



President
Ms. Liz Ehrenstrom
City of Oroville

Treasurer
Mr. Tim Sailsbery
City of Willows

**NCCSIF
BOARD OF DIRECTORS
MEETING**

Vice President
Mr. Andy Heath
City of Auburn

Secretary
Ms. Gina Will
Town of Paradise

Date: Thursday, April 25, 2013
Time: 12:00 p.m.

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

- A – Action**
- I – Information**
- 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

PRESENTATION

Time Certain 1. **ACI Specialty** - Ms. Karen Rueben from ACI specialty will address the Board of
12:00 pm Directors regarding NCCSIF's EAP Utilization and Wellness Programs.

A. CALL TO ORDER

B. PUBLIC COMMENTS

This time is reserved for members of the public to address the Board of Directors on matters pertaining to NCCSIF that are of interest to them.

C. APPROVAL OF AGENDA AS POSTED

A 1

pg. 01 **D. CONSENT CALENDAR**

All matters listed under the consent calendar are considered routine with no separate discussion necessary. Any member of the public or the Board of Directors may request any item to be considered separately.

A 1

- pg. 02 1. Draft Minutes of the Board of Directors Meeting January 24, 2013
- pg. 12 2. Check Register at March 31, 2013
- pg. 13 3. Chandler Asset Management Investment Reports
 - a. January, 2013 – Short/Long Term
 - b. February, 2013 – Short/Long Term
 - c. March 2013 – Short/Long Term



	E. MINUTES AND REPORTS		I	
	<i>Minutes and/or summary reports are provided from the Committees noted below.</i>			
pg. 36	1. Summary of the Executive Committee Meeting held March 9, 2013			1
pg. 37	2. Draft Minutes – Executive Committee Meeting March 9, 2013			1
pg. 47	3. Draft Minutes – Risk Management Committee Meeting – January 24, 2013			1
pg. 52	4. Draft Minutes – Police Risk Management Committee Meeting January 10, 2013			1
	5. Risk Management Meeting April 25, 2013 – Verbal Report			4
	F. ADMINISTRATION REPORTS		I	4
	1. President’s Report			
	<i>Liz Ehrenstrom will address the Board on items pertaining to NCCSIF.</i>			
	2. Program Administrator’s Report			
	<i>Alliant will address the Board on items pertaining to NCCSIF.</i>			
	G. FINANCIAL REPORTS			
pg. 56	1. Quarterly Financial Report for Period Ending March 31, 2013		A	2
	<i>The Board of Directors will be asked to receive and file the report from James Marta and Company.</i>			
pg. 57	2. Budget to Actual Report as of March 31, 2013		I	2
	<i>The Board of Directors will be asked to review the Budget to Actual Report as of March 31, 2013 and discuss any items as needed.</i>			
pg. 58	3. Chandler Asset Management – Report from Investment Manager		I	1
	<i>Mr. Martin Cassell will be in attendance to provide the Board of Directors with a presentation on NCCSIF’s investment portfolio.</i>			
	H. JPA BUSINESS			
	1. FY 2013/14 Actuarial Studies – Draft Financial pages only.			
	<i>Mike Harrington from Bickmore will provide the Board of Directors with a presentation of the Draft 2013/14 Actuarial Studies for Board approval for the following programs:</i>			
pg. 101	a. <i>Workers’ Compensation</i>		A	1
pg. 115	b. <i>Liability</i>		A	1
	2. Approval of the 2012/13 Banking Plan Fund Adjustment Calculations			
	<i>The Board of Directors will be asked to review and approve the 2012/13 distribution of the Banking Layer Fund Adjustments.</i>			
pg. 125	a. <i>Workers’ Compensation</i>		A	1
pg. 127	b. <i>Liability</i>		A	1

	3. Approval of the 2012/13 Workers' Compensation Shared Risk Layer Plan Fund Adjustment Calculations	A	1
	<i>The Board of Directors should review and approve the 2012/13 redistribution of the Shared Risk Layer Fund Adjustments.</i>		
pg. 129	a. Workers' Compensation		
pg. 131	b. Liability		
pg. 132	4. 2012/13 Safety Grant Funds Utilization and Consideration of 2013/14 Safety Grant Funds Program Continuation	A	1
	<i>The Board of Directors will be asked to review and approve continuation of the Safety Grant Funds for 2013/14.</i>		
pg. 137	5. Liability Shared Risk Layer Assessment	A	1
	<i>The Board of Directors should review, discuss and approve an assessment for this program as it is in a negative balance and funds need to be collected from the membership to work on eliminating this deficit.</i>		
pg. 139	6. Distribution of CJPRMA Refund	A	1
	<i>The Board of Directors will be asked to review and approve the distribution of the CJPRMA Refund to be allocated 50% to the Liability Program contributions and 50% towards the Liability Shared Risk Assessment.</i>		
pg. 143	7. Liability Shared Risk Layer Retention Analysis - \$500,000 xs \$500,000	A	1
	<i>The Board of Directors will receive an analysis of the costs to retain this layer or transfer it to CJPRMA. The Board will review, discuss and make a motion to either retain this layer or purchase through CJPRMA.</i>		
	8. Preliminary 2013/14 Deposit Calculations	I	1
	<i>The Board of Directors will be asked to review the Preliminary 2013/14 Deposit Calculations.</i>		
pg. 152	a. Workers' Compensation		
pg. 154	b. Liability (\$500,000 SIR)		
pg. 156	9. 2013/14 Maximum (CAPPED) Deposits	A	1
	<i>The Board of Directors will be asked to review, discuss and approve the maximum deposit percentage increase amount for the 2013/14 program year.</i>		
pg. 159	10. Preliminary 2013/14 NCCSIF Budget	I	1
	<i>The Board of Directors will be asked to review the preliminary 2013/14 NCCSIF Budget.</i>		
pg. 162	11. Bickmore Revised Agreement for Risk Control Service – effective 7/1/13	A	1
	<i>The Board of Directors 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

The Board of Directors will be asked to review and approve York’s renewal terms for the 2013/14 program year.

pg. 171	a. Workers’ Compensation Claims Administration	A	1
pg. 174	b. Liability Claims Administration	A	1

I. INFORMATION ITEMS I 1

pg. 177	1. Annual CAJPA Conference – Sept 10-13, 201 – South Lake Tahoe
pg. 179	2. NCCSIF Organization Chart
pg. 180	3. NCCSIF Meeting Calendar 2013
pg. 181	4. NCCSIF Travel Reimbursement Form
pg. 182	5. NCCSIF Resource Contact Guide

J. ADJOURNMENT

UPCOMING MEETINGS

- Executive Committee Meeting – May 9, 2013
- Claims Committee Meeting – May 9, 2013
- Board of Directors Meeting – June 13, 2013
- Risk Management Meeting – June 13, 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 Board of Directors 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: The Board of Directors should review items on the Consent Calendar and, if there is any item requiring clarification or amendment, such item(s) should be removed from the agenda for separate discussion. The Board of Directors should approve the Consent Calendar excluding those items pulled. Any items removed from Consent will be agendaized later during the meeting.

FISCAL IMPACT: Unknown.

RECOMMENDATION: It is the recommendation of Staff to approve the Consent Calendar after review by the Board of Directors.

BACKGROUND: The following items are placed on the Consent Calendar for approval. The Board may approve the Consent Calendar items as presented, or any individual may request that an item be pulled for discussion and separate action during the meeting. Remaining items would then be approved by action of the Board.

ATTACHMENT(S):

1. Draft of Minutes of the Board of Directors Meeting January 24, 2013
2. Check Register at March 31, 2013
3. Chandler Asset Management Investment Reports
 - a. January, 2013 – Short/Long Term
 - b. February, 2013 – Short/Long Term
 - c. March 2013 – Short/Long Term



**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

Northern California Cities Self Insurance Fund

Check/Voucher Register - '
From 01/01/13 Through 03/31/13

<u>Check Number</u>	<u>Check Description</u>	<u>Vendor Name</u>	<u>Effective Date</u>	<u>Check Amount</u>
7872	System Generated Check/Vo..	Susan Adams	01/31/13	(1,131.74)
8015	System Generated Check/Vo..	York Risk Services..	01/07/13	28,484.95
8016	System Generated Check/Vo..	James Marta	01/07/13	5,184.80
8017	System Generated Check/Vo..	Gibbons & Conley	01/07/13	4,836.65
8018	System Generated Check/Vo..	Bickmore Risk Ser...	01/07/13	8,628.33
8019	System Generated Check/Vo..	PAULA ISLAS	01/07/13	111.00
8020	System Generated Check/Vo..	PDI	01/07/13	1,000.00
8021	System Generated Check/Vo..	Jeff Kiser	01/07/13	179.67
8022	System Generated Check/Vo..	Tom Watson	01/07/13	57.17
8023	System Generated Check/Vo..	Chandler Asset Ma..	01/21/13	4,606.00
8024	System Generated Check/Vo..	York	01/21/13	43,250.00
8025	System Generated Check/Vo..	Alliant Insurance S..	01/21/13	22,500.00
8026	System Generated Check/Vo..	DKF Solutions Gro..	01/21/13	1,400.00
8027	System Generated Check/Vo..	Catrina Olson	01/21/13	44.40
8028	System Generated Check/Vo..	Jason Johnson	01/21/13	50.00
8029	System Generated Check/Vo..	David Long	01/21/13	50.00
8030	System Generated Check/Vo..	PDI	01/21/13	1,000.00
8032	System Generated Check/Vo..	Peach Tree Golf & ..	01/25/13	814.16
8033	System Generated Check/Vo..	York Risk Services..	02/05/13	32,872.73
8034	System Generated Check/Vo..	James Marta	02/05/13	5,180.14
8035	System Generated Check/Vo..	Alliant Insurance S..	02/05/13	22,500.00
8036	System Generated Check/Vo..	Bickmore Risk Ser...	02/05/13	8,628.33
8037	System Generated Check/Vo..	City of Folsom	02/05/13	62.15
8038	System Generated Check/Vo..	MICHAEL DALY	02/05/13	102.83
8039	System Generated Check/Vo..	City of Red Bluff	02/05/13	13,256.50
8040	System Generated Check/Vo..	Steve Johnson	02/05/13	1,220.49
8041	System Generated Check/Vo..	Department of Ind...	02/05/13	135,240.33
8042	System Generated Check/Vo..	Crystal Peters	02/05/13	56.50
8043	System Generated Check/Vo..	Edwin Pattison	02/05/13	124.30
8044	System Generated Check/Vo..	Liz Ehrenstrom	02/05/13	60.60
8045	System Generated Check/Vo..	Sandy Ryan	02/05/13	124.30
8046	System Generated Check/Vo..	Susan Adams	02/05/13	108.91
8047	System Generated Check/Vo..	Chandler Asset Ma..	02/20/13	4,516.00
8048	System Generated Check/Vo..	York	02/20/13	43,250.00
8049	System Generated Check/Vo..	Occu-Med Inc.	02/20/13	3,000.00
8050	System Generated Check/Vo..	PDI	02/20/13	1,000.00
8051	System Generated Check/Vo..	DKF Solutions Gro..	02/20/13	700.00
8052	System Generated Check/Vo..	York Risk Services..	03/05/13	50,811.65
8053	System Generated Check/Vo..	Gibbons & Conley	03/05/13	1,504.98
8054	System Generated Check/Vo..	City of Galt	03/05/13	57.43
8055	System Generated Check/Vo..	PAULA ISLAS	03/05/13	1,110.13
8056	System Generated Check/Vo..	DKF Solutions Gro..	03/05/13	1,549.52
8057	System Generated Check/Vo..	Steven Rudolph	03/05/13	1,573.17
8058	Catering Services Exec Com...	Simple Pleasures	03/14/13	299.34
8068	System Generated Check/Vo..	Chandler Asset Ma..	03/20/13	4,518.00
8069	System Generated Check/Vo..	York	03/20/13	43,250.00
8070	System Generated Check/Vo..	James Marta	03/20/13	5,175.00
8071	System Generated Check/Vo..	Alliant Insurance S..	03/20/13	22,500.00
8072	System Generated Check/Vo..	Occu-Med Inc.	03/20/13	1,500.00
8073	System Generated Check/Vo..	DKF Solutions Gro..	03/20/13	1,400.00
8074	System Generated Check/Vo..	Champion Awards ..	03/20/13	86.40
8075	System Generated Check/Vo..	AssetWORKS	03/20/13	40,000.00
8076	System Generated Check/Vo..	Liz Ehrenstrom	03/20/13	1,948.00

Report Total

570,353.12

Monthly Account Statement

Northern Cal. Cities Self Ins. Fund Long Term

January 1, 2013 through January 31, 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

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PORTFOLIO CHARACTERISTICS

Average Duration	3.58
Average Coupon	3.00 %
Average Purchase YTM	2.25 %
Average Market YTM	0.86 %
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	3.91 yrs
Average Life	3.87 yrs

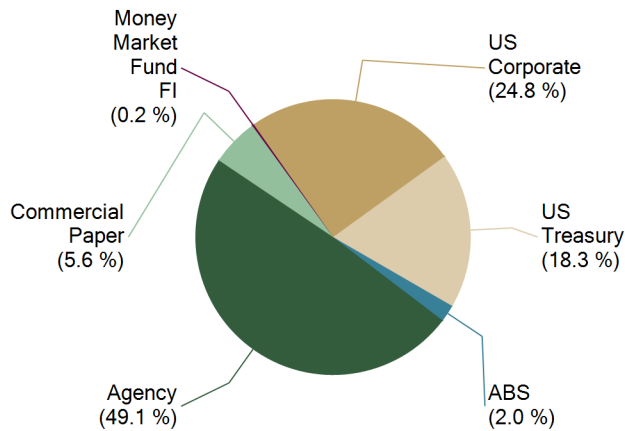
ACCOUNT SUMMARY

	Beg. Values as of 12/31/12	End Values as of 1/31/13
Market Value	22,337,079	22,260,981
Accrued Interest	149,430	143,237
Total Market Value	22,486,509	22,404,218
Income Earned	50,096	39,623
Cont/WD		0
Par	20,798,169	20,858,466
Book Value	21,282,596	21,328,412
Cost Value	21,642,675	21,701,001

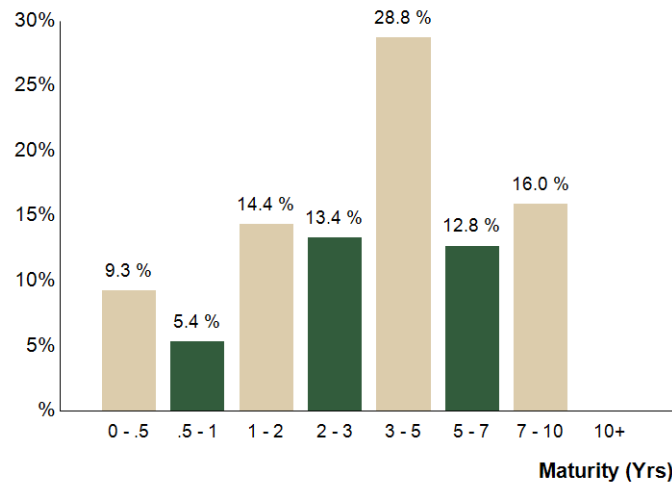
TOP ISSUERS

Issuer	% Portfolio
Government of United States	18.3 %
Tennessee Valley Authority	11.1 %
Federal National Mortgage Assoc	10.5 %
Federal Farm Credit Bank	10.1 %
Federal Home Loan Bank	9.0 %
Federal Home Loan Mortgage Corp	8.3 %
Bank of Nova Scotia	2.5 %
Toyota Motor Corp	2.1 %
	71.9 %

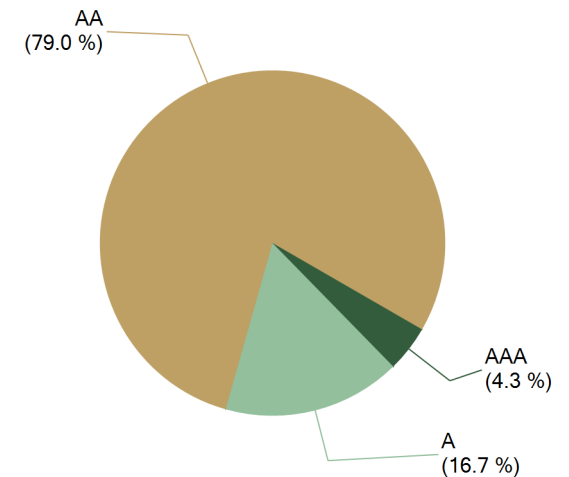
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

Total Rate of Return As of 1/31/2013	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	-0.37 %	-0.19 %	-0.37 %	1.78 %	4.21 %	4.50 %	N/A	5.65 %	44.26 %
1-10 yr Govt	-0.46 %	-0.25 %	-0.46 %	0.87 %	3.77 %	4.00 %	N/A	5.23 %	40.46 %
1-10 Year Govt/A Rated or better Corporate	-0.41 %	-0.19 %	-0.41 %	2.00 %	4.25 %	4.16 %	N/A	5.26 %	40.77 %



Northern California Cities Self-Insurance Fund - Long Term

January 31, 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

Monthly Account Statement

Northern CA Cities Self Ins. Fund Short Term

January 1, 2013 through January 31, 2013

Chandler Team

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Custodian

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Company
Gaby Rodriguez
213-630-6461

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PORTFOLIO CHARACTERISTICS

Average Duration	2.47
Average Coupon	1.92 %
Average Purchase YTM	1.37 %
Average Market YTM	0.57 %
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	2.60 yrs
Average Life	2.52 yrs

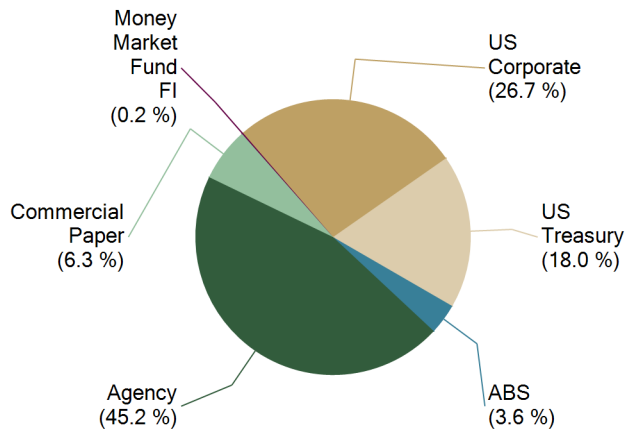
ACCOUNT SUMMARY

	Beg. Values as of 12/31/12	End Values as of 1/31/13
Market Value	21,654,355	21,626,792
Accrued Interest	99,840	108,129
Total Market Value	21,754,196	21,734,920
Income Earned	35,736	24,336
Cont/WD		-1,263
Par	21,058,481	21,082,376
Book Value	21,255,014	21,270,024
Cost Value	21,490,993	21,515,581

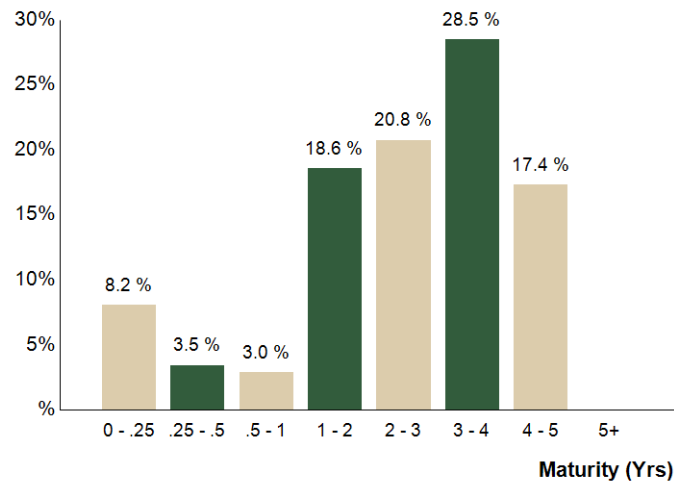
TOP ISSUERS

Issuer	% Portfolio
Government of United States	18.0 %
Federal Farm Credit Bank	12.4 %
Federal National Mortgage Assoc	11.6 %
Federal Home Loan Mortgage Corp	10.2 %
Federal Home Loan Bank	7.7 %
Tennessee Valley Authority	3.3 %
Bank of Nova Scotia	3.1 %
Toyota Motor Corp	2.2 %
Total	68.5 %

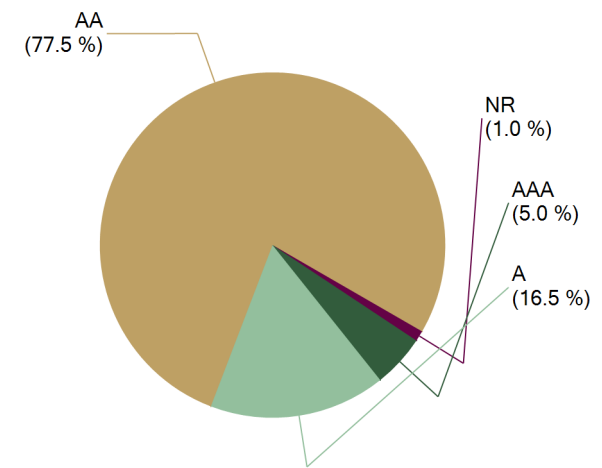
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

Total Rate of Return As of 1/31/2013	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	-0.08 %	0.11 %	-0.08 %	1.19 %	2.52 %	3.40 %	3.71 %	4.86 %	104.60 %
1-5 yr Govt	-0.12 %	0.05 %	-0.12 %	0.54 %	2.17 %	2.91 %	3.35 %	4.50 %	94.35 %
1-5 Year Govt/A Rated or better Corporate	-0.08 %	0.10 %	-0.08 %	1.32 %	2.58 %	3.13 %	3.50 %	4.68 %	99.28 %



Northern California Cities Self-Insurance Fund - Short Term

January 31, 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

Monthly Account Statement

Northern Cal. Cities Self Ins. Fund Long Term

February 1, 2013 through February 28, 2013

Chandler Team

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Custodian

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Company
Gaby Rodriguez
213-630-6461

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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

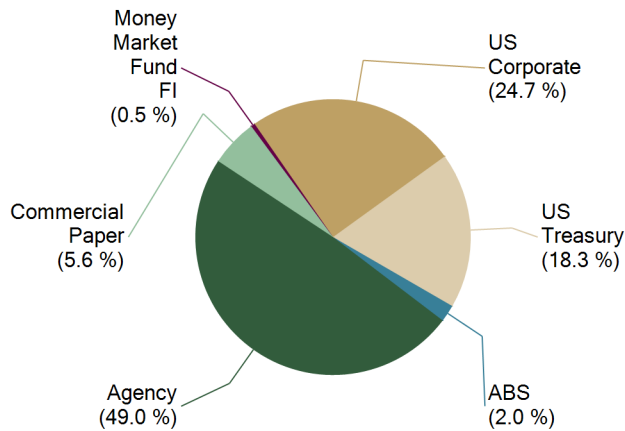
ACCOUNT SUMMARY

	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

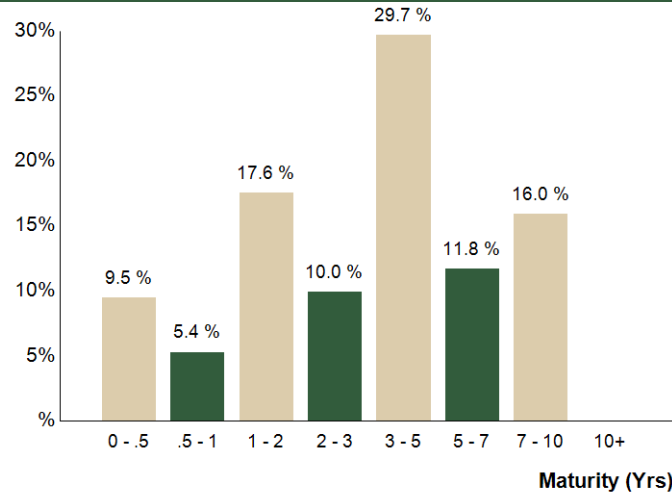
TOP ISSUERS

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 %

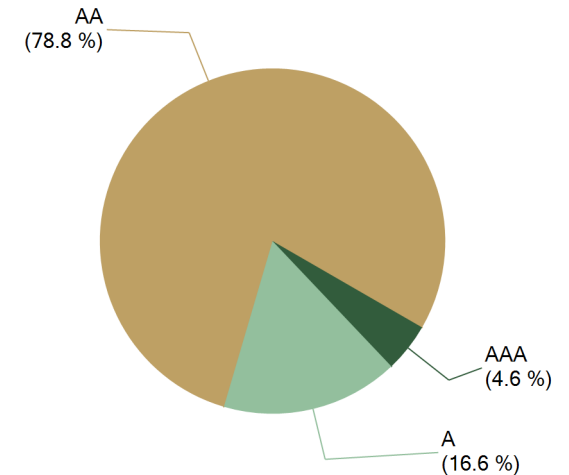
SECTOR ALLOCATION



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

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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

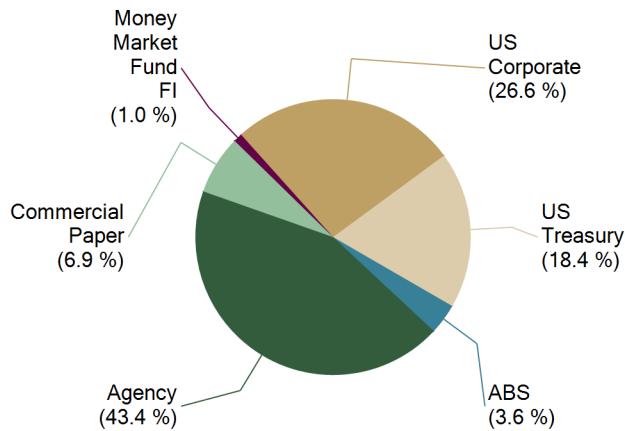
ACCOUNT SUMMARY

	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

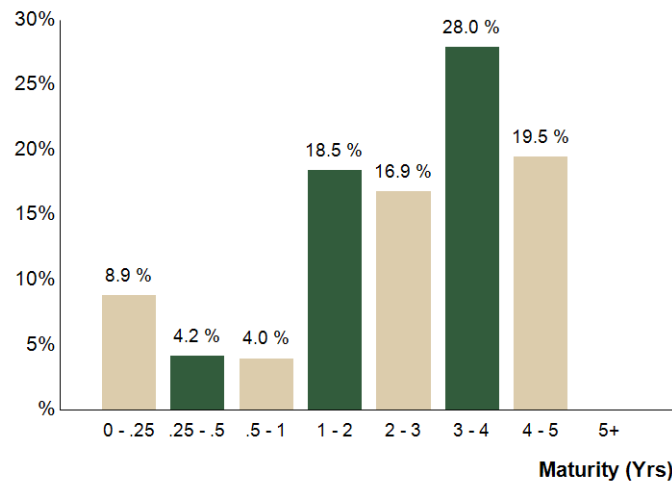
TOP ISSUERS

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 %
	66.2 %

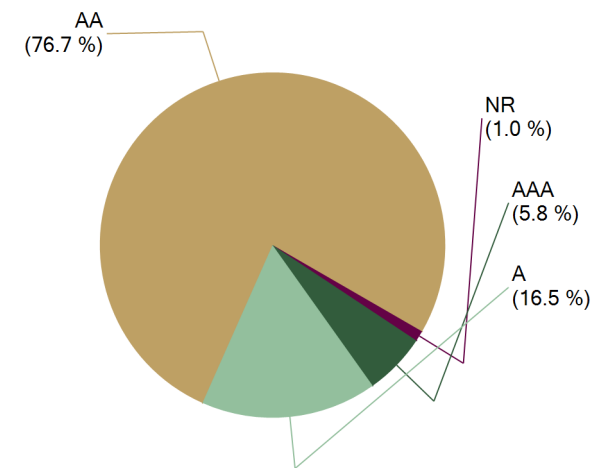
SECTOR ALLOCATION



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

Monthly Account Statement

Northern Cal. Cities Self Ins. Fund Long Term

March 1, 2013 through March 31, 2013

Chandler Team

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Custodian

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PORTFOLIO CHARACTERISTICS

Average Duration	3.60
Average Coupon	2.88 %
Average Purchase YTM	2.16 %
Average Market YTM	0.82 %
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	3.95 yrs
Average Life	3.89 yrs

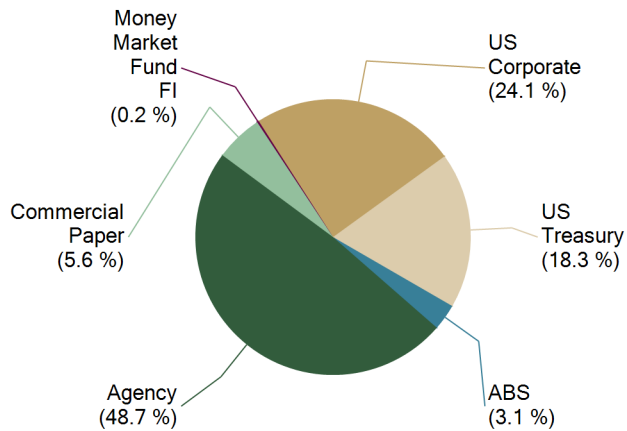
ACCOUNT SUMMARY

	Beg. Values as of 2/28/13	End Values as of 3/31/13
Market Value	22,364,668	22,381,793
Accrued Interest	136,215	152,753
Total Market Value	22,500,883	22,534,545
Income Earned	40,259	39,210
Cont/WD		0
Par	20,917,018	20,990,296
Book Value	21,375,693	21,436,265
Cost Value	21,759,553	21,807,566

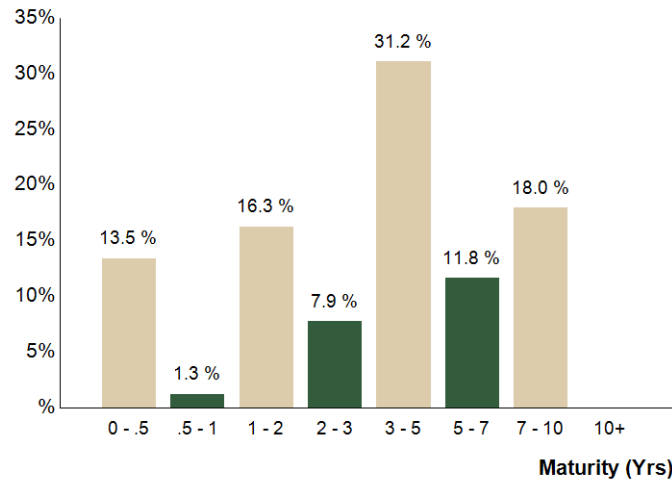
TOP ISSUERS

Issuer	% Portfolio
Government of United States	18.3 %
Tennessee Valley Authority	11.0 %
Federal Farm Credit Bank	10.0 %
Federal Home Loan Bank	9.8 %
Federal National Mortgage Assoc	9.5 %
Federal Home Loan Mortgage Corp	8.4 %
JP Morgan Chase & Co	2.7 %
Bank of Nova Scotia	2.4 %
	72.2 %

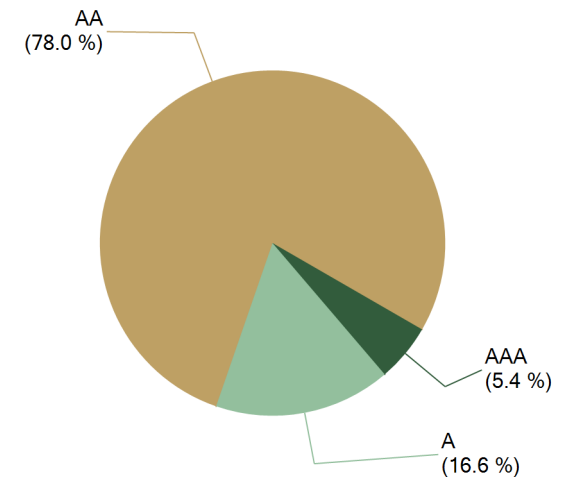
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

Total Rate of Return As of 3/31/2013	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	0.15 %	0.21 %	0.21 %	2.88 %	4.40 %	4.38 %	N/A	5.60 %	45.10 %
1-10 yr Govt	0.13 %	0.14 %	0.14 %	2.44 %	4.04 %	3.77 %	N/A	5.19 %	41.30 %
1-10 Year Govt/A Rated or better Corporate	0.13 %	0.20 %	0.20 %	3.20 %	4.46 %	4.08 %	N/A	5.23 %	41.64 %



Northern California Cities Self-Insurance Fund - Long Term

March 31, 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 3/31/2013

BOOK VALUE RECONCILIATION	
Beginning Book Value	\$21,375,692.93
Acquisition	
+ Security Purchases	\$1,029,151.00
+ Money Market Fund Purchases	\$631,925.11
+ Money Market Contributions	\$0.00
+ Security Contributions	\$0.00
+ Security Transfers	\$0.00
Total Acquisitions	\$1,661,076.11
Dispositions	
- Security Sales	\$937,544.25
- Money Market Fund Sales	\$688,646.63
- 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	\$1,626,190.88
Amortization/Accretion	
+/- Net Accretion	(\$12,212.17)
	(\$12,212.17)
Gain/Loss on Dispositions	
+/- Realized Gain/Loss	\$37,899.27
	\$37,899.27
Ending Book Value	\$21,436,265.26

CASH TRANSACTION SUMMARY	
BEGINNING BALANCE	\$107,017.87
Acquisition	
Contributions	\$0.00
Security Sale Proceeds	\$937,544.25
Accrued Interest Received	\$12,663.75
Interest Received	\$25,859.26
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	\$976,067.26
Disposition	
Withdrawals	\$0.00
Security Purchase	\$1,029,151.00
Accrued Interest Paid	\$3,637.78
Total Dispositions	\$1,032,788.78
Ending Book Value	\$50,296.35

Monthly Account Statement

Northern CA Cities Self Ins. Fund Short Term

March 1, 2013 through March 31, 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	2.47
Average Coupon	1.74 %
Average Purchase YTM	1.28 %
Average Market YTM	0.53 %
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	2.62 yrs
Average Life	2.52 yrs

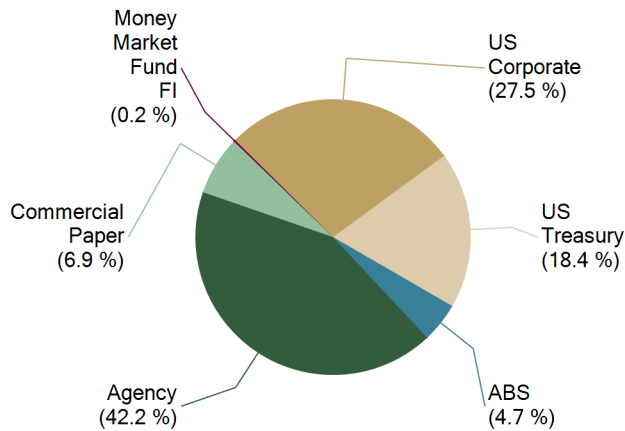
ACCOUNT SUMMARY

	Beg. Values as of 2/28/13	End Values as of 3/31/13
Market Value	21,680,102	21,715,563
Accrued Interest	102,783	80,407
Total Market Value	21,782,885	21,795,971
Income Earned	24,381	22,984
Cont/WD		0
Par	21,164,241	21,213,247
Book Value	21,336,244	21,382,575
Cost Value	21,592,421	21,587,708

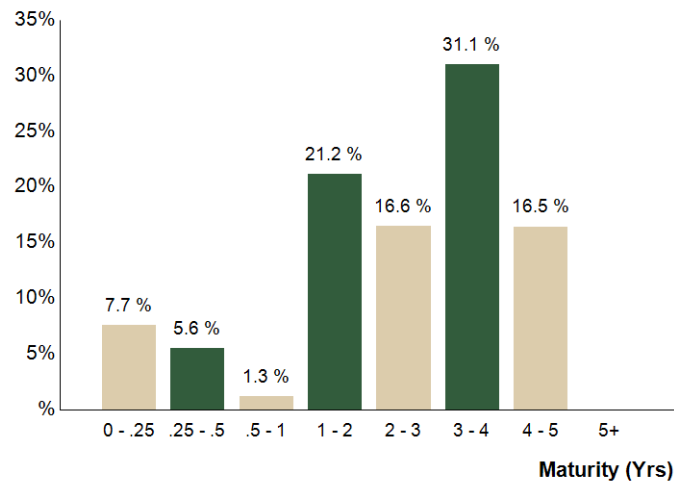
TOP ISSUERS

Issuer	% Portfolio
Government of United States	18.4 %
Federal Farm Credit Bank	11.9 %
Federal Home Loan Mortgage Corp	10.2 %
Federal National Mortgage Assoc	9.5 %
Federal Home Loan Bank	9.3 %
JP Morgan Chase & Co	2.8 %
Toyota Motor Corp	2.2 %
Bank of Nova Scotia	2.2 %
	66.5 %

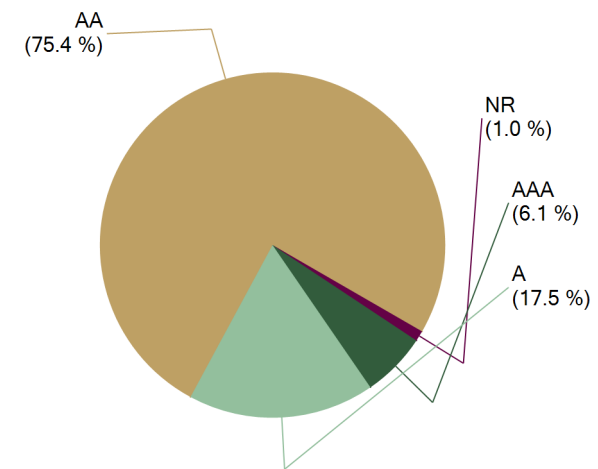
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

Total Rate of Return As of 3/31/2013	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	0.06 %	0.20 %	0.20 %	1.64 %	2.59 %	3.22 %	3.64 %	4.83 %	105.18 %
1-5 yr Govt	0.04 %	0.15 %	0.15 %	1.25 %	2.29 %	2.68 %	3.30 %	4.47 %	94.89 %
1-5 Year Govt/A Rated or better Corporate	0.05 %	0.24 %	0.24 %	1.79 %	2.67 %	2.99 %	3.43 %	4.65 %	99.91 %



Northern California Cities Self-Insurance Fund - Short Term

March 31, 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 3/31/2013

BOOK VALUE RECONCILIATION	
Beginning Book Value	\$21,336,243.63
Acquisition	
+ Security Purchases	\$817,619.10
+ Money Market Fund Purchases	\$635,994.51
+ Money Market Contributions	\$0.00
+ Security Contributions	\$0.00
+ Security Transfers	\$0.00
Total Acquisitions	\$1,453,613.61
Dispositions	
- Security Sales	\$172,517.70
- Money Market Fund Sales	\$817,988.60
- MMF Withdrawals	\$0.00
- Security Withdrawals	\$0.00
- Security Transfers	\$0.00
- Other Dispositions	\$0.00
- Maturities	\$409,000.00
- Calls	\$0.00
- Principal Paydowns	\$0.00
Total Dispositions	\$1,399,506.30
Amortization/Accretion	
+/- Net Accretion	(\$8,747.97)
	(\$8,747.97)
Gain/Loss on Dispositions	
+/- Realized Gain/Loss	\$971.76
	\$971.76
Ending Book Value	\$21,382,574.73

CASH TRANSACTION SUMMARY	
BEGINNING BALANCE	\$225,241.47
Acquisition	
Contributions	\$0.00
Security Sale Proceeds	\$172,517.70
Accrued Interest Received	\$1,188.55
Interest Received	\$53,288.26
Dividend Received	\$0.00
Principal on Maturities	\$409,000.00
Interest on Maturities	\$0.00
Calls/Redemption (Principal)	\$0.00
Interest from Calls/Redemption	\$0.00
Principal Paydown	\$0.00
Total Acquisitions	\$635,994.51
Disposition	
Withdrawals	\$0.00
Security Purchase	\$817,619.10
Accrued Interest Paid	\$369.50
Total Dispositions	\$817,988.60
Ending Book Value	\$43,247.38



MINUTES AND REPORTS

INFORMATION ITEM

ISSUE: Minutes and Committee Reports are provided to the Board of Directors for their information.

FISCAL IMPACT: None.

RECOMMENDATION: None. This item is presented as information only.

BACKGROUND: Minutes and Committee Reports are provided to the Board of Directors for their information on other committees and excess providers meetings.

ATTACHMENT(S):

1. Summary of the Executive Committee held March 9, 2013
2. Draft Minutes – Executive Committee Meeting March 9, 2013
3. Draft Minutes – Risk Management Committee Meeting – January 24, 2013
4. Draft Minutes – Police Risk Management Committee Meeting January 10, 2013
5. Risk Management Meeting April 25, 2013 – Verbal Report



SUMMARY OF THE EXECUTIVE COMMITTEE MEETING HELD ON MARCH 9, 2013

ACTION TAKEN:

- 1. Selection of the 2013 Claims Committee Members** - *The Committee approved the selection of the 2013 Claims Committee members consisting of Mr. Andy Heath as the Chair, Mr. John Lee, Ms. Catrina Olson, Ms. Liz Ehrenstrom and Mr. Russell Hildebrand.*
- 2. Liability Shared Risk Layer Retention - \$500,000 xs \$500,000** - *The Committee directed staff to continue negotiations with CJPRMA to join their program at a \$500,000 Self Insured Retention.*

RECOMMENDATIONS TO THE BOARD OF DIRECTORS:

- 1. Approval of the 2012 Banking Plan Fund Adjustments** - *The Committee is recommending approval of the 2012 Banking Plan Fund Adjustments for Workers' Compensation and Liability.*
- 2. Approval of the 2012 Shared Risk Layer Plan Fund Adjustments** - *The Committee is recommending approval of the Workers' Compensation 2012 Shared Risk Layer Plan Fund Adjustment. The Liability Shared Risk Layer is currently in a deficit position.*
- 3. 2013/14 Safety Grant Funds Program Continuation** - *The Committee recommends approving the continuation of the Safety Grant Funds Program.*
- 4. Distribution of the CJPRMA Refund** - *The Committee recommends applying 50% of the CJPRMA refund to the 2013/14 Liability Deposits and 50% to the Liability Shared Risk Layer Assessments.*
- 5. Confidence Level Funding and Discount Rates** - *The Committee recommends funding for the losses at a 60% Confidence Level and a Discount Rate of 1.5% for both the Workers' Compensation and Liability programs.*
- 6. Bickmore Agreement for Risk Control Services – Revised Contract** - *The Committee recommends the cancellation of Bickmore's current Risk Control Services Contract effective June 30, 2013 and approval of Bickmore's Risk Control Services Revised Contract effective July 1, 2013.*
- 7. York Claims Administration Contract**
 - a. The Committee recommends approval of a 1-year renewal of York's Workers' Compensation Claims Administration Services Contract with two 1-year options.*
 - b. The Committee recommends the approval of a 3-year renewal of York's Liability Claims Administration Services Contract.*



**MINUTES OF THE
NCCSIF EXECUTIVE COMMITTEE MEETING
LINCOLN CITY HALL, LINCOLN, CA
MARCH 14, 2013**

MEMBERS PRESENT

Karin Helvey, City of Gridley
John Lee, City of Lincoln
Liz Ehrenstrom, City of Oroville
Catrina Olson, City of Nevada City
Gina Will, Town of Paradise
Russell Hildebrand, City of Rocklin
Tim Sailsbery, City of Willows

GUESTS & CONSULTANTS

Sheila Vanzandt, City of Lincoln
Susan Adams, Alliant Insurance Services
Johnny Yang, Alliant Insurance Services
Jim Marta, James Marta & Company
Marcus Beverly, York Risk Services
Mike Harrington, Bickmore
Henri Castro, Bickmore
Jeff Johnston, Bickmore

MEMBERS ABSENT

Andy Heath, City of Auburn
Paula Islas, City of Galt

A. CALL TO ORDER

The meeting was called to order at 10:37 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: Russell Hildebrand **SECOND:** Gina Will **MOTION CARRIED**

D. CONSENT CALENDAR

1. Draft Minutes of the Executive Committee Web-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

A motion was made to approve the Consent Calendar.

MOTION: Catrina Olson **SECOND:** Russell Hildebrand **MOTION CARRIED**



E. COMMITTEE REPORTS

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

There were no discussions on these items as they are provided as information only.

G. ADMINISTRATIVE REPORTS

G1. President’s Report

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

G2. Program Administrator’s Report

Ms. Susan Adams asked the Committee for input on the next location of the upcoming April 25, 2013 Board of Directors meeting. Upon further discussion the Committee suggested having future meetings at Lincoln’s City Hall with approval by John Lee, City of Lincoln. Ms. Adams also advised that the CAJPA flyer will be included in the upcoming Board of Directors meeting agenda and that members should book their hotel reservations in advance.

F. FINANCIAL REPORTS

F1. Quarterly Financial Report for Period Ending December 31, 2012

Mr. Jim Marta gave a report on the Quarterly Financials for Period Ending December 31, 2012 which reflect the six months prior. He advised that the Liability Shared Risk Program is currently in a deficit and reflects the adjustments in the unfavorable claims and Jim Marta’s adjustments of the IBNR. Mr. Marcus Beverly advised that NCCSIF just had a liability claim settle at around \$720,000 less than originally reserved.

The Workers’ Compensation banking layer and shared risk layers remains consistent over the prior year. Mr. Marta reminded members that the Workers’ Compensation claims take longer to develop.

A motion was made to approve the Quarterly Financial Report for Period Ending December 31, 2012

MOTION: Russell Hildebrand **SECOND:** John Lee **MOTION CARRIED**



F2. Budget to Actual Report as of December 31, 2012

Mr. Marta explained that the Budget to Actual as of December 31, 2012 shows the six months prior and the only item that stands out is a Liability Claims Audit that was not budgeted for last year. Mr. Marcus Beverly explained that it seems an invoice for MPN Services was allocated to liability which is incorrect as this is a Workers' Compensation service. Mr. Marta will review and correct accordingly. Mr. Marta also advised that the Shared Layer Expenses Claims Paid line item is currently showing a negative but should be showing a positive. Ms. Adams also advised that the Risk Management Committee and Board of Directors meeting expenses may have been lumped into each other and Program Administration will look to correct going forward.

G. JPA BUSINESS

G1. Introduction of the 2013 Executive Committee and Review of their Responsibilities

Ms. Adams advised that Ms. Liz Ehrenstrom, City of Oroville has offered to continue as NCCSIF President. Mr. Andy Heath, City of Auburn, will serve as the Vice President. Ms. Gina Will, Town of Paradise, will remain the NCCSIF Secretary and Mr. Tim Sailsbery, City of Willows, will continue as the Treasurer. Ms. Karin Helvey, City of Gridley, will also remain on the Executive Committee and the new members joining the Committee are Ms. Catrina Olson, City of Nevada City, Mr. John Lee, City of Lincoln, and Mr. Russell Hildebrand, City of Rocklin. She then advised that the Executive Committee will be responsible for the day to day business for NCCSIF and will make recommendations to the Board of Directors.

G2. Selection of the 2013 Claims Committee Members

Ms. Adams advised that annually the Claims Committee members are selected from the Executive Committee members. The Vice President of the Executive Committee, Mr. Andy Heath, will serve as the Claims Committee Chair. She asked the Executive Committee if anyone would like to serve on the Claims Committee. Mr. John Lee, Ms. Catrina Olson, Ms. Liz Ehrenstrom and Mr. Russell Hildebrand volunteered to serve on the Claims Committee.

A motion was made to approve the 2013 Claims Committee Members as follows:

Andy Heath, City of Auburn (Claims Committee Chair)
John Lee, City of Lincoln
Catrina Olson, City of Nevada City
Liz Ehrenstrom, City of Oroville
Russell Hildebrand, City of Rocklin

MOTION: Catrina Olson **SECOND:** John Lee **MOTION CARRIED**



G3. Review and Approval of the 2012 Banking Plan Fund Adjustment Calculation Sheets

Mr. Marta explained that NCCSIF's Policy and Procedure for the Banking Plan Fund Adjustments fund at the 90% Confidence Level plus 10 times the Self Insured Retention. NCCSIF currently has \$4,318,794 available in the Workers' Compensation Banking Layer program available for return. The Liability Banking Layer program currently has \$1,356,629 available for return. Ms. Adams advised that members who are in a deficit in their banking layer are assessed 20% of their deficit annually. A letter will be sent out to members requesting direction for their Banking Plan Fund Adjustment refund.

A motion was made to recommend to the Board of Directors the Approval of the 2012 Banking Plan Fund Adjustment Calculation Sheets for both Workers' Compensation and Liability

MOTION: Russell Hildebrand **SECOND:** Gina Will **MOTION CARRIED**

G4. Review and Approval of the 2012 Shared Risk Layer Plan Fund Adjustments

G4a. 2012 Shared Risk Layer Plan Fund Adjustments – Workers' Compensation

Ms. Adams advised that the Workers' Compensation 2012 Shared Risk Layer Plan Fund Adjustments are calculated using the Total Assets as of December 31, 2012 and the Outstanding Liabilities from the Actuarial Studies. The calculations are determined by subtracting Estimated Outstanding Losses at June 30, 2013 at the 90% Confidence from the Total Assets as of December 31, 2012. The total amount available for refund is \$2,740,457 of which staff recommends approving 50% of the available refund to members. Adjustment Allocations are determined based on members' total contribution to the Shared Risk Layer program since inception. Ms Adams noted that the Annual Safety Grant Funds of \$250,000 are taken from the Workers' Compensation Shared Risk Layer refunds if approved. A letter will be sent out to members requesting direction for their Workers' Compensation Shared Plan Fund Adjustment refund.

A motion was made to approve the 2012 Workers' Compensation Shared Risk Layer Plan Fund Adjustments refund at 50%.

MOTION: Gina Will **SECOND:** Russell Hildebrand **MOTION CARRIED**

G4b. 2012 Shared Risk Layer Plan Fund Adjustments – Liability

Ms. Adams advised that as of December 31, 2012 the Liability Shared Risk Layer is not eligible for a refund due to a negative calculation showing the program is currently in a deficit.



G5. 2012/13 Safety Grant Funds Utilization and Consideration of 2013/14 Safety Grant Funds Program Continuation

Ms. Adams advised that there are still funds available in the Safety Grant Funds to be distributed to members as provided in the Agenda packet. These funds are designated from the Workers' Compensation Shared Risk refunds.

A motion was made to approve recommendation of the Safety Grant Funds Program Continuation to the Board of Directors.

MOTION: Russell Hildebrand **SECOND:** Catrina Olson **MOTION CARRIED**

G6. FY 2013/14 Actuarial Studies – Draft financial pages only.

G6a. FY 2013/14 Actuarial Studies – Workers' Compensation

Ms. Adams explained the Workers' Compensation funding rates for 2013/14 are relatively flat from the expiring due to consistent loss results. The total expected undiscounted rate has decreased from \$3.84 to \$3.82. Rates will increase as discount rate decreases to reflect funding at rates more realistic of the actual investment income. Mr. Marta explained that the current expected investment income is much lower than the current discount rate assumption.

Mr. Mike Harrington advised that Workers' Compensation overall loss development was lower than expected. Both the Workers' Compensation Banking and Shared Risk Layers remains well funded over the 90% confidence level with \$24.2 million in expected liabilities and \$39.2 million in expected assets at June 30, 2013.

Mr. Harrington advised that the actuary shows a 1% estimated savings from SB863 which at this point is unknown until future claims development.

Mr. Harrington explained the overall funding rate at a 60% Confidence Level and a 3% discount rate has increased by 1%. As discount rates drop the estimated funding will increase. At a 2.0% discount rate the expected funding increases by \$146,000. At a 1.5% discount rate the expected funding increases by \$223,000.

A motion was made to recommend to the Board of Directors the approval of funding for losses at a 1.5% discount rate and a 60% confidence level.

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

G6b. FY 2013/14 Actuarial Studies – Liability

Mr. Harrington explained that Liability losses came in at roughly \$1.2 million higher than expected. The Estimated Ultimate Losses increased by \$1.7 million primarily from the Shared



Risk Layer. Currently the Liability Program has available funding of \$10,190,000. The Total Outstanding Losses are \$7,386,000. The Shared Risk Layer currently has available funding of \$5.6 million with expected losses of \$6 million.

Mr. Marta advised that there were a few factors which contributed to this deficit which are large dividend payouts and large loss development.

A motion was made to recommend to the Board of Directors the approval of funding for losses at a 1.5% discount rate and a 60% confidence level.

MOTION: Karin Helvey **SECOND:** Russell Hildebrand **MOTION CARRIED**

G7. Distribution of CJPRMA Refund

Ms. Adams explained that NCCSIF has been a member of CJPRMA since 1993 and has received dividends in the consistent amount of \$350,000 or so since 2007. This year NCCSIF's Distribution is \$414,201. Historically these dividends have been used to help offset members' Total Liability premiums. This year staff is recommending applying the refund to 13-14 liability deposits and half to reduce the Liability Shared Risk Program Assessments.

Mr. Marta explained members have not seen NCCSIF's true liability deposit rate as the CJPRMA refund has been applied to the deposits for the past 6 years. The recommendation will help fix the Liability Shared Program Equity and help prepare members as the CJPRMA refunds are estimated to diminish in the future.

A motion was made to approve staff's recommendation of applying 50% of the CJPRMA refund to the Liability deposits and 50% to the Liability Shared Risk Assessments.

MOTION: Russell Hildebrand **SECOND:** Gina Will **MOTION CARRIED**

G8. Preliminary 2013/14 Deposit Calculations

G8a. Preliminary 2013/14 Deposit Calculations – Workers' Compensation

Ms. Adams explained that the Preliminary Workers' Compensation 2013/14 Deposit Calculations are provided at the 60% Confidence Level and a 1.5% Discounting Factor. The total Workers' Compensation deposits remain estimates as the CSAC-EIA premium has not been provided yet. The Banking and Shared Risk Layer Distributions have not been included in these calculations.

G8b. Preliminary 2013/14 Deposit Calculations – Liability

Ms. Adams explained that the Premium Liability 2013/14 Deposit Calculations are provided at the 60% Confidence Level and a 1.5% Discounting Factor. The total Liability deposits remain



estimates as the CJPRMA premium has not been provided yet and staff has estimated \$800,000. Staff will send out an e-mail to members confirming payroll information.

G9. Liability Shared Risk Layer Rate/Retention Analysis - \$500,000 xs \$500,000

Ms. Adams explained that the cost to transfer risk from the \$500,000 xs \$500,000 layer to CJPRMA is approximately \$50,000 higher than retaining this layer according to the actuarial studies. CJPRMA has provided NCCSIF with a 3 year proposal to join their Pool B (\$500,000 xs \$500,000) layer. They have proposed that NCCSIF contributes \$196,469 (\$0.127) which is the 2013/14 actuarial for this layer for all their members, plus a surcharge of \$116,000 per year due to NCCSIF's adverse loss experience in this layer for a total contribution of \$312,469 (\$0.202) for the 2013/14 program year.

NCCSIF's actuarial projects at the 60% confidence level using a 1.5% discount rate is \$0.17 which equates to a contribution of \$256,000 using estimated payroll of \$150,499,039.

Staff currently does not recommend accepting CJPRMA's proposal as offered. Mr. Mike Simmons and Ms. Susan Adams have sent a letter and had discussed with Mr. David Clovis, General Manager of CJPRMA, the details of staff's objections to this proposal as it would unfairly subject NCCSIF to a greater share of the members in Pool B's losses. Staff has offered a counter proposal that will be brought to their Board on March 23, 2013 for review and approval. Staff proposed creating a "Corridor Deductible" type program in this layer. NCCSIF would pay the "standard" contribution at the .127 rate. If NCCSIF incurs a loss in that layer, NCCSIF would first pay \$348,000 (\$116,000*3) of NCCSIF losses excess of the \$500,000 attachment. No other CJPRMA members would share NCCSIF 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 NCCSIF's share of CJPRMA losses are based on NCCSIF's equity in the program less the surcharge.

A motion was made to direct staff to continue negotiations with CJPRMA to join their program at a \$500,000 Self Insured Retention.

MOTION: Tim Sailsbery **SECOND:** Russell Hildebrand **MOTION CARRIED**

G10. Preliminary 2013/14 NCCSIF Budget

Ms. Adams explained that on an annual basis the NCCSIF Board of Directors reviews, discusses and approves the NCCSIF Budget at their June Board of Directors meeting. The administrative costs contributing to the Preliminary 2013/14 NCCSIF are as follows:

- The Claims Audits – Staff is including \$7,000 to have a Workers' Compensation claims audit done this year.

- 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 EIA 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 remain 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 increased received in 2012.
- Program Administration costs remain flat.

G11. Bickmore Agreement for Risk Control Services – Revised Contract effective 7/1/13

Ms. Adams explained that staff has asked Bickmore to draft a revised contract that reflects the amount of work being done by Bickmore with respects Risk Control Services for NCCSIF. An Ad Hoc Committee held a teleconference on March 6th to review and discuss the proposed contract. The Committee was comprised of Bruce Cline, City of Folsom, Liz Ehrenstrom, 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. The Committee also discussed the Fee structure and has requested that a detailed summary of services be provided monthly and requested clarification on how the fee is to be billed.

Mr. Jeff Johnston advised that on average the two days allocated to Assessment Follow up has been determined to be sufficient according to a service plan developed by Ms. Henri Castro. Ms.



Castro explained that Action Plans have been developed with 2 days in mind. Mr. Jeff Johnston explained that an additional bank of service day has been included in the contract for each member which can be utilized on a first come first serve basis towards the end of the program year according to the number of banked service days available at that time. Phone/E-mail consultation and Coordination of Training were also utilized higher than anticipated.

The Risk Management Committee meetings involved travel, attendance, and meeting preparation. Bickmore feels the contract accurately reflects the amount of hours needed for these meetings. With respects to the Police Risk Management Committee meetings, more hours have been allocated to reflect the time needed for research, loss analysis and coordination of trainers/speakers.

Program Administration recommends approval of the revised Bickmore Contract effective July 1, 2013 and cancelling the current contract effective June 30, 2013.

A motion was made to recommend to the Board of Directors the cancellation of Bickmore's current Risk Control Services Agreement effective June 30, 2013 and approval of Bickmore's Risk Control Services Revised Agreement effective July 1, 2013.

MOTION: Russell Hildebrand **SECOND:** Gina Will **MOTION CARRIED**

G12. York Claims Administration Services Contract

G12a. York Workers' Compensation Claims Administration Services Contract

Mr. Marcus Beverly advised that York submitted a 3-year renewal proposal at a 1% increase in their fee from \$43,250 to \$43,682.50 per month. He advised that 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. They are also proposing two additional years with an increase of 2% or the CPI for the Bay Area Urban Wage Earners, which is less, in each of those two years, 2014-15 and 2015-16. All other terms and fees will remain the same.

Mr. Beverly also mentioned that a part of the Workers' Compensation Claims Administration Service Plan were claims reviews with member cities. Reviews have been completed for a few members and have been very helpful to members.

A motion was made to recommend that approval of a 1-year renewal of York's Workers' Compensation Claims Administration Services Contract with two 1-year renewal options.

MOTION: Russell Hildebrand **SECOND:** Tim Sailsbery **MOTION CARRIED**



G12b. York Liability Claims Administration Services Contract

Mr. Marcus Beverly advised that York is offering extension of their Liability Claims Administration 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.

Ms. Adams advised that staff recommends the approval of a 3-year renewal of York's Liability Claims Administration Services Contract.

A motion was made to recommend the approval of a 3-year renewal of York's Liability Claims Administration Services Contract.

MOTION: Russell Hildebrand **SECOND:** John Lee **MOTION CARRIED**

H. INFORMATION ITEMS

- H1. NCCSIF Organizational Chart**
- H2. NCCSIF 2013 Meeting Calendar**
- H3. NCCSIF Travel Reimbursement Form**
- H4. NCCSIF Resource Contact Guide**

There was no discussion these items as they are provided as information only.

I. ADJOURNMENT

The meeting was adjourned at 1:25 p.m.



**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.



**MINUTES OF THE
POLICE RISK MANGEMENT COMMITTEE MEETING
JANUARY 10, 2013**

MEMBERS PRESENT

Chief John Ruffcorn, City of Auburn
Chief Ross Stark, Cit of Colusa
Capt. Tony Welch, City of Dixon
Chief Bill Bowen, City of Galt
Asst. Chief Dean Price, City of Gridley
Chief Allen Byers, City of Oroville
Chief Paul Nanfito, City of Red Bluff
Chief Ron Lawrence, City of Rocklin
Sgt. Steve Rowe, Town of Paradise

MEMBERS ABSENT

City of Anderson
City of Corning
City of Folsom
City of Ione
City of Jackson
City of Lincoln
City of Marysville
City of Nevada City
City of Placerville
City of Rio Vista
City of Willows
City of Yuba City

GUESTS & CONSULTANTS

Liz Ehrenstrom, City of Oroville
Susan Adams, Alliant Insurance Services
Johnny Yang, Alliant Insurance Services
Tom Kline, Bickmore Risk Services
Carole Barake, Bickmore Risk Services

A. CALL TO ORDER

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

B. PUBLIC COMMENTS

Ms. Susan Adams introduced herself to the Committee as the Program Administrator for NCCSIF and also introduced Ms. Liz Ehrenstrom who was also present at the meeting as the NCCSIF President.

C. APPROVAL OF AGENDA AS POSTED

There was no discussion on this item.

D. CONSENT CALENDAR

D1. 08.23.12 Draft Police Risk Management Committee Meeting Minutes

There was no discussion on this item.

E. RISK MANAGEMENT

E1. Police Risk Management Committee Meeting Summary

Ms. Adams gave a brief update of what transpired at the Long Range Planning Meeting held in December. Staff has done analysis on claims which were presented at the meeting and noted that the Police Department is the loss leaders for NCCSIF Liability and Workers' Compensation claims. She mentioned that during the 2013/2014 policy year, the Risk Management Committee will consider budgeting training funds for members' Police Departments that address these claims. She also explained that NCCSIF has decided to lower their Self Insured Retention from \$1,000,000 to \$500,000 effective July 1, 2013. There was discussion on the excess carrier claims handling procedures and whether they would try to manage claims excess \$500,000 in a way not in favor of the City. Ms. Adams explained the members have expressed positive feedback on CJPRMA claims handling. She also advised the Committee that with respects to Employment Practices Claims, notice needs to be provided to CJPRMA immediately or any funds spent on defense or investigation will not erode NCCSIF's self insured retention.

E2. Police Liability and Workers' Compensation Claims Analysis

Mr. Tom Kline introduced himself as a Risk Control Manager with Bickmore and gave a quick background of what was discussed at the previous Police Risk Management Committee meeting. With respects to the Liability the three most frequent Causes of Loss were Auto Liability, Civil Rights and Third Party Property Damage claims. The three most severe causes of Loss were Auto Liability, Excessive Force and False Arrest.

With respects to Workers' Compensation the five most frequent causes of loss were Contagious Disease Exposure, Repetitive Motion, Slip & Fall, Strain and Struck by or Against. The most sever causes of loss were Miscellaneous, Repetitive Motion, Slip and Fall, Strain and Struck by or Against.

Mr. Kline then mentioned that during the Round Table discussion the Committee also discussed exposures that may be important to consider. The exposures discussed consisted of the following: New vehicles; Tasers; Vehicle Inspection; Technology Advances; Driver Distractions; Fleet Safety.

With respects to Workers' Compensation the Committee discussed the following exposures: Weight Training; Fitness Funding; AB2451 Pension Reform; Defensive Tactics; Equipment Weight; Taser Usage; Contagious Diseases and Aerosol Transmissible Diseases. He mentioned that an Aerosol Transmissible Diseases Training is scheduled for today's meeting.

He then proceeded to explain the Police Liability and Workers' Compensation and Claims Analysis noting the Contagious Disease Exposure is being addressed today during the training session. He then discussed the breakdown of the Strain Injuries and which body part was involved. Strain claims are responsible for 388 claims at \$7,682,096 over a 10 year period.

Explaining the Liability claims, Mr. Kline noted that Civil Rights/Excessive Force/False Arrest is the leading loss leader for Police Liability Claims. He then discussed the top 10 most severe claims for Civil Rights/Excessive Force and False Arrest Claims suggesting that at the upcoming meeting a Use of Force or Officer Involved Shooting Training. He explained that the training would not be tactical training but more from an attorney's perspective.

E3. Round Table Discussion

The Committee discussed a few items be concerned about which were as follows: Medical Marijuana; Employee purchased weapons have to release weapons upon retirement; Oleoresin Capsicum and Crowd Control;

There was discussion regarding the type of training that will be provided for the upcoming training with respects to Excessive Force, False Arrest and Officer Involved Shootings. Police Chiefs wanted to be sure that the right staff personnel would be attending the training sessions. Upon further discussion it was discussed that at future PRMC meetings a brief training session would be provided to Police Chiefs and Captains during the meeting and a separate regional training be made available to officers if desired.

The Committee requested that at a future meeting, an attorney and a claims administrator be brought in to provide some lesson learned to the Committee about topics such as Use of Force. The Committee also requested that an analysis be provide on the claimant's age with respects to Workers' Compensation strain claims.

The Committee also inquired about the claims handling procedures regarding Workers' Compensation claims. Specifically if they received a claim which they believe is a fraudulent claim, what would York's process be in handling these claims? The committee also requested to confirm if the Police Departments are directly responsible for any claims payment with respects to investigation expenses.

G. CAL/OSHA AEROSOL TRANSMISSIBLE DISEASES (ATD) STANDARD: CONTROL PROCEDURES FOR POLICE SERVICES TRAINING

Ms. Carol Barake from Bickmore gave a presentation on the Cal/OSHA Aerosol Transmissible Diseases (ATD): Standard Control Procedures for Police Services Training. The Committee requested to have a training session or possible a regional training provided to officers who would be handling ATD policies. Susan Adams advised the committee that she would work with Bickmore to offer regional trainings in the near future.

H. INFORMATION ITEMS

- H1. NCCSIF Meeting Calendar 2013**
- H2. NCCSIF Resource Contact Guide**

These items were provided as information only.

I. ADJOURNMENT

The meeting was adjourned at 2:04 p.m.



**QUARTERLY FINANCIAL REPORT FOR PERIOD
ENDING MARCH 31, 2013**

ACTION ITEM

ISSUE: The Board of Directors receives a quarterly report on the financial status of NCCSIF. James Marta & Company will present NCCSIF's Financials for Quarter ending March 31, 2013.

FISCAL IMPACT: Unknown.

RECOMMENDATION: Receive and file the Quarterly Financials as presented.

BACKGROUND: Each quarter the Board of Directors 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 as of March 31, 2013 (Handout).



BUDGET TO ACTUAL REPORT AS OF MARCH 31, 2013

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.

FISCAL IMPACT: None.

RECOMMENDATION: None. This item is presented as information only.

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

ATTACHMENT(S): Budget to Actual as of March 31, 2013 (Handout).



CHANDLER ASSET MANAGEMENT REPORT FROM INVESTMENT MANAGER

INFORMATION ITEM

ISSUE: Chandler Asset Management will provide the Board of Directors with a presentation on NCCSIF's Investment Portfolio and discuss NCCSIF's investment strategy as well as comment on specific economic factors that have had a direct impact on the rate of return.

FISCAL IMPACT: Unknown.

RECOMMENDATION: None. This item is presented as information only.

BACKGROUND: Chandler Asset Management has been NCCSIF's investment portfolio manager developing and implementing investments for the program since 2006.

ATTACHMENT(S): Chandler Asset Management NCCSIF Investment Report

Northern California Cities Self Insurance Fund

Period Ending
March 31, 2013



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SECTION 2	Account Profile
SECTION 3	Consolidated Information
SECTION 4	Portfolio Holdings



SECTION 1

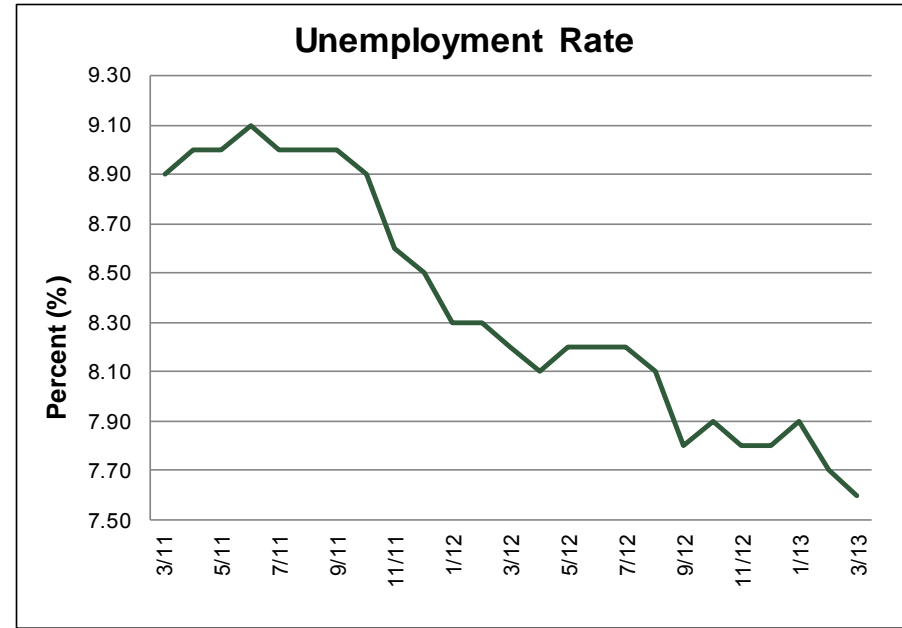
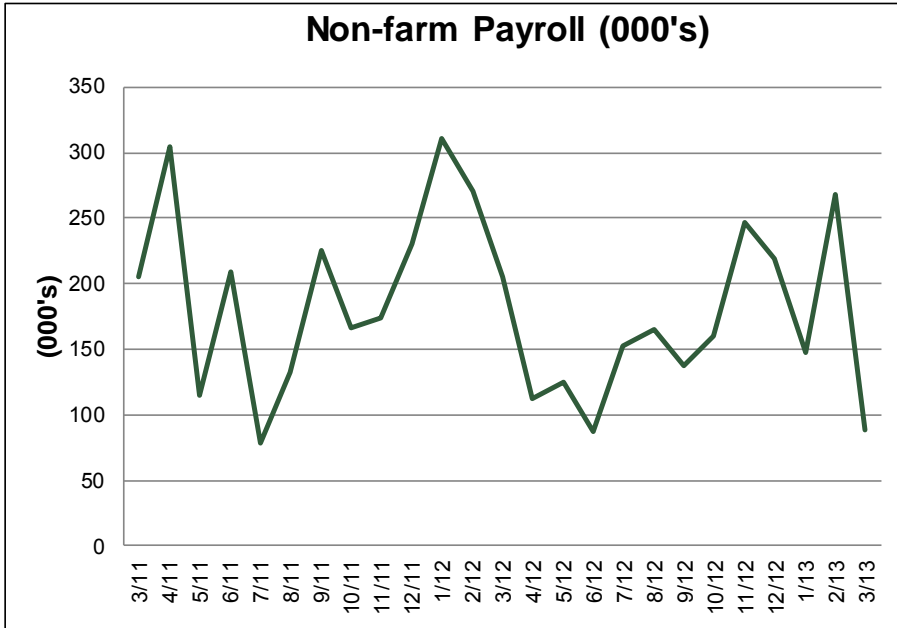
ECONOMIC UPDATE



- Recent data suggests that economic growth continues to be modest. Job growth was weaker than expected in March. Nonfarm payrolls rose just 88,000 in the month, well below the consensus forecast of 193,000. The unemployment rate fell to 7.6% from 7.7% in February, but the decline was driven by a steep drop in the labor force. The average nonfarm payroll growth over the past 3 months has been 168,000 per month. Recent manufacturing trends have been mixed while housing trends remain favorable. Meanwhile, consumer spending has held up pretty well in spite of headwinds from higher payroll taxes, rising gas prices, a delay in tax refunds, and ongoing uncertainty about the government's fiscal policy. Sequestration went into effect on March 1, but some market participants believe it will soon be replaced with a less severe package of spending cuts.
- The Federal Open Market Committee left policy rates unchanged at its March meeting. Overall, the Fed provided a modestly better assessment of the economy and noted that the labor market has improved in recent months. The Fed also highlighted that the housing market has continued to strengthen, but fiscal policy has become more restrictive. In a press conference after the FOMC meeting, Fed Chairman Bernanke indicated that at some point the central bank is likely to adjust the pace of its asset purchases. For the time being, the Fed continues to purchase mortgage-backed securities at a pace of \$40 billion per month and longer-term Treasury securities at a pace of \$45 billion per month. The Fed is forecasting GDP growth of 2.3% - 2.8% and sees the unemployment rate falling to between 7.3% - 7.5% this year.
- Over the last three months, the yield curve has steepened slightly. However, yields have remained within a relatively tight range at low levels, as domestic economic growth remained sub-par and the outlook for the global economy remained tenuous. Rates continued to be influenced by the Federal Reserve's accommodative monetary policy, continued purchase of securities onto their balance sheet, and their desire to keep interest rates contained.



EMPLOYMENT

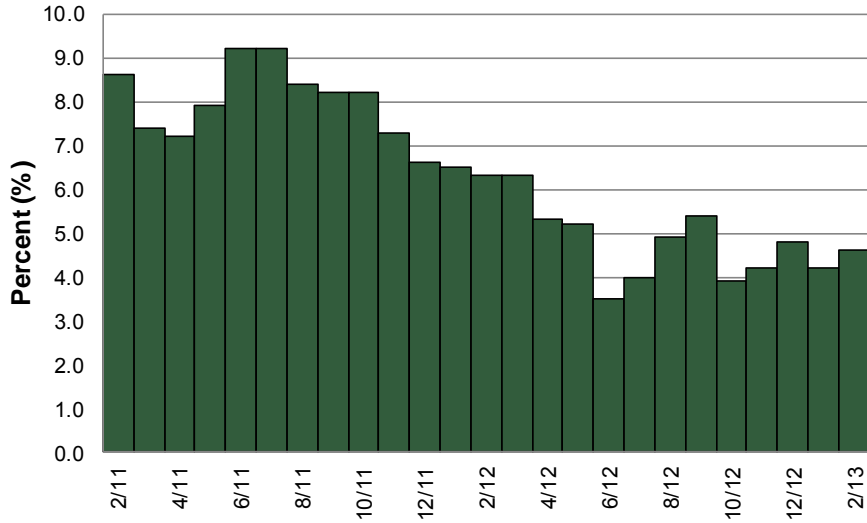


Source: U.S. Department of Labor

The March employment report showed that payrolls increased by just 88,000 (well below the 193,000 consensus estimate). The unemployment rate fell to 7.6% from 7.7% in February driven by a steep decline in the labor force. Private payrolls increased 95,000 (vs. expectations of 200,000), while government jobs fell 7,000 in March. The net revisions in nonfarm payrolls for January and February were up 61,000. Overall, improvement in the labor market continues to be modest.

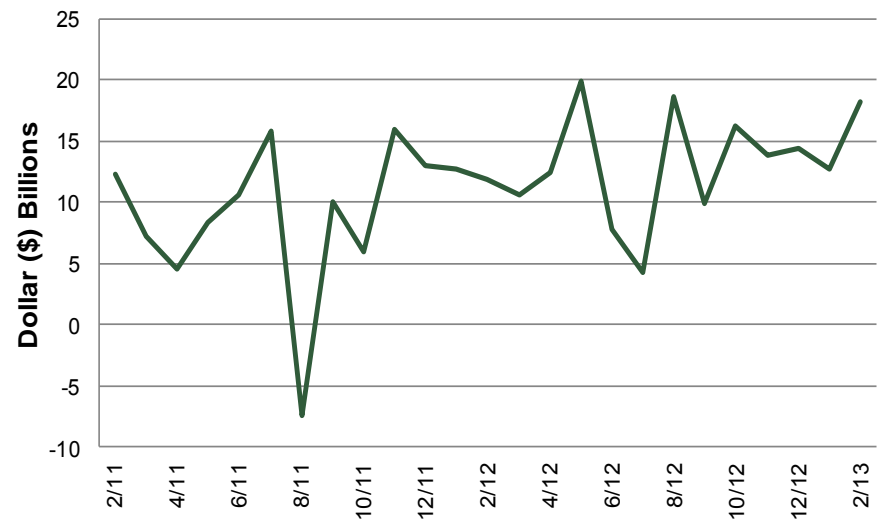


Retail Sales Y-O-Y % Change



Source: U.S. Department of Commerce

Consumer Credit

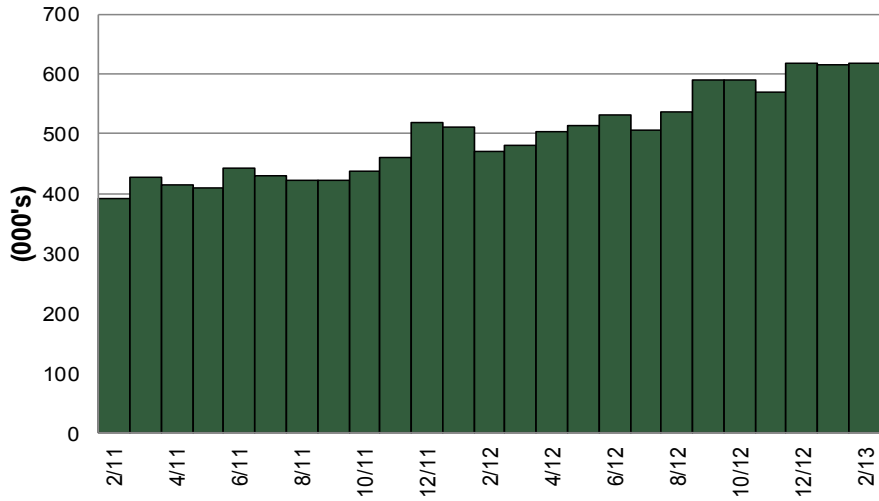


Source: Federal Reserve

In February, Retail Sales rose 4.6% on a year-over-year basis. On a month-over-month basis, Retail Sales rose 1.1% in February, exceeding the 0.5% consensus estimate. Overall, recent consumer spending trends have held up well in spite of headwinds from higher payroll taxes, rising gas prices, a delay in tax refunds, and ongoing uncertainty about the government's fiscal policy. Consumer credit rose by \$18.1 billion in February, indicating consumers' willingness to take on additional debt. However, the gains have mostly been driven by non-revolving credit such as vehicle and student loans, rather than revolving credit such as credit cards.

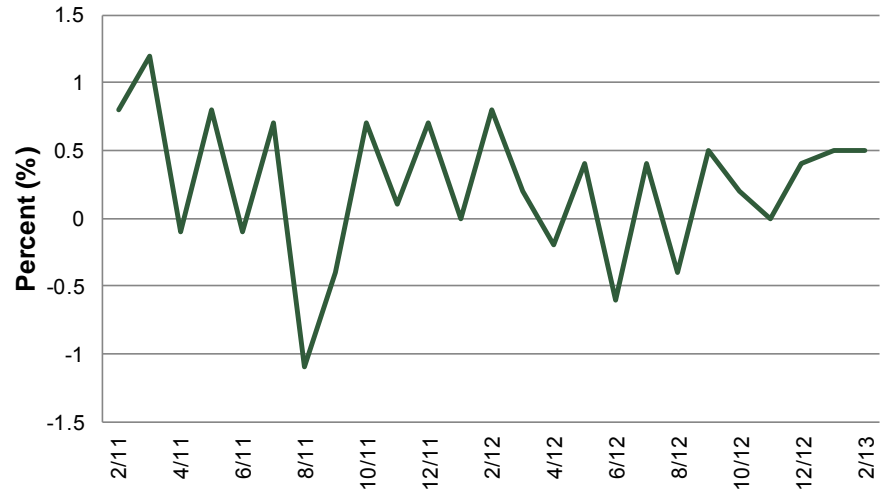


Starts - Single Family Housing



Source: US Department of Commerce

Leading Economic Indicators

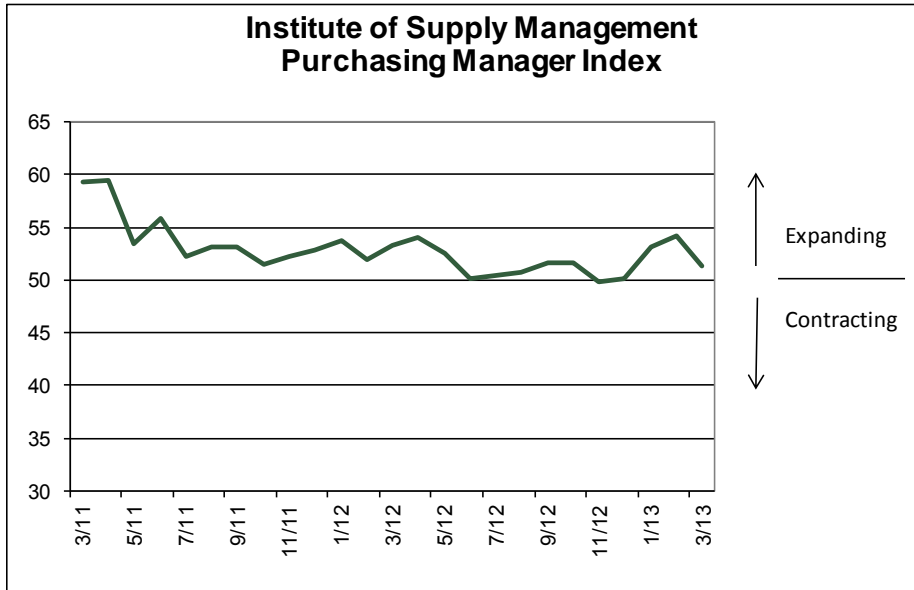


Source: The Conference Board

Single-family housing starts rose slightly in February to 618,000 from 615,000 in January. Multi-family starts rose 1.4% in February. Housing permits rose 4.6% in the month which was better than expected. In our view, recent data suggests that the housing market continues to improve. The index of Leading Economic Indicators (LEI) rose 0.5% in February following an upwardly revised increase of 0.5% in January. Recent LEI readings continue to suggest slow economic expansion, in our opinion.

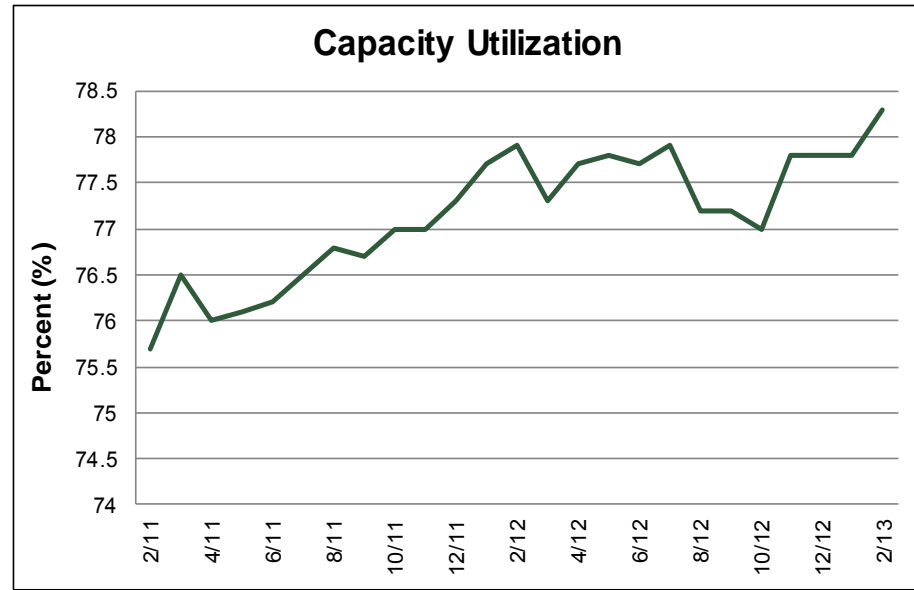


Institute of Supply Management Purchasing Manager Index



Source: Institute for Supply Management

Capacity Utilization



Source: Federal Reserve

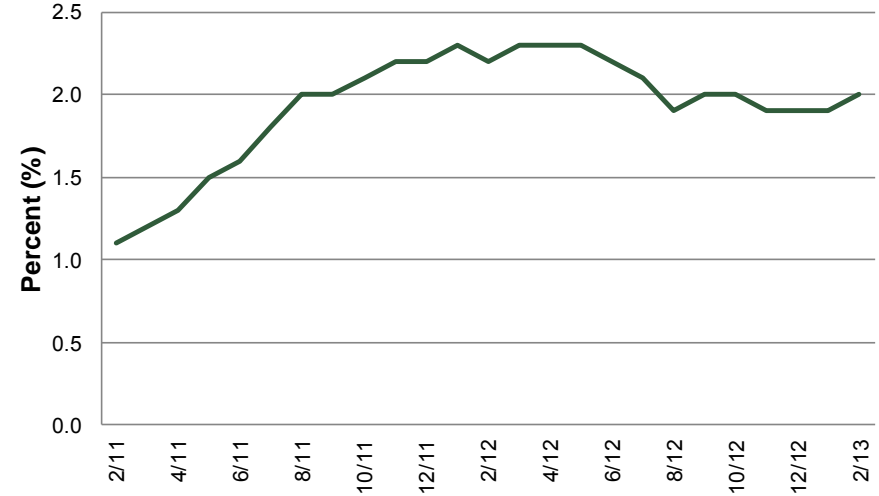
During March, the ISM Manufacturing Index fell to 51.3, from 54.2 in February. A reading above 50.0 is viewed as expansionary in the manufacturing sector, while a reading below 50.0 suggests contraction in the manufacturing sector. Capacity Utilization, which is production divided by capacity, rose in February to 78.3% from 77.8% in January. The Capacity Utilization reading remains below the long-run average of 80.2% (1972-2012) and is one factor cited by economists who believe inflation will not significantly increase in the near future.



CPI Y-O-Y % Change

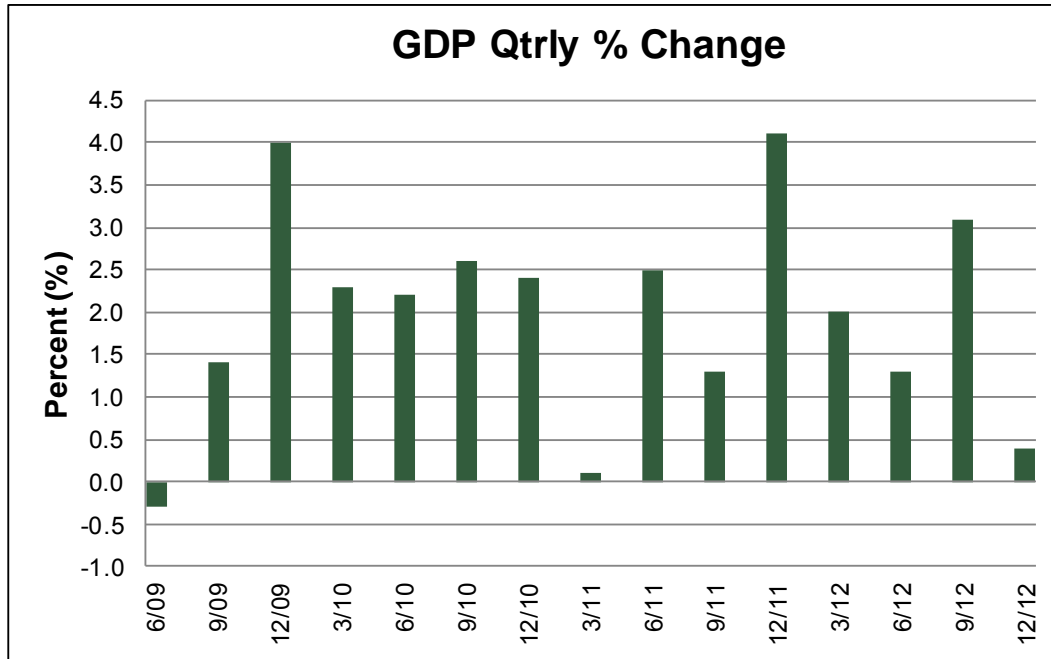


Core CPI Y-O-Y % Change



Source: US Department of Labor

In February, overall CPI inflation rose to 2.0% on a year-over-year basis from 1.6% in January. The year-over-year Core CPI (CPI less food and energy) rose to 2.0% from 1.9%. The core inflation rate is currently in line with the Fed's long-term goal of 2.0% but remains below the trigger rate for policy action of 2.5%.

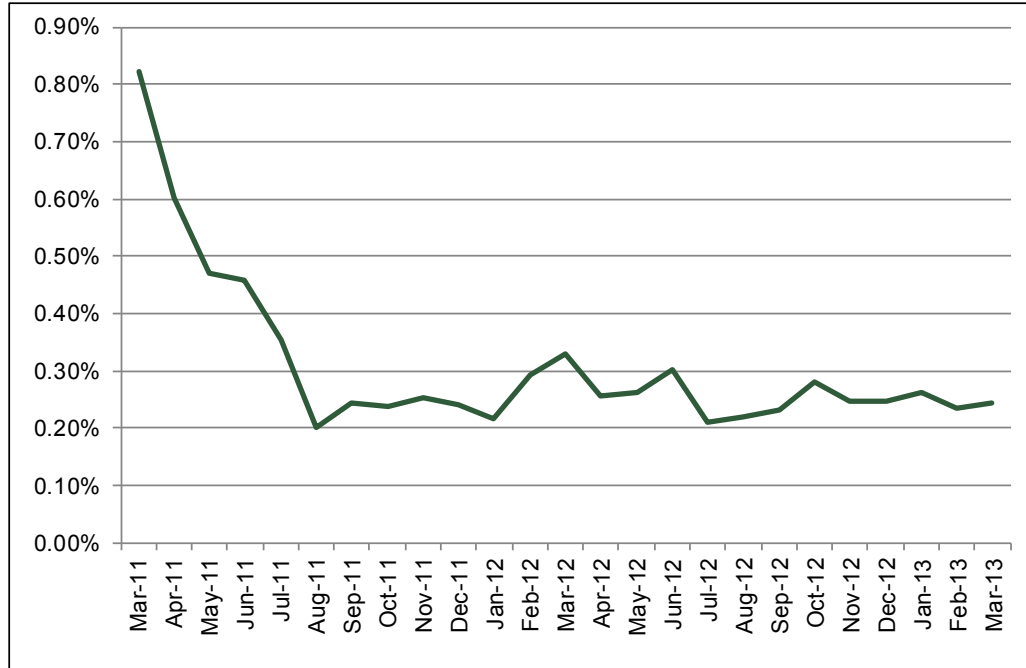


Source: U.S. Department of Commerce

Real annualized GDP for the fourth quarter of 2012 was revised up to 0.4% from the second estimate of 0.1%, following growth of 3.1% in the third quarter of last year. The 4Q GDP figure remained weaker than the positive 0.6% growth that market participants were expecting.



Yield on the Two-Year Note March 2011 through March 2013

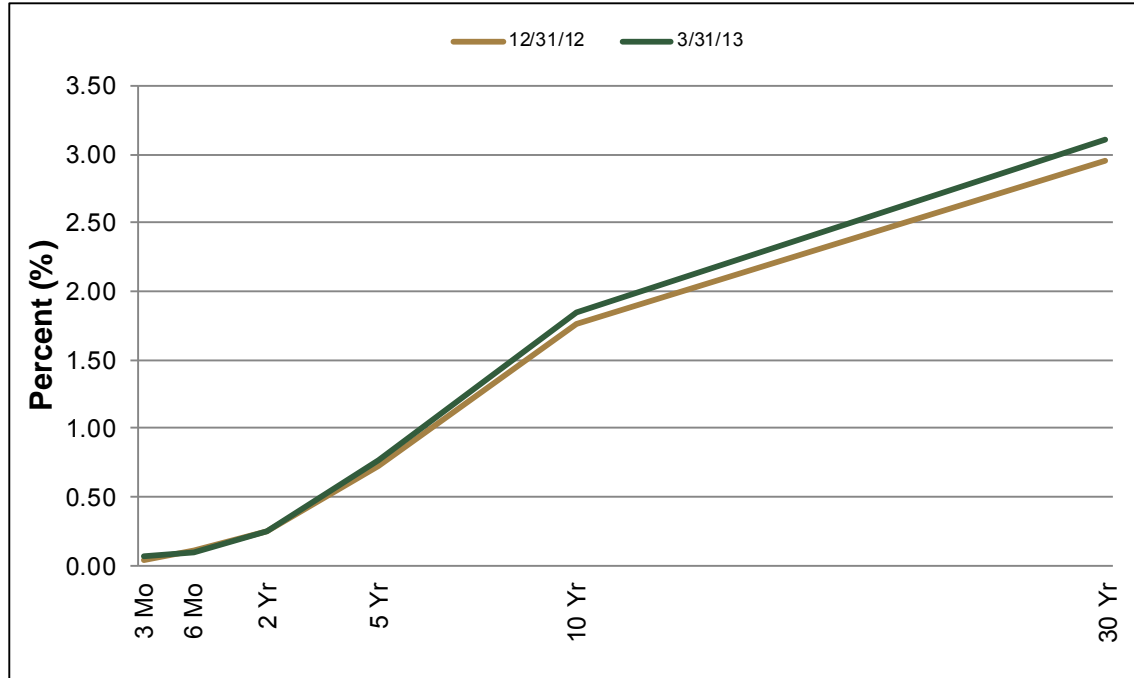


Source: Bloomberg

The yield on the two-year Treasury note edged up slightly in March.



December 31, 2012 and March 31, 2013



Source: Bloomberg

During the past three months, the yield curve slightly steepened. However, yields have generally remained within a tight range at low levels, as domestic economic growth remained sub-par and the outlook for the global economy remained tenuous. Rates continued to be influenced by the Federal Reserve's accommodative monetary policy, continued purchase of securities onto their balance sheet, and their desire to keep interest rates contained.



SECTION 2

ACCOUNT PROFILE



Investment Objectives

The investment goals of the Northern California Cities Self-Insurance Fund are to preserve principal, to provide liquidity, and to maximize yield within the constraints of capital preservation and liquidity.

Chandler Asset Management Performance Objective

The performance objective for the Northern California Cities Self-Insurance Fund is to achieve a return over a market cycle equal to, or better than, the return on a market index of similar duration.

Strategy

In order to achieve these objectives, the Northern California Cities Self-Insurance Fund invests in high-quality taxable investments, with a maximum maturity of ten years.



Northern California Cities Self-Insurance Fund - Short Term

March 31, 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



PORTFOLIO CHARACTERISTICS

Northern CA Cities Self Ins. Fund Short Term

	03/31/2013		12/31/2012
	Benchmark*	Portfolio	Portfolio
Average Maturity (yrs)	2.69	2.62	2.59
Modified Duration	2.59	2.47	2.48
Average Purchase Yield	n/a	1.28 %	1.36 %
Average Market Yield	0.38 %	0.53 %	0.51 %
Average Quality**	AAA	AA/Aa1	AA/Aa1
Total Market Value		21,795,971	21,754,196

* 1-5 yr Govt

** Benchmark is a blended rating of S&P, Moody, and Fitch. Portfolio is S&P and Moody's respectively.

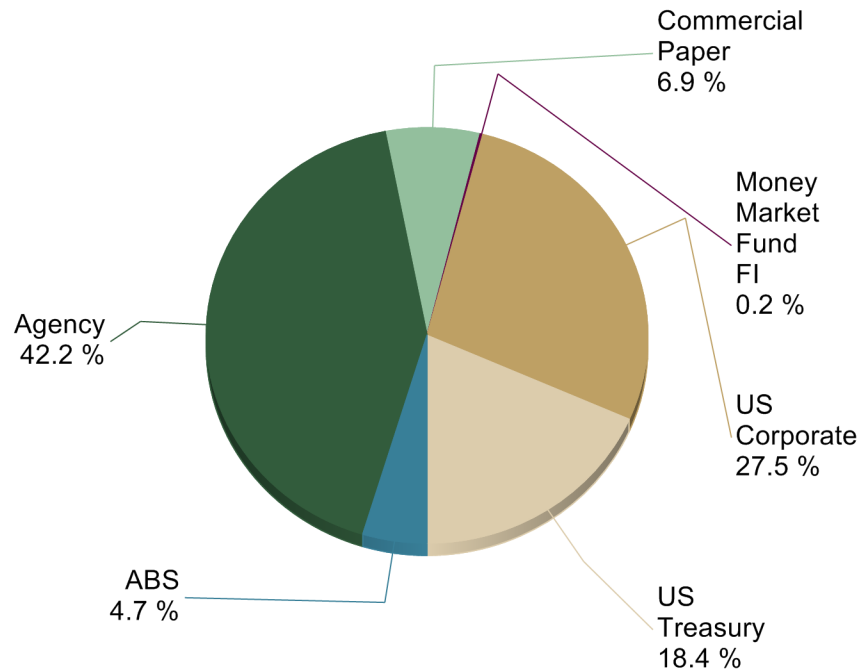
During the last three months, our portfolio re-balancing and reinvestment activity maintained our modest barbell strategy for the portfolio structure. Recent purchases included Treasuries, Agencies, Commercial Paper, Corporate and Asset Backed securities with maturities ranging from June 2013 through December 2017.



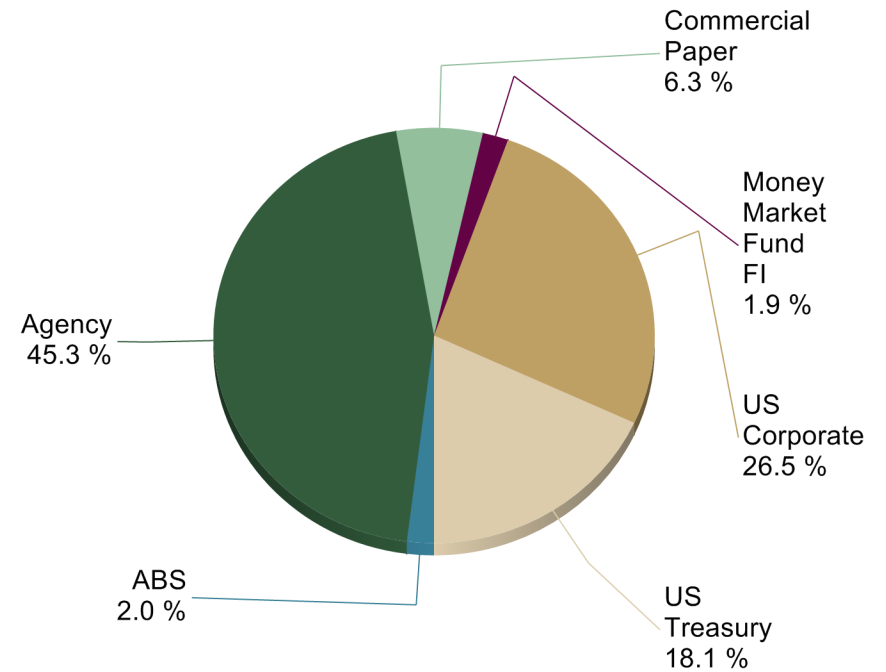
SECTOR DISTRIBUTION

Northern CA Cities Self Ins. Fund Short Term

March 31, 2013



December 31, 2012



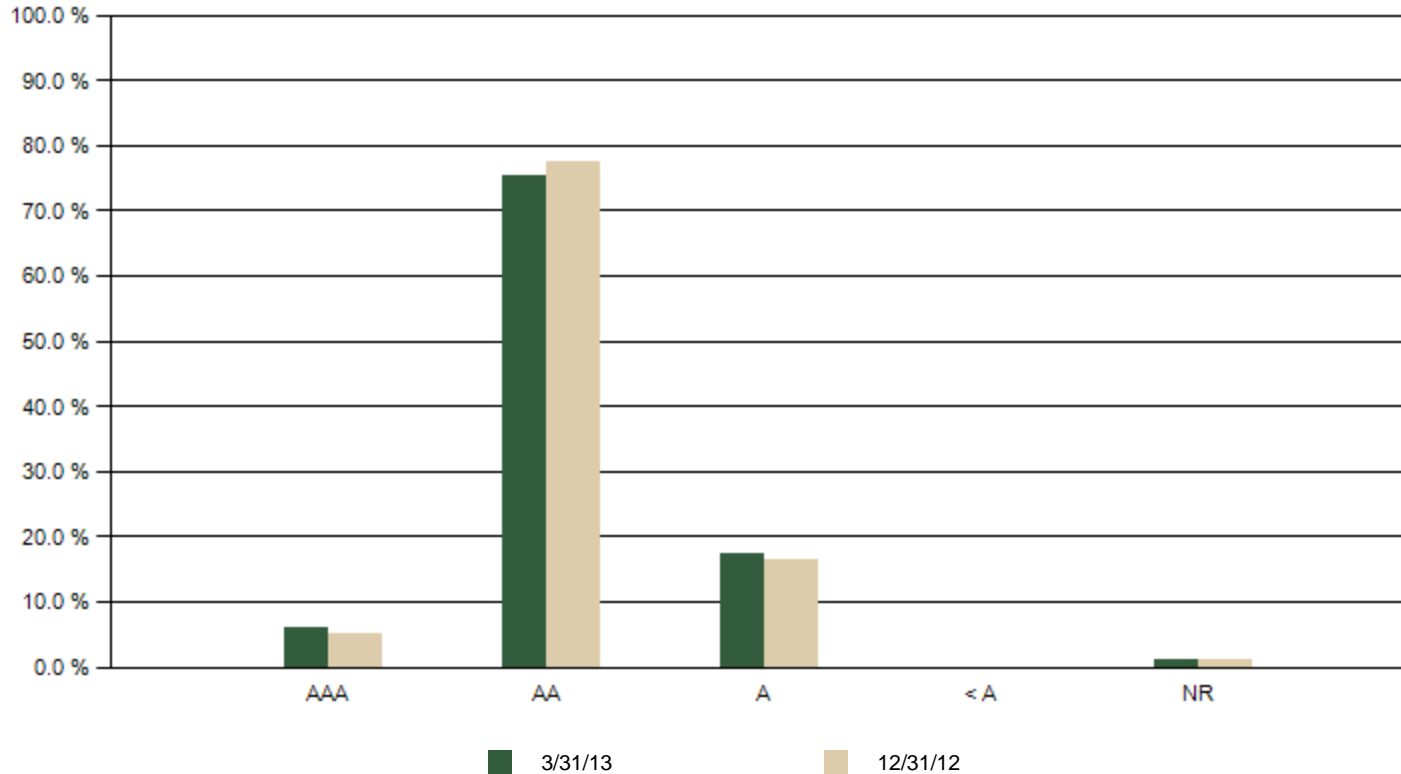
The portfolio sector allocation changed modestly as we increased our holdings in Asset Backed Securities by 2.7% and Corporates by 1.0%. We also decreased the holdings in Agencies and the Money Fund by 3.1% and 1.7%, respectively.



QUALITY DISTRIBUTION

Northern CA Cities Self Ins. Fund Short Term

March 31, 2013 vs. December 31, 2012



	AAA	AA	A	<A	NR
3/31/13	6.1 %	75.4 %	17.5 %	0.0 %	1.0 %
12/31/12	5.1 %	77.4 %	16.6 %	0.0 %	1.0 %

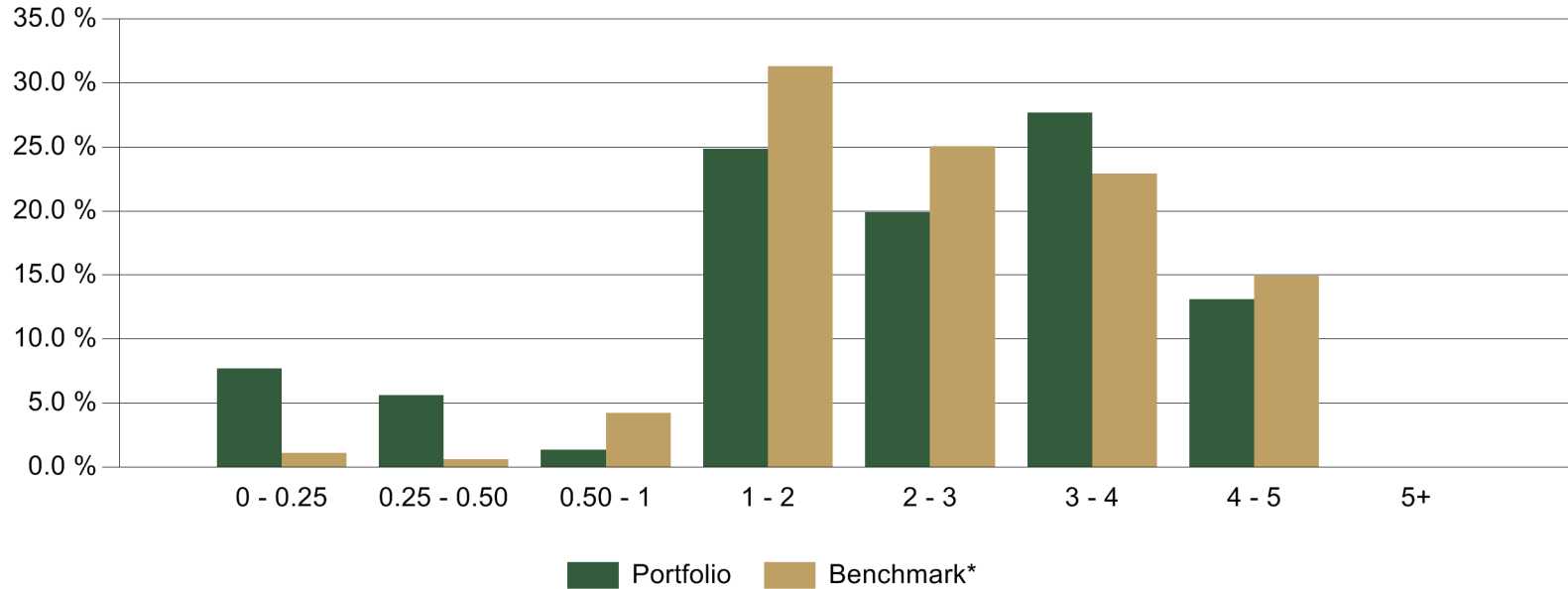
Source: S&P Ratings



DURATION DISTRIBUTION

Northern CA Cities Self Ins. Fund Short Term

Portfolio Compared to the Benchmark as of March 31, 2013



	0 - 0.25	0.25 - 0.50	0.50 - 1	1 - 2	2 - 3	3 - 4	4 - 5	5+
Portfolio	7.7 %	5.6 %	1.3 %	24.8 %	19.9 %	27.7 %	13.1 %	0.0 %
Benchmark*	1.1 %	0.6 %	4.2 %	31.3 %	25.0 %	22.9 %	14.9 %	0.0 %

* 1-5 yr Govt

The average duration of the portfolio during the period remained slightly shorter than that of the benchmark's duration. Given that the Federal Reserve's guidance for policy rates is now linked to economic markers; the Fed has said that an exceptionally low fed funds rate will be appropriate as long as unemployment remains above 6.5% or until inflation looks set to exceed 2.5%. We anticipate that the portfolio duration will remain close to the 1-5 Year Government benchmark in the coming quarters.



INVESTMENT PERFORMANCE

Northern CA Cities Self Ins. Fund Short Term

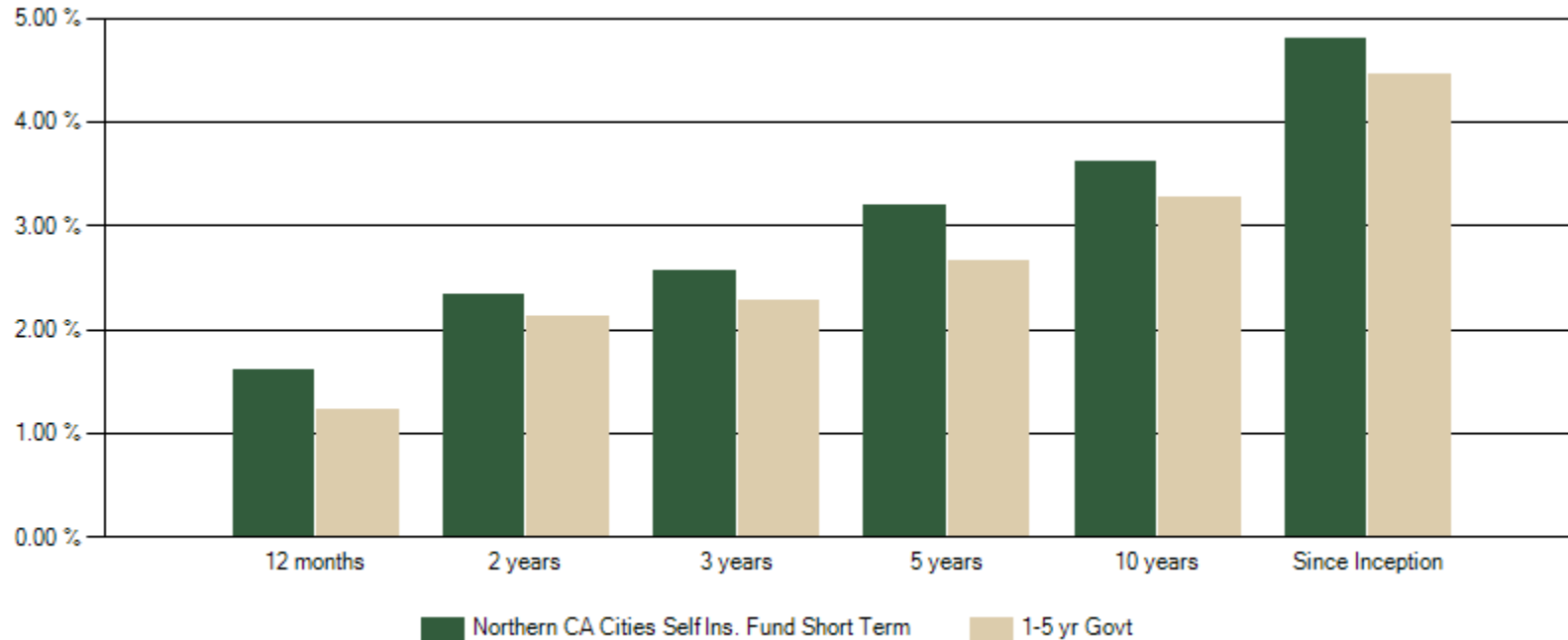
Period Ending

March 31, 2013

Total Rate of Return

Annualized Since Inception

December 31, 1997



	3 months	12 months	Annualized				Since Inception
			2 years	3 years	5 years	10 years	
Northern CA Cities Self Ins. Fund Short Term	0.20 %	1.64 %	2.35 %	2.59 %	3.22 %	3.64 %	4.83 %
1-5 yr Govt	0.15 %	1.25 %	2.14 %	2.29 %	2.68 %	3.30 %	4.47 %

Total rate of return: A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending value; it includes interest earnings, realized and unrealized gains and losses in the portfolio.



Northern California Cities Self-Insurance Fund - Long Term

March 31, 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



PORTFOLIO CHARACTERISTICS

Northern Cal. Cities Self Ins. Fund Long Term

	03/31/2013		12/31/2012
	Benchmark*	Portfolio	Portfolio
Average Maturity (yrs)	4.09	3.95	3.95
Modified Duration	3.80	3.60	3.61
Average Purchase Yield	n/a	2.16 %	2.24 %
Average Market Yield	0.66 %	0.82 %	0.79 %
Average Quality**	AAA	AA/Aa1	AA/Aa1
Total Market Value		22,534,545	22,486,509

* 1-10 yr Govt

** Benchmark is a blended rating of S&P, Moody, and Fitch. Portfolio is S&P and Moody's respectively.

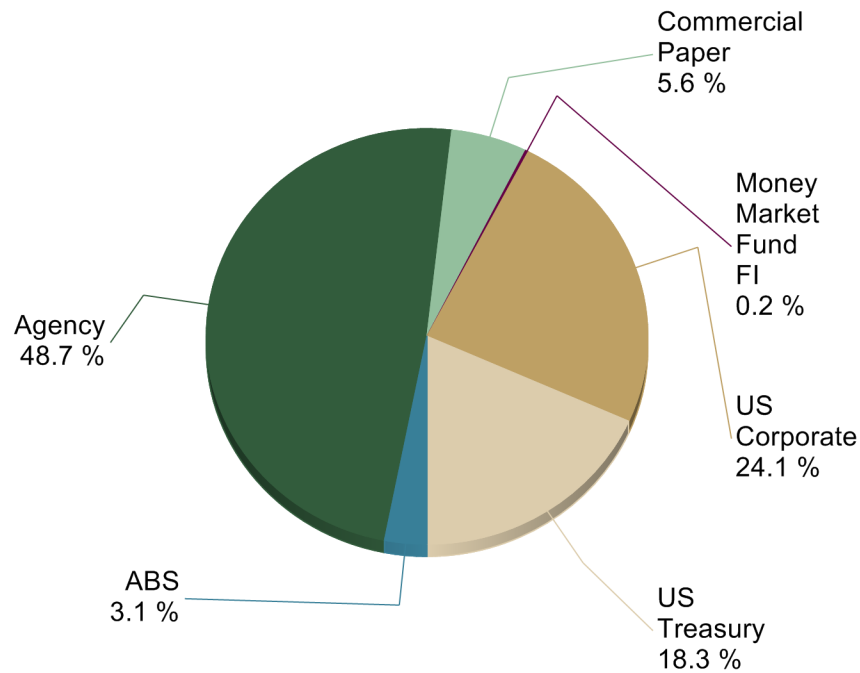
During the last quarter, the portfolio re-balancing and reinvestment activity maintained our modest barbell strategy for the portfolio structure. Recent purchases included Agencies, Commercial Paper, Corporate and Asset Backed securities with maturities ranging from August 2013 through December 2021.



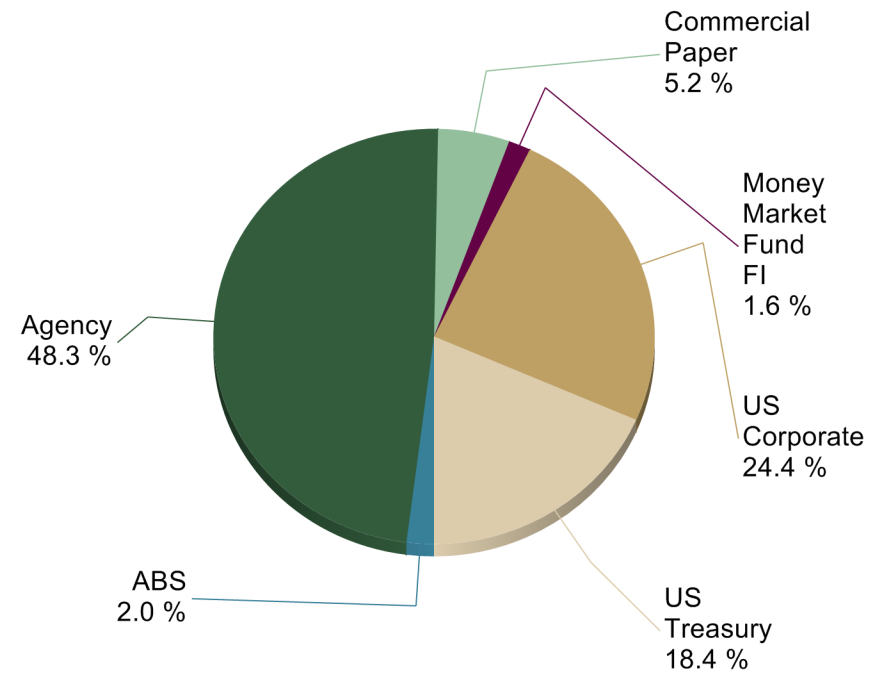
SECTOR DISTRIBUTION

Northern Cal. Cities Self Ins. Fund Long Term

March 31, 2013



December 31, 2012



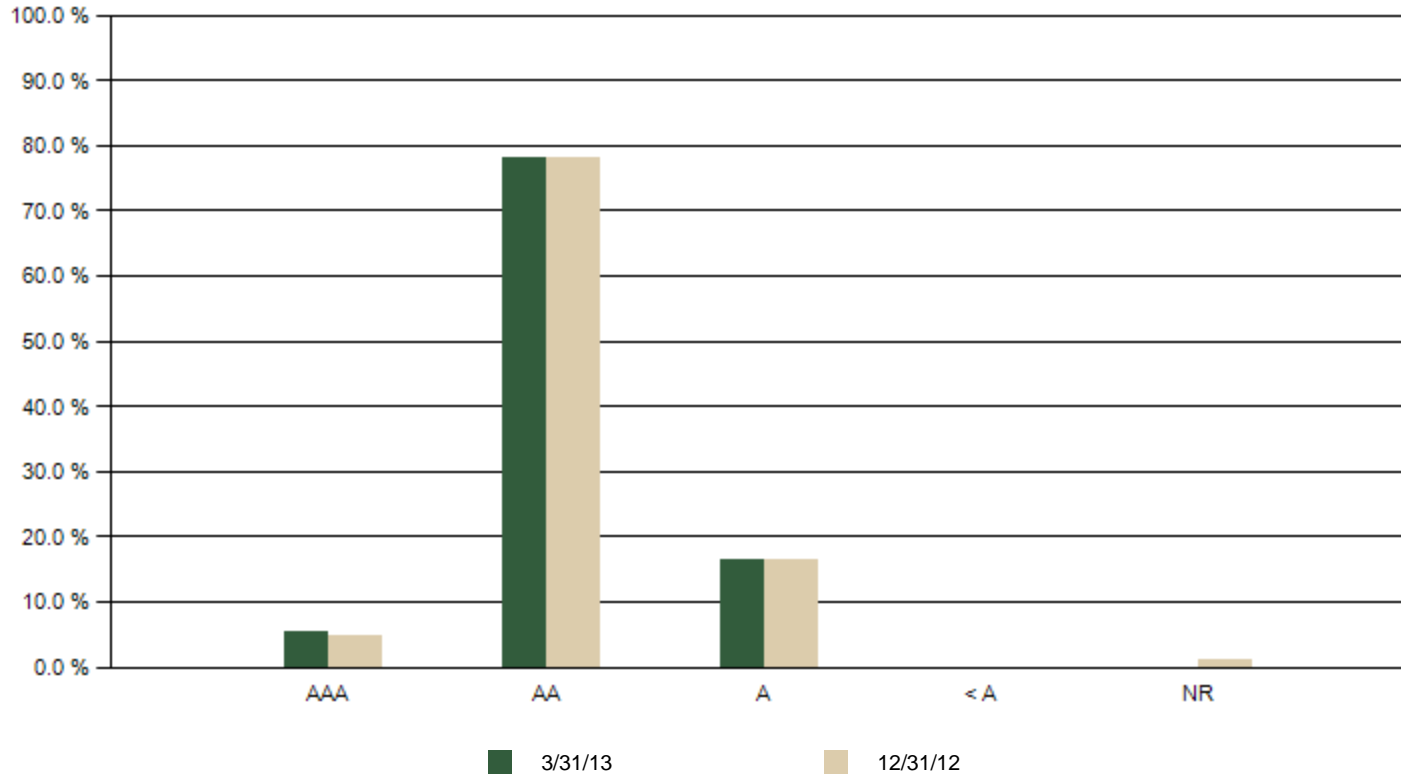
The portfolio sector allocation changed slightly as we increased our holdings in Asset Backed Securities by 1.1%, and decreased the holdings in the Money Fund by 1.4%.



QUALITY DISTRIBUTION

Northern Cal. Cities Self Ins. Fund Long Term

March 31, 2013 vs. December 31, 2012



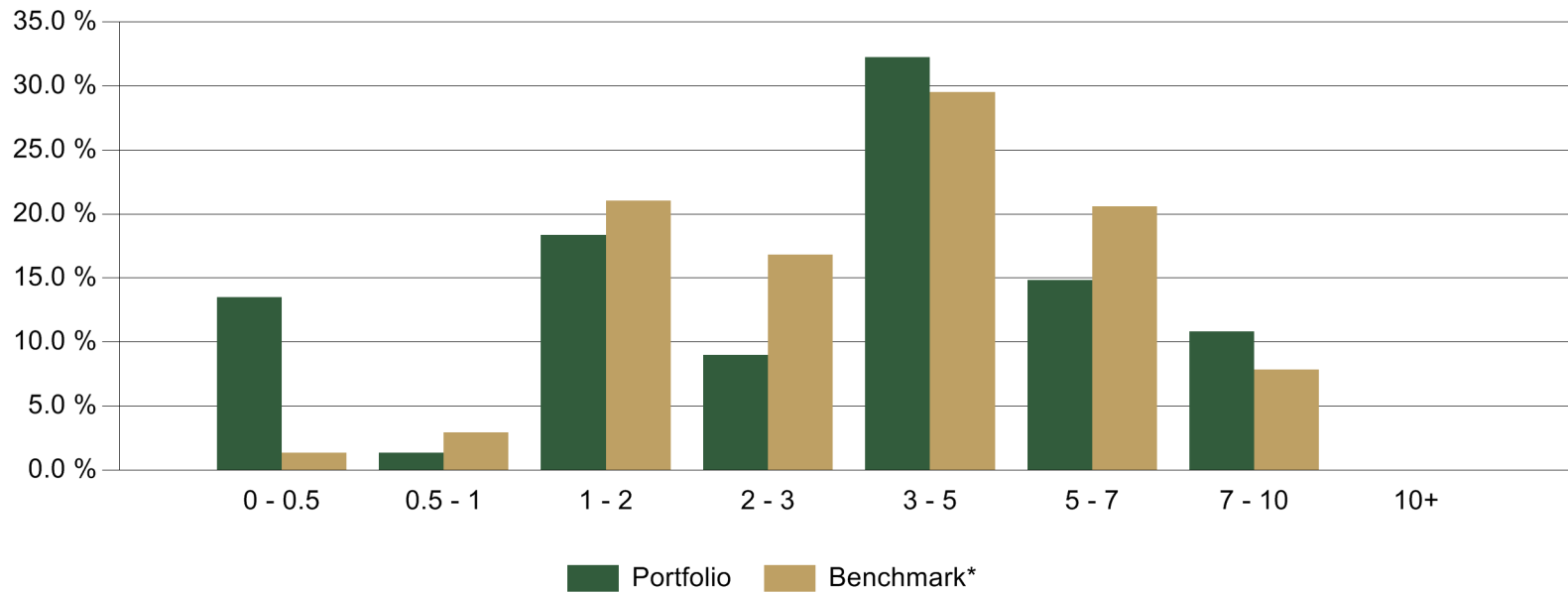
	AAA	AA	A	<A	NR
3/31/13	5.4 %	78.0 %	16.6 %	0.0 %	0.0 %
12/31/12	4.7 %	77.9 %	16.3 %	0.0 %	1.0 %

Source: S&P Ratings



DURATION DISTRIBUTION

Northern Cal. Cities Self Ins. Fund Long Term Portfolio Compared to the Benchmark as of March 31, 2013



	0 - 0.5	0.5 - 1	1 - 2	2 - 3	3 - 5	5 - 7	7 - 10	10+
Portfolio	13.5 %	1.3 %	18.3 %	9.0 %	32.2 %	14.8 %	10.8 %	0.0 %
Benchmark*	1.3 %	2.9 %	21.0 %	16.8 %	29.5 %	20.6 %	7.8 %	0.0 %

* 1-10 yr Govt

The average duration of the portfolio during the period remained slightly shorter than that of the benchmark's duration. Given that the Federal Reserve's guidance for policy rates is now linked to economic markers; the Fed has said that an exceptionally low fed funds rate will be appropriate as long as unemployment remains above 6.5% or until inflation looks set to exceed 2.5%. We anticipate that the portfolio duration will remain close to the 1-5 Year Government benchmark in the coming quarters.



INVESTMENT PERFORMANCE

Northern Cal. Cities Self Ins. Fund Long Term

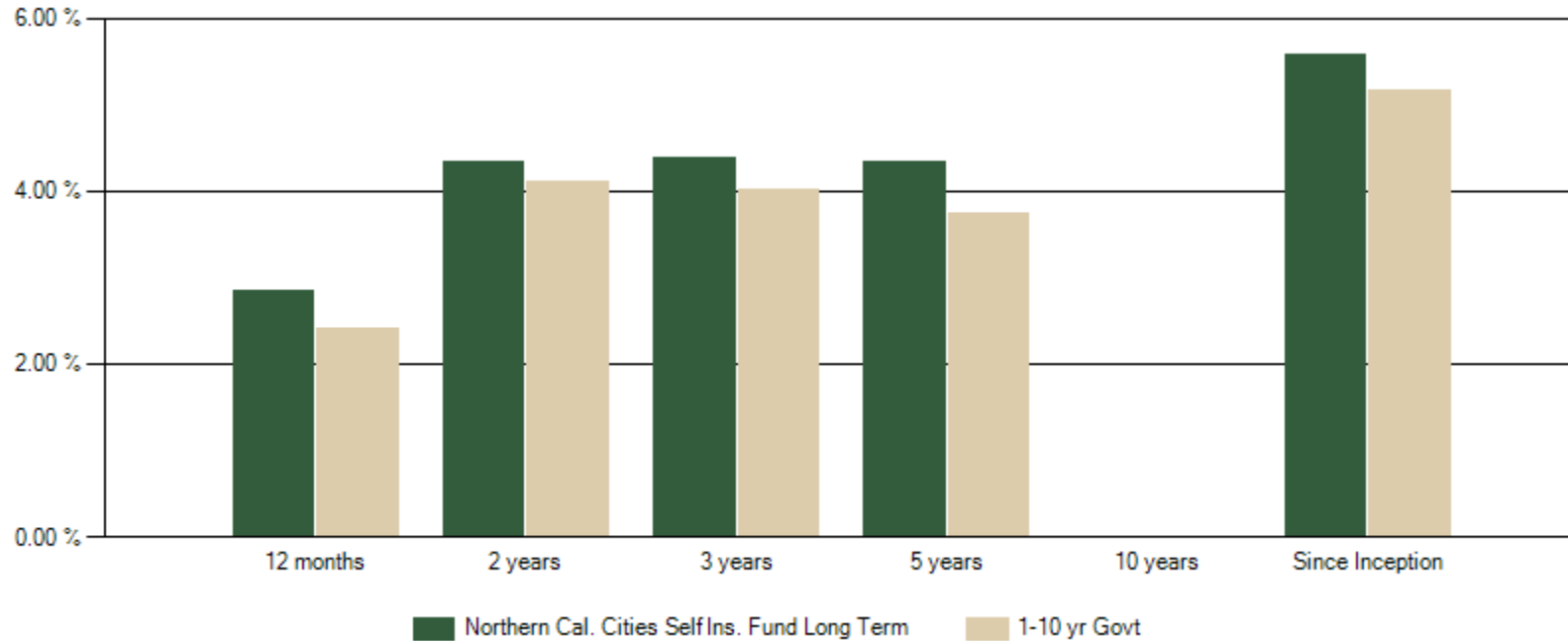
Period Ending

March 31, 2013

Total Rate of Return

Annualized Since Inception

May 31, 2006



	3 months	12 months	Annualized				Since Inception
			2 years	3 years	5 years	10 years	
Northern Cal. Cities Self Ins. Fund Long Term	0.21 %	2.88 %	4.36 %	4.40 %	4.38 %	N/A	5.60 %
1-10 yr Govt	0.14 %	2.44 %	4.14 %	4.04 %	3.77 %	N/A	5.19 %

Total rate of return: A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending value; it includes interest earnings, realized and unrealized gains and losses in the portfolio.



SECTION 3

CONSOLIDATED INFORMATION



PORTFOLIO CHARACTERISTICS

Nor Cal Consolidated

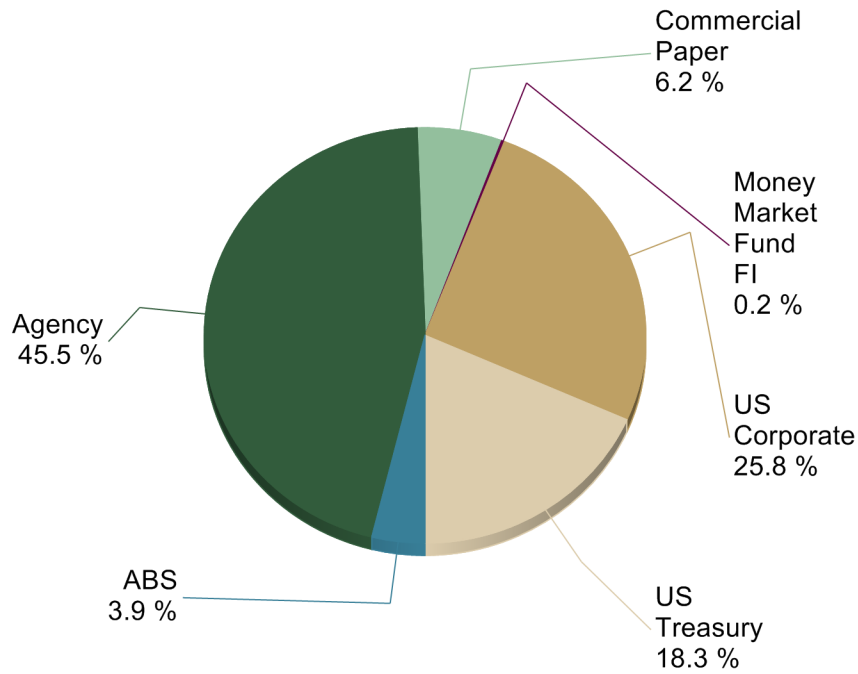
	03/31/2013	12/31/2012
	Portfolio	Portfolio
Average Maturity (yrs)	3.30	3.28
Modified Duration	3.04	3.06
Average Purchase Yield	1.72 %	1.80 %
Average Market Yield	0.68 %	0.65 %
Average Quality**	AA/Aa1	AA/Aa1
Total Market Value	44,330,516	44,240,705



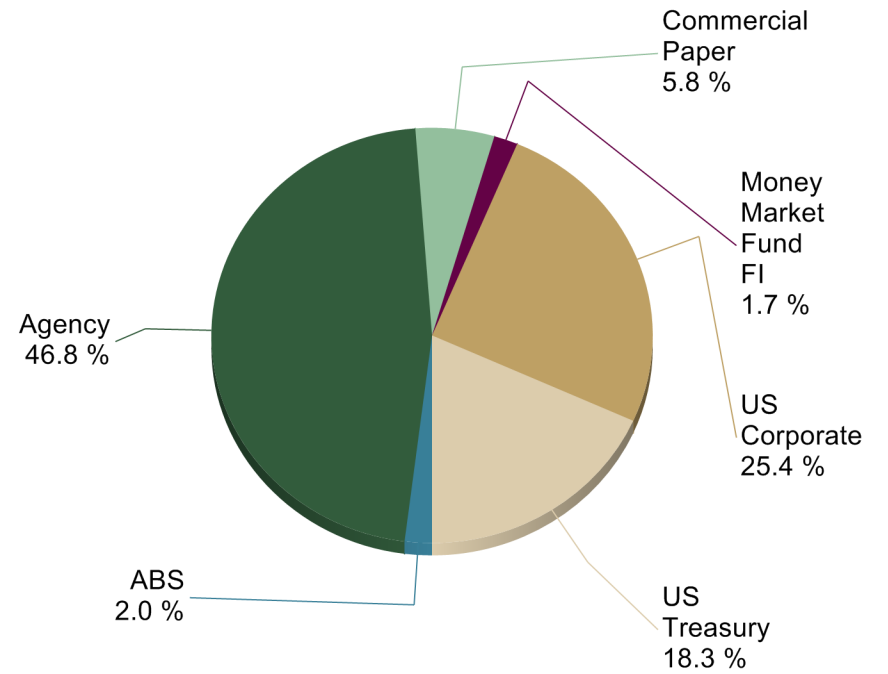
SECTOR DISTRIBUTION

Nor Cal Consolidated

March 31, 2013



December 31, 2012





SECTION 4

PORTFOLIO HOLDINGS



ISSUERS



Nor Cal Consolidated
Account #172

Issuer Report

As of 3/31/2013

Issue Name	Investment Type	% Portfolio
Government of United States	US Treasury	18.35 %
Federal Farm Credit Bank	Agency	10.96 %
Federal Home Loan Bank	Agency	9.55 %
Federal National Mortgage Association	Agency	9.52 %
Federal Home Loan Mortgage Corp	Agency	9.26 %
Tennessee Valley Authority	Agency	6.25 %
Bank of Nova Scotia	Commercial Paper	2.31 %
Toyota Motor Corp	Commercial Paper	2.14 %
General Electric Co	US Corporate	1.82 %
Wal-Mart Stores	US Corporate	1.74 %
Ebay	US Corporate	1.74 %
JP Morgan Chase & Co	US Corporate	1.68 %
US Bancorp	US Corporate	1.68 %
Wells Fargo Corp	US Corporate	1.67 %
Pepsico Inc	US Corporate	1.66 %
Berkshire Hathaway	US Corporate	1.65 %
Bank of New York	US Corporate	1.59 %
Intel Corp	US Corporate	1.32 %
Honda Motor Corporation	ABS	1.31 %
Northern Trust Corp	US Corporate	1.24 %
JP Morgan Chase & Co	ABS	1.09 %
BlackRock Inc/New York	US Corporate	1.09 %
Deere & Company	US Corporate	1.08 %
Praxair	US Corporate	1.08 %
HSBC USA Corp	Commercial Paper	1.03 %
IBM Corp	US Corporate	1.00 %
Toyota Auto Receivables	ABS	0.99 %
Google Inc	US Corporate	0.93 %
Bank of Tokyo-Mit UFJ	Commercial Paper	0.76 %
Coca Cola Co.	US Corporate	0.66 %
Walt Disney Company	US Corporate	0.55 %
Pfizer Inc.	US Corporate	0.52 %
Occidental Petroleum Corporation	US Corporate	0.51 %



Nor Cal Consolidated
Account #172

Issuer Report

As of 3/31/2013

Issue Name	Investment Type	% Portfolio
John Deere Security Trust	ABS	0.48 %
ChevronTexaco Corp	US Corporate	0.48 %
Dreyfus Institutional Reserves Money Market Fund	Money Market Fund FI	0.21 %
United Technology Corp	US Corporate	0.12 %
Total		100.00 %



Holdings Report

As of 3/31/13

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody S&P	Maturity Duration
ABS									
47787RAC4	John Deere Owner Trust 2012-B A3 0.53% Due 7/15/2016	215,000.00	08/28/2012 0.53 %	214,993.36 214,994.34	99.97 0.55 %	214,935.50 50.64	0.99 % (58.84)	Aaa NR	3.29 1.35
89231NAC7	Toyota Auto Receivable 2012-B A3 0.46% Due 7/15/2016	215,000.00	09/18/2012 0.46 %	214,979.55 214,983.08	99.93 0.51 %	214,840.90 43.96	0.99 % (142.18)	Aaa AAA	3.29 1.62
43814CAC3	Honda Auto Receivables 2013-1 A3 0.48% Due 11/21/2016	355,000.00	01/16/2013 0.48 %	354,981.36 354,982.56	99.91 0.53 %	354,680.50 47.33	1.63 % (302.06)	NR AAA	3.65 1.92
161571FL3	Chase CHAIT Pool #2012-A5 0.59% Due 8/15/2017	240,000.00	03/19/2013 0.59 %	240,000.00 240,000.00	99.92 0.63 %	239,805.60 55.07	1.10 % (194.40)	NR AAA	4.38 2.20
Total ABS		1,025,000.00	0.51 %	1,024,954.27 1,024,959.98	0.55 %	1,024,262.50 197.00	4.70 % (697.48)	Aaa AAA	3.67 1.80
AGENCY									
880591DW9	Tennessee Valley Authority Note 4.75% Due 8/1/2013	275,000.00	04/14/2010 1.96 %	299,392.50 277,471.67	101.51 0.21 %	279,153.33 2,177.08	1.29 % 1,681.66	Aaa AA+	0.34 0.33
31331KET3	FFCB Note 0.98% Due 9/23/2013	270,000.00	03/28/2011 1.10 %	269,208.90 269,847.53	100.41 0.13 %	271,097.01 58.80	1.24 % 1,249.48	Aaa AA+	0.48 0.48
3133EALW6	FFCB Note 0.3% Due 4/23/2014	450,000.00	06/20/2012 0.34 %	449,685.00 449,818.32	100.11 0.20 %	450,486.45 592.50	2.07 % 668.13	Aaa AA+	1.06 1.06
31331JQA4	FFCB Note 1.9% Due 6/2/2014	450,000.00	06/08/2010 1.96 %	448,906.50 449,677.76	101.98 0.20 %	458,910.90 2,826.25	2.12 % 9,233.14	Aaa AA+	1.17 1.15
3136FPLV7	FNMA Callable Note 1X 3/24/2011 1.57% Due 9/24/2014	265,000.00	09/26/2011 0.65 %	272,221.25 268,577.56	101.94 0.25 %	270,150.01 80.90	1.24 % 1,572.45	Aaa AA+	1.48 1.47
3133EADW5	FFCB Note 0.55% Due 8/17/2015	460,000.00	10/24/2012 0.45 %	461,233.60 461,043.63	100.16 0.48 %	460,715.76 309.22	2.12 % (327.87)	Aaa AA+	2.38 2.36
3133ECBJ2	FFCB Note 0.43% Due 11/16/2015	435,000.00	12/24/2012 0.45 %	434,752.05 434,774.40	100.06 0.41 %	435,247.95 488.41	2.00 % 473.55	Aaa AA+	2.63 2.60
3135G0SB0	FNMA Note 0.375% Due 12/21/2015	165,000.00	11/26/2012 0.45 %	164,615.55 164,657.88	99.88 0.42 %	164,804.97 171.88	0.76 % 147.09	Aaa AA+	2.73 2.70
31331J6C2	FFCB Note 2.35% Due 12/22/2015	275,000.00	03/28/2011 2.27 %	275,995.50 275,572.89	105.28 0.40 %	289,516.15 1,777.19	1.34 % 13,943.26	Aaa AA+	2.73 2.64
3136FPDC8	FNMA Callable Note 1X 3/8/2011 2% Due 3/8/2016	225,000.00	08/24/2011 1.22 %	232,731.00 230,001.59	104.57 0.43 %	235,276.43 287.50	1.08 % 5,274.84	Aaa AA+	2.94 2.86
3135G0AL7	FNMA Note 2.25% Due 3/15/2016	210,000.00	07/25/2011 1.69 %	215,260.50 213,354.66	105.27 0.45 %	221,060.28 210.00	1.02 % 7,705.62	Aaa AA+	2.96 2.87
313372YS7	FHLB Note 2.45% Due 3/30/2016	300,000.00	07/07/2011 1.87 %	307,902.00 305,005.67	105.86 0.48 %	317,585.70 20.42	1.46 % 12,580.03	Aaa AA+	3.00 2.91
3137EACT4	FHLMC Note 2.5% Due 5/27/2016	375,000.00	07/25/2011 1.74 %	388,066.13 383,528.15	106.28 0.49 %	398,536.88 3,229.17	1.84 % 15,008.73	Aaa AA+	3.16 3.03
313373SZ6	FHLB Note 2.125% Due 6/10/2016	230,000.00	Various 1.66 %	235,000.85 233,276.47	105.20 0.48 %	241,953.80 1,506.98	1.12 % 8,677.33	Aaa AA+	3.20 3.08



Holdings Report

As of 3/31/13

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody S&P	Maturity Duration
AGENCY									
3137EACW7	FHLMC Note 2% Due 8/25/2016	450,000.00	09/14/2011 1.19 %	467,523.00 462,050.70	104.95 0.53 %	472,287.60 900.00	2.17 % 10,236.90	Aaa AA+	3.41 3.29
3135G0CM3	FNMA Note 1.25% Due 9/28/2016	475,000.00	10/13/2011 1.36 %	472,397.95 473,162.58	102.42 0.55 %	486,483.60 49.48	2.23 % 13,321.02	Aaa AA+	3.50 3.42
3135G0ES8	FNMA Note 1.375% Due 11/15/2016	470,000.00	01/24/2012 1.17 %	474,407.66 473,327.10	102.99 0.54 %	484,034.20 2,441.39	2.23 % 10,707.10	Aaa AA+	3.63 3.52
3133787M7	FHLB Note 1.05% Due 2/27/2017	250,000.00	02/27/2012 1.03 %	250,230.00 250,179.87	101.41 0.68 %	253,519.25 247.92	1.16 % 3,339.38	Aaa AA+	3.92 3.82
3137EADC0	FHLMC Note 1% Due 3/8/2017	400,000.00	03/14/2012 1.29 %	394,420.00 395,591.83	101.22 0.69 %	404,879.60 255.56	1.86 % 9,287.77	Aaa AA+	3.94 3.85
313378WF4	FHLB Note 1.125% Due 3/10/2017	475,000.00	04/24/2012 1.05 %	476,691.00 476,367.05	101.67 0.69 %	482,952.93 311.72	2.22 % 6,585.88	Aaa AA+	3.95 3.85
3133782N0	FHLB Note 0.875% Due 3/10/2017	350,000.00	03/13/2013 0.70 %	352,376.50 352,348.75	100.70 0.69 %	352,459.10 178.65	1.62 % 110.35	Aaa AA+	3.95 3.87
3137EADF3	FHLMC Note 1.25% Due 5/12/2017	475,000.00	05/29/2012 1.06 %	479,404.68 478,659.20	102.19 0.71 %	485,402.50 2,292.53	2.24 % 6,743.30	Aaa AA+	4.12 3.99
313379FW4	FHLB Note 1% Due 6/9/2017	250,000.00	08/30/2012 0.81 %	252,200.00 251,931.15	100.99 0.76 %	252,472.25 777.78	1.16 % 541.10	Aaa AA+	4.19 4.09
313379VE6	FHLB Note 1.01% Due 6/19/2017	120,000.00	07/26/2012 0.82 %	121,096.80 120,944.67	101.01 0.77 %	121,209.84 343.40	0.56 % 265.17	Aaa AA+	4.22 4.11
3137EADH9	FHLMC Note 1% Due 6/29/2017	225,000.00	07/27/2012 0.85 %	226,631.25 226,408.60	101.17 0.72 %	227,621.25 575.00	1.05 % 1,212.65	Aaa AA+	4.25 4.14
3137EADJ5	FHLMC Note 1% Due 7/28/2017	225,000.00	08/06/2012 0.84 %	226,725.75 226,502.18	100.93 0.78 %	227,101.73 393.75	1.04 % 599.55	Aaa AA+	4.33 4.22
3135G0MZ3	FNMA Note 0.875% Due 8/28/2017	215,000.00	01/04/2013 0.88 %	214,993.55 214,993.86	100.26 0.81 %	215,560.51 162.00	0.99 % 566.65	Aaa AA+	4.41 4.32
3133EAY28	FFCB Note 0.83% Due 9/21/2017	225,000.00	09/18/2012 0.83 %	225,000.00 225,000.00	100.11 0.81 %	225,236.93 51.88	1.03 % 236.93	Aaa AA+	4.48 4.38
Total Agency		8,990,000.00	1.13 %	9,089,069.47 9,044,075.72	0.52 %	9,185,716.91 22,717.36	42.25 % 141,641.19	Aaa AA+	3.04 2.96
COMMERCIAL PAPER									
40427RR52	HSBC USA Inc Discount CP 0.26% Due 4/5/2013	225,000.00	12/19/2012 0.26 %	224,827.75 224,827.75	99.92 0.26 %	224,827.75 165.75	1.03 % 0.00	P-1 A-1	0.01 0.01
89233GS15	Toyota Motor Credit Discount CP 0.28% Due 5/1/2013	475,000.00	10/24/2012 0.28 %	474,320.22 474,320.22	99.86 0.28 %	474,320.22 568.95	2.18 % 0.00	P-1 A-1+	0.08 0.08
06416JSE4	Bank of Nova Scotia Discount CP 0.235% Due 5/14/2013	175,000.00	11/13/2012 0.24 %	174,793.23 174,793.23	99.88 0.24 %	174,793.23 157.65	0.80 % 0.00	P-1 A-1	0.12 0.12
06538BTC7	Bank of Tokyo Mitsubishi NY Discount CP 0.23% Due 6/12/2013	335,000.00	02/12/2013 0.23 %	334,745.31 334,745.31	99.92 0.23 %	334,745.31 100.59	1.54 % 0.00	P-1 A-1	0.20 0.20



Holdings Report

As of 3/31/13

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody S&P	Maturity Duration
COMMERCIAL PAPER									
06416JV18	Bank of Nova Scotia Discount CP 0.225% Due 8/1/2013	300,000.00	01/29/2013 0.23 %	299,656.88 299,656.88	99.89 0.23 %	299,656.88 114.37	1.38 % 0.00	P-1 A-1	0.34 0.34
Total Commercial Paper		1,510,000.00	0.25 %	1,508,343.39 1,508,343.39	0.25 %	1,508,343.39 1,107.31	6.93 % 0.00	P1 A-1	0.15 0.15
MONEY MARKET FUND FI									
26200X845	Dreyfus Funds Inst'l Reserve Treasury #6541	43,247.38	Various 0.00 %	43,247.38 43,247.38	1.00 0.00 %	43,247.38 0.00	0.20 % 0.00	Aaa AAA	0.00 0.00
Total Money Market Fund FI		43,247.38	N/A	43,247.38 43,247.38	0.00 %	43,247.38 0.00	0.20 % 0.00	Aaa AAA	0.00 0.00
US CORPORATE									
931142CL5	Wal-Mart Stores Note 4.25% Due 4/15/2013	410,000.00	Various 1.58 %	439,100.50 410,409.63	100.13 0.82 %	410,543.66 8,034.86	1.92 % 134.03	Aa2 AA	0.04 0.04
91159HGY0	US Bancorp Callable Note Cont 8/13/13 1.375% Due 9/13/2013	370,000.00	Various 1.32 %	370,572.95 370,068.80	100.35 0.42 %	371,295.00 254.37	1.70 % 1,226.20	A1 A+	0.45 0.37
717081AR4	Pfizer Inc. Note 4.5% Due 2/15/2014	220,000.00	Various 0.98 %	240,027.15 226,668.77	103.55 0.42 %	227,802.96 1,265.00	1.05 % 1,134.19	A1 AA	0.88 0.86
24422ERA9	John Deere Capital Corp Note 1.6% Due 3/3/2014	55,000.00	02/28/2011 1.63 %	54,945.55 54,983.31	101.14 0.36 %	55,627.44 68.44	0.26 % 644.13	A2 A	0.92 0.92
665859AK0	Northern Trust Company Note 4.625% Due 5/1/2014	255,000.00	Various 2.42 %	276,716.90 260,751.27	104.58 0.39 %	266,670.84 4,914.06	1.25 % 5,919.57	A1 A+	1.08 1.05
36962G4C5	General Electric Capital Corp Note 5.9% Due 5/13/2014	425,000.00	Various 3.89 %	457,976.09 433,709.42	105.96 0.54 %	450,316.40 9,612.09	2.11 % 16,606.98	A1 AA+	1.12 1.07
74005PAQ7	Praxair Note 5.25% Due 11/15/2014	115,000.00	09/24/2010 1.60 %	131,704.90 121,568.97	107.64 0.51 %	123,791.64 2,280.83	0.58 % 2,222.67	A2 A	1.63 1.55
09247XAD3	Blackrock Inc Note 3.5% Due 12/10/2014	230,000.00	Various 2.84 %	236,332.20 232,381.84	105.02 0.52 %	241,545.78 2,482.09	1.12 % 9,163.94	A1 A+	1.70 1.64
713448BM9	Pepsico Inc. Note 3.1% Due 1/15/2015	350,000.00	Various 2.04 %	365,457.95 356,316.26	104.71 0.45 %	366,479.77 2,290.55	1.69 % 10,163.51	Aa3 A-	1.79 1.74
46625HHP8	JP Morgan Chase Note 3.7% Due 1/20/2015	355,000.00	Various 3.26 %	361,163.10 357,614.98	104.99 0.90 %	372,703.85 2,590.52	1.72 % 15,088.87	A2 A	1.81 1.74
459200HB0	IBM Corp Note 0.55% Due 2/6/2015	100,000.00	02/01/2012 0.72 %	99,511.00 99,698.39	100.15 0.47 %	100,153.80 84.03	0.46 % 455.41	Aa3 AA-	1.85 1.83
94980VAA6	Wells Fargo Bank Note 4.75% Due 2/9/2015	345,000.00	Various 3.58 %	361,396.80 351,893.05	106.84 1.02 %	368,612.15 2,367.08	1.70 % 16,719.10	A1 A+	1.86 1.78
084670AV0	Berkshire Hathaway Note 3.2% Due 2/11/2015	350,000.00	Various 3.13 %	351,083.40 350,439.82	104.95 0.52 %	367,324.30 1,555.55	1.69 % 16,884.48	Aa2 AA+	1.87 1.81
191216AX8	Coca Cola Company Note 0.75% Due 3/13/2015	290,000.00	Various 0.80 %	289,534.55 289,697.13	100.51 0.49 %	291,479.88 108.76	1.34 % 1,782.75	Aa3 AA-	1.95 1.93



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CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody S&P	Maturity Duration
US CORPORATE									
06406JHB4	Bank of New York Mellon Note 4.95% Due 3/15/2015	325,000.00	Various 2.12 %	364,362.20 342,074.14	108.12 0.76 %	351,399.75 715.00	1.62 % 9,325.61	A1 A	1.96 1.88
74005PAR5	Praxair Note 4.625% Due 3/30/2015	105,000.00	Various 2.57 %	114,637.55 109,021.42	108.03 0.58 %	113,428.77 13.48	0.52 % 4,407.35	A2 A	2.00 1.93
24422ERQ4	John Deere Capital Corp Note 0.875% Due 4/17/2015	60,000.00	04/12/2012 0.90 %	59,962.80 59,974.66	100.58 0.59 %	60,350.88 239.17	0.28 % 376.22	A2 A	2.05 2.02
278642AB9	Ebay Inc Note 1.625% Due 10/15/2015	375,000.00	10/22/2010 1.66 %	374,343.75 374,664.45	102.53 0.62 %	384,496.13 2,809.90	1.78 % 9,831.68	A2 A	2.54 2.47
38259PAC6	Google Inc Note 2.125% Due 5/19/2016	190,000.00	11/15/2012 0.75 %	198,985.20 198,055.70	104.39 0.71 %	198,337.20 1,480.42	0.92 % 281.50	Aa2 AA	3.14 3.02
24422ERL5	John Deere Capital Corp Note 2% Due 1/13/2017	165,000.00	09/11/2012 1.05 %	171,618.15 170,785.65	103.53 1.05 %	170,820.87 715.00	0.79 % 35.22	A2 A	3.79 3.63
674599CB9	Occidental Petroleum Note 1.75% Due 2/15/2017	220,000.00	03/08/2013 1.13 %	225,242.60 225,173.19	102.82 1.01 %	226,199.60 491.94	1.04 % 1,026.41	A1 A	3.88 3.74
913017BU2	United Tech Corp Note 1.8% Due 6/1/2017	25,000.00	05/24/2012 1.82 %	24,978.50 24,982.08	103.15 1.03 %	25,787.18 150.00	0.12 % 805.10	A2 A	4.17 3.99
166764AA8	Chevron Corp. Callable Note Cont 11/5/17 1.104% Due 12/5/2017	125,000.00	Various 1.08 %	125,155.70 125,149.07	100.08 1.09 %	125,105.88 444.67	0.58 % (43.19)	Aa1 AA	4.68 4.53
458140AL4	Intel Corp Note 1.35% Due 12/15/2017	285,000.00	12/12/2012 1.29 %	285,851.25 285,802.25	100.34 1.28 %	285,970.43 1,175.63	1.32 % 168.18	A1 A+	4.71 4.53
Total US Corporate		5,745,000.00	2.06 %	5,980,660.74 5,831,884.25	0.68 %	5,956,244.16 46,143.44	27.54 % 124,359.91	A1 A+	1.93 1.86
US TREASURY									
912828NP1	US Treasury Note 1.75% Due 7/31/2015	390,000.00	04/06/2011 1.99 %	386,086.07 387,886.58	103.40 0.29 %	403,253.76 1,131.22	1.86 % 15,367.18	Aaa AA+	2.33 2.29
912828PE4	US Treasury Note 1.25% Due 10/31/2015	225,000.00	04/06/2011 2.12 %	216,545.67 220,220.36	102.38 0.32 %	230,361.30 1,180.94	1.06 % 10,140.94	Aaa AA+	2.59 2.53
912828PS3	US Treasury Note 2% Due 1/31/2016	385,000.00	05/16/2011 1.70 %	390,159.69 388,108.43	104.65 0.35 %	402,896.34 1,276.24	1.85 % 14,787.91	Aaa AA+	2.84 2.76
912828QA1	US Treasury Note 2.25% Due 3/31/2016	450,000.00	06/27/2011 1.32 %	469,231.98 462,123.79	105.63 0.36 %	475,312.50 27.66	2.18 % 13,188.71	Aaa AA+	3.00 2.92
912828QP8	US Treasury Note 1.75% Due 5/31/2016	400,000.00	11/21/2011 0.77 %	417,329.47 412,126.43	104.25 0.40 %	417,000.00 2,346.15	1.92 % 4,873.57	Aaa AA+	3.17 3.07
912828QR4	US Treasury Note 1.5% Due 6/30/2016	435,000.00	08/31/2012 0.45 %	452,282.51 449,651.22	103.51 0.41 %	450,258.93 1,640.26	2.07 % 607.71	Aaa AA+	3.25 3.17
912828RU6	US Treasury Note 0.875% Due 11/30/2016	450,000.00	12/22/2011 0.89 %	449,737.84 449,804.98	101.38 0.50 %	456,187.50 1,319.71	2.10 % 6,382.52	Aaa AA+	3.67 3.60
912828SY7	US Treasury Note 0.625% Due 5/31/2017	450,000.00	08/06/2012 0.62 %	450,177.29 450,153.56	100.13 0.59 %	450,562.50 942.65	2.07 % 408.94	Aaa AA+	4.17 4.10



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CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody S&P	Maturity Duration
US TREASURY									
912828TG5	US Treasury Note 0.5% Due 7/31/2017	450,000.00	02/25/2013 0.73 %	445,554.24 445,647.78	99.43 0.63 %	447,433.65 372.93	2.05 % 1,785.87	Aaa AA+	4.34 4.28
912828TS9	US Treasury Note 0.625% Due 9/30/2017	265,000.00	02/27/2013 0.68 %	264,328.04 264,340.88	99.80 0.67 %	264,482.46 4.53	1.21 % 141.58	Aaa AA+	4.50 4.42
Total US Treasury		3,900,000.00	1.07 %	3,941,432.80 3,930,064.01	0.45 %	3,997,748.94 10,242.29	18.39 % 67,684.93	Aaa AA+	3.40 3.32
TOTAL PORTFOLIO		21,213,247.38	1.28 %	21,587,708.05 21,382,574.73	0.53 %	21,715,563.28 80,407.40	100.00 % 332,988.55	Aa1 AA	2.62 2.47
TOTAL MARKET VALUE PLUS ACCRUED						21,795,970.68			



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CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody S&P	Maturity Duration
ABS									
89231NAC7	Toyota Auto Receivable 2012-B A3 0.46% Due 7/15/2016	225,000.00	09/18/2012 0.46 %	224,978.60 224,982.29	99.93 0.51 %	224,833.50 46.00	1.00 % (148.79)	Aaa AAA	3.29 1.62
43813CAC4	Honda Auto Receivables 2012-4 A3 0.52% Due 8/18/2016	225,000.00	10/11/2012 0.52 %	224,978.22 224,981.50	100.01 0.52 %	225,011.25 42.25	1.00 % 29.75	Aaa AAA	3.39 1.83
161571FL3	Chase CHAIT Pool #2012-A5 0.59% Due 8/15/2017	245,000.00	03/19/2013 0.59 %	245,000.00 245,000.00	99.92 0.63 %	244,801.55 56.21	1.09 % (198.45)	NR AAA	4.38 2.20
Total ABS		695,000.00	0.53 %	694,956.82 694,963.79	0.55 %	694,646.30 144.46	3.08 % (317.49)	Aaa AAA	3.71 1.89
AGENCY									
3134A4TZ7	FHLMC Note 4.5% Due 7/15/2013	90,000.00	Various 3.42 %	94,132.99 90,257.70	101.30 0.01 %	91,168.11 855.00	0.41 % 910.41	Aaa AA+	0.29 0.29
3133X1BV8	FHLB Note 4.5% Due 9/16/2013	300,000.00	06/13/2007 5.56 %	283,434.00 298,782.02	102.02 0.08 %	306,068.40 562.50	1.36 % 7,286.38	Aaa AA+	0.46 0.46
31331KET3	FFCB Note 0.98% Due 9/23/2013	270,000.00	03/28/2011 1.10 %	269,208.90 269,847.53	100.41 0.13 %	271,097.01 58.80	1.20 % 1,249.48	Aaa AA+	0.48 0.48
3137EACB3	FHLMC Note 2.5% Due 4/23/2014	200,000.00	Various 2.61 %	199,085.34 199,790.58	102.48 0.16 %	204,967.20 2,194.45	0.92 % 5,176.62	Aaa AA+	1.06 1.04
3133X7FK5	FHLB Note 5.25% Due 6/18/2014	100,000.00	Various 5.07 %	101,023.68 100,177.58	106.17 0.16 %	106,171.00 1,502.08	0.48 % 5,993.42	Aaa AA+	1.22 1.18
3135G0DW0	FNMA Note 0.625% Due 10/30/2014	430,000.00	09/29/2011 0.67 %	429,371.34 429,677.85	100.56 0.27 %	432,408.43 1,127.26	1.92 % 2,730.58	Aaa AA+	1.58 1.57
31331S2K8	FFCB Note 4.7% Due 8/10/2015	85,000.00	02/13/2008 4.13 %	88,075.13 85,970.20	110.05 0.41 %	93,544.63 565.96	0.42 % 7,574.43	Aaa AA+	2.36 2.25
31331VGU4	FFCB Note 4.875% Due 12/16/2015	395,000.00	Various 3.50 %	424,878.66 408,125.80	112.06 0.39 %	442,626.73 5,616.41	1.99 % 34,500.93	Aaa AA+	2.71 2.54
3133XDTL5	FHLB Note 5% Due 12/21/2015	275,000.00	07/29/2009 3.47 %	298,907.95 285,177.52	112.41 0.41 %	309,134.10 3,819.44	1.39 % 23,956.58	Aaa AA+	2.73 2.55
31331J6C2	FFCB Note 2.35% Due 12/22/2015	275,000.00	03/28/2011 2.27 %	275,995.50 275,572.89	105.28 0.40 %	289,516.15 1,777.19	1.29 % 13,943.26	Aaa AA+	2.73 2.64
3137EAAG4	FHLMC Note 5.5% Due 7/18/2016	275,000.00	Various 4.26 %	297,171.76 284,505.11	116.33 0.50 %	319,907.23 3,067.01	1.43 % 35,402.12	Aaa AA+	3.30 3.05
31331V2U9	FFCB Note 5.125% Due 8/25/2016	175,000.00	07/02/2008 4.65 %	180,540.50 177,316.94	115.57 0.50 %	202,239.63 896.88	0.90 % 24,922.69	Aaa AA+	3.41 3.16
31331V5G7	FFCB Note 5.2% Due 11/28/2016	175,000.00	08/13/2008 4.70 %	180,925.50 177,616.38	116.69 0.58 %	204,211.00 3,109.17	0.92 % 26,594.62	Aaa AA+	3.67 3.34
31331XLG5	FFCB Note 4.875% Due 1/17/2017	500,000.00	Various 2.99 %	557,764.10 532,175.61	116.13 0.57 %	580,667.50 5,010.42	2.60 % 48,491.89	Aaa AA+	3.80 3.50
3135G0GY3	FNMA Note 1.25% Due 1/30/2017	450,000.00	06/20/2012 0.90 %	457,105.50 455,907.19	102.18 0.67 %	459,823.50 953.13	2.04 % 3,916.31	Aaa AA+	3.84 3.74



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AGENCY									
3135G0JA2	FNMA Note 1.125% Due 4/27/2017	500,000.00	05/29/2012 1.04 %	502,110.00 501,749.90	101.83 0.67 %	509,125.00 2,406.25	2.27 % 7,375.10	Aaa AA+	4.08 3.96
3133XL4N0	FHLB Note 5.25% Due 6/5/2017	420,000.00	Various 3.16 %	473,441.56 452,658.19	118.46 0.75 %	497,551.75 7,105.00	2.24 % 44,893.56	Aaa AA+	4.18 3.77
31398ADM1	FNMA Note 5.375% Due 6/12/2017	420,000.00	Various 2.79 %	484,138.81 461,207.86	119.23 0.72 %	500,750.88 6,835.20	2.25 % 39,543.02	Aaa AA+	4.20 3.79
880591EA6	Tennessee Valley Authority Note 5.5% Due 7/18/2017	410,000.00	Various 3.83 %	457,076.78 435,046.90	119.91 0.78 %	491,612.14 4,572.64	2.20 % 56,565.24	Aaa AA+	4.30 3.88
880591CU4	Tennessee Valley Authority Note 6.25% Due 12/15/2017	500,000.00	08/30/2010 2.36 %	629,410.00 583,535.78	124.59 0.90 %	622,955.00 9,201.39	2.81 % 39,419.22	NR AA+	4.71 4.14
3135G0TG8	FNMA Note 0.875% Due 2/8/2018	225,000.00	01/28/2013 1.04 %	223,137.00 223,199.91	99.71 0.94 %	224,338.73 289.84	1.00 % 1,138.82	Aaa AA+	4.86 4.73
880591EC2	Tennessee Valley Authority Note 4.5% Due 4/1/2018	335,000.00	04/20/2010 3.84 %	350,078.35 344,487.62	117.20 0.97 %	392,606.94 7,537.50	1.78 % 48,119.32	Aaa AA+	5.01 4.47
31331YF21	FFCB Note 4.25% Due 4/16/2018	135,000.00	07/15/2010 2.98 %	146,762.55 142,649.19	116.12 0.97 %	156,760.52 2,629.69	0.71 % 14,111.33	Aaa AA+	5.05 4.53
3133X0PF0	FHLB Note 5.375% Due 8/15/2018	300,000.00	08/26/2010 2.52 %	361,446.00 341,428.54	122.63 1.03 %	367,904.10 2,060.42	1.64 % 26,475.56	Aaa AA+	5.38 4.76
3137EADG1	FHLMC Note 1.75% Due 5/30/2019	400,000.00	04/27/2012 1.66 %	402,347.20 402,042.23	102.85 1.27 %	411,406.40 2,352.78	1.84 % 9,364.17	Aaa AA+	6.17 5.81
3137EADM8	FHLMC Note 1.25% Due 10/2/2019	325,000.00	10/22/2012 1.42 %	321,291.75 321,525.80	99.29 1.36 %	322,705.18 2,019.97	1.44 % 1,179.38	Aaa AA+	6.51 6.18
880591EL2	Tennessee Valley Authority Note 3.875% Due 2/15/2021	425,000.00	07/28/2011 3.33 %	443,904.00 440,588.08	115.98 1.70 %	492,924.78 2,104.34	2.20 % 52,336.70	Aaa AA+	7.88 6.86
3133732Y7	FHLB Note 3.625% Due 3/12/2021	135,000.00	09/26/2011 2.45 %	148,365.00 146,229.08	114.83 1.63 %	155,026.58 258.28	0.69 % 8,797.50	Aaa AA+	7.95 6.99
3133827M9	FHLB Note 1.93% Due 12/1/2021	445,000.00	03/11/2013 1.99 %	442,855.10 442,866.56	100.88 1.82 %	448,933.80 1,145.13	2.00 % 6,067.24	Aaa AA+	8.68 7.93
3137EADB2	FHLMC Note 2.375% Due 1/13/2022	500,000.00	01/24/2012 2.53 %	493,081.00 493,898.58	104.08 1.87 %	520,399.50 2,572.92	2.32 % 26,500.92	Aaa AA+	8.79 7.89
880591EN8	Tennessee Valley Authority Note 1.875% Due 8/15/2022	470,000.00	08/29/2012 1.94 %	467,161.20 467,327.50	98.78 2.02 %	464,245.79 1,126.04	2.07 % (3,081.71)	Aaa AA+	9.38 8.53
Total Agency		9,940,000.00	2.63 %	10,484,227.15 10,271,342.62	0.88 %	10,892,797.71 85,333.09	48.72 % 621,455.09	Aaa AA+	4.64 4.25
COMMERCIAL PAPER									
89233GR24	Toyota Motor Credit Discount CP 0.43% Due 4/2/2013	300,000.00	08/02/2012 0.44 %	299,129.25 299,129.25	99.71 0.44 %	299,129.25 867.17	1.33 % 0.00	P-1 A-1+	0.01 0.01
40427RR52	HSBC USA Inc Discount CP 0.52% Due 4/5/2013	230,000.00	07/11/2012 0.53 %	229,109.64 229,109.64	99.61 0.53 %	229,109.64 877.07	1.02 % 0.00	P-1 A-1	0.01 0.01



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COMMERCIAL PAPER									
06416JR88	Bank of Nova Scotia Discount CP 0.22% Due 4/8/2013	200,000.00	10/09/2012 0.23 %	199,773.75 199,773.75	99.89 0.23 %	199,773.75 217.50	0.89 % 0.00	P-1 A-1	0.02 0.02
89233GTA4	Toyota Motor Credit Discount CP 0.23% Due 6/10/2013	175,000.00	12/11/2012 0.23 %	174,797.63 174,797.63	99.88 0.23 %	174,797.63 124.11	0.78 % 0.00	P-1 A-1+	0.19 0.19
06416JV18	Bank of Nova Scotia Discount CP 0.225% Due 8/1/2013	350,000.00	01/29/2013 0.23 %	349,599.69 349,599.69	99.89 0.23 %	349,599.69 133.44	1.55 % 0.00	P-1 A-1	0.34 0.34
Total Commercial Paper		1,255,000.00	0.33 %	1,252,409.96	0.33 %	1,252,409.96 2,219.29	5.57 % 0.00	P1 A-1	0.13 0.13
MONEY MARKET FUND FI									
26200X845	Dreyfus Funds Inst'l Reserve Treasury #6541	50,296.35	Various 0.00 %	50,296.35 50,296.35	1.00 0.00 %	50,296.35 0.00	0.22 % 0.00	Aaa AAA	0.00 0.00
Total Money Market Fund FI		50,296.35	N/A	50,296.35	0.00 %	50,296.35 0.00	0.22 % 0.00	Aaa AAA	0.00 0.00
US CORPORATE									
459200GR6	IBM Corp Note 2.1% Due 5/6/2013	230,000.00	01/27/2010 1.89 %	231,531.80 230,045.05	100.16 0.41 %	230,377.66 1,945.42	1.03 % 332.61	Aa3 AA-	0.10 0.10
91159HGY0	US Bancorp Callable Note Cont 8/13/13 1.375% Due 9/13/2013	370,000.00	Various 1.32 %	370,572.95 370,068.80	100.35 0.42 %	371,295.00 254.37	1.65 % 1,226.20	A1 A+	0.45 0.37
254687AW6	Walt Disney Corp Note 4.5% Due 12/15/2013	235,000.00	Various 1.23 %	256,024.15 240,313.98	102.94 0.32 %	241,919.34 3,113.75	1.09 % 1,605.36	A2 A	0.71 0.69
24422ERA9	John Deere Capital Corp Note 1.6% Due 3/3/2014	55,000.00	02/28/2011 1.63 %	54,945.55 54,983.31	101.14 0.36 %	55,627.44 68.44	0.25 % 644.13	A2 A	0.92 0.92
665859AK0	Northern Trust Company Note 4.625% Due 5/1/2014	260,000.00	Various 2.38 %	282,439.55 265,994.69	104.58 0.39 %	271,899.68 5,010.42	1.23 % 5,904.99	A1 A+	1.08 1.05
931142CQ4	Wal-Mart Stores Note 3.2% Due 5/15/2014	340,000.00	Various 1.61 %	359,801.38 345,863.47	103.12 0.41 %	350,611.07 4,110.22	1.57 % 4,747.60	Aa2 AA	1.12 1.10
74005PAQ7	Praxair Note 5.25% Due 11/15/2014	115,000.00	09/24/2010 1.60 %	131,704.90 121,568.97	107.64 0.51 %	123,791.64 2,280.83	0.56 % 2,222.67	A2 A	1.63 1.55
09247XAD3	Blackrock Inc Note 3.5% Due 12/10/2014	225,000.00	Various 2.84 %	231,220.80 227,340.01	105.02 0.52 %	236,294.79 2,428.13	1.06 % 8,954.78	A1 A+	1.70 1.64
713448BM9	Pepsico Inc. Note 3.1% Due 1/15/2015	350,000.00	Various 2.03 %	365,660.05 356,405.81	104.71 0.45 %	366,479.76 2,290.56	1.64 % 10,073.95	Aa3 A-	1.79 1.74
46625HHP8	JP Morgan Chase Note 3.7% Due 1/20/2015	350,000.00	Various 3.26 %	356,099.70 352,591.30	104.99 0.90 %	367,454.50 2,554.03	1.64 % 14,863.20	A2 A	1.81 1.74
94980VAA6	Wells Fargo Bank Note 4.75% Due 2/9/2015	345,000.00	Various 3.58 %	361,396.80 351,893.05	106.84 1.02 %	368,612.15 2,367.08	1.65 % 16,719.10	A1 A+	1.86 1.78
084670AV0	Berkshire Hathaway Note 3.2% Due 2/11/2015	345,000.00	Various 3.13 %	346,087.55 345,441.37	104.95 0.52 %	362,076.81 1,533.33	1.61 % 16,635.44	Aa2 AA+	1.87 1.81



Holdings Report

As of 3/31/13

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody S&P	Maturity Duration
US CORPORATE									
06406JHB4	Bank of New York Mellon Note 4.95% Due 3/15/2015	325,000.00	Various 2.12 %	364,362.20 342,074.14	108.12 0.76 %	351,399.75 715.00	1.56 % 9,325.61	A1 A	1.96 1.88
74005PAR5	Praxair Note 4.625% Due 3/30/2015	105,000.00	Various 2.57 %	114,637.55 109,021.42	108.03 0.58 %	113,428.77 13.48	0.50 % 4,407.35	A2 A	2.00 1.93
24422ERQ4	John Deere Capital Corp Note 0.875% Due 4/17/2015	60,000.00	04/12/2012 0.90 %	59,962.80 59,974.66	100.58 0.59 %	60,350.88 239.17	0.27 % 376.22	A2 A	2.05 2.02
278642AB9	Ebay Inc Note 1.625% Due 10/15/2015	370,000.00	10/22/2010 1.66 %	369,352.50 369,668.93	102.53 0.62 %	379,369.51 2,772.43	1.70 % 9,700.58	A2 A	2.54 2.47
459200GU9	IBM Corp Note 2% Due 1/5/2016	105,000.00	11/21/2011 1.40 %	107,499.00 106,678.76	103.67 0.66 %	108,852.87 501.67	0.49 % 2,174.11	Aa3 AA-	2.77 2.68
24422ERZ4	John Deere Capital Corp Note 0.75% Due 1/22/2016	75,000.00	01/17/2013 0.79 %	74,920.50 74,925.44	100.29 0.64 %	75,220.35 106.25	0.33 % 294.91	A2 A	2.81 2.77
38259PAC6	Google Inc Note 2.125% Due 5/19/2016	200,000.00	11/15/2012 0.75 %	209,458.05 208,479.63	104.39 0.71 %	208,776.00 1,558.34	0.93 % 296.37	Aa2 AA	3.14 3.02
36962G5W0	General Electric Capital Corp Note 2.3% Due 4/27/2017	330,000.00	03/07/2013 1.44 %	341,295.90 341,145.99	103.49 1.42 %	341,500.50 3,246.83	1.53 % 354.51	A1 AA+	4.08 3.85
913017BU2	United Tech Corp Note 1.8% Due 6/1/2017	25,000.00	05/24/2012 1.82 %	24,978.50 24,982.08	103.15 1.03 %	25,787.18 150.00	0.12 % 805.10	A2 A	4.17 3.99
166764AA8	Chevron Corp. Callable Note Cont 11/5/17 1.104% Due 12/5/2017	85,000.00	11/28/2012 1.10 %	85,000.00 85,000.00	100.08 1.09 %	85,072.00 302.37	0.38 % 72.00	Aa1 AA	4.68 4.53
458140AL4	Intel Corp Note 1.35% Due 12/15/2017	295,000.00	12/12/2012 1.29 %	295,880.40 295,829.72	100.34 1.28 %	296,004.48 1,216.88	1.32 % 174.76	A1 A+	4.71 4.53
Total US Corporate		5,195,000.00	2.01 %	5,394,832.58 5,280,290.58	0.68 %	5,392,202.13 38,779.00	24.10 % 111,911.55	A1 A+	2.01 1.93
US TREASURY									
912828BA7	US Treasury Note 3.625% Due 5/15/2013	455,000.00	Various 1.31 %	482,840.08 456,253.91	100.43 0.20 %	456,937.39 6,242.11	2.06 % 683.48	Aaa AA+	0.12 0.12
912828FQ8	US Treasury Note 4.875% Due 8/15/2016	250,000.00	Various 3.38 %	272,859.51 261,130.77	114.84 0.44 %	287,109.50 1,515.02	1.28 % 25,978.73	Aaa AA+	3.38 3.15
912828TG5	US Treasury Note 0.5% Due 7/31/2017	425,000.00	11/26/2012 0.62 %	422,577.60 422,751.03	99.43 0.63 %	422,576.23 352.21	1.88 % (174.80)	Aaa AA+	4.34 4.28
912828KQ2	US Treasury Note 3.125% Due 5/15/2019	450,000.00	07/27/2011 2.43 %	471,992.03 467,258.49	112.66 0.99 %	506,952.90 5,322.00	2.27 % 39,694.41	Aaa AA+	6.13 5.57
912828TH3	US Treasury Note 0.875% Due 7/31/2019	475,000.00	10/25/2012 1.21 %	464,611.28 465,256.10	98.71 1.09 %	468,876.78 688.88	2.08 % 3,620.68	Aaa AA+	6.34 6.13
912828NT3	US Treasury Note 2.625% Due 8/15/2020	450,000.00	05/16/2011 3.06 %	434,304.53 437,479.89	109.23 1.31 %	491,519.70 1,468.40	2.19 % 54,039.81	Aaa AA+	7.38 6.72
912828PC8	US Treasury Note 2.625% Due 11/15/2020	435,000.00	06/27/2011 2.80 %	428,578.69 429,781.63	109.07 1.37 %	474,455.81 4,321.46	2.12 % 44,674.18	Aaa AA+	7.63 6.88



Holdings Report

As of 3/31/13

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody S&P	Maturity Duration
US TREASURY									
912828QN3	US Treasury Note 3.125% Due 5/15/2021	430,000.00	Various 1.94 %	474,538.05 467,478.90	112.60 1.47 %	484,186.88 5,085.46	2.17 % 16,707.98	Aaa AA+	8.13 7.17
912828RC6	US Treasury Note 2.125% Due 8/15/2021	485,000.00	08/29/2011 2.28 %	478,541.59 479,571.24	104.50 1.55 %	506,825.00 1,281.16	2.25 % 27,253.76	Aaa AA+	8.38 7.66
Total US Treasury		3,855,000.00	2.06 %	3,930,843.36 3,886,961.96	1.05 %	4,099,440.19 26,276.70	18.31 % 212,478.23	Aaa AA+	5.94 5.46
TOTAL PORTFOLIO		20,990,296.35	2.16 %	21,807,566.22 21,436,265.26	0.82 %	22,381,792.64 152,752.54	100.00 % 945,527.38	Aa1 AA	3.95 3.60
TOTAL MARKET VALUE PLUS ACCRUED						22,534,545.18			



**FY 2013/14 ACTUARIAL STUDIES – DRAFT FINANCIAL PAGES ONLY
 WORKERS’ COMPENSATION**

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 budget.

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 at the 1.5% discount** rate 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 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.



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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

DRAFT

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



Agenda Item H.1.b.

**FY 2013/14 ACTUARIAL STUDIES – DRAFT FINANCIAL PAGES ONLY
 LIABILITY**

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 using the 1.5% discount** factor is recommended for approval.

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.]

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

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 - 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



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

ACTION ITEM

ISSUE: The Board of Directors should review, discuss and approve the Banking Fund Calculations as presented.

RECOMMENDATION: It is the recommendation of staff that the Board of Directors approve the distribution of the Workers' Compensation Banking Layer funds.

FISCAL IMPACT: The Workers' Compensation Program currently has \$4,318,794 available for return.

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

HANDOUT: Workers' Compensation Banking Layer Calculations.

Workers Compensation Banking Layer
Evaluation of Equity by member above 90% confidence level
as of 12/31/12

	O/S @ Exp times 90% Factor	margin to 90% Claims	Member Equity at 12/31/12	Gross Equity above 90% Conf level	Total of Positive Members	(not allocated to neg members) Percent allocation Allocation	Allocation of 10 x sir and Neg buffer	100% Net Equity above pool 10xsir and 90% conf. level	50% Net Equity above pool 10xsir and 90% conf. level	35% Net Equity above pool 10xsir and 90% conf. level	20% Expected Assessment
	A	B	C	D	E	F	G	H			I
	5530			C-B	D (positive only)	E/(E total)		D+G			D * 20%
	1.401										
ANDERSON	295,994	84,721	150,006	65,285	65,285	1.21%	(13,892)	51,393	25,697	17,988	-
AUBURN	639,591	183,066	116,003	(67,063)	-	0.00%	-	-	-	-	(13,413)
COLUSA	122,045	34,932	77,920	42,988	42,988	0.80%	(9,147)	33,841	16,920	11,844	-
CORNING	168,622	48,264	30,966	(17,298)	-	0.00%	-	-	-	-	(3,460)
DIXON	532,959	152,546	471,950	319,404	319,404	5.92%	(67,965)	251,439	125,720	88,004	-
FOLSOM	2,887,158	826,374	2,983,091	2,156,717	2,156,717	39.99%	(458,922)	1,697,794	848,897	594,228	-
GALT	813,957	232,974	338,666	105,692	105,692	1.96%	(22,490)	83,202	41,601	29,121	-
GRIDLEY	152,040	43,518	390,001	346,483	346,483	6.42%	(73,727)	272,756	136,378	95,465	-
IONE	592	170	67,013	66,843	66,843	1.24%	(14,223)	52,620	26,310	18,417	-
JACKSON	174,064	49,821	173,491	123,670	123,670	2.29%	(26,315)	97,354	48,677	34,074	-
LINCOLN	605,367	173,271	145,573	(27,697)	-	0.00%	-	-	-	-	(5,539)
MARYSVILLE	679,494	194,488	302,413	107,925	107,925	2.00%	(22,965)	84,960	42,480	29,736	-
NEVADA CITY	186,480	53,375	128,980	75,605	75,605	1.40%	(16,088)	59,517	29,759	20,831	-
OROVILLE	354,219	101,386	324,109	222,723	222,723	4.13%	(47,393)	175,330	87,665	61,366	-
PARADISE	754,649	215,999	299,752	83,753	83,753	1.55%	(17,822)	65,931	32,966	23,076	-
PLACERVILLE	541,181	154,899	327,149	172,250	172,250	3.19%	(36,653)	135,597	67,799	47,459	-
RED BLUFF	660,721	189,114	153,473	(35,642)	-	0.00%	-	-	-	-	(7,128)
RIO VISTA	101,587	29,077	371,429	342,352	342,352	6.35%		342,352	171,176	119,823	-
ROCKLIN	714,802	204,593	1,308,904	1,104,311	1,104,311	20.47%	(234,983)	869,327	434,664	304,265	-
WILLOWS	258,010	73,849	113,550	39,701	39,701	0.74%	(8,448)	31,253	15,627	10,939	-
YUBA CITY	1,314,851	376,342	394,285	17,943	17,943	0.33%	(3,818)	14,125	7,062	4,944	-
	11,958,384	3,422,778	8,668,723	5,245,945	5,393,645		(1,074,851)	4,318,794	2,159,397	1,511,578	(29,540)
			Total	5,245,945	5,393,645	100.00%					
			calculate neg members	(147,700)			total margin	4,349,930			
SIR risk margin	----->		Plus 10x SIR	1,000,000			90% conf level	3,422,778			
Funding for			Neg and 10 x SIR	(1,147,700)			10 x SIR	1,000,000			
								4,422,778			



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

ACTION ITEM

ISSUE: The Board of Directors should review, discuss and approve the Liability Banking Fund Calculations as presented.

RECOMMENDATION: It is the recommendation of staff that the Board of Directors approve the distribution of the Liability Banking Layer funds.

FISCAL IMPACT: The Liability Program currently has \$1,356,629 available for return.

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 the redistribution of member funds in excess of the “outstanding liabilities” plus a reasonable contingency.

HANDOUT: Liability Banking Layer Calculations

Liability Banking Layer
Evaluation of Equity by member above 90% confidence level
as of 12/31/12

	O/S @ Exp times 90% Factor	margin to 90% claims	Adjusted Member Equity at 12/31/12	Gross Equity above 90% Conf level	Total of Positive Members	(not allocated to neg members) Percent allocation Allocation	Allocaiton of 10 x sir and Neg buffer	100% Net Equity above pool 10xsir and 90% conf. level	50% Net Equity above pool 10xsir and 90% conf. level	35% Net Equity above pool 10xsir and 90% conf. level	20% Expected Assessment
	A	B	C	D	E	F	G	H			I
	5540			C-B	D (positive only)	E/(E total)		D+G			D * 20%
	1.34										
ANDERSON	6,164	1,564	119,159	117,595	117,595	5.14%	(47,888)	69,708	34,854	24,398	-
AUBURN	80,336	20,384	81,721	61,337	61,337	2.68%	(24,978)	36,359	18,179	12,726	-
COLUSA	71,335	18,100	(9,659)	(27,759)	-	0.00%	-	-	-	-	(5,552)
CORNING	80,634	20,459	(33,650)	(54,109)	-	0.00%	-	-	-	-	(10,822)
DIXON	29,008	7,360	145,997	138,637	138,637	6.06%	(56,456)	82,180	41,090	28,763	-
FOLSOM	589,314	149,527	1,131,425	981,897	981,897	42.90%	(399,853)	582,044	291,022	203,715	-
GALT	53,773	13,644	93,871	80,227	80,227	3.51%	(32,670)	47,556	23,778	16,645	-
GRIDLEY	16,841	4,273	148,393	144,120	144,120	6.30%	(58,689)	85,431	42,715	29,901	-
IONE	22,408	5,686	(7,139)	(12,824)	-	0.00%	-	-	-	-	(2,565)
JACKSON	172,440	43,754	(71,510)	(115,264)	-	0.00%	-	-	-	-	(23,053)
LINCOLN	209,634	53,191	151,607	98,416	98,416	4.30%	(40,078)	58,339	29,169	20,419	-
MARYSVILLE	61,686	15,652	137,451	121,800	121,800	5.32%	(49,600)	72,200	36,100	25,270	-
OROVILLE	38,767	9,836	92,500	82,664	82,664	3.61%	(33,663)	49,001	24,500	17,150	-
PARADISE	326,022	82,722	(139,299)	(222,021)	-	0.00%	-	-	-	-	(44,404)
RED BLUFF	113,022	28,677	58,401	29,724	29,724	1.30%	(12,104)	17,620	8,810	6,167	-
RIO VISTA	60,662	15,392	18,726	3,334	3,334	0.15%	(1,358)	1,976	988	692	-
ROCKLIN	310,001	78,657	290,238	211,581	211,581	9.24%	(86,161)	125,420	62,710	43,897	-
WILLOWS	74,008	18,778	37,883	19,105	19,105	0.83%	(7,780)	11,325	5,662	3,964	-
YUBA CITY	310,785	78,856	277,026	198,170	198,170	8.66%	(80,700)	117,470	58,735	41,115	-
	<u>2,626,839</u>	<u>666,511</u>	<u>2,523,140</u>	<u>1,856,629</u>	<u>2,288,607</u>		<u>(931,978)</u>	<u>1,356,629</u>	<u>678,314</u>	<u>474,820</u>	<u>(86,396)</u>
			Total	1,856,629	2,288,607	100.00%					
SIR risk margi ----->			neg members	(431,978)			total margin	<u>1,166,511</u>			
			Plus 10x SIR	500,000			90% conf level	<u>666,511</u>			
Funding for			Neg and 10 x SIR	<u>(931,978)</u>			10 x SIR	<u>500,000</u>			
								<u>1,166,511</u>			



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 Board of Directors reviews and approves the 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 amount 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 members with a total refund of \$1,370,229.

RECOMMENDATION: Staff recommends approving 50% of the refund amount.

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.



**2012/13 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 Board of Directors reviews and approves the 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 balance 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.



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

ACTION ITEM

ISSUE: The Board of Directors should review the current year utilization of the Safety Grant Funds and consider taking action to continue the Safety Grant Funds for the FY2013/2014 Program Year.

RECOMMENDATION: Staff recommends that the Board of Directors approves the continuation of the Safety Grant Funds for FY2013/14, including the stipulation that members are allowed to opt out of the grant and receive their full refunds if they so choose.

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

BACKGROUND: ADA Grants were created in FY2009/10 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 FY2010/11 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 FY2012/13, 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 3/31/13.
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

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
\$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.



LIABILITY SHARED RISK LAYER ASSESSMENTS

ACTION ITEM

ISSUE: The Liability Shared Risk Layer is in a deficit position due to unfavorable loss development in the FY2009/2010, FY2010/11 and FY2011/12 Program Years. 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 Program Administration and the Accountant recommend an Assessment of approximately \$600,000 - \$800,000, per year, for a 5 year period to reach the benchmark funding for losses, assuming no major changes in expected losses.

RECOMMENDATION: Staff recommends that the Board of Directors approves an Assessment of \$647,200 for the Liability Shared Risk Layer for the program year. This year staff will recommend applying half of the CJPRMA refund **<\$414,401>** in the amount of \$207,200 be applied to the Assessment leaving \$440,000 to be assessed.

FISCAL IMPACT: \$600,000 - \$800,000 annually.

BACKGROUND: NCCSIF has seen large unfavorable loss development in the most recent program years incurring losses of \$6.5 million in FY2009/2010, \$3.2 million in FY2010/2011 and \$2.5 million in FY2011/2012 as of April 8, 2013.

ATTACHMENT(S): Liability Shared Risk Layer Risk Assessment Calculations.

**NCCSIF Liability Shared Risk Layer
Funding Assessment Calculations
July 1, 2012 - June 30, 2013**

Member	Total Premium	Total %	Assessment Allocation
Anderson	\$602,633	2.45%	\$ 10,766
Auburn	\$1,481,357	6.01%	\$ 26,465
Colusa	\$507,401	2.06%	\$ 9,065
Corning	\$566,164	2.30%	\$ 10,115
Dixon	\$1,177,723	4.78%	\$ 21,040
Folsom	\$4,676,874	18.99%	\$ 83,554
Galt	\$1,667,579	6.77%	\$ 29,792
Gridley	\$596,813	2.42%	\$ 10,662
Ione	\$36,149	0.15%	\$ 646
Jackson	\$524,929	2.13%	\$ 9,378
Lincoln	\$1,661,839	6.75%	\$ 29,689
Maysville	\$1,437,690	5.84%	\$ 25,685
Oroville	\$1,763,752	7.16%	\$ 31,510
Paradise	\$1,155,751	4.69%	\$ 20,648
Red Bluff	\$1,376,843	5.59%	\$ 24,598
Rio Vista	\$578,449	2.35%	\$ 10,334
Rocklin	\$2,032,513	8.25%	\$ 36,312
Willows	\$327,233	1.33%	\$ 5,846
Yuba City	\$2,456,918	9.98%	\$ 43,894
Total	\$24,628,609	100.00%	\$ 440,000 440,000



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 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																		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	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																		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)
RICHMOND	C																			0
RICHMOND	D																			31,938
RICHMOND	Total																			(0)
ROSEVILLE	A	0																		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																		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																		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
I																				
SCORE	A	0																		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																		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



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 Board of Directors should review and discuss options for funding or transferring losses in the \$500,000 x \$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 letters 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 May 15, 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 pay the FIRST \$116,000 of our own losses **[each year]** 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.

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 is 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. April 8, 2013 Proposal to CJPRMA.

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

2013/2014 Rates

Funded at 60%

Confidence level 2.0% 1.5%

Banking 0 0

Shared Risk 0.17 0.17

0.17 0.17

Est. Payroll =

\$150,499,039 \$ 253,300 \$ 253,300

CJPRMA	0.127
	\$ 191,134
Surcharge	\$ 116,000
	<u>\$ 307,134</u>

**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.



April 8, 2013

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

NCCSIF Pool “B” Surcharge (for \$500,000 SIR)

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 has just recently settled for \$30,000). This provides 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 as a Member in CJPRMA.

The 2013/14 rate for Pool B is \$.127. The Board action approved an additional contribution of \$116,000 in this layer for a total contribution of \$312,505 that could be seen as created an increase in our rate to \$.202. ***This would represent a 59% rate increase.*** This is approximately \$350,000 in additional Contributions over the three years that it is imposed.¹

This is an increase of 5.48% of all Members Shared Losses in the Pool “B” layer. While this may seem appropriate for this initial 3 Year ‘surcharge period’, it has been analyzed based on CJPRMA Historical and Expected Losses in this Pool “B” layer - - around \$1,500,000 each year. Our concern is when losses may be higher than this projection; that NCCSIF’s Share of (other Members) Losses becomes significantly higher due to the formula. If NCCSIF has no losses at all it could still pay this large percentage of other Members’ losses.

We need to find a way to participate fairly for all involved. We have no issue paying more for our participation in this layer due to our larger than average losses during the past few years.

¹ Based on total CJPRMA payroll of \$1,504,848,603 participating in Pool B, NCCSIF would represent 11.11% of the total payroll; and Losses are Shared based on Percentage of Contribution (*equivalent to this calculated amount*). With the proposed surcharge of \$116,000 NCCSIF would then be responsible for 16.59% of the Shared Losses.



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 will be understood.

Thank you for your clarifications and for suggesting some alternatives for consideration. We have reviewed these with the NCCSIF EC at their recent meeting. As we understand the concept, the additional \$116,000 per year for three years would only contribute to increasing our Share of Losses in years where we had a loss in excess of the \$500,000 SIR. (If years with no NCCSIF Claims, our percentage Share of Losses would be based on the standard Contribution). You have also suggested that the extra Contribution could be held, and accounted for separately, returned to us when no years are impacted.

Although we see this as workable, it will require clear definitions; since we imagine claims reserves would not penetrate the \$500,000 for years. It is also likely that a claim could settle for something like \$501,000 (since claims in this layer are so unpredictable) and trigger an additional payment of both our loss and every other Members' losses, that we would then share at the increase percentage. *(We are also concerned that our additional contribution will be held for a long time before resolution can be achieved, when already, CJPRMA has significant Dividend funds on account that can readily handle this payment as needed).*

We have refined an option for consideration by staff, and the CJPRMA Board:

1. We suggest that we treat the proposed 'surcharge' as a 'Corridor Deductible'; **NCCSIF would pay the first \$116,000 of all of NCCSIF losses** that are incurred in each of the three years. (CJPRMA has explored this concept in years past for their pool we believe). It's an excellent tool for making individuals more accountable for their losses.
2. We would like to propose that we initially **DEPOSIT** the additional \$116,000 the First year only, **to be held on account by CJPRMA 'as needed'** (but obviously ultimately returned to us if not used for the intended purpose). This 'fund' would be replenished each year as NCCSIF Claims are reserved and develop during for this Three Year 'surcharge period'. (If not needed, it rolls over for subsequent years, but is always available to cover the 'Corridor Deductible').
3. In addition to paying this 'Corridor Deductible' we also pay the standard Share of Losses of all Members - the rate currently set at 11.11%.



The following chart(s) project NCCSIF's Share of Losses at various loss levels that may result during the Three Year 'Surcharge Period'. You see how the CJPRMA proposed plan could very negatively impact NCCSIF if losses within the layer are higher than expected in any one year. You can see our concern; imagine if we only had one claim in three years. Note, the analysis assumes that NCCSIF has at least one claims above \$500,000 each years that triggers the higher percentage of payments in the CJPRMA Proposed Share of Loss.

NCCSIF PROPOSAL

Original Percent	Original SHARE of LOSS	% Share	CJPRMA Proposed SHARE of LOSS	"MIN" with No NCCSIF claims	"MAX" with NCCSIF claim(s) each year
Scenario #1: ONE Million Dollars in claim each of 3 Years equals: \$3,000,000					
11.11%	\$333,300	16.59%	\$497,700	11.11%	\$333,300
				22.71%	\$681,300
Scenario #2: TWO Million Dollars in claim each of 3 Years equals: \$6,000,000					
11.11%	\$666,600	16.59%	\$995,400	11.11%	\$666,600
				16.91%	\$1,014,600
Scenario #3: THREE Million Dollars in claim each of 3 Years equals: \$9,000,000					
11.11%	\$999,900	16.59%	\$1,493,100	11.11%	\$999,900
				14.98%	\$1,347,900

With the CJPRMA proposal, if NCCSIF were to have a payment of just something like \$555,555 each year, then in the *Worst Case (Scenario #3)*, NCCSIF could end up paying significantly more during the Three Year 'Surcharge Period'. (And as an example, with our 'MAX' Proposal they pay an amount close to the CJPRMA Proposal in **Scenario #2** if they have a penetrating claim each year - - and less if they do not have any losses).

A Public Entity Joint Powers Authority



Our proposal is that this Three Year 'Surcharge Period' *Corridor Deductible* of \$116,000 each year would be documented by Resolution as a continuing obligation, 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.

Although your proposal may be less costly if we have absolutely no claim excess of \$500,000, we believe our proposal may have greater clarity that warrants considerations. Thank you; Mike and I look forward to going over these figures with you in the near future.

Sincerely,

A handwritten signature in blue ink that reads "Susan D. Adams".

Susan Adams
NCCSIF Program Administrator
sadams@alliant.com

Cc: Mike Simmons, Alliant Insurance Services, Inc.
msimmons@alliant.com
C: (925) 708-3374



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

INFORMATION ITEM

ISSUE: The FY2013/14 Preliminary calculations for Workers' Compensation programs are provided to the Board of Directors for their review and recommendation of the discount rates to be used in funding losses. Final deposit calculations will be presented at the June Board meeting. Preliminary calculations were sent to the Board of Directors on March 6, 2013. The calculations have since been updated to reflect a preliminary premium revision from CSAC EIA; NCCSIF's excess coverage provider as well as corrected loss information used in the calculations.

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 April Board of Directors 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): FY2013/14 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%	CAPPED	SHARED
Banking Layer Funding	\$4,020,072	CSAC-EIA Premium:	\$677,244	PERCENTAGE	AMOUNT
Shared Risk Layer Funding	\$2,074,828	Administrative Expenses:	\$533,355	40%	\$77,885

MEMBER ENTITY	BANKING LAYER	SHARED RISK	CSAC PREMIUM (1)	ADMIN EXPENSE	TOTAL DEPOSIT	LAST YEAR'S DEPOSIT	CAPPED DEPOSIT	CHANGE FROM LAST YEAR
Anderson	101,507	\$45,478	15,783	16,970	\$179,738	\$190,396	\$183,843	-3%
Auburn	135,664	\$84,238	28,862	21,508	\$270,272	\$191,450	\$268,030	40%
Colusa	47,912	\$32,733	10,730	13,203	\$104,578	\$85,175	\$108,684	28%
Corning	73,197	\$39,444	12,212	14,969	\$139,822	\$132,340	\$143,928	9%
Dixon	219,275	\$106,655	37,370	27,552	\$390,853	\$440,911	\$394,958	-10%
Folsom	968,399	\$481,495	171,441	93,935	\$1,715,269	\$1,675,878	\$1,719,375	3%
Galt	206,756	\$115,393	35,967	27,278	\$385,395	\$385,056	\$389,501	1%
Gridley	50,742	\$48,953	14,478	14,406	\$128,578	\$133,212	\$132,684	0%
Ione**	34,224	\$15,937	5,387	11,312	\$66,860	\$68,453	\$70,965	4%
Jackson	79,529	\$29,981	12,127	14,800	\$136,437	\$126,501	\$140,542	11%
Lincoln	225,493	\$150,974	23,017	29,461	\$428,945	\$335,218	\$433,051	29%
Marysville	131,980	\$47,889	14,040	18,613	\$212,523	\$221,149	\$216,628	-2%
Nevada City	56,369	\$27,471	9,794	13,322	\$106,957	\$138,907	\$111,062	-20%
Oroville	165,627	\$101,039	28,759	23,970	\$319,395	\$327,311	\$323,500	-1%
Town of Paradise	188,620	\$65,031	21,204	22,885	\$297,739	\$384,718	\$301,845	-22%
Placerville	194,226	\$83,056	25,727	24,370	\$327,379	\$317,506	\$331,484	4%
Red Bluff	225,139	\$91,816	29,415	26,658	\$373,027	\$311,896	\$377,133	21%
Rio Vista	38,536	\$34,424	10,431	12,782	\$96,172	\$97,036	\$100,278	3%
Rocklin	330,109	\$191,810	67,775	39,498	\$629,192	\$705,544	\$633,297	-10%
Willows	81,985	\$32,597	12,325	15,078	\$141,985	\$102,773	\$143,882	40%
Yuba City	464,783	\$248,414	90,399	50,785	\$854,381	\$557,736	\$780,830	40%
Total	\$4,020,072	\$2,074,828	\$677,244	\$533,355	\$7,305,499	\$6,929,166	\$7,305,499	5%



**PRELIMINARY 2013/14 DEPOSIT CALCULATIONS
LIABILITY**

INFORMATION ITEM

ISSUE: The FY2013/14 Preliminary calculations for the program are provided to the Board of Directors 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. The calculations have since been updated to reflect the recommended Self Insured Retention of \$500,000 at the preliminary estimates provided by CJPRMA.

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 April Board of Directors 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): FY2013/14 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%	CAPPED	SHARED
Banking Layer Funding	\$1,531,468	CJPRMA Premium:	\$1,112,469	PERCENTAGE	AMOUNT
Shared Risk Layer Funding	\$1,105,060	Administrative Expenses:	\$510,655	20%	\$4,881

MEMBER ENTITY	BANKING LAYER	SHARED RISK	CJPRMA PREMIUM	ADMIN EXPENSE	CJPRMA REFUND	TOTAL DEPOSIT	LAST YEAR'S DEPOSIT	CAPPED DEPOSIT	CHANGE FROM LAST YEAR
Anderson	\$37,296	\$28,912	\$22,317	\$16,740	(\$4,157)	\$101,108	\$113,698	\$101,395	-11%
Auburn	\$64,416	\$46,148	\$39,506	\$21,300	(\$7,358)	\$164,013	\$150,208	\$164,300	9%
Colusa	\$34,299	\$21,531	\$16,781	\$14,909	(\$3,126)	\$84,395	\$66,881	\$80,257	20%
Corning	\$18,723	\$22,492	\$19,976	\$15,983	(\$3,721)	\$73,453	\$65,497	\$73,740	13%
Dixon	\$39,687	\$49,102	\$54,110	\$24,666	(\$10,078)	\$157,486	\$162,085	\$157,774	-3%
Folsom	\$435,829	\$175,210	\$286,978	\$93,531	(\$53,450)	\$938,097	\$830,382	\$938,384	13%
Galt	\$99,361	\$83,539	\$61,953	\$27,269	(\$11,539)	\$260,583	\$237,620	\$260,870	10%
Gridley	\$35,589	\$32,526	\$29,453	\$19,040	(\$5,486)	\$111,123	\$94,727	\$111,410	18%
Ione	\$12,515	\$9,503	\$9,296	\$12,697	(\$1,731)	\$42,280	\$44,239	\$42,567	-4%
Jackson	\$16,483	\$18,685	\$15,849	\$14,850	(\$2,952)	\$62,916	\$51,811	\$62,173	20%
Lincoln	\$122,969	\$94,215	\$81,171	\$32,249	(\$15,118)	\$315,487	\$301,740	\$315,774	5%
Marysville	\$59,220	\$30,588	\$22,658	\$16,882	(\$4,220)	\$125,128	\$107,051	\$125,415	17%
Oroville	\$79,912	\$75,841	\$49,746	\$26,173	(\$9,265)	\$222,407	\$221,111	\$222,694	1%
Town of Paradise	\$67,371	\$54,170	\$43,647	\$21,802	(\$8,129)	\$178,861	\$159,818	\$179,148	12%
Red Bluff	\$102,769	\$55,450	\$31,867	\$20,172	(\$5,935)	\$204,323	\$172,214	\$204,610	19%
Rio Vista	\$20,788	\$18,190	\$18,403	\$14,987	(\$3,428)	\$68,940	\$64,662	\$69,227	7%
Rocklin	\$121,189	\$135,761	\$149,494	\$51,559	(\$27,844)	\$430,160	\$414,529	\$430,447	4%
Willows	\$7,996	\$14,981	\$13,980	\$14,209	(\$2,604)	\$48,562	\$55,978	\$48,849	-13%
Yuba City	\$155,055	\$138,214	\$145,285	\$51,636	(\$27,060)	\$463,130	\$423,963	\$463,417	9%
Total:	\$1,531,468	\$1,105,060	\$1,112,469	\$510,655	(\$207,201)	\$4,052,451	\$3,738,214	\$4,052,451	8%



FY2013/14 MAXIMUM (CAPPED) DEPOSITS

ACTION ITEM

ISSUE: According to Liability Policy and Procedure L-4 and Workers' Compensation Policy and Procedure WC-3 which determine the Liability and Workers' Compensation Annual Deposits the Maximum Deposit Clause is stated as follows:

"If the combined total premium rate per \$100 of payroll for the totals of the Banking Layer Loss Fund, the Shared Risk Layer, Excess Insurance and the Administrative Costs for any one Member divided by payroll/100 is greater than that Member's prior year's total premium rate, plus an additional percentage amount determined annually by the Board of Directors, then that Member's *Liability/Workers' Compensation* Program Annual Deposit for the current year will be capped at the Member's prior year's *Liability/Workers' Compensation* Program total premium rate, plus the additional percentage amount. The costs saved by the Member due to its annual deposit being capped will be shared by all of the other Members."

As the Board will be asked to approve new Confidence Levels and Discounting Rates for both programs, staff would like direction on whether to increase or decrease the Maximum Deposit percentages for both programs.

RECOMMENDATION: Staff recommends that the Liability Program's Maximum Deposit percentage remain at 20% and the Workers' Compensation Program's Maximum Deposit be increased to 40% as this would lessen the amount shared amongst other members.

FISCAL IMPACT: None.

BACKGROUND: Historically the total Liability and Workers' Compensation Program Maximum Deposits per members have been capped at a percentage ranging anywhere from 10% to 40%. (*In FY 2010/11, FY 2011/12 and FY 2012/13 the deposits have been capped at a 20% maximum deposit increase for both programs*).

ATTACHMENT(S):

1. Liability Capped Deposits Comparison.
2. Compensation Capped Deposits Comparison.

**NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND
LIABILITY PROGRAM
July 1, 2013 to June 30, 2014**

CAPPED		SHARED		RECOMMENDED		CAPPED		SHARED	
PERCENTAGE	AMOUNT	PERCENTAGE	AMOUNT	PERCENTAGE	AMOUNT	PERCENTAGE	AMOUNT	PERCENTAGE	AMOUNT
10%	\$95,386	15%	\$21,298	20%	\$4,881	25%	\$794		

MEMBER ENTITY	TOTAL DEPOSIT	LAST YEAR'S DEPOSIT	CAPPED DEPOSIT	CHANGE FROM LAST YEAR	CAPPED DEPOSIT	CHANGE FROM LAST YEAR	CAPPED DEPOSIT	CHANGE FROM LAST YEAR	CAPPED DEPOSIT	CHANGE FROM LAST YEAR	ASSESSMENT ALLOCATION
Anderson	\$101,108	\$113,698	\$111,318	-2%	\$102,629	-10%	\$101,395	-11%	\$101,152	-11%	\$10,766
Auburn	\$164,013	\$150,208	\$165,229	10%	\$165,534	10%	\$164,300	9%	\$164,057	9%	\$26,465
Colusa	\$84,395	\$66,881	\$73,569	10%	\$76,913	15%	\$80,257	20%	\$83,601	25%	\$9,065
Corning	\$73,453	\$65,497	\$72,047	10%	\$74,974	14%	\$73,740	13%	\$73,497	12%	\$10,115
Dixon	\$157,486	\$162,085	\$167,697	3%	\$159,008	-2%	\$157,774	-3%	\$157,531	-3%	\$21,040
Folsom	\$938,097	\$830,382	\$913,420	10%	\$939,618	13%	\$938,384	13%	\$938,141	13%	\$83,554
Galt	\$260,583	\$237,620	\$261,382	10%	\$262,104	10%	\$260,870	10%	\$260,627	10%	\$29,792
Gridley	\$111,123	\$94,727	\$104,200	10%	\$108,936	15%	\$111,410	18%	\$111,167	17%	\$10,662
Ione	\$42,280	\$44,239	\$48,663	10%	\$43,801	-1%	\$42,567	-4%	\$42,324	-4%	\$646
Jackson	\$62,916	\$51,811	\$56,992	10%	\$59,583	15%	\$62,173	20%	\$62,960	22%	\$9,378
Lincoln	\$315,487	\$301,740	\$325,697	8%	\$317,008	5%	\$315,774	5%	\$315,531	5%	\$29,689
Marysville	\$125,128	\$107,051	\$117,756	10%	\$123,109	15%	\$125,415	17%	\$125,172	17%	\$25,685
Oroville	\$222,407	\$221,111	\$232,617	5%	\$223,928	1%	\$222,694	1%	\$222,451	1%	\$31,510
Town of Paradise	\$178,861	\$159,818	\$175,800	10%	\$180,382	13%	\$179,148	12%	\$178,905	12%	\$20,648
Red Bluff	\$204,323	\$172,214	\$189,435	10%	\$198,046	15%	\$204,610	19%	\$204,367	19%	\$24,598
Rio Vista	\$68,940	\$64,662	\$71,128	10%	\$70,462	9%	\$69,227	7%	\$68,984	7%	\$10,334
Rocklin	\$430,160	\$414,529	\$440,370	6%	\$431,681	4%	\$430,447	4%	\$430,204	4%	\$36,312
Willows	\$48,562	\$55,978	\$58,772	5%	\$50,084	-11%	\$48,849	-13%	\$48,606	-13%	\$5,846
Yuba City	\$463,130	\$423,963	\$466,359	10%	\$464,651	10%	\$463,417	9%	\$463,174	9%	\$43,894
Total:	\$4,052,451	\$3,738,214	\$4,052,451	8%	\$4,052,451	8%	\$4,052,451	8%	\$4,052,451	8%	\$440,000

**NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND
WORKERS' COMPENSATION PROGRAM
July 1, 2013 to June 30, 2014**

RECOMMENDED

CAPPED PERCENTAGE	SHARED AMOUNT	CAPPED PERCENTAGE	SHARED AMOUNT	CAPPED PERCENTAGE	SHARED AMOUNT	CAPPED PERCENTAGE	SHARED AMOUNT
20%	\$292,695	30%	\$163,781	40%	\$77,885	50%	\$17,777

MEMBER ENTITY	TOTAL DEPOSIT	LAST YEAR'S DEPOSIT
Anderson	\$179,738	\$190,396
Auburn	\$270,272	\$191,450
Colusa	\$104,578	\$85,175
Corning	\$139,822	\$132,340
Dixon	\$390,853	\$440,911
Folsom	\$1,715,269	\$1,675,878
Galt	\$385,395	\$385,056
Gridley	\$128,578	\$133,212
Ione	\$66,860	\$68,453
Jackson	\$136,437	\$126,501
Lincoln	\$428,945	\$335,218
Marysville	\$212,523	\$221,149
Nevada City	\$106,957	\$138,907
Oroville	\$319,395	\$327,311
Town of Paradise	\$297,739	\$384,718
Placerville	\$327,379	\$317,506
Red Bluff	\$373,027	\$311,896
Rio Vista	\$96,172	\$97,036
Rocklin	\$629,192	\$705,544
Willows	\$141,985	\$102,773
Yuba City	\$854,381	\$557,736
Total	\$7,305,499	\$6,929,166

CAPPED DEPOSIT	CHANGE FROM LAST YEAR
\$198,311	4%
\$229,740	20%
\$102,210	20%
\$158,395	20%
\$409,425	-7%
\$1,733,842	3%
\$403,968	5%
\$147,151	10%
\$82,144	20%
\$151,801	20%
\$402,262	20%
\$231,096	4%
\$125,529	-10%
\$337,968	3%
\$316,312	-18%
\$345,951	9%
\$374,275	20%
\$114,745	18%
\$647,765	-8%
\$123,328	20%
\$669,283	20%
\$7,305,499	5%

CAPPED DEPOSIT	CHANGE FROM LAST YEAR
\$188,869	-1%
\$248,885	30%
\$110,728	30%
\$148,954	13%
\$399,984	-9%
\$1,724,401	3%
\$394,527	2%
\$137,710	3%
\$75,991	11%
\$145,568	15%
\$435,783	30%
\$221,654	0%
\$116,088	-16%
\$328,527	0%
\$306,871	-20%
\$336,510	6%
\$382,159	23%
\$105,304	9%
\$638,324	-10%
\$133,605	30%
\$725,057	30%
\$7,305,499	5%

CAPPED DEPOSIT	CHANGE FROM LAST YEAR
\$183,843	-3%
\$268,030	40%
\$108,684	28%
\$143,928	9%
\$394,958	-10%
\$1,719,375	3%
\$389,501	1%
\$132,684	0%
\$70,965	4%
\$140,542	11%
\$433,051	29%
\$216,628	-2%
\$111,062	-20%
\$323,500	-1%
\$301,845	-22%
\$331,484	4%
\$377,133	21%
\$100,278	3%
\$633,297	-10%
\$143,882	40%
\$780,830	40%
\$7,305,499	5%

CAPPED DEPOSIT	CHANGE FROM LAST YEAR
\$180,627	-5%
\$271,161	42%
\$105,467	24%
\$140,711	6%
\$391,741	-11%
\$1,716,158	2%
\$386,284	0%
\$129,467	-3%
\$67,749	-1%
\$137,326	9%
\$429,834	28%
\$213,412	-3%
\$107,846	-22%
\$320,284	-2%
\$298,628	-22%
\$328,268	3%
\$373,916	20%
\$97,061	0%
\$630,081	-11%
\$142,874	39%
\$836,604	50%
\$7,305,499	5%



NCCSIF PRELIMINARY 2013/14 BUDGET

INFORMATION ITEM

ISSUE: On an annual basis, NCCSIF Board reviews and discusses 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 increases from last year. The Administrative Costs are discussed in more detail below. Staff reviewed the budget to actual revenues provided by our accountant in creating the FY2013/14 budget.

ADMINISTRATIVE EXPENSES

1. 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.
2. The Financial Audit reflects an increase of \$800 in accordance with the current contract with Crowe Horwath to a total of \$26,100.
3. Legal Services have increased from \$10,000 to \$12,000 to reflect current year expense.
4. 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.
5. Fidelity Bonds are expected to remain the same at \$3,000. This is the bond for the JPA Treasurer.
6. Miscellaneous Consultants expenses remain the same at \$5,000.
7. Risk Control Services has been increased from \$115,000 to \$155,260 to reflect the costs proposed by Bickmore regarding their revised contracted services.
8. Lexipol Law Enforcement Policy Manual currently remains the same at \$100,000.
9. A Property Appraisal Budget entry in the amount of \$70,000 was included to reflect the Property Appraisals being done by AssetWorks for the 13/14 year.
10. Safety Services from OccuMed remains the same at \$23,000.



11. Online Risk Management Services for TargetSolutions remain the same at \$20,000.
12. ACI Wellness remains the same at \$12,100.
13. State Funding/Fraud Assessment has been increased from \$120,000 to \$135,000 to reflect actual billing increase we received in 2012.
14. 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 FY2013/14 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		



BICKMORE RISK CONTROL CONTRACT

ACTION ITEM

ISSUE: The Board of Directors should review and approve the new Risk Control Contract as presented which has been revised to reflect specific services being provided to NCCSIF.

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 has been reviewed and approved by the Executive Committee for approval by the Board of Directors.

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: 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, 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 received a reply from Bickmore and Jeff Johnston Director of Risk Control at Bickmore and Henri Castro attended the Executive Committee meeting and provided the committee with answers to their questions.

ATTACHED: 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: _____



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

ACTION ITEM

ISSUE: The Board of Directors is asked to review and approve 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 monthly fee (\$432.50)** 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, FY2014/15 and FY2015/16. All other terms and fees will remain the same.

BACKGROUND: The monthly fees listed in the contract are:

- \$43,250 for FY2010/11,
- \$44,500 for FY2011/12, and
- \$45,750 for FY2012/13.

In FY2011/12 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 FY2012/13 York's contract allowed for a rate of \$45,750 per month but agreed to the same fees as the FY2010/11 fiscal year of \$43,250 per month.

ATTACHMENT(S): 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



YORK CLAIMS ADMINISTRATION SERVICES CONTRACT LIABILITY PROGRAM

ACTION ITEM

ISSUE: The Board of Directors is asked to review and approve 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 FY2013-14. For FY2014-15 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): Liability Renewal Extension letter from York Risk Insurance Services.



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

March 25, 2013

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

Re: Revised Proposal for NCCSIF Liability Claims Services FY 2013-16

Dear Susan:

I am writing to revise York's offer to extend our agreement to provide Liability Claims Services to NCCSIF members, based on feedback at the Executive Committee meeting on March 14, 2013, and an error in the hourly rate I quoted in my letter of February 25, 2013. I incorrectly quoted our current rate at \$86.36, rather than \$83.28.

We are offering to extend our service agreement through June 30, 2016. We will agree to keep our hourly rate for services at \$83.28 for the 2013-14 Fiscal Year. For 2014-15 we are offering an increase of 1.9%, to \$84.86 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 no increase the first year and an increase from \$330 to \$350 per claim for recoveries of \$500 or more for the second and third years. The fee for recoveries of \$500 or less will remain at 20% of the recovery for all three years. No fee is due unless there is a recovery, payable when the file closes.

In addition, we propose an additional \$150 fee for any claim where we obtain a promissory note and collect from the claimant over time. The \$150 fee for these claims would be payable when the file closes, with the applicable flat fee (\$330 or \$350) payable at the time the note is signed.

Given approval of the proposal with a higher hourly rate at the last Executive Committee meeting, I have requested a draft agreement with the corrected rate to be presented to the members at the next Board meeting.

Ms. Susan Adams
March 25, 2013
Page 2

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 need any more information.

Sincerely,

A handwritten signature in blue ink, appearing to read 'MB', with a large, sweeping flourish at the end.

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



California Association of Joint Powers Authorities

California Association of Joint Powers Authorities

2013 Fall Conference & Training Seminar



2013 Fall Conference & Training Seminar

Tuesday, September 10, 2013 8:00 am - 5:00 pm

Passport to Innovation

Room reservations at the Embassy Suites South Lake Tahoe are available.

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Exhibitors & Sponsorship Registration Form

2012 Fall Conference Presentations

Platinum Sponsors





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2013 Annual Conference

[Conference Home](#)

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"Great conference overall. I enjoyed it and learned a great deal. It's great to get out of the office and spend some quality time with my peers." *Jeffrey Price* **PERMA**

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CONTACT

P 916 231 2139

F 916 231 2141

E info@cajpa.org

California Association of Joint Powers Authorities 1215 K Street, Suite 940 Sacramento, CA 95814

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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>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 style="text-align: center;"><u>Resources</u></p> <p>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 style="text-align: center;"><u>Resources</u></p> <p>Kelli Vitale Carson Assistant Vice President Workers' Compensation (916) 960-0998 kelli.vitalecarson@yorkrsg.com</p>