, and hurricanes. The size of the APIP Program invites access to global insurance markets to obtain the most competitive options available in a very tough environment.



City of Rio Vista



City of Galt

Looking Ahead

Wildfire risks continue to pressure Members to take on higher retentions and focus more on loss control. The pool has obtained wildfire risk scores for select properties and will continue to offer wildfire risk assessments and recommendations all members can use to assess their properties.

Property Appraisals of scheduled buildings are conducted every five years to maintain accurate valuations. Buildings valued over \$5 Million are appraised at no cost to the member.

This year an RFP was completed for Appraisal Services for all locations valued between \$100,000 and \$4,999,999. After receipt and review of all submissions, the Board ultimately contracted with HCA.

Trending of the insured values takes place annually based on cost of construction indexes, with inflationary factors expected to continue through this fiscal year.

CRIME PROGRAM



Coverage Highlights

The Alliant Crime Insurance Program (ACIP) provides coverage for employee theft, robbery, fraud, forgery, and other types of crimes through the National Union Fire Insurance Company, A.M. Best Rated A (XV). The **per occurrence limit has remained at \$3,000,000** since FY 17/18, with a \$5,000 deductible, with higher limits available for members to obtain separately.

The ACIP policy also covers Faithful Performance of Duty and deletes typical exclusions for Treasurers, Tax Collectors, and Bonded Employees. Therefore, **there is no need for the city to purchase individual bonds** for city officials who are required by law to give bonds for the faithful performance of their duties. To assure coverage **the City must pass a resolution authorizing the use of a Master Crime Policy.**

The ACIP Coverage contains the following:

- › Employee Theft
- › Robbery or Safe Burglary
- › Computer Fraud
- › **Faithful Performance of Duty**
- › Funds Transfer Fraud
- › **Investigative Expenses – Sublimit of \$75,000**
- › Forgery or Alteration including Credit, Debit or Charge Card Forgery
- › Includes chairperson and members of committees as employees
- › **Includes volunteer workers other than fund solicitors as employees**
- › Includes specified directors and trustees on committees as employees
- › **Deletes Treasurer/Tax Collector and Bonded Employees exclusions**
- › Includes specified non-compensated officers as employees
- › Specified City Officials Coverage Endorsement (for cities that are required by their city charter to individually bond certain employee or officer positions)



City of Placerville

Seventeen of the twenty-two members participate in the ACIP program: Cities of Anderson, Auburn, Colusa, Corning, Dixon, Galt, Gridley, Lone, Lincoln, Marysville, Oroville, Red Bluff, Rio Vista, Rocklin, Yuba City, Willows, and Town of Paradise.



City of Elk Grove

Looking Ahead

As crime incidents are increasing in frequency, and more commonly through computer fraud, members could benefit from the added security a higher limit of insurance affords.

NorCal Cities

members are

always encouraged to evaluate a higher limit of insurance in the ACIP program. Members who do not currently participate in the ACIP Crime Coverage but would like additional information should contact the Program Administration for assistance.

OTHER PROGRAMS



Alliant Mobile Vehicle Program (AMVP)

Select Members of NorCal Cities are enrolled in the Alliant Mobile Vehicle Program (AMVP), initially designed specifically for public agencies with a limited number of higher-valued vehicles or special equipment. The program has expanded to include all types of vehicles and mobile equipment. It provides All Risk Equipment Coverage *including earthquake and flood* for scheduled equipment. **Claims valuation is on a replacement cost basis for new vehicles or**

equipment for three years from date of purchase, otherwise the policy pays to repair or replace damaged property on a like kind and quality basis (actual cash value). **Deductibles below the APIP minimum of \$25,000 are available** in this program and one reason members choose it.

Identity Fraud Protection

Member employees receive protection from the impact of identity fraud with Identity Fraud Reimbursement Coverage and Resolution Services through Travelers Insurance Company, with a **limit of up to \$25,000 to reimburse many of the costs and expenses associated with identity recovery**, including lost wages, attorney fees, and document replacement fees.

Employees and immediate family members have 24/7 access to an expert fraud specialist to provide unlimited assistance in restoring a victim's identity.

They also have access to online educational resources providing tips, information, and steps to avoid becoming a victim of identity theft. Members receive step-by-step guidance through the resolution process, 3-in-1 credit reporting, and one year of free credit, cyber and fraud monitoring in the event of a fraud incident.



Deadly Weapons Response Program

Unfortunately, workplace acts of violence do occur and as a result, members have immediate needs for Crisis Management assistance. In response to this emerging threat, Alliant created the Deadly Weapons Response Program. In the event of a Deadly Attack at a covered location the policy provides **various Crisis Management Services**. The policy has a per event limit of \$500,000 with a pool aggregate of \$2,500,000 and \$10,000 deductible.

Sublimits of \$250,000 provide coverage for:

- › Crisis Management Services
- › Counseling Services/\$15,000 per person max
- › Funeral Expenses/\$1M Aggregate, \$15,000 per person max
- › Business Interruption
- › Demo/Clearance and Memorialization

In addition to \$25,000 Medical Expense/\$50,000 Accidental Death and Dismemberment per person, both with a \$500,000 annual aggregate.

Members also have access to the Beazley Deadly Weapons Protection portal. This website hosts a range of training materials and resources to support your organization before, during and after a crisis. These tools will help reduce and manage the risk associated with a deadly weapons event and respond appropriately should one occur. Register at www.deadlyweaponsprotection.com.

SERVICES

Employee Assistance Program (EAP)

Thirteen NorCal Cities members participate in the group purchase of an Employee Assistance Program (EAP). An EAP is a worksite-based program designed to assist City employees in identifying and resolving personal concerns, including, but not limited to, health, marital, family, financial, alcohol, drug, legal, emotional, stress, or other personal issues that may affect job performance.

The program features a benefit package which includes:

- › Counseling and training
- › Critical Incident Stress Debriefing (CISD)
- › Childcare and eldercare resources
- › Legal and financial consultation



ACI's program includes employees and ALL family members – whether or not they live in the home.



Program Administration

Alliant Insurance Services provides overall program administration, including meeting agendas, underwriting, and management of governing documents and policies. In addition, Alliant provides consultation and advice regarding:

- › Insurance requirements in contracts
- › Certificates of insurance and endorsements
- › Best Practices for Municipal Risk Management
- › Safety Grant administration



Claims Management

As of July 2023, Workers Compensation Claims Management is now managed by LWP Claims Solutions. LWP is known for proactive claims management, a team approach to claim resolution, and an emphasis on fair, timely and accurate benefit delivery for insured employees, to encourage early and sustained return to work. Each member has customized claim service instructions to tailor benefits to the unique needs of their employees.



Sedgwick provides claims management for the Liability Program. The Sedgwick claims examiner is responsible for advising the member on the merits of each claim and the appropriate action to be taken, as well as providing for necessary investigation of claims and oversight of legal defense. Sedgwick manages litigated claims **based on NorCal Cities' Litigation Management Guidelines** using a group of select attorneys chosen for their skill in public entity defense of Liability claims.

Risk Management

NCC hired Bickmore Risk Services, now Sedgwick, in 2012 as their Risk Control Services provider to perform a Hazard and Risk Assessment for each member and **recommend policies, procedures, and training to address their individual needs**. As a result, members are receiving more direct assistance in managing their operations in ways that reduce the frequency and severity of claims. Consulting by Sedgwick includes:

- › Hotline services – call with any safety question
- › Program/policy development
- › Safety materials
- › Training matrix – details the type and frequency of training required for member employees
- › Hazard & Safety Assessments
- › On-site training
- › Webinars on a variety of risk management topics

SERVICES



Vector Solutions

NorCal Cities members have access to a comprehensive online training platform to maintain compliance with OSHA regulations, fire and EMS standards, ethics and sexual harassment requirements, as well as a wide variety of other topics. Vector Solutions offers an **online based training platform** which members can use to access training sessions and to **track training** completed by employees.



Lexipol

Member law enforcement agencies and fire departments are provided Lexipol policy and training services. Lexipol provides comprehensive, defensible public safety policy content and integrated policy training. The **Daily Training Bulletins (DTB) bring the manual into practice through real-life, scenario-based training exercises** emphasizing high-risk, low frequency events. DTBs often qualify for continuous training certification.



Grant Finder

New in FY 23/24 is another service provided by Lexipol, Grant Finder, providing a real-time, online database of more than 10,000 federal, state, corporate and foundation grants. **Lexipol will provide grant consulting services** to assist members in identifying and applying for grants. And members can choose Lexipol's full grant writing services if needed at a 50% discount. Their team of experts will help members craft the best application possible and have helped clients obtain over \$46M in grant funding.

Cyber Risk Management

- › **Beazley Breach Solutions Risk Management Portal** is located at www.beazleybreachsolutions.com. The Portal contains useful cyber information including best practices, cyber trainings, and much more.
- › **Beazley's cyber e-learning site** is located at <https://elearning.beazleybreachsolutions.com/>. Has interactive learning modules to increase user awareness of risks and help improve their organization's cybersecurity.
- › **Cybersecurity & Infrastructure Security Agency (CISA)** A federal government site with FREE tools and resources for protecting cities from cyber-attacks. <https://www.cisa.gov/cyber-resource-hub>
- › **NCC Designated Site:** <https://www.besewersmart.com/nccsif-cyber> Offers free cyber resources for NCC members including minimum security standards and real-time cyber threat maps.

Sidewalk Risk Management

NorCal Cities has contracted with Precision Concrete to provide economical and efficient sidewalk inspection and repair at a discount for members. This service, along with support for NCC's best practices in sidewalk risk management, makes sidewalks safer and reduces claims.

Resource Contact Guide

A variety of additional risk management resources are provided to NorCal Cities members as summarized in the **Resource Contact Guide** posted to the group's website and included in every Board agenda packet.

Member Training Fund

For FY 23/24, members are allotted a \$4,000 training fund towards risk management related training and/or attendance to annual CAJPA, PARMA, CalPELRA, or other Risk Management Conferences. Attendance at Risk Management Conferences helps educate members on claim reduction strategies and other cost control measures.



Cash for Safety Culture Program

The Cash for Safety Culture Program is open to all 22 members and designed to recognize and reward members for promoting a positive safety culture. Cash prizes and certificates are presented to the top three submissions and voted on by the Risk Management Committee and Board of Directors. Categories and prizes are Most Outstanding (\$5,000) Outstanding (\$3,000) and Good (\$2,000). In the inaugural year of 22/23 Dixon, Yuba City and Paradise took the honors in that order, with Dixon awarded the top prize for a variety of security measures.

In FY 23/24 five entries were received, with Anderson, Jackson, and Paradise awarded cash prizes and Colusa and Nevada City receiving Honorable Mention. The City of Anderson was awarded Most Outstanding based on a complete overhaul of their safety culture, starting with an update of their IIPP, revised Safety Committee, training, team building, and a special webpage for sharing safety related documents and training.



23/24 Cash for Safety Award Winners

Seminars and regional workshops

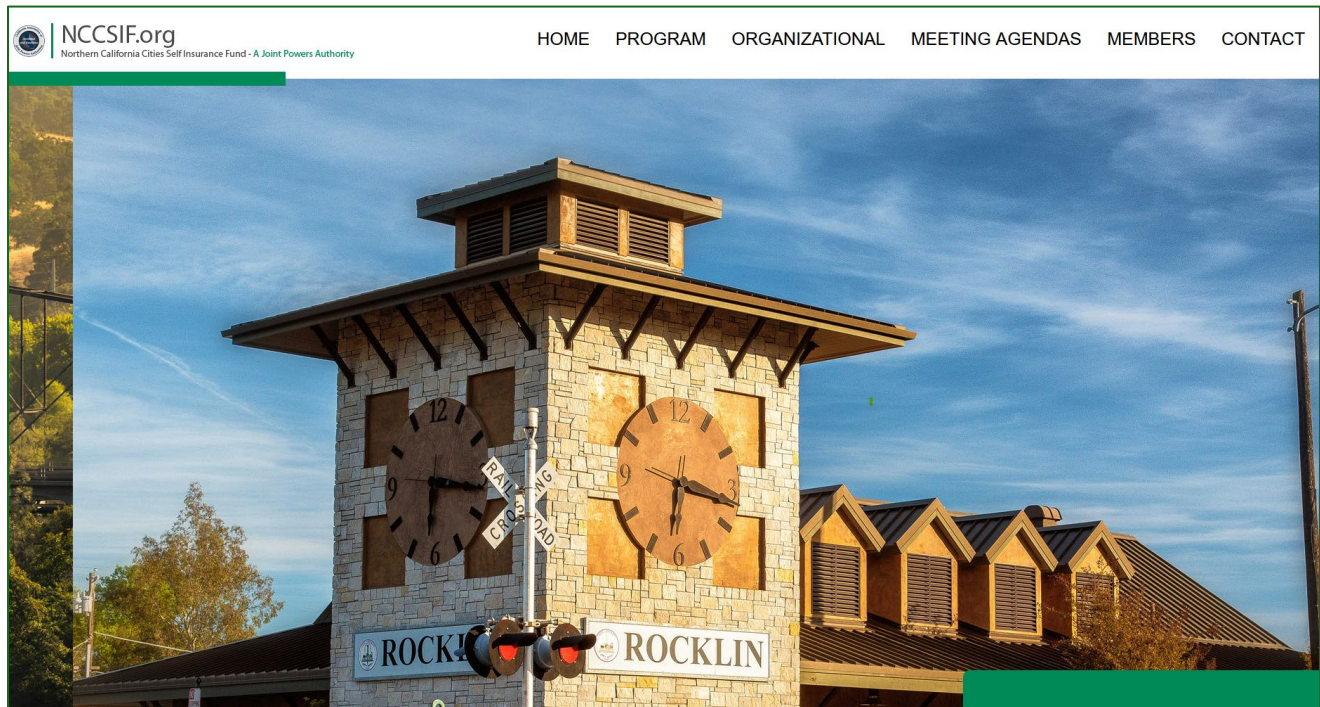
Selection of topics determined annually by the Board and Members, including:

- › **Sedgwick:** on-site and webinar sessions covering ergonomics, OSHA compliance, communication strategies, Playground Inspection, Forklift raining, wellness, public works exposures, and customized member topics.
- › **Regional Workshops:** NorCal Cities conducts regional workshops and partners with other risk pools on pertinent safety topics. Topics for 2023/24 included Temporary Traffic Control and Flagging, Cyber Liability, Managing Sidewalk Liability Aquatics Risk Management, Nurturing Relationships through Effective Communication, Developing Team Relationships, Risk Management 101, Navigating Challenging Situation, Negotiation Strategies, Insurance Requirements in Contracts, AB1234, AB 1825, Verbal Judo, Ergonomics, and The Cal OSHA Appeals -Understanding the Process and Avoiding Pitfalls
- › **General Liability and Police Risk Management** related trainings provided through CJPRMA on a wide variety of topics, including Taming Nuclear Verdicts.
- › **Looking Ahead:** in addition to the risk management and safety training offered on a regular basis, members have requested more training for Board members, Council Members, and city staff regarding NCC, how it operates, the benefits of pooling, and the coverage and services offered. Additional focus will be on Risk Management 101 training and follow up in the areas of claim management and risk assessments.

SERVICES

Website

NorCal Cities website resources include a Risk Management tab where members can access Risk Management information, including **recommended policies, procedures, and best practices**. Please take a moment to visit our website at: www.nccsif.org.



Alliant Connect

AlliantConnect is a web-based portal that provides a secure way for NorCal Cities members to access coverage information online as well as the **JPA governing documents, agendas, and other important documents**. AlliantConnect offers members access to the documents on the go via a **mobile app**. The mobile app version provides the same 24/7 access to the documents and coverage information through a secure platform. The app is available on iOS and Android devices.

Financial Service Providers and Consultants



Accounting Services
James Marta & Company



Independent Financial Auditing Services
Crowe Horwath LLP



Investment Consultants
Chandler Asset Management, Inc.

STATEMENT OF NET POSITION

NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND STATEMENTS OF NET POSITION June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Current assets:		
Cash and cash equivalents (Note 2)	\$ 10,312,229	\$ 4,967,730
Investments maturing within one year (Note 2)	5,945,385	2,483,829
Member receivable	55,306	228,589
Excess insurance receivable	973,029	791,410
Interest receivable	618,509	417,293
Total current assets	17,904,458	8,888,851
Investments, less portion maturing within one year (Note 2)	72,825,616	73,108,409
Total assets	<u>\$ 90,730,074</u>	<u>\$ 81,997,260</u>
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 46,423	\$ 211,288
Unearned revenue	4,514,334	2,420,428
Current portion of unpaid claims and claim adjustment expenses (Note 3)	11,270,000	10,860,000
Total current liabilities	15,830,757	13,491,716
CJPRMA assessment payable	2,583,998	-
Unpaid claims and claim adjustment expenses (Note 3)	45,966,837	42,628,442
Total liabilities	<u>64,381,592</u>	<u>56,120,158</u>
NET POSITION		
Unrestricted	<u>\$ 26,348,482</u>	<u>\$ 25,877,102</u>

Summary of results

- › The Net Position for the whole pool increased by \$471,380, in spite of an operating loss, due to investment income of \$2,522,895 and an increase of \$1,196,290 in the Fair Market Value of the group's investments.
- › The Workers' Compensation Program saw an increase of \$1,582,007 in Net Position while the Liability Program saw a decrease of (\$1,110,627) after dividends and booking an assessment of \$2,583,998.
- › While the Liability assessment has an impact, each program remains well funded and within the benchmarks established by NCC and audited by CAJPA for Accreditation with Excellence.

STATEMENT OF REVENUES AND EXPENSES

NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND STATEMENTS OF REVENUES, EXPENSES AND CHANGE IN NET POSITION For the Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Operating revenues:		
Banking layer deposit	\$ 9,188,518	\$ 9,811,997
Shared risk layer deposit	9,049,996	7,934,999
Other deposits/fees	19,117,121	14,118,526
Banking layer assessment	211,182	254,913
Other income	<u>110,967</u>	<u>329,693</u>
Total operating revenues	<u>37,677,784</u>	<u>32,450,128</u>
Operating expenses:		
Provision for claims and claim adjustment expenses (Note 3)	13,563,531	13,719,990
Dividends	5,325,577	2,745,542
Insurance premiums	18,987,380	12,511,090
Claims administration	1,820,697	1,232,935
Program administration	526,161	509,141
Safety services	602,001	534,005
Other expenses	<u>100,242</u>	<u>76,660</u>
Total operating expenses	<u>40,925,589</u>	<u>31,329,363</u>
Operating (loss) income	<u>(3,247,805)</u>	<u>1,120,765</u>
Non-operating revenues:		
Net change in the fair value of investments	1,196,290	(774,479)
Investment income	<u>2,522,895</u>	<u>1,129,156</u>
Total non-operating revenues	<u>3,719,185</u>	<u>354,677</u>
Change in net position	471,380	1,475,442
Net position, beginning of year	<u>25,877,102</u>	<u>24,401,660</u>
Net position, end of year	<u>\$ 26,348,482</u>	<u>\$ 25,877,102</u>

Summary of results

- › Total operating revenues for fiscal year 2024 were \$37,677,784, an increase of 16%, or \$5,227,656, due to increased payroll, excess and property insurance rate increases, and increased Shared Risk Layer funding.
- › Total Operating Income for 2024 was a loss of (-\$3,247,805), though Total Non-Operating Income of \$3,719,185 resulted in an increase of \$471,380 in Net Position, compared to \$1,475,442 in 2023.
- › Significant expenses included \$5,325,577 in dividends paid and an increase of \$6,476,920 in insurance premiums. Without the dividends the pool would have shown an increase in net position of \$5,796,957.

PROGRAM ADMINISTRATION CONTACT INFORMATION



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Please visit our newly updated website at www.nccsif.org

Thank You
City of Rocklin
for Hosting Our Meetings