



**President**  
Mr. Russell Hildebrand  
City of Rocklin

**Treasurer**  
Mr. Tim Sailsbery  
City of Willows

**NCCSIF**  
**BOARD OF DIRECTORS MEETING**  
**AGENDA**

**Vice President**  
Mr. Bruce Cline  
City of Folsom

**Secretary**  
Ms. Michelle Pellegrino  
City of Dixon

**Date:** Thursday, June 18, 2015  
**Time:** 10:30 a.m.

**Location:** Rocklin Event Center - Garden Room  
2650 Sunset Blvd.  
Rocklin, CA 95677  
(916) 625-5227

**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.*

Page #    **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. 6    **D. CONSENT CALENDAR**

**A    1**

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

pg. 7    1. Board of Directors Meeting Minutes – April 16, 2015

2. Investment Reports

pg. 16    a. Chandler Asset Management Short/Long Term – March 2015 to May 2015

pg. 40    b. Treasurer’s Report as of March 31, 2015

pg. 41    c. Local Agency Investment Fund (LAIF) Report as of March 31, 2015



pg. 42	<b>E. COMMITTEE MINUTES</b>		<b>I</b>	
pg. 43	1. Risk Management Committee Meeting Minutes – April 16, 2015 (Draft)			<b>1</b>
pg. 49	2. Police Risk Management Committee Meeting Minutes – May 7, 2015 (Draft)			<b>1</b>
pg. 53	3. Executive Committee Meeting Minutes – May 21, 2015 (Draft)			<b>1</b>
pg. 60	4. Claims Committee Meeting Minutes – May 21, 2015 (Draft)			<b>1</b>
pg. 63	<b>F. EXECUTIVE COMMITTEE MEETING OF MAY 21, 2015 SUMMARY</b>		<b>I</b>	<b>1</b>
	<b>G. ADMINISTRATION REPORTS</b>			
	1. <b>President’s Report</b>		<b>I</b>	<b>4</b>
	<i>Russell Hildebrand will address the Board on items pertaining to NCCSIF.</i>			
	2. <b>Program Administrator’s Report</b>		<b>I</b>	<b>4</b>
	<i>Alliant will address the Board on items pertaining to NCCSIF.</i>			
	<b>H. FINANCIAL REPORTS</b>			
pg. 64	1. <b>Quarterly Financial Report for Period Ending March 31, 2015</b>		<b>A</b>	<b>1</b>
	<i>James Marta Company will present the quarterly financial report ending March 31, 2015 for the Board to Receive and File.</i>			
pg. 93	2. <b>Budget-to-Actual as of March 31, 2015</b>		<b>I</b>	<b>1</b>
	<i>The Board will receive an update on the Budget to Actual as of March 31, 2015.</i>			
	<b>I. JPA BUSINESS</b>			
pg. 94	1. <b>Agenda Posting Policy</b>		<b>A</b>	<b>1</b>
	<i>The Board will be asked to review and approve an Agenda Posting Policy to comply with CAJPA Accreditations Standards.</i>			
pg. 96	2. <b>2015/16 NCCSIF Liability Memorandum of Coverage</b>		<b>A</b>	<b>1</b>
	<i>The Board will be asked to review and approve the 2015/16 NCCSIF Liability Memorandum of Coverage.</i>			
pg. 107	3. <b>2015/16 NCCSIF Workers’ Compensation Memorandum of Coverage</b>		<b>A</b>	<b>1</b>
	<i>The Board will be asked to review and approve the 2015/16 NCCSIF Workers’ Compensation Memorandum of Coverage.</i>			



**4. 2015/16 Property Program Renewal**

pg. 121	<b>a. NCCSIF Property Renewal Proposal</b> <i>The Board will be asked to review and approve the renewal of the 2015/16 Property coverage with Alliant Property Insurance Program.</i>	<b>A</b>	<b>1</b>
pg. 170	<b>b. APIP Claims Reporting Acknowledgements</b> <i>The Board will be provided with an outline and be asked to acknowledge the reporting procedure guidelines that should be followed immediately after a Property, Pollution or Cyber Liability loss or incident.</i>	<b>I</b>	<b>1</b>
pg. 183	<b>c. Cyber Liability Optional Coverage Enhancement</b> <i>The Board will review and may approve a Coverage Enhancement for Cyber Liability.</i>	<b>I</b>	<b>1</b>
pg. 189	<b>5. 2015/16 Crime Renewal</b> <i>The Board will review and may approve the 2015/16 NCCSIF Crime Program Renewal.</i>	<b>A</b>	<b>1</b>
pg. 194	<b>6. 2015/16 Identity Fraud Reimbursement Coverage Renewal</b> <i>The Board will review, discuss and determine whether or not to renew Identity Fraud Coverage for NCCSIF member employees.</i>	<b>A</b>	<b>1</b>
pg. 197	<b>7. ACI Contract Renewal</b> <i>The Board will review and may approve a renewal of the ACI contract for Employee Assistance Program and Wellness Services.</i>	<b>A</b>	<b>1</b>
pg. 220	<b>8. Risk Management Services and Budget</b>		
pg. 221	<b>a. Sewer Risk Management Proposal</b> <i>The Board will review and may provide direction regarding member Sewer Risk Management Services.</i>	<b>A</b>	<b>1</b>
pg. 233	<b>b. Employment Practices Liability (EPL) Hotline</b> <i>The Board will review and may approve a proposal for EPL Services.</i>	<b>A</b>	<b>1</b>
pg. 241	<b>c. Police Risk Management Committee Update and Budget</b> <i>The Board will review and may approve a funding for Police Risk Management Services.</i>	<b>A</b>	<b>1</b>
pg. 242	<b>d. Risk Management Grant Policy Revision</b> <i>The Board will review and may approve a revision to the Risk Management Grant Policy.</i>	<b>A</b>	<b>1</b>



pg. 252	e. <b>Risk Management Services Budget</b> <i>The Board will review and may approve the Risk Management Services Budget.</i>	A	2
pg. 253	9. <b>2015/16 NCCSIF Budget</b> <i>The Board will be asked to review and approve the 2015/16 NCCSIF Budget.</i>	A	2
	10. <b>2015/16 Deposit Calculations</b>		
pg. 255	a. <b>Liability</b> <i>The Board will be asked to review and approve the 2015/16 Deposit Calculations for Liability.</i>	A	2
pg. 256	b. <b>Workers' Compensation</b> <i>The Board will be asked to review and approve the 2015/16 Deposit Calculations for Workers' Compensation.</i>	A	2
pg. 257	c. <b>Marysville Request for Quarterly Payments</b> <i>The Board will be asked to review and approve or provide direction whether to grant an installment payment plan for City of Marysville.</i>	A	1
pg. 259	11. <b>Round Table Discussion</b> <i>The floor will be open to Board members for any topics or ideas that members would like to address.</i>	I	4
pg. 260	<b>J. INFORMATION ITEMS</b>	I	1
pg. 261	1. NCCSIF Organizational Chart		
pg. 262	2. NCCSIF 2015 Meeting Calendar		
pg. 263	3. NCCSIF Travel Reimbursement Form		
pg. 264	4. NCCSIF Resource Contact Guide		
	5. CAJPA Conference: September 16-18, 2015 in South Lake Tahoe, CA		

**K. ADJOURNMENT**

**UPCOMING MEETINGS**

- Police Risk Management Committee Meeting – August 6, 2015
- Executive Committee Meeting – September 24, 2015
- Claims Committee Meeting – September 24, 2015
- Risk Management Committee Meeting – October 15, 2015
- Board of Directors Meeting – October 15, 2015



*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 Raychelle Maranan at Alliant Insurance at (916) 643-2712.*

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

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



## CONSENT CALENDAR

### ACTION ITEM

**ISSUE:** The Board of Directors (Board) reviews items on the Consent Calendar and, if any item requires clarification or discussion, a Member should be asked that it be removed for separate action. The Board should then consider action to approve the Consent Calendar excluding those items removed. Any items removed from the Consent Calendar will be placed later on the agenda during the meeting in an order determined by the President.

**RECOMMENDATION:** Adoption of the Consent Calendar after review by the Board.

**FISCAL IMPACT:** None.

**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 removed for discussion and separate action may be taken during the meeting.

### ATTACHMENT(S):

1. Board of Directors Meeting Minutes – April 16, 2015
2. Investment Reports
  - a. Chandler Asset Management Short/Long Term – March 2015 to May 2015
  - b. Treasurer's Report as of March 31, 2015
  - c. Local Agency Investment Fund (LAIF) Report as of March 31, 2015

**MINUTES OF THE  
NCCSIF BOARD OF DIRECTORS MEETING  
LINCOLN CITY HALL, LINCOLN, CA  
APRIL 16, 2014**

**MEMBERS PRESENT**

Juanita Barnett, City of Anderson  
Dylan Feik, City of Auburn  
Michelle Pellegrino, City of Dixon  
Bruce Cline, City of Folsom  
Paula Islas, City of Galt  
Dave Andres, City of Ione  
Michael Daly, City of Jackson  
John Lee, City of Lincoln  
Corey Shaver, City of Nevada City

Liz Ehrenstrom, City of Oroville  
Sandy Ryan, City of Red Bluff  
Russell Hildebrand, City of Rocklin  
Gina Will, Town of Paradise  
Dave Warren, City of Placerville  
Tim Sailsbery, City of Willows  
Natalie Walter, City of Yuba City  
Spencer Morrison, City of Yuba City

**MEMBERS ABSENT**

Jeff Kiser, City of Anderson  
John Brewer, City of Corning  
Toni Benson, City of Colusa

Brad Koehn, City of Elk Grove  
Satwant Takhar, City of Marysville  
Tim Chapa, City of Rio Vista

**GUESTS & CONSULTANTS**

Michael Simmons, Alliant Insurance Services  
Marcus Beverly, Alliant Insurance Services  
Michelle Minnick, Alliant Insurance Services  
Henri Castro, Bickmore  
Tom Kline, Bickmore

Jennifer Nogosek, York Risk Services  
Ben Burg, York Risk Services  
Dori Zumwalt, York Risk Services  
James Marta, James Marta & Company

**A. CALL TO ORDER**

The meeting was called to order at 11:28 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:** Liz Ehrenstrom

**SECOND:** Natalie Walter

**MOTION CARRIED  
UNANIMOUSLY**

## **D. CONSENT CALENDAR**

1. Board Meeting Minutes – January 8, 2015
2. Investment Reports
  - a. Chandler Asset Management Short/Long Term – February 2015
  - b. LAIF Report as of December 31, 2014
  - c. Treasurer’s Report as of December 31, 2014
3. Check Register at December 31, 2014

*A motion was made to approve the Consent Calendar.*

**MOTION:** Liz Ehrenstrom

**SECOND:** Natalie Walter

**MOTION CARRIED  
UNANIMOUSLY**

## **E. MINUTES AND REPORTS**

1. Police Risk Management Committee Meeting Minutes – February 5, 2015 (Draft)

There was no discussion.

## **F. ADMINISTRATION REPORTS**

### **F1. President’s Report**

Russell Hildebrand had no items to report but mentioned that the NCCSIF website needs to be updated with the most current information. Michelle Minnick from Alliant Insurance Services mentioned that she has been working with IT to get updates to the website finalized. Michelle confirmed with IT and noted the recent changes to the website have been posted and includes the following updates:

- Program Tab
  - Agendas—website now includes the most current agendas
  - Calendar—website now includes the current FY meeting calendar
- Members Tab
  - The Program Manual has been updated and posted for the FY 2014/15
  - Minutes—website now includes the most current minutes (and for the last 6 years) posted
  - Actuarial Studies—website now includes the most current Actuarial Studies
  - Financials—website now includes the most current Financial Reports

Michelle Minnick noted that she is still working with IT to get more content posted to the website and asked the Executive Committee to submit suggestions about other content they would like to see on the website. Paula Islas noted that she was able to obtain a copy of the current agenda from the NCCSIF website with no troubles.

**F2. Program Administrator’s Report**

Marcus Beverly noted that Alliant is still seeking a replacement for Johnny Yang’s position and interviews are being conducted next week.

**F3. Executive Committee Reportable Actions**

There was no discussion.

**G. FINANCIAL REPORTS**

**G1. Quarterly Financial Report for Period Ending December 31, 2014**

Jim Marta presented the Board of Directors with the Quarterly Financial Report for Period Ending December 31, 2014. Jim indicated that the Liability Shared Risk Layer is still in a deficit and this should be addressed soon by the Board of Directors but also noted that the Liability Banking Layer is still in a favorable position.

*A motion was made to accept and file the Quarterly Financial Report for the period ending December 31, 2014.*

*\*NOTE: The Executive Committee voted on Items G1. Quarterly Financial Report for Period Ending December 31, 2014 and Item G2. Budget to Actual as of December 31, 2014 Update in the same motion.*

**MOTION:** Tim Sailsbery                      **SECOND:** Liz Ehrenstrom                      **MOTION CARRIED UNANIMOUSLY**

**G2. Budget to Actual as of December 31, 2014 Update**

*A motion was made to accept and file the Quarterly Financial Report for the period ending December 31, 2014.*

*\*NOTE: The Executive Committee voted on Items G1. Quarterly Financial Report for Period Ending December 31, 2014 and Item G2. Budget to Actual as of December 31, 2014 Update in the same motion.*

**MOTION:** Tim Sailsbery                      **SECOND:** Liz Ehrenstrom                      **MOTION CARRIED UNANIMOUSLY**

**H. JPA BUSINESS**

**H1. Actuarial Review of the Self Insured Programs**

**H1a. Actuarial Review of the Self Insured Programs - Workers’ Compensation Program**

Marcus Beverly provided the Board of Directors with a review of the FY 2014/15 Actuarial Studies for the Workers’ Compensation program. He explained the rates remained flat but due to the fact that last year’s actuarial studies’ losses included 4850, there was truly an increase from

the prior year. Marcus Beverly also noted that the Banking Layer rates have gone down and also mentioned that the Shared Layer is still healthy but it should be an item of focus to ensure the trend stays the same. Marcus Beverly stated there is more predictability in the Banking Layer in that it is relatively flat and consistent as compared to the Shared Layer. In the Shared Layer there is more variation and the trend is not looking good as the rate is increasing.

*A motion was made to accept the Actuarial Review of the Self Insured Programs- Workers' Compensation Program and request a final report.*

**MOTION:** Bruce Cline

**SECOND:** Liz Ehrenstrom

**MOTION CARRIED  
UNANIMOUSLY**

## **H2. Actuarial Review of the Self Insured Programs - Liability Program**

Marcus Beverly provided the Board of Directors with a review of the FY 2014/15 Actuarial Studies for the Liability program. He advised that both the Shared Layer and the Banking Layer funded at the 80% confidence level and that there is a deficit in the Shared Layer and surplus in Banking Layer.

*A motion was made to accept the Actuarial Review of the Self Insured Programs- Liability Program and request a final report.*

**MOTION:** Bruce Cline

**SECOND:** Tim Sailsbery

**MOTION CARRIED  
UNANIMOUSLY**

### **H2a. Distribution of CJPRMA refund**

Marcus Beverly advised that NCCSIF will be receiving a refund of \$251,186. He explained the CJPRMA refunds in the future will continue to decrease going forward. Staff recommends that due to the Liability Shared Risk Layer deficit, this year's entire CJPRMA refund should be distributed (\$251,186) toward the \$600,000 assessment to the Liability Shared Risk Layer. Russell Hildebrand indicated that the Executive Committee recommends applying the CJPRMA refund amount (\$251,186) toward the \$600,000 assessment.

*A motion was made to apply the entire CJPRMA refund amount of \$251,186 toward the \$600,000 assessment.*

**MOTION:** Liz Ehrenstrom

**SECOND:** Natalie Walter

**MOTION CARRIED  
UNANIMOUSLY**

### **H2b. Annual Banking Plan Adjustments**

Jim Marta presented the Annual Banking Plan Adjustments and recommended that refunds for members in a positive position should be limited to 35% to help relieve the stress on the pool in the Banking Layer and mentioned that if you have funds available the member is not required to

take any of the refund. Jim Marta also recommended that the policy regarding assessments be revised and calculated at one-third of the deficit rather than the current 20%. He also noted that the policy indicates that if the amount is less than \$10,000 then that member city will be assessed the entire balance.

Russell Hildebrand mentioned there are currently \$280,790 in refunds available and \$181,502 in assessments and also noted that the Executive Committee recommends approval of the adjustments.

***\*NOTE: At this point the Board of Directors requested a review of Item H2c. Annual Shared Risk Plan Fund Adjustment prior to making a motion on Item H2b. Annual Banking Plan Adjustments***

***After a review of Item H2c. Annual Shared Risk Plan Fund Adjustment and Item H2d. Preliminary FY 15/16 Deposit Premium Calculations a motion was made to accept and implement adjustments as recommended.***

**MOTION:** Bruce Cline

**SECOND:** Tim Sailsbery

**MOTION CARRIED  
UNANIMOUSLY**

## **H2c. Annual Shared Risk Plan Fund Adjustments**

Marcus Beverly indicated that the Shared Risk Layer is in a deficit and staff is not recommending a refund at this time. Marcus Beverly also recommended that we continue with the \$600,000 assessment based upon historical deposits over the last fourteen years.

Marcus Beverly also mentioned that the Net Assessment for NCCSIF is \$348,814. Russell Hildebrand noted that the Executive Committee recommends approval.

***\*NOTE: At this point the Board of Directors requested a review of Item H2d. Preliminary FY 15/16 Deposit Premium Calculations prior to making a motion on Item H2c. Annual Shared Risk Plan Fund Adjustments***

***After a review of Item H2b. Annual Banking Plan Adjustments and Item H2d. Preliminary FY 15/16 Deposit Premium Calculations a motion was made to continue with the \$600,000 assessment which would be offset by the CJPRMA refund.***

**MOTION:** Dave Andres

**SECOND:** Bruce Cline

**MOTION CARRIED  
UNANIMOUSLY**

## **H2d. Preliminary FY 15/16 Deposit Premium Calculations**

Marcus Beverly presented the Board of Directors with two funding options- the 65% Confidence Level (CL) as compared to 67.5% Confidence Level (CL) which was requested by the Executive Committee at the last meeting.

- Total funding at a 65% Confidence Level (CL) for FY 15/16 is estimated at \$4,490,547, compared to \$4,277,805 for FY 14/15, an increase of 5%.
- Total funding at a 67.5% Confidence Level (CL) for FY 15/16 is estimated at \$4,598,242, an increase of 7.5%.

Marcus Beverly mentioned that the total would be offset by \$110,517 from administration budget savings and reminded the Board of Director that member increases are capped at 25%. Marcus Beverly also noted that the Risk Management Committee is considering recommending a proposal for Sewer Loss Prevention of up to \$75,000, and if the Board of Directors later chooses to approve funding then the preliminary budget numbers would change.

*After a review of Item H2b. Annual Banking Plan Adjustments, Item H2c. Annual Shared Risk Plan Fund Adjustment and Item H2d. Preliminary FY 15/16 Deposit Premium Calculations a motion was made to approve the 67.5% Confidence Level (CL).*

**MOTION:** Tim Sailsbery

**SECOND:** Bruce Cline

**MOTION CARRIED  
UNANIMOUSLY**

### **H3. Workers' Compensation Program**

#### **H3a. Annual Banking Plan Adjustments**

Jim Marta presented the Board of Directors with the Annual Banking Plan Adjustments and indicated that members are currently only assessed 20% of their deficit. Russell Hildebrand indicated that the Executive Committee recommends the adjustments as presented, with a total of \$765,299 in refunds and \$399,562 in assessments.

*A motion was made to approve adjustments as presented.*

**MOTION:** Gina Will

**SECOND:** Mike Daly

**MOTION CARRIED  
UNANIMOUSLY**

#### **H3b. Annual Shared Risk Plan Adjustments**

Marcus Beverly advised there is a refund available of \$1,132,829 and is recommending refunding only half of that amount (\$566,515) to members in a conservative effort. He also recommended continuing the Risk Management Grant Program by using \$250,000 of the refund amount (\$566,515) to fund the Risk Management Grant Program. Jim Marta noted that members' utilization is increasing and indicated the Risk Management Grant Program is a great idea. Tim Sailsbery mentioned that from the individual city standpoint to set aside the money in this approach makes it easier to gain support from City Council and Department heads which is an effective way to fund and complete projects that are intended to reduce claim exposure. Marcus Beverly also confirmed that participation in the Risk Management Grant Program is

voluntary and that members can choose to set aside a portion of their refund amount to fund their Risk Management Grant or they may elect to take their entire available refund amount.

*A motion to approved the Shared Risk Plan Adjustment and of the \$566,515 available \$250,000 will be reserved for safety grant funds to be distributed proportionally amongst members.*

**MOTION:** Bruce Cline

**SECOND:** Liz Ehrenstrom

**MOTION CARRIED  
UNANIMOUSLY**

### **H3c. Preliminary 2015/16 Deposit Calculations – Workers’ Compensation**

Marcus Beverly presented the Board of Directors with two funding options- the 65% Confidence Level (CL) as compared to 67.5% Confidence Level (CL) which was requested by the Executive Committee at the last meeting.

- Total funding at a 65% Confidence Level (CL) for FY 15/16 is estimated at \$9,552,554, compared to \$9,234,638 for FY 14/15, an increase of 3.4%.
- Total funding at a 67.5% Confidence Level (CL) for FY 15/16 is estimated at \$9,958,106, an increase of 7.8%.

Marcus Beverly mentioned that the total would be offset by \$227,027 from administration budget savings and reminded the Board of Director that member increases are capped at 40%. Jim Marta mentioned that NCCSIF is in a good place but increasing the confidence level will reduce liability. He also mentioned that prior to 2007 we were using a 70% confidence level which caused a drop in capital.

*A motion was made to approve a 67.5% confidence level funding for the Workers’ Compensation Program.*

**MOTION:** Sandy Ryan

**SECOND:** Dave Warren

**MOTION CARRIED  
UNANIMOUSLY**

**\*NOTE:** At this time the Board of Directors requested a review of Item H9. Roundtable Discussion prior to reviewing Item H4. Property Renewal Update.

### **H9. Round Table Discussion**

Bruce Cline presented a report from Henri Castro at Bickmore that was completed for the City of Folsom by using Safety Grant Funds. Henri Castro completed a review of all Workers’ Compensation Claims from 2009 to present and presented a report which spotlighted the timeline of each department’s reporting of a claim, they types of claims the city is experiencing which can help to identify potential areas of improvement. Henri Castro indicated that the loss analysis was taken from data that was provided by York and she was able to further investigate each type of

claim and identify what functions are causing those claims to be reported. She also mentioned that the City of Folsom used their Safety Grant Funds to pay for this service.

Paula Islas from the City of Galt noted the NCCSIF exclusion for firing ranges is different than CJPRMA and would like to have that placed on an agenda for discussion as the city would like to make the two more consistent.

Dave Andres from the City of Ione noted that they received a call from the Department of Justice regarding mediation about ADA compliance at a baseball field. Dave Andres asked the Board of Directors if anyone has gone through the mediation process as they would like to know what to expect. Paula Islas from the City of Galt indicated that their city has gone through the process and mentioned that the city needs to provide what is requested and offered assistance in the event the City of Ione needs advisement.

#### **H4. Property Renewal Update**

Marcus Beverly advised that Alliant has noted we have not received all property schedule updates from the members and requested that all members take a critical eye to all properties listed on the schedule. He also recommended member cities budget for a potential increase of 5% to be conservative.

#### **H5. NCCSIF JPA Crime Policy Renewal**

Marcus Beverly advised that Alliant advised that Alliant has not received all of the Crime Renewal Applications and asked that members complete the application and forward to staff as early as possible. He also mentioned that he does not expect much of an increase in rates over the prior year. However, Marcus Beverly did note that we will offer a quote for \$25 million of coverage as an option this year as \$1 million of coverage could be insufficient and mentioned several cases which have settled for well above \$1 million.

#### **H6. Preliminary 2015/16 NCCSIF Budget**

Marcus Beverly presented the Preliminary 2015/16 NCCSIF Budget and noted that it has not been finalized. He also indicated that there are some open issues and the Board's direction given at this meeting will help to finalize the Preliminary 2015/16 NCCSIF Budget.

Marcus Beverly also noted that the Board of Directors had previously asked Alliant to look into Employment Practices Liability services (specifically the Board was seeking information about the ability to get legal advice from a hotline). At this time we have no dollar amounts but Marcus Beverly indicated that the information will be presented to the Executive Committee and Board of Directors and could have some impact on liability administration funding.

#### **H7. Approved Defense Counsel**

Marcus Beverly presented the updated approved defense counsel list to the Board of Directors and noted that the Claims Committee has approved all names listed with the exception of a late

additions: Arthoffer & Tonkin Law Firm (requested by Cameron Dewey of York), and Cota Cole (requested by Liz Ehrenstrom).

Marcus Beverly noted that there has been some confusion as to who is authorized to complete work on a case (either the attorney assigned or the firm assigned). Marcus Beverly indicated that a review and possible revision to the policy language is needed as the policy is not clear but the practice has been that we are retaining the attorney (not the firm).

*A motion was made to approve the Approved Defense Counsel list.*

**MOTION:** Bruce Cline

**SECOND:** Dave Warren

**MOTION CARRIED  
UNANIMOUSLY**

### **H8. Claims Committee Members**

Marcus Beverly indicated that NCCSIF has a Claims Committee but noted that there has not been an official motion to approve members who will participate. The Board of Directors was asked to confirm the names of members who will agree to be part of the Claims Committee.

*A motion was made to appoint the following members to be part of the Claims Committee: Bruce Cline, Russell Hildebrand, Michelle Pellegrino, Paula Islas and Michael Daly.*

**MOTION:** Tim Sailsbery

**SECOND:** Liz Ehrenstrom

**MOTION CARRIED  
UNANIMOUSLY**

### **I. INFORMATION ITEMS**

1. NCCSIF Organizational Chart
2. NCCSIF Travel Reimbursement Form
3. NCCSIF Resource Contact Guide

**J. Adjournment** - This meeting was adjourned at 1:25 p.m.

**NEXT MEETING DATE:** June 18, 2015 in Rocklin, CA

Respectfully Submitted,

Michelle Pellegrino, Secretary

\_\_\_\_\_  
Date

# Monthly Account Statement

## Northern CA Cities Self Ins. Fund Short Term

March 1, 2015 through March 31, 2015

### Chandler Team

For questions about your account,  
please call (800) 317-4747 or  
Email [operations@chandlerasset.com](mailto: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	2.54
Average Coupon	1.20 %
Average Purchase YTM	1.24 %
Average Market YTM	0.93 %
Average S&P/Moody Rating	AA+/Aa1
Average Final Maturity	2.74 yrs
Average Life	2.60 yrs

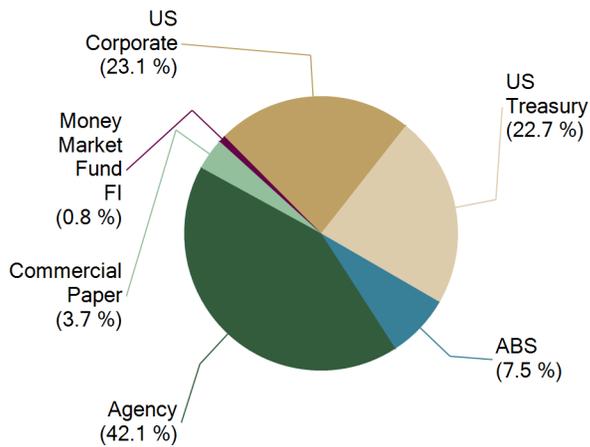
ACCOUNT SUMMARY

	Beg. Values as of 2/28/15	End Values as of 3/31/15
<b>Market Value</b>	20,622,399	20,711,136
<b>Accrued Interest</b>	63,349	54,506
<b>Total Market Value</b>	<b>20,685,747</b>	<b>20,765,641</b>
<b>Income Earned</b>	20,967	21,239
<b>Cont/WD</b>		0
<b>Par</b>	20,569,789	20,597,443
<b>Book Value</b>	20,510,953	20,541,035
<b>Cost Value</b>	20,540,923	20,561,329

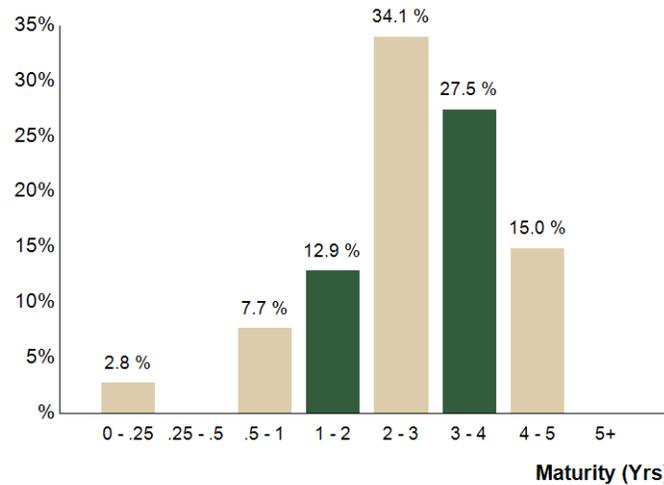
TOP ISSUERS

Issuer	% Portfolio
Government of United States	22.7 %
Federal Home Loan Bank	12.7 %
Federal National Mortgage Assoc	12.5 %
Federal Home Loan Mortgage Corp	11.9 %
Federal Farm Credit Bank	3.2 %
John Deere ABS	2.7 %
Toyota Motor Corp	2.1 %
Toyota ABS	2.0 %
	<b>69.8 %</b>

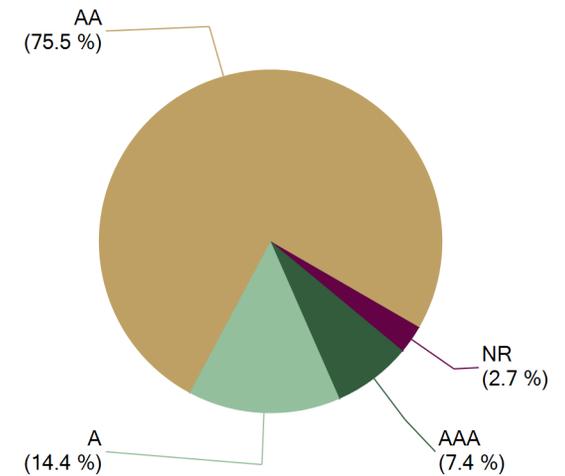
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

Total Rate of Return As of 3/31/2015	Current Month	Latest 3 Months	Year To Date	1 Yr	Annualized				Since 12/31/1997
					3 Yrs	5 Yrs	10 Yrs	12/31/1997	
Northern CA Cities Self Ins. Fund Short Term	0.39 %	0.95 %	0.95 %	2.04 %	1.32 %	2.02 %	3.56 %	4.39 %	109.97 %
BAML 1-5 Yr US Treasury/Agency Index	0.41 %	0.91 %	0.91 %	1.90 %	1.03 %	1.74 %	3.25 %	4.05 %	98.48 %
BAML 1-5 Yr US Issuers Corp/Govt Rated AAA-A Index	0.40 %	0.94 %	0.94 %	1.98 %	1.21 %	1.93 %	3.30 %	4.16 %	102.09 %



## Northern California Cities Self-Insurance Fund - Short Term

March 31, 2015

### COMPLIANCE WITH INVESTMENT POLICY

*The portfolio complies with State law and with the investment policy.*

Category	Standard	Comment
Treasury Issues	No limitation	Complies
US Agencies	No limitation	Complies
Asset-backed/MBS/CMOs	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 rated; 5 year maximum	Complies
Money Market Acct	15% maximum; AAA	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
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 3/31/2015

BOOK VALUE RECONCILIATION	
<b>Beginning Book Value</b>	<b>\$20,510,953.16</b>
<b>Acquisition</b>	
+ Security Purchases	\$756,919.94
+ Money Market Fund Purchases	\$474,880.83
+ Money Market Contributions	\$0.00
+ Security Contributions	\$0.00
+ Security Transfers	\$0.00
<b>Total Acquisitions</b>	<b>\$1,231,800.77</b>
<b>Dispositions</b>	
- Security Sales	\$0.00
- Money Market Fund Sales	\$757,511.64
- MMF Withdrawals	\$0.00
- Security Withdrawals	\$0.00
- Security Transfers	\$0.00
- Other Dispositions	\$0.00
- Maturities	\$395,000.00
- Calls	\$0.00
- Principal Paydowns	\$49,715.10
<b>Total Dispositions</b>	<b>\$1,202,226.74</b>
<b>Amortization/Accretion</b>	
+/- Net Accretion	\$507.66
	\$507.66
<b>Gain/Loss on Dispositions</b>	
+/- Realized Gain/Loss	\$0.00
	\$0.00
<b>Ending Book Value</b>	<b>\$20,541,034.85</b>

CASH TRANSACTION SUMMARY	
<b>BEGINNING BALANCE</b>	<b>\$453,418.25</b>
<b>Acquisition</b>	
Contributions	\$0.00
Security Sale Proceeds	\$0.00
Accrued Interest Received	\$0.00
Interest Received	\$30,165.72
Dividend Received	\$0.01
Principal on Maturities	\$395,000.00
Interest on Maturities	\$0.00
Calls/Redemption (Principal)	\$0.00
Interest from Calls/Redemption	\$0.00
Principal Paydown	\$49,715.10
<b>Total Acquisitions</b>	<b>\$474,880.83</b>
<b>Disposition</b>	
Withdrawals	\$0.00
Security Purchase	\$756,919.94
Accrued Interest Paid	\$591.70
<b>Total Dispositions</b>	<b>\$757,511.64</b>
<b>Ending Book Value</b>	<b>\$170,787.44</b>

# Monthly Account Statement

## Northern Cal. Cities Self Ins. Fund Long Term

March 1, 2015 through March 31, 2015

### Chandler Team

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

### Custodian

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

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



PORTFOLIO CHARACTERISTICS

Average Duration	3.67
Average Coupon	2.16 %
Average Purchase YTM	1.94 %
Average Market YTM	1.26 %
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	4.04 yrs
Average Life	3.90 yrs

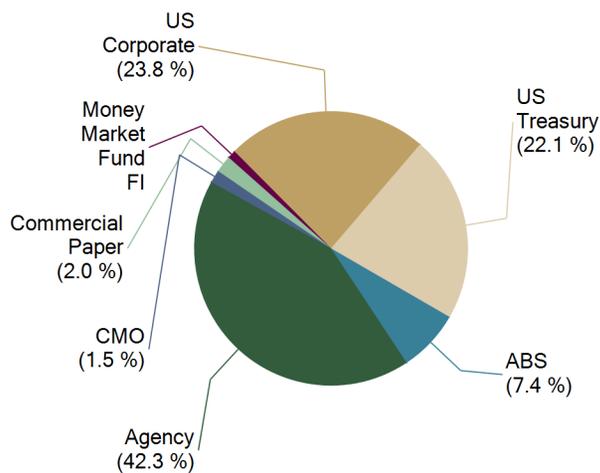
ACCOUNT SUMMARY

	Beg. Values as of 2/28/15	End Values as of 3/31/15
<b>Market Value</b>	21,425,314	21,523,296
<b>Accrued Interest</b>	98,067	113,191
<b>Total Market Value</b>	<b>21,523,382</b>	<b>21,636,487</b>
<b>Income Earned</b>	34,314	34,536
<b>Cont/WD</b>		0
<b>Par</b>	20,946,964	20,970,425
<b>Book Value</b>	20,998,667	21,018,079
<b>Cost Value</b>	21,266,369	21,260,578

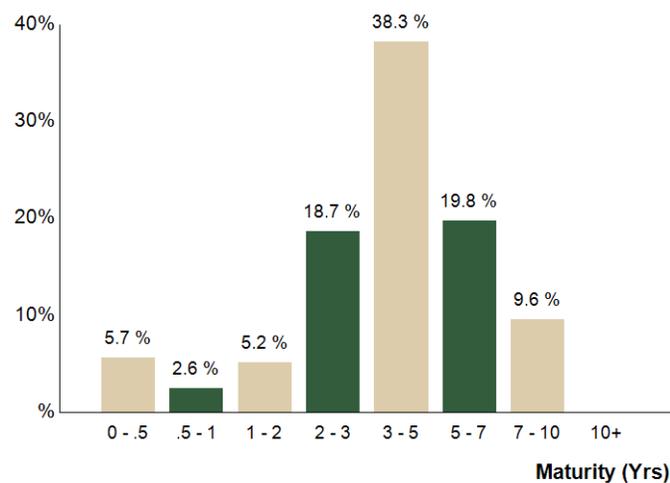
TOP ISSUERS

Issuer	% Portfolio
Government of United States	22.1 %
Federal Home Loan Mortgage Corp	11.8 %
Federal National Mortgage Assoc	10.8 %
Tennessee Valley Authority	9.8 %
Federal Home Loan Bank	7.7 %
Federal Farm Credit Bank	3.8 %
John Deere ABS	2.4 %
Bank of Tokyo-Mit UFJ	2.0 %
<b>Total</b>	<b>70.3 %</b>

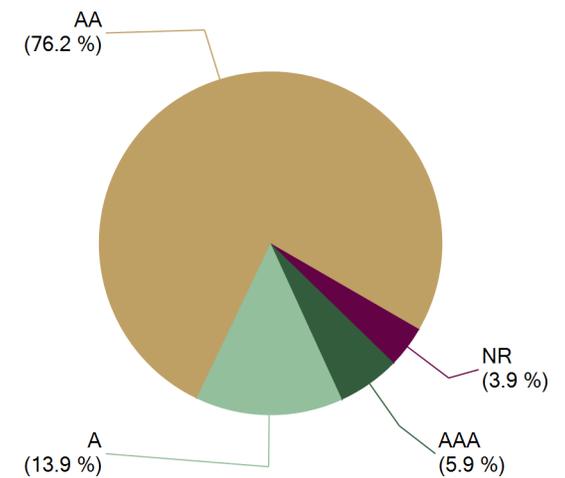
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

Total Rate of Return As of 3/31/2015	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	0.53 %	1.38 %	1.38 %	3.71 %	1.92 %	3.21 %	N/A	4.64 %	49.32 %
BAML 1-10 Yr US Treasury/Agency Index	0.55 %	1.32 %	1.32 %	3.38 %	1.59 %	2.88 %	N/A	4.27 %	44.63 %
BAML 1-10 Yr US Corporate/Govt Rated AAA-A Index	0.52 %	1.41 %	1.41 %	3.60 %	2.07 %	3.27 %	N/A	4.37 %	45.94 %



## Northern California Cities Self-Insurance Fund - Long Term

March 31, 2015

### COMPLIANCE WITH INVESTMENT POLICY

*The portfolio complies with State law and with the investment policy.*

Category	Standard	Comment
Treasury issues	No limitation	Complies
US Agencies	No limitation	Complies
Asset-backed/MBS/CMOs	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 rated; 5 year maximum	Complies
Money Market Acct	15% maximum; AAA	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
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 3/31/2015

BOOK VALUE RECONCILIATION	
<b>Beginning Book Value</b>	<b>\$20,998,666.77</b>
<b>Acquisition</b>	
+ Security Purchases	\$679,761.56
+ Money Market Fund Purchases	\$318,666.80
+ Money Market Contributions	\$0.00
+ Security Contributions	\$0.00
+ Security Transfers	\$0.00
<b>Total Acquisitions</b>	<b>\$998,428.36</b>
<b>Dispositions</b>	
- Security Sales	\$0.00
- Money Market Fund Sales	\$679,840.31
- MMF Withdrawals	\$0.00
- Security Withdrawals	\$0.00
- Security Transfers	\$0.00
- Other Dispositions	\$0.00
- Maturities	\$265,000.00
- Calls	\$0.00
- Principal Paydowns	\$30,365.72
<b>Total Dispositions</b>	<b>\$975,206.03</b>
<b>Amortization/Accretion</b>	
+/- Net Accretion	(\$3,810.05)
	(\$3,810.05)
<b>Gain/Loss on Dispositions</b>	
+/- Realized Gain/Loss	\$0.00
	\$0.00
<b>Ending Book Value</b>	<b>\$21,018,079.05</b>

CASH TRANSACTION SUMMARY	
<b>BEGINNING BALANCE</b>	<b>\$572,326.72</b>
<b>Acquisition</b>	
Contributions	\$0.00
Security Sale Proceeds	\$0.00
Accrued Interest Received	\$0.00
Interest Received	\$23,301.07
Dividend Received	\$0.01
Principal on Maturities	\$265,000.00
Interest on Maturities	\$0.00
Calls/Redemption (Principal)	\$0.00
Interest from Calls/Redemption	\$0.00
Principal Paydown	\$30,365.72
<b>Total Acquisitions</b>	<b>\$318,666.80</b>
<b>Disposition</b>	
Withdrawals	\$0.00
Security Purchase	\$679,761.56
Accrued Interest Paid	\$78.75
<b>Total Dispositions</b>	<b>\$679,840.31</b>
<b>Ending Book Value</b>	<b>\$211,153.21</b>

# Monthly Account Statement

## Northern CA Cities Self Ins. Fund Short Term

April 1, 2015 through April 30, 2015

### Chandler Team

For questions about your account,  
please call (800) 317-4747 or  
Email [operations@chandlerasset.com](mailto: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	2.58
Average Coupon	1.20 %
Average Purchase YTM	1.23 %
Average Market YTM	0.97 %
Average S&P/Moody Rating	AA+/Aa1
Average Final Maturity	2.77 yrs
Average Life	2.64 yrs

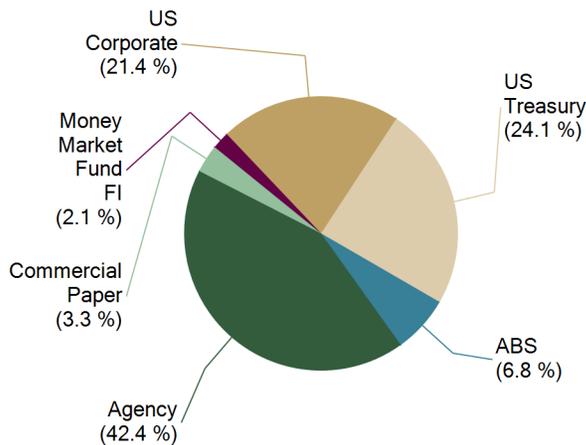
ACCOUNT SUMMARY

	Beg. Values as of 3/31/15	End Values as of 4/30/15
<b>Market Value</b>	20,711,136	23,356,683
<b>Accrued Interest</b>	54,506	57,997
<b>Total Market Value</b>	<b>20,765,641</b>	<b>23,414,679</b>
<b>Income Earned</b>	21,239	22,423
<b>Cont/WD</b>		2,650,000
<b>Par</b>	20,597,443	23,262,972
<b>Book Value</b>	20,541,035	23,209,967
<b>Cost Value</b>	20,561,329	23,229,702

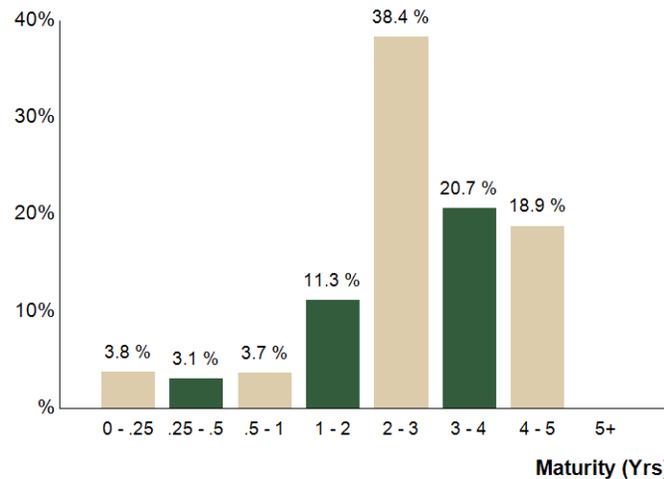
TOP ISSUERS

Issuer	% Portfolio
Government of United States	24.1 %
Federal National Mortgage Assoc	15.0 %
Federal Home Loan Mortgage Corp	11.7 %
Federal Home Loan Bank	11.3 %
Federal Farm Credit Bank	2.8 %
John Deere ABS	2.3 %
Dreyfus Institutional Reserves	2.1 %
Toyota Motor Corp	1.8 %
	<b>71.1 %</b>

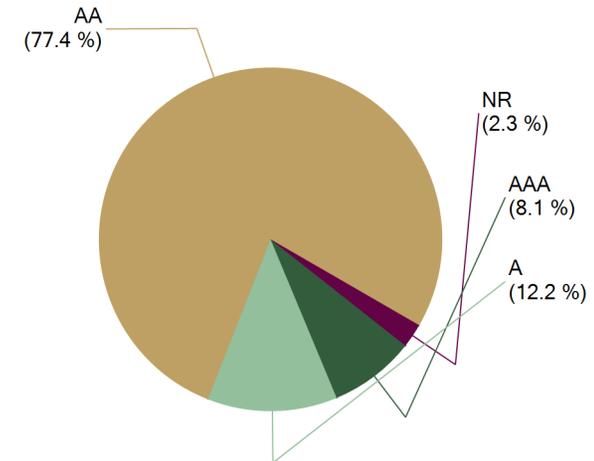
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

Total Rate of Return As of 4/30/2015	Current Month	Latest 3 Months	Year To Date	1 Yr	Annualized				Since 12/31/1997
					3 Yrs	5 Yrs	10 Yrs	12/31/1997	
Northern CA Cities Self Ins. Fund Short Term	0.02 %	0.02 %	0.97 %	1.77 %	1.17 %	1.92 %	3.49 %	4.37 %	110.02 %
BAML 1-5 Yr US Treasury/Agency Index	0.03 %	-0.05 %	0.94 %	1.68 %	0.88 %	1.66 %	3.17 %	4.04 %	98.53 %
BAML 1-5 Yr US Issuers Corp/Govt Rated AAA-A Index	0.04 %	-0.02 %	0.98 %	1.75 %	1.07 %	1.84 %	3.23 %	4.14 %	102.17 %



## Northern California Cities Self-Insurance Fund - Short Term

April 30, 2015

### COMPLIANCE WITH INVESTMENT POLICY

*The portfolio complies with State law and with the investment policy.*

Category	Standard	Comment
Treasury Issues	No limitation	Complies
US Agencies	No limitation	Complies
Asset-backed/MBS/CMOs	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 rated; 5 year maximum	Complies
Money Market Acct	15% maximum; AAA	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
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 4/30/2015

BOOK VALUE RECONCILIATION	
<b>Beginning Book Value</b>	<b>\$20,541,034.85</b>
<b>Acquisition</b>	
+ Security Purchases	\$2,407,840.53
+ Money Market Fund Purchases	\$76,370.57
+ Money Market Contributions	\$2,650,000.00
+ Security Contributions	\$0.00
+ Security Transfers	\$0.00
<b>Total Acquisitions</b>	<b>\$5,134,211.10</b>
<b>Dispositions</b>	
- Security Sales	\$0.00
- Money Market Fund Sales	\$2,413,256.48
- MMF Withdrawals	\$0.00
- Security Withdrawals	\$0.00
- Security Transfers	\$0.00
- Other Dispositions	\$0.00
- Maturities	\$0.00
- Calls	\$0.00
- Principal Paydowns	\$52,585.13
<b>Total Dispositions</b>	<b>\$2,465,841.61</b>
<b>Amortization/Accretion</b>	
+/- Net Accretion	\$562.47
	\$562.47
<b>Gain/Loss on Dispositions</b>	
+/- Realized Gain/Loss	\$0.00
	\$0.00
<b>Ending Book Value</b>	<b>\$23,209,966.81</b>

CASH TRANSACTION SUMMARY	
<b>BEGINNING BALANCE</b>	<b>\$170,787.44</b>
<b>Acquisition</b>	
Contributions	\$2,650,000.00
Security Sale Proceeds	\$0.00
Accrued Interest Received	\$0.00
Interest Received	\$23,785.44
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	\$52,585.13
<b>Total Acquisitions</b>	<b>\$2,726,370.57</b>
<b>Disposition</b>	
Withdrawals	\$0.00
Security Purchase	\$2,407,840.53
Accrued Interest Paid	\$5,415.95
<b>Total Dispositions</b>	<b>\$2,413,256.48</b>
<b>Ending Book Value</b>	<b>\$483,901.53</b>

# Monthly Account Statement

## Northern Cal. Cities Self Ins. Fund Long Term

April 1, 2015 through April 30, 2015

### Chandler Team

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

### Custodian

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

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



PORTFOLIO CHARACTERISTICS

Average Duration	3.64
Average Coupon	2.14 %
Average Purchase YTM	1.89 %
Average Market YTM	1.32 %
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	3.99 yrs
Average Life	3.86 yrs

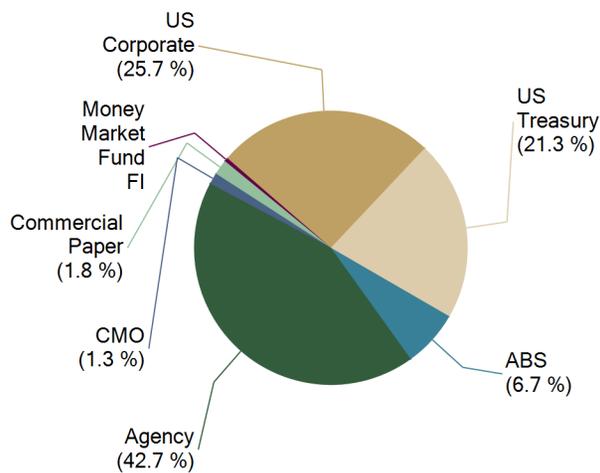
ACCOUNT SUMMARY

	Beg. Values as of 3/31/15	End Values as of 4/30/15
<b>Market Value</b>	21,523,296	24,125,134
<b>Accrued Interest</b>	113,191	139,032
<b>Total Market Value</b>	<b>21,636,487</b>	<b>24,264,166</b>
<b>Income Earned</b>	34,536	35,349
<b>Cont/WD</b>		2,650,000
<b>Par</b>	20,970,425	23,569,168
<b>Book Value</b>	21,018,079	23,677,587
<b>Cost Value</b>	21,260,578	23,923,845

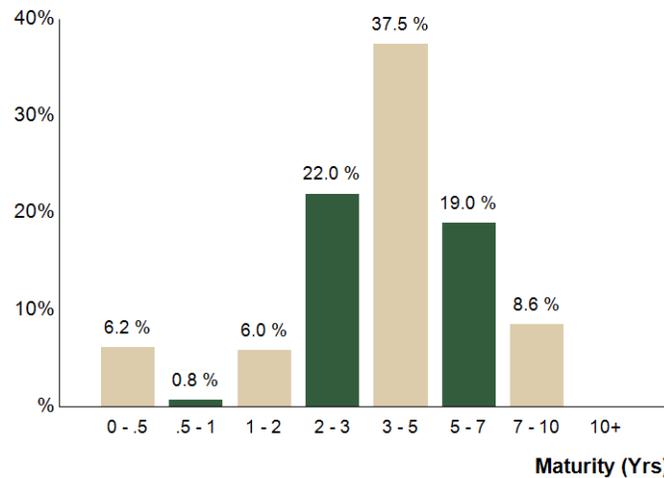
TOP ISSUERS

Issuer	% Portfolio
Government of United States	21.3 %
Federal National Mortgage Assoc	13.3 %
Federal Home Loan Mortgage Corp	10.5 %
Tennessee Valley Authority	8.7 %
Federal Home Loan Bank	8.2 %
Federal Farm Credit Bank	3.4 %
John Deere ABS	2.1 %
Honda ABS	2.0 %
<b>Total</b>	<b>69.4 %</b>

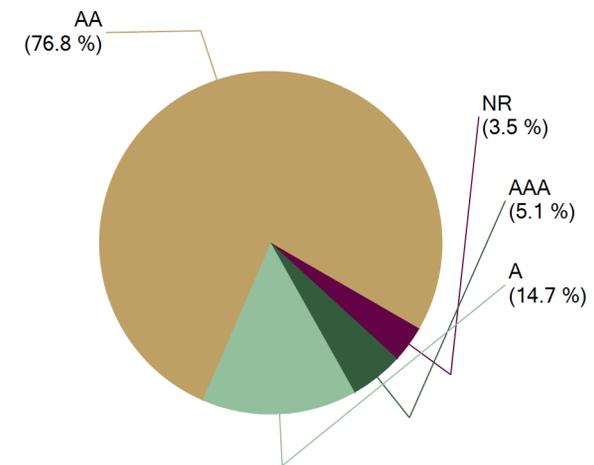
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

Total Rate of Return As of 4/30/2015	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	-0.05 %	-0.30 %	1.33 %	3.14 %	1.62 %	3.04 %	N/A	4.59 %	49.25 %
BAML 1-10 Yr US Treasury/Agency Index	-0.09 %	-0.45 %	1.22 %	2.88 %	1.23 %	2.71 %	N/A	4.21 %	44.50 %
BAML 1-10 Yr US Corporate/Govt Rated AAA-A Index	-0.08 %	-0.35 %	1.33 %	3.06 %	1.73 %	3.09 %	N/A	4.32 %	45.82 %



## Northern California Cities Self-Insurance Fund - Long Term

April 30, 2015

### COMPLIANCE WITH INVESTMENT POLICY

*The portfolio complies with State law and with the investment policy.*

Category	Standard	Comment
Treasury issues	No limitation	Complies
US Agencies	No limitation	Complies
Asset-backed/MBS/CMOs	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	A rated; 30% max; 5 year maximum	Complies
Money Market Acct	15% maximum; AAA	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
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 4/30/2015

BOOK VALUE RECONCILIATION	
<b>Beginning Book Value</b>	<b>\$21,018,079.05</b>
<b>Acquisition</b>	
+ Security Purchases	\$2,799,520.36
+ Money Market Fund Purchases	\$55,895.76
+ Money Market Contributions	\$2,650,000.00
+ Security Contributions	\$0.00
+ Security Transfers	\$0.00
<b>Total Acquisitions</b>	<b>\$5,505,416.12</b>
<b>Dispositions</b>	
- Security Sales	\$0.00
- Money Market Fund Sales	\$2,810,272.14
- MMF Withdrawals	\$0.00
- Security Withdrawals	\$0.00
- Security Transfers	\$0.00
- Other Dispositions	\$0.00
- Maturities	\$0.00
- Calls	\$0.00
- Principal Paydowns	\$31,880.59
<b>Total Dispositions</b>	<b>\$2,842,152.73</b>
<b>Amortization/Accretion</b>	
+/- Net Accretion	(\$3,755.73)
	(\$3,755.73)
<b>Gain/Loss on Dispositions</b>	
+/- Realized Gain/Loss	\$0.00
	\$0.00
<b>Ending Book Value</b>	<b>\$23,677,586.71</b>

CASH TRANSACTION SUMMARY	
<b>BEGINNING BALANCE</b>	<b>\$211,153.21</b>
<b>Acquisition</b>	
Contributions	\$2,650,000.00
Security Sale Proceeds	\$0.00
Accrued Interest Received	\$0.00
Interest Received	\$24,015.17
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	\$31,880.59
<b>Total Acquisitions</b>	<b>\$2,705,895.76</b>
<b>Disposition</b>	
Withdrawals	\$0.00
Security Purchase	\$2,799,520.36
Accrued Interest Paid	\$10,751.78
<b>Total Dispositions</b>	<b>\$2,810,272.14</b>
<b>Ending Book Value</b>	<b>\$106,776.83</b>

# Monthly Account Statement

## Northern CA Cities Self Ins. Fund Short Term

May 1, 2015 through May 31, 2015

### Chandler Team

For questions about your account,  
please call (800) 317-4747 or  
Email [operations@chandlerasset.com](mailto: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	2.54
Average Coupon	1.22 %
Average Purchase YTM	1.25 %
Average Market YTM	0.98 %
Average S&P/Moody Rating	AA+/Aa1
Average Final Maturity	2.75 yrs
Average Life	2.61 yrs

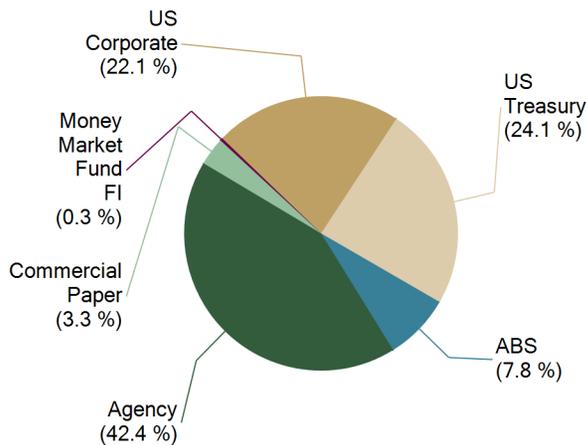
ACCOUNT SUMMARY

	Beg. Values as of 4/30/15	End Values as of 5/31/15
<b>Market Value</b>	23,356,683	23,376,827
<b>Accrued Interest</b>	57,997	60,930
<b>Total Market Value</b>	<b>23,414,679</b>	<b>23,437,756</b>
<b>Income Earned</b>	22,423	24,115
<b>Cont/WD</b>		0
<b>Par</b>	23,262,972	23,284,001
<b>Book Value</b>	23,209,967	23,231,149
<b>Cost Value</b>	23,229,702	23,250,312

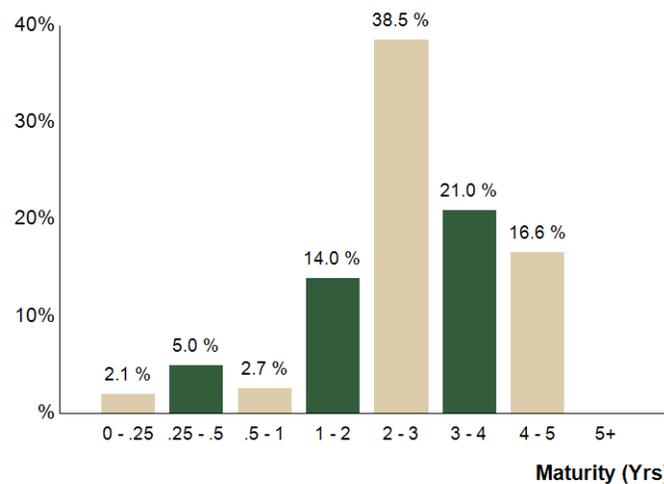
TOP ISSUERS

Issuer	% Portfolio
Government of United States	24.1 %
Federal National Mortgage Assoc	15.0 %
Federal Home Loan Mortgage Corp	11.7 %
Federal Home Loan Bank	11.3 %
Federal Farm Credit Bank	2.8 %
Honda ABS	2.7 %
John Deere ABS	2.4 %
Toyota Motor Corp	1.8 %
<b>Total</b>	<b>71.7 %</b>

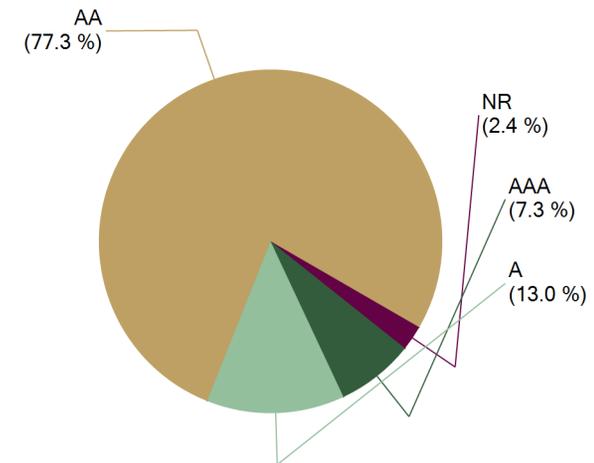
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

Total Rate of Return As of 5/31/2015	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	0.10 %	0.51 %	1.07 %	1.47 %	1.18 %	1.84 %	3.43 %	4.36 %	110.22 %
BAML 1-5 Yr US Treasury/Agency Index	0.09 %	0.53 %	1.03 %	1.37 %	0.86 %	1.53 %	3.13 %	4.02 %	98.72 %
BAML 1-5 Yr US Issuers Corp/Govt Rated AAA-A Index	0.09 %	0.53 %	1.07 %	1.42 %	1.06 %	1.74 %	3.18 %	4.13 %	102.35 %



## Northern California Cities Self-Insurance Fund - Short Term

May 31, 2015

### COMPLIANCE WITH INVESTMENT POLICY

*The portfolio complies with State law and with the investment policy.*

Category	Standard	Comment
Treasury Issues	No limitation	Complies
US Agencies	No limitation	Complies
Asset-backed/MBS/CMOs	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 rated; 5 year maximum	Complies
Money Market Acct	15% maximum; AAA	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
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 5/31/2015

BOOK VALUE RECONCILIATION	
<b>Beginning Book Value</b>	<b>\$23,209,966.81</b>
<b>Acquisition</b>	
+ Security Purchases	\$484,577.45
+ Money Market Fund Purchases	\$74,747.75
+ Money Market Contributions	\$0.00
+ Security Contributions	\$0.00
+ Security Transfers	\$0.00
<b>Total Acquisitions</b>	<b>\$559,325.20</b>
<b>Dispositions</b>	
- Security Sales	\$0.00
- Money Market Fund Sales	\$484,623.92
- MMF Withdrawals	\$0.00
- Security Withdrawals	\$0.00
- Security Transfers	\$0.00
- Other Dispositions	\$0.00
- Maturities	\$0.00
- Calls	\$0.00
- Principal Paydowns	\$54,094.90
<b>Total Dispositions</b>	<b>\$538,718.82</b>
<b>Amortization/Accretion</b>	
+/- Net Accretion	\$575.86
	\$575.86
<b>Gain/Loss on Dispositions</b>	
+/- Realized Gain/Loss	\$0.00
	\$0.00
<b>Ending Book Value</b>	<b>\$23,231,149.05</b>

CASH TRANSACTION SUMMARY	
<b>BEGINNING BALANCE</b>	<b>\$483,901.53</b>
<b>Acquisition</b>	
Contributions	\$0.00
Security Sale Proceeds	\$0.00
Accrued Interest Received	\$0.00
Interest Received	\$20,652.82
Dividend Received	\$0.03
Principal on Maturities	\$0.00
Interest on Maturities	\$0.00
Calls/Redemption (Principal)	\$0.00
Interest from Calls/Redemption	\$0.00
Principal Paydown	\$54,094.90
<b>Total Acquisitions</b>	<b>\$74,747.75</b>
<b>Disposition</b>	
Withdrawals	\$0.00
Security Purchase	\$484,577.45
Accrued Interest Paid	\$46.47
<b>Total Dispositions</b>	<b>\$484,623.92</b>
<b>Ending Book Value</b>	<b>\$74,025.36</b>

# Monthly Account Statement

## Northern Cal. Cities Self Ins. Fund Long Term

May 1, 2015 through May 31, 2015

### Chandler Team

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

### Custodian

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

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



PORTFOLIO CHARACTERISTICS

Average Duration	3.62
Average Coupon	2.03 %
Average Purchase YTM	1.83 %
Average Market YTM	1.36 %
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	4.01 yrs
Average Life	3.84 yrs

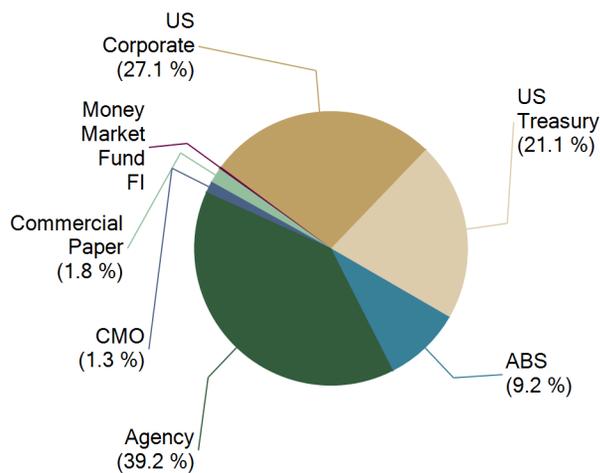
ACCOUNT SUMMARY

	Beg. Values as of 4/30/15	End Values as of 5/31/15
<b>Market Value</b>	24,125,134	24,174,563
<b>Accrued Interest</b>	139,032	109,633
<b>Total Market Value</b>	<b>24,264,166</b>	<b>24,284,196</b>
<b>Income Earned</b>	35,349	37,058
<b>Cont/WD</b>		0
<b>Par</b>	23,569,168	23,697,533
<b>Book Value</b>	23,677,587	23,780,562
<b>Cost Value</b>	23,923,845	23,973,893

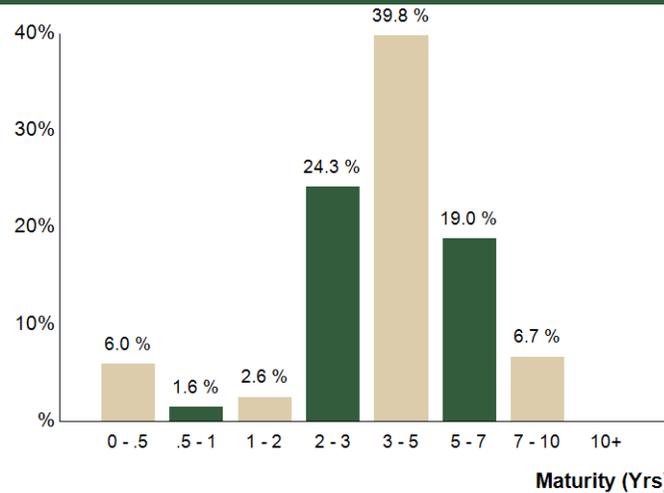
TOP ISSUERS

Issuer	% Portfolio
Government of United States	21.1 %
Federal National Mortgage Assoc	12.2 %
Federal Home Loan Mortgage Corp	10.5 %
Tennessee Valley Authority	8.7 %
Federal Home Loan Bank	8.2 %
Honda ABS	3.1 %
JP Morgan ABS	2.3 %
John Deere ABS	2.3 %
<b>Total</b>	<b>68.4 %</b>

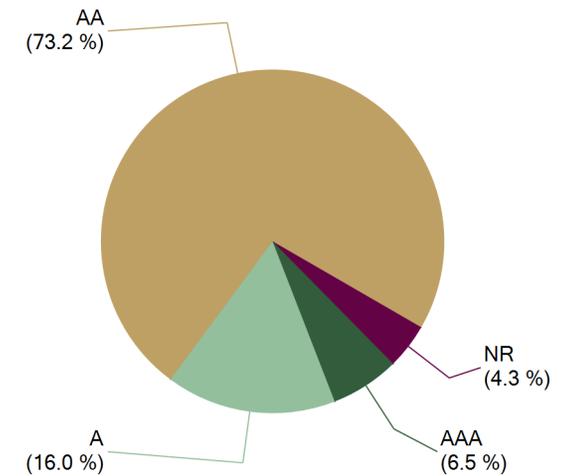
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

Total Rate of Return As of 5/31/2015	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	0.08 %	0.56 %	1.42 %	2.40 %	1.45 %	2.84 %	N/A	4.56 %	49.37 %
BAML 1-10 Yr US Treasury/Agency Index	0.05 %	0.50 %	1.27 %	2.17 %	0.99 %	2.48 %	N/A	4.18 %	44.57 %
BAML 1-10 Yr US Corporate/Govt Rated AAA-A Index	0.03 %	0.47 %	1.36 %	2.29 %	1.53 %	2.92 %	N/A	4.28 %	45.87 %



Northern California Cities Self-Insurance Fund - Long Term  
May 31, 2015

**COMPLIANCE WITH INVESTMENT POLICY**

*The portfolio complies with State law and with the investment policy.*

Category	Standard	Comment
Treasury issues	No limitation	Complies
US Agencies	No limitation	Complies
Asset-backed/MBS/CMOs	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	A rated; 30% max; 5 year maximum	Complies
Money Market Acct	15% maximum; AAA	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
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 5/31/2015

BOOK VALUE RECONCILIATION		
<b>Beginning Book Value</b>		<b>\$23,677,586.71</b>
<b>Acquisition</b>		
+ Security Purchases	\$965,056.60	
+ Money Market Fund Purchases	\$919,765.89	
+ Money Market Contributions	\$0.00	
+ Security Contributions	\$0.00	
+ Security Transfers	\$0.00	
<b>Total Acquisitions</b>		<b>\$1,884,822.49</b>
<b>Dispositions</b>		
- Security Sales	\$817,909.00	
- Money Market Fund Sales	\$965,089.88	
- MMF Withdrawals	\$0.00	
- Security Withdrawals	\$0.00	
- Security Transfers	\$0.00	
- Other Dispositions	\$0.00	
- Maturities	\$0.00	
- Calls	\$0.00	
- Principal Paydowns	\$31,310.75	
<b>Total Dispositions</b>		<b>\$1,814,309.63</b>
<b>Amortization/Accretion</b>		
+/- Net Accretion	(\$4,055.21)	
		(\$4,055.21)
<b>Gain/Loss on Dispositions</b>		
+/- Realized Gain/Loss	\$36,517.37	
		\$36,517.37
<b>Ending Book Value</b>		<b>\$23,780,561.73</b>

CASH TRANSACTION SUMMARY		
<b>BEGINNING BALANCE</b>		<b>\$106,776.83</b>
<b>Acquisition</b>		
Contributions	\$0.00	
Security Sale Proceeds	\$817,909.00	
Accrued Interest Received	\$14,648.21	
Interest Received	\$55,897.89	
Dividend Received	\$0.04	
Principal on Maturities	\$0.00	
Interest on Maturities	\$0.00	
Calls/Redemption (Principal)	\$0.00	
Interest from Calls/Redemption	\$0.00	
Principal Paydown	\$31,310.75	
<b>Total Acquisitions</b>	<b>\$919,765.89</b>	
<b>Disposition</b>		
Withdrawals	\$0.00	
Security Purchase	\$965,056.60	
Accrued Interest Paid	\$33.28	
<b>Total Dispositions</b>	<b>\$965,089.88</b>	
<b>Ending Book Value</b>		<b>\$61,452.84</b>

# NCCSIF

Northern California Cities Self Insurance Fund  
c/o Alliant Insurance Services, Inc.  
Corporate Insurance License No. 0C36861

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

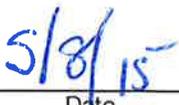
## NCCSIF INVESTMENT REPORT FOR THE QUARTER ENDING MARCH 31, 2015

	<u>MARKET VALUE</u>
CASH:	
(1) Tri Counties Checking	\$ 133,559.27
(2) Local Agency Inv Fund (LAIF)	7,422,213.28
Total Cash	<u>7,555,772.55</u>
INVESTMENTS (Unrestricted):	
(3) Chandler Investments	
Account no. 170	20,711,136.00
Account no. 171	21,523,296.00
Total Unrestricted Investments	<u>42,234,432.00</u>
TOTAL CASH AND INVESTMENTS	<u>\$49,790,204.55</u>

- (1) This consists of one interest-bearing checking account and two pass-thru accounts (liability and workers comp claims). The rate of interest is 0.10%
- (2) The LAIF rate of return as of quarter ended March 31, 2015 0.26%
- (3) See attached Investment Activity Reports.

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

  
\_\_\_\_\_  
Tim Sallsbery, Treasurer

  
\_\_\_\_\_  
Date

*A Joint Powers Authority*

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



BETTY T. YEE

California State Controller

LOCAL AGENCY INVESTMENT FUND  
REMITTANCE ADVICE

Agency Name	NO CAL CITIES SELF INSUR FUND
Account Number	35-11-001

As of 04/15/2015, your Local Agency Investment Fund account has been directly credited with the interest earned on your deposits for the quarter ending 03/31/2015.

Earnings Ratio		.00000712637778462
Interest Rate		0.26%
Dollar Day Total	\$	671,872,202.20
Quarter End Principal Balance	\$	7,422,213.28
Quarterly Interest Earned	\$	4,788.02



## COMMITTEE MINUTES

### INFORMATION ITEM

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

**RECOMMENDATION:** None; these items are presented as information only.

**FISCAL IMPACT:** None.

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

**ATTACHMENT(S):**

1. Risk Management Committee Meeting Minutes – April 16, 2015 (Draft)
2. Police Risk Management Committee Meeting Minutes – May 7, 2015 (Draft)
3. Executive Committee Meeting Minutes – May 21, 2015 (Draft)
4. Claims Committee Meeting Minutes – May 21, 2015 (Draft)



**MINUTES OF THE  
NCCSIF RISK MANAGEMENT COMMITTEE MEETING  
LINCOLN CITY HALL, LINCOLN, CA  
APRIL 16, 2014**

**MEMBERS PRESENT**

Juanita Barnett, City of Anderson  
Michelle Pellegrino, City of Dixon  
George Silva, City of Dixon  
Brad Koehn, City of Elk Grove  
Jim Ramsey, City of Elk Grove  
Kris Haile, City of Folsom  
Paula Islas, City of Galt  
Matt Michaelis, City of Gridley  
Dave Andres, City of Ione  
Michael Daly, City of Jackson

Dalacie Blankenship, City of Jackson  
John Lee, City of Lincoln  
Corey Shaver, City of Nevada City  
Liz Ehrenstrom, City of Oroville  
Vi Cobb, Red Bluff  
Sandy Ryan, City of Red Bluff  
Russell Hildebrand, City of Rocklin  
Tim Sailsbery, City of Willows  
Natalie Walter, City of Yuba City

**MEMBERS ABSENT**

Dylan Feik, City of Auburn  
Tom Watson, City of Corning  
Shelly Kittle, City of Colusa  
Satwant Takhar, City of Marysville

Crystal Peters, Town of Paradise  
Dave Warren, City of Placerville  
Marni Rittburg, City of Rio Vista

**GUESTS & CONSULTANTS**

Michael Simmons, Alliant Insurance Services  
Marcus Beverly, Alliant Insurance Services  
Michelle Minnick, Alliant Insurance Services

Henri Castro, Bickmore  
Tom Kline, Bickmore  
David Patzer, DKF Risk Services

**A. CALL TO ORDER**

The meeting was called to order at 10:00 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:** Corey Shaver    **SECOND:** John Lee    **MOTION CARRIED**

**AYES:** Barnett, Pellegrino, Koehn, Haile, Islas, Michaelis, Andres, Daly, Ehrenstrom, Ryan, Hildebrand, Sailsbery, Walter.

**NAYS:** None.



**D. CONSENT CALENDAR**

1. Minutes of the Risk Management Committee Meeting – October 9, 2014

*A motion was made to approve the consent calendar.*

**MOTION:** Corey Shaver    **SECOND:** John Lee    **MOTION CARRIED**

**AYES:** Barnett, Pellegrino, Koehn, Halie, Islas, Michaelis, Andres, Daly, Ehrenstrom, Ryan, Hildebrand, Sailsbery, Walter.

**NAYS:** None.

**E. RISK MANAGEMENT BUSINESS**

**E1. Police Risk Management Committee Update**

Tom Cline from Bickmore Risk Services provided an update about the Police Risk Management Committee (PRMC) meeting that took place on February 5, 2015. He indicated that Bickmore will be looking at the correlation between use of the police body cameras and claims to see if there has a decrease in the number of claims since the inception of the body cameras. Tom Cline also highlighted the PRMC spoke about the outer carrier vests and indicated Bickmore will be hosting a webinar to discuss the use of outer carrier vests. It was also noted that the Bickmore website is being updated and will now include two emphasis areas—police and driving—the PRMC was asked to provide feedback about other topics that could be included in the website.

Liz Ehrenstrom from the City of Oroville noted that the police body cameras are working quite well and it seems to be decreasing the number of claims as once the video is shown to the person making a complaint they usually go away. Liz Ehrenstrom also mentioned that our Police Officers are in the public eye and under 24 hour surveillance by the public with camera phones and noted that the body cameras are helping to combat that issue.

**E2. Risk Control Services Update**

Henri Castro from Bickmore Risk Services presented the Risk Control Summary Report to the Risk Management Committee and reviewed the services Bickmore has provided during the 2014/15 policy year. She indicated there have been some great successes with the physical inspections, program development, onsite training and the regional workshops. Henri Casto also mentioned that the training sessions have been so successful Bickmore is looking to do regional training in the Northern part of the state.

Henri Castro also indicated that Monthly Safety Communications are still being sent out and noted that the most recent email centralized around the changes to the Heat and Illness Prevention changes that will go into effect on May 1, 2015. Henri Castro mentioned that Bickmore is working with CAL OSHA to host a webinar training session to ensure member cities are aware of these changes and how to implement them at the city level.

Henri Casto also indicated that Bickmore is updating their website platform to be simple and easy to navigate. She noted that in addition to the two emphasis areas Tom Kline mentioned previously—police and driving—there will be other emphasis areas in the future to include Fire Operations and Public Works Operations.

Lastly, Henri Castro mentioned that the two Certified Pool Operators (CPO) training sessions have been set up and will be hosted by the City of Galt and the City of Corning. She also noted that this certification is good for five years and so this training will not be offered for another two or three years.

### **E3. Sewer Risk Management Proposal**

David Patzer from DKF Solutions Group presented a proposal for Sewer Risk Management efforts. He indicated that each city that has a sewer collection system is required to have a Sanitary Sewer Management Plan (SSMP) which includes how to fund and operate a sewer collection system which should include an Overflow Emergency Response Plan (OERP). David Patzer indicated that in California over the last twenty years the average cost of a sewer backup property damage claim is approximately \$25,000 per claim and noted that the proposal addresses the efforts to help decrease the likelihood of a sewer related claim.

Services included in the proposal:

- An audit of each member's Sanitary Sewer Management Plan (SSMP) against SWRCB's Waste Discharge Requirements
- Development and/or update of members' Sanitary Sewer Overflow/Backup Response Plans (OERP)
- Three (3) total Sewer Overflow Volume Estimation and Overflow/Backup Response training seminars
- One NCCSIF-branded interactive computer training module
- If all services are implemented the proposal cost is \$69,500

The City of Dixon indicated that they have been using the DKF program and noted the process is simple, easy to use, self-explanatory and is accepted by the State. To help determine the need for these services Alliant was asked to develop a checklist which will be sent out to all members with the goal of obtaining information about what services the members are in need of which will also help with a breakdown in cost.

The Risk Management Committee requested that this item be brought back and presented to the Executive Committee at the next meeting after the sewer survey has been completed.

#### **E4. Contracted Services Survey**

At the Long Range Planning Meeting held in January of 2015 it was noted that most member cities contract out for the same types of work—it was suggested that cities could benefit financially by having a preferred vendor to complete the work. In January Henri Castro from Bickmore was asked to put together a survey to send to members with the goal of identifying services each member city contracts out which could be contracted out to a preferred vendor to help with cost containment. Henri Castro presented the results of the survey to the Risk Management Committee and requested feedback from members about what services they would like to focus on. She suggested that NCCSIF select two or three categories of focus and work with members to determine what vendors are already providing these services (at what cost) and what other vendors offer these services in an effort to determine if there is a better priced contractor.

The following items were mentioned as potential vendor services that should be researched for discounted contract services:

- ADA compliance
- Arborist/Landscape Services
- Drug and Alcohol Testing (DAPCO, National) any vendor with local collection site
- Janitorial Services

Russell Hildebrand noted that many services need to be geographically located. Marcus indicated that members such as Folsom and Placerville may be able to share services that are not available to other members due to geographical location. Marcus Beverly indicated that Alliant will follow up with members to help determine what vendors are currently being used, what the cost is for those services and what the vendor's service area is.

Marcus Beverly also noted that NCCSIF should also consider a Shared Disaster Recovery service and presented information on Agility Recovery. Marcus Beverly mentioned that the City of Willows Fire Department has expressed interest in joining the Lexipol program (cost to the City of Willows alone is \$5,250 with an annual renewal fee of \$3,200). This price includes both the Manuals and Daily Training Bulletins.

#### **E5. 2015/16 Risk Control Service Plan**

Henri Castro indicated that the Risk Control Service Plan is the same as last year with one caveat – this year Bickmore would like to update the risk assessment that was completed in 2012-13 to determine if there has been any progress. This would also include the development of a scorecard



for each member city that would help reflect all members' progress and identify issues that the pool can take action on.

Liz Ehrenstrom requested additional information regarding the Outside Training Budget line item and Henri Casto indicated that the Outside Training Budget is specific to contacting with subject matter experts (average cost is \$1,500 per speaker) to provide regional training workshops that are available to all members.

*A motion was made to approve the 2015/16 Risk Control Service Plan as presented.*

**MOTION:** Paula Islas      **SECOND:** Mike Daly      **MOTION CARRIED**  
**AYES:** Barnett, Pellegrino, Koehn, Halie, Michaelis, Andres, Ehrenstrom, Ryan, Hildebrand, Sailsbery, Walter, Lee, Shaver.  
**NAYS:** None.

**E6. Risk Control Services Budget for FY 2015/16**

Marcus Beverly presented the Risk Control Service Budget and noted these services make up 42% of the overall Administrative Services Budget for NCCSIF. He indicated that the PRMC funds had been increased from \$25,000 to \$50,000 to help fund the body cameras.

Tom Kline noted that the body camera process started in January of 2014 with a survey that led to the inception of 66 total body cameras in August of 2014 (each member city received 2-6 body cameras) as part of Phase One. He also noted that since we purchased the body cameras in bulk we were able to negotiate a discounted price. Tom Kline went on to mention that the purpose of the body cameras was to decrease the number of Reduction of Force Claims and consideration should be given to providing additional body cameras in Phase Two. Tom Kline indicated that he will reach out to member cities and update the survey to determine how many police officers each member city has and how many are using the body cameras.

It was also requested that the body cameras be listed as a separate budget item (not included in the total budget number for Risk Control Services).

**E7. Round Table Discussion**

There was no discussion about this item.

**F. INFORMATION ITEMS**

1. NCCSIF Travel Reimbursement Form

**G. ADJOURNMENT**

The meeting was adjourned at 11:16 a.m.



**NEXT MEETING DATE:** June 18, 2015 in Rocklin, CA

Respectfully Submitted,

Michelle Pellegrino, Secretary

\_\_\_\_\_  
Date

DRAFT

**MINUTES OF THE  
POLICE RISK MANGEMENT COMMITTEE MEETING  
FEBRUARY 5, 2015**

**MEMBERS PRESENT**

John Ruffcorn, City of Auburn  
Tim Albright, City of Elk Grove  
Jason Browning, City of Folsom  
Sharon Blackburn, City of Folsom  
Cynthia Renaud, City of Folsom

Allen Byers, City of Oroville  
Greg Bowman, City of Rio Vista  
Ron Lawrence, City of Rocklin  
Chad Butler, City of Rocklin  
Steve Rowe, Town of Paradise

**GUESTS & CONSULTANTS**

Marcus Beverly, Alliant Insurance Services  
Michelle Minnick, Alliant Insurance Services

Tom Kline, Bickmore Risk Services  
Jennifer Nogoesk, York

**A. CALL TO ORDER**

The meeting was called to order at 10:05 a.m.

**B. PUBLIC COMMENTS**

There were no public comments.

**C. CONSENT CALENDAR**

*A motion was made to approve the Agenda as posted.*

**MOTION:** Ron Lawrence

**SECOND:** Jason Browning

**MOTION CARRIED  
UNANIMOUSLY**

**D. RISK MANAGEMENT**

**\*NOTE:** At this point the PRMC requested a review of Item D.2. Legislative Update prior to discussing Item D.1. Body Camera Update as there is legislation that could potentially affect the use of body cameras.

**D2. Legislative Update**

Tom Kline from Bickmore Risk Services presented four Assembly Bills which are currently in the legislature and concern the use of body cameras.

### **Assembly Bill AB65 – Grants**

Assembly Bill 65 establishes the development of a grant program to make funds available to local law enforcement entities to purchase body-worn cameras and related data storage and equipment which Tom Kline noted could be a potential source of funding for the purchase of more body cameras. John Ruffcorn noted that the language of the bill indicates a state penalty in the amount of ten dollars for every ten dollars which indicates that every fine will be doubled (i.e. \$500 ticket then becomes a total of \$1,000 fine to comply with AB65).

### **Assembly Bill AB66 – Policy**

Assembly Bill 66 describes the policies and procedures that are required by law to be in place for Police, Law Enforcement Officials, and Peace Officers when using the body cameras. The bill establishes how the body cameras may be used and what uses are prevented. It was highlighted by Tom Kline that this bill allows a peace officer to review a body-worn camera video after first making a written statement.

### **Senate Bill SB175 – Policy**

Senate Bill 175 also addresses the policy and procedure regarding where the body cameras should be worn, where the video will be stored and who would have access to the video. Tom Kline indicated that in the event both AB 66 and SB 175 pass there will need to be some legal discussion as to the differences between the two pieces of legislation.

### **Assembly Bill AB1118 – Training**

Assembly Bill 1118 addresses training issues and establishes the Procedural Justice Task Force who would provide grant funding to local law enforcement agencies with a procedural justice training program that meet the requirements set forth in AD1118.

## **D1. Body Camera Update**

### **Loss Analysis**

The Committee was asked to share any anecdotal evidence for the VieVu Body Cameras. Steve Rowe mentioned that the Town of Paradise has recently moved to using the VieVu Body Cameras which provide good quality video but indicated that the higher resolution takes more memory space. He did note that the city is having significant issues with the clip of the body cameras breaking but other members indicated they are not having issues with the clips.

The Committee indicated broken clips, the camera cover closing to easily and the retention of video clips are the most common issues the members are experiencing. Some members indicated they have opted to not use High Definition video as a result of video storage issues and the increased cost of additional storage space quoted at approximately \$12,000 for 22 terabytes of storage. Tom Kline indicated that consideration should be given to purchasing more storage space prior to purchasing more body cameras. Jennifer Nogoesk from York noted the statute of limitations in some cases is 2 years so it would be appropriate to address the long storage issues as claims can surface years after the video has been taken. Some members have opted to begin

flagging videos that could eventually lead to litigation (with the intention of retaining those videos as evidence to submit).

Jen Negoesk from York is looking into claims that are reported to determine if there has been an impact since the implementation of the VieVu Body Cameras on August 27, 2014. John Ruffcorn noted that the claims that are being prevented are not actually reported and suggested that member cities share with Jen Negoesk stories related to allegations that have been reported and subsequently went away after a review of the video- Jen agreed to keep record of these incidents to help with tracking the success of the body cameras. It was also mentioned that member cities are seeing a decrease in the number of complaints being filed as a result of having the body camera footage.

### **Budget for Body Cameras**

Tom Kline indicated that if the Committee is interested in purchasing more body cameras a discussion is necessary regarding how to fund the purchase. Tom Kline noted that Bickmore is actively monitoring the grant opportunities available to help with the purchase of additional body cameras.

John Ruffcorn indicated that storage of the videos is the most important issue at this time and Alliant was asked to research the cost of additional data storage so member cities will have additional storage space available rather than attempting to determine which claims would eventually become litigated- he noted this should be addressed prior to the purchase of additional body cameras.

### **D3. Round Table Discussion**

Tom Kline mentioned that there have been positive impacts captured on video as a result of body and dashboard cameras and provided two examples: one where an officer approached a vehicle that had been pulled over only to discover that the woman that was driving was choking on food and the officer preformed the Heimlich maneuver. Another example was an officer who pulled someone over for a traffic violation who discovered the man driving had suffered a heart attack and the officer proceeded with CPR- the man driving survived.

It was noted that the Committee discussions surrounding the use of body cameras has been primarily focused on the reduction of claims and complaints. However it should be noted that we can also capture positive events that are recorded to help counter the anti-police rhetoric that is in the social media at this time. IT was noted that there needs to be a coordinated effort about vocalizing the positive interactions that are a product of using body cameras. John Ruffcorn recommended a meeting with all Committees of NCCSIF to discuss the use of body cameras as the topic of body cameras relates to all members.

Elk Grove shared that they have been attempting to change the culture and shared a story of a police officer who was waived down in a parking lot and helped deliver a baby in the parking

lot- he noted that the delivery was all captured on the body camera and the story was highlighted on the Today Show.

The Committee was reminded that the next Police Risk Management Committee Meeting will take place on August 6, 2015 and members would be receiving a Save the Date email.

**D4. Critical Incident Command: Leading in the Edge of Chaos**

Folsom Police Chief Cynthia Renaud provided a presentation which included her experience working with law enforcement agencies regarding critical incident command.

**D. ADJOURNMENT**

The meeting was adjourned at 12:53 p.m.

DRAFT



**MINUTES OF THE  
NCCSIF EXECUTIVE COMMITTEE TELECONFERENCE MEETING  
MAY 21, 2015**

**MEMBERS PRESENT**

Michelle Pellegrino, City of Dixon  
Brad Koehn, City of Elk Grove  
Bruce Cline, City of Folsom  
Michael Daly, City of Jackson

Tim Chapa, City of Rio Vista  
Russell Hildebrand, City of Rocklin  
Tim Sailsbery, City of Willows

**MEMBERS ABSENT**

Paula Islas, City of Galt  
Dave Andres, City of Ione

Dave Warren, City of Placerville

**GUESTS & CONSULTANTS**

Marcus Beverly, Alliant Insurance Services  
Michelle Minnick, Alliant Insurance Services  
Raychelle Maranan, Alliant Insurance Services

Jennifer Nogosek, York Risk Services  
Ben Burg, York Risk Services  
Dori Zumwalt, York Risk Services  
James Marta, James Marta & Company

**A. CALL TO ORDER**

The meeting was called to order at 10:03 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: Michelle Pellegrino**

**MOTION CARRIED  
UNANIMOUSLY**

**D. CONSENT CALENDAR**

1. Executive Committee Meeting Minutes – March 19, 2015
2. Quarterly Check Register at April 30, 2015
3. Investment Reports
  - a. Chandler Asset Management Short/Long Term – March, April 2015
  - b. Treasurer’s Report as of March 31, 2015



*A motion was made to approve the Consent Calendar as presented.*

**MOTION: Mike Daly**

**SECOND: Bruce Cline**

**MOTION CARRIED  
UNANIMOUSLY**

**E. COMMITTEE REPORTS**

1. Claims Committee Meeting Minutes – March 19, 2015 (Draft)
2. Claims Committee Special Meeting Minutes – March 19, 2015 (Draft)

There was no discussion on these items.

**F. FINANCIAL REPORTS**

**F1. Quarterly Financial Report for Period Ending March 31, 2015**

James Marta provided the Executive Committee with a brief report on the Quarterly Financials ending March 31, 2015, and noted the new actuarial adjustments are included in this statement. The Liability Shared Layer is in deficit which will be reduced with the upcoming year assessment, including the proceeds from the CJPRMA refund. Some members in the Banking Layer have a deficit and will be adjusted through the periodic assessment dividend process.

*A motion was made to receive and file the Quarterly Financial Report for Period Ending March 31, 2015.*

**MOTION: Bruce Cline**

**SECOND: Mike Daly**

**MOTION CARRIED  
UNANIMOUSLY**

**F2. Budget-to-Actual as of March 31, 2015**

James Marta presented the Budget-to-Actual numbers and noted that providing the Safety Grant Fund Usage in the Quarterly Financial Report has proved to be a very useful resource for members who are reaching out to the accountant to determine how much funding is available. The NCCSIF administrative expenses year-to-date are currently on track with the 2015/16 Budget.

**G. JPA BUSINESS**

**G1. Sewer Risk Management Survey and Service Plan**

Marcus Beverly reported that the Risk Management Committee (RMC) has been presented with this information at their last RMC meeting to address the sanitary sewer overflows and the backups that can impact private property including prevention, emergency response, and claims handling procedures. He noted that an updated report and a revised proposal from DKF Solutions Group (DKF) were sent to the Executive Committee under separate cover to reflect the latest results of the sewer risk management survey. He reviewed the details of the survey and noted that a majority of the members responded to the survey.

Based on the survey results DKF amended their proposal, adjusting prices to the number of members interested in each service and adding two additional services. Marcus Beverly further discussed the expected overall cost of adding this service to NCCSIF.

Discussion ensued amongst the Committee members as to the need to add this service when in fact it is a State Mandated Law and members should already have a similar program in place to be in compliance with the law. At some level, compliance with the law should be more of a concern than funding the services.

Further discussion as to the cost benefit evaluation of funding and offering this type of service for NCCSIF members and the ability to reduce risk and exposure common to all members. The goal is to assist members not only to ensure they are in compliance, but rather improve on risk management practices which in turn reduce losses and exposure to the group.

The Executive Committee instructed staff to seek other vendors and perhaps go through a request for proposals (RFP) to assure members of competitive pricing. Staff was also instructed to work with Bickmore for other avenues relative to best practices that can be implemented as part of their contract and provide some type of training resources to members such as webinars. Additionally, implement a peer review process amongst the member cities of recommended versus required best practices, and having City of Folsom as a model program thus consideration for a pricing options to reduce funding for Folsom.

*A motion was made to table this item to bring back to the Board of Directors, instructing staff to find other vendors and consider the RFP process, and to work with Bickmore in identifying best practices.*

**MOTION: Bruce Cline**

**SECOND: Tim Chapa**

**MOTION CARRIED  
UNANIMOUSLY**

**G2. Identity Fraud Coverage**

Michelle Minnick indicated that all members have submitted responses to the Identity Fraud (ID) questionnaire and staff submitted the application for ID Fraud Coverage to the carrier and waiting for the proposal from the Underwriter.

The Committee requested for an information sheet to be provided to the members showing the summary of benefits of ID Fraud coverage.

**G3. 2015/16 NCCSIF Administration Budget**

Marcus Beverly reported since the Board approved the preliminary budget there was a \$500 increase in the accounting services budget for office expenses related to mailings. The charge is split evenly between the Workers' Compensation and General Liability programs.

*A motion was made to recommend approval of the 2015/16 NCCSIF Budget as presented.*

**MOTION: Bruce Cline**

**SECOND: Mike Daly**

**MOTION CARRIED  
UNANIMOUSLY**

**G4. 2015/16 Deposit Calculations**

**G4a. Liability -2015/16 Deposit Calculations**

Marcus Beverly presented the deposit calculations for 2015/16 and indicated the funding for the upcoming fiscal year is at a 67.5% confidence level. The only difference in the report from the amount approved by the Board previously is the additional \$250 for accounting services, and the cost for the proposed Sewer Risk Management services. He noted a decrease will be adjusted as the Executive Committee did not approve the Sewer Risk Management Services at this time, and one possible adjustment that is pending is the cost for the Employee Practices Liability Hotline. Staff reached out to Liebert Cassidy and has yet to receive the proposal.

The Executive Committee discussed other Labor Employment firms that members have contracts with that may possibly provide this service to the group at a reasonable cost. The Executive Committee will forward some names of firm for staff to contact.

**G4b. Workers' Compensation - 2015/16 Deposit Calculations**

Marcus Beverly presented the deposit calculations for 2015/16 and indicated the funding for the upcoming fiscal year is at the 67.5% confidence level. The only difference in the report from the amount approved by the Board previously is the additional \$250 for accounting services.

**G5. 2015/16 NCCSIF Liability Memorandum of Coverage**

Marcus Beverly indicated NCCSIF annually reviews the Liability Memorandum of Coverage (MOC) based on member feedback and/or changes made to the excess MOC provided by CJPRMA. He reported for 2015/16, Byrne Conley, Legal Counsel, suggested adding the wording to the MOC's arbitration provision that makes it clear NCCSIF will not be liable for consequential or "bad faith" damages. Although CJPRMA is expected to add similar language to the Conditions section of the CJPRMA MOC, and the NCCSIF MOC follows their form, CJPRMA does not have an arbitration provision. Therefore, legal counsel recommended NCCSIF include the following language in the arbitration provision:

"Under no circumstances shall the NCCSIF be liable for consequential damages, "bad faith" damages, or any sums beyond the amounts due under CJPRMA Memorandum of Coverage Section 1 – Coverages, plus interest at the same rate as NCCSIF earned on investments for the time period involved."

Marcus Beverly explained the language in the Arbitration section will apply to NCCSIF claims within the group's retention, however, if it falls under CJPRMA retention, unfortunately is it subject to going to court as CJPRMA does not have an arbitration clause.

The Executive Committee had lengthy discussion as to which section of the MOC to place the language that would make it all-encompassing and most effective. The consensus was either placing it under Insuring Agreement, Limit of Liability or on both sections. The Executive Committee is in full support in modifying the MOC to add the language, however, staff was instructed to reconfirm with legal counsel as to the best place to put the language that would make it most effective and further seek clarification as to definition of the "Authority" under the Arbitration section.

*A motion was made to bring this matter back to Legal Counsel for clarification as to the right placement to incorporate the language that would make it most effective and a more definitive term of "Authority" and bring forth to Board of Directors for final approval.*

**MOTION: Bruce Cline**

**SECOND: Mike Daly**

**MOTION CARRIED  
UNANIMOUSLY**

**G6. 2015/16 NCCSIF Workers' Compensation Memorandum of Coverage**

Marcus Beverly indicated as previously discussed under item G.5., legal counsel recommended changes to the Liability MOC based on a liability coverage dispute, and although the exposure to such a dispute is much less under Workers' Compensation (WC) coverage, it is his recommendation adding similar language to the WC MOC in the arbitration section:

"Under no circumstances shall NCCSIF be liable for consequential damages, "bad faith" damages, or any sums beyond the amounts due under Part One – Workers' Compensation Coverage, or Part Two – Employer's Liability Coverage, plus interest at the same rate as NCCSIF earned on investments for the time period involved."



*A motion was made to recommend approval of the 2015/16 NCCSIF Workers' Compensation Memorandum of Coverage as recommended by the Program Administrator.*

**MOTION: Bruce Cline**

**SECOND: Brad Koehn**

**MOTION CARRIED  
UNANIMOUSLY**

## **G7. Round Table Discussion**

Bruce Cline reported the Executive Committee members went through the Defense Counsel and Investigator selection process and did a redline markup and forwarded the list to Russell Hildebrand and Marcus Beverly for review. It is still a work in progress and will present the final list for review at the next meeting.

Bruce Cline indicated the City of Folsom Chief of Police would like to add additional body cameras and asked as to status of funding for additional cameras. Staff will follow up with the Police Risk Management Committee as to the budget allocated for body cameras. Overall, the body cameras have had a positive effect on potential claims.

Discussion ensued as to the records retention issues with storing the videos. Although the Lexipol policy is in place, it is not definitive as to record retention and the utility of keeping everything for two years or whether to segregate arrests and non-arrests. Jennifer Nogosek mentioned Tom Kline, Bickmore, is doing some more research to help with storage of videos.

Marcus Beverly reported the City of Red Bluff coverage denial appeal will take place after the June Board of Directors meeting.

## **H. INFORMATION ITEMS**

### **1. NCCSIF Organizational Chart**

There was no discussion on this item.

### **2. NCCSIF Travel Reimbursement Form**

There was no discussion on this item.

### **3. NCCSIF Resource Contact Guide**

There was no discussion on this item.

## **I. ADJOURNMENT**

The meeting was adjourned at 11:09 a.m.



**NEXT MEETING DATE:** June 18, 2015 in Rocklin, CA

Respectfully Submitted,

Michelle Pellegrino, Secretary

\_\_\_\_\_  
Date

DRAFT

**NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND**  
**MINUTES OF NCCSIF CLAIMS COMMITTEE TELECONFERENCE MEETING**  
**THURSDAY, May 21, 2015**

**MEMBERS PRESENT**

Michelle Pellegrino, City of Dixon  
Russell Hildebrand, City of Rocklin  
Bruce Cline, City of Folsom  
Michael Daly, City of Jackson

**MEMBERS ABSENT**

Paula Islas, City of Galt

**GUESTS & CONSULTANTS**

Marcus Beverly, Alliant Insurance Services      Jennifer Nogosek, York Risk Services  
Michelle Minnick, Alliant Insurance Services      Ben Burg, York Risk Services  
Raychelle Maranan, Alliant Insurance Services      Dori Zumwalt, York Risk Services

**A. Call to Order**

The Claims Committee was called to order at 11:10 a.m.

**B. Public Comments**

No public comments were made.

**C. Approval of Agenda As Posted**

*A motion was made to approve the agenda as posted.*

**MOTION: Russell Hildebrand      SECOND: Mike Daly**  
**ABSENT:**

**MOTION CARRIED**  
**UNANIMOUSLY**

**D. NCCSIF Claims Committee Minutes for Approval**

1. Claims Committee Meeting Minutes – March 19, 2015 (Draft)
2. Claims Committee Special Meeting Minutes – March 19, 2015 (Draft)

*A motion was made to approve the minutes as presented.*

**MOTION: Russell Hildebrand      SECOND: Michelle Pellegrino**

**MOTION CARRIED**  
**UNANIMOUSLY**

**E. Updated List of Approved Liability Counsel**

Bruce Cline indicated the list of approved legal counsel is being provided as information only and the updated list will be finalized soon. The Claims Committee reviewed the list and made the following revisions:

- Brian Hayden of Donahue Davies LLP was removed from the approved liability legal counsel list.
- Address for Paul E. Lacy of University of the Pacific, McGeorge School of Law needs to be updated.
- Adding Stephanie Quinn of Murphy, Campbell, Alliston & Quinn, PLC to the Employment Practices Investigator list. It was noted Stephanie Quinn is also one of the approved liability legal counsel.
- Vincent Pastorino of University of the Pacific, McGeorge School of Law was removed from the Employment Practices Investigators list as he is no longer with the firm.

**F. Closed Session – The Claims Committee went into closed session in accordance with Government Code Section 54956.95 at 11:14 a.m. and discussed the following claims:**

**Workers' Compensation**

1. William Spears v. City of Willows
2. Michael Rose v. Yuba City

**Liability**

1. Walters & Young v. City of Jackson

**G. Report from Closed Session**

At 11:18 a.m. the Committee came out of Closed Session and announcement made that direction was provided to staff for the three claims referenced above.

**H. Round Table Discussion**

The Claims Committee discussed what the proper claim's appeal process is. It was noted there is a conflict between the Memorandum of Coverage (MOC) pertaining to the Arbitration of Coverage Disputes: under the Liability MOC, the Claims Committee shall make the initial determination whether to deny coverage on all or part of a claim; whereas, the Workers' Compensation MOC, the Third Party Administrator or JPA Counsel shall make the initial determination whether to deny coverage on all or part of a claim. The Committee is unsure whether it is intentional the way it is written.

Marcus Beverly reported the City of Red Bluff filed a coverage dispute appeal pertaining to the denial of coverage for their claim, Nelson v. City of Red Bluff. Their City Attorney, Richard Crabtree, requested an in-person meeting to discuss this matter and therefore, he will be present at the June 18, 2015, Board of Directors meeting. It was noted that the Claims Committee will have a special meeting prior to the Board of Directors meeting to address this matter accordingly,

and depending on the action taken by the Claims Committee, the matter will be presented to the Board of Directors.

**I. Adjournment** - The meeting was adjourned at 11:26 a.m.

**NEXT MEETING DATE:** June 18, 2015 in Rocklin, CA

Respectfully Submitted,

Michelle Pellegrino, Secretary

\_\_\_\_\_  
Date

DRAFT



## EXECUTIVE COMMITTEE MEETING OF MAY 21, 2015 SUMMARY

### INFORMATION ITEM

- **Approval of the Quarterly Financial Report for Period Ending March 31, 2015**  
*The Committee approved.*
- **Approval of the 2015/2016 NCCSIF Administration Budget**  
*The Committee approved.*
- **Consideration of the Sewer Risk Management Service Plan**  
*The Committee discussed the proposed Plan however; the Committee was not able to make the determination whether implementation of such service is needed as it is a State Mandated Law where all member cities should be in compliance with the regulations. The Committee asked staff to research this matter further as to cost benefit evaluation of funding this services for NCCSIF members and bring this matter to the Board of Directors for review and for further direction.*
- **Review of the 2015/16 Deposit Calculations – Liability Program**  
*The Committee reviewed the 2015/16 Deposit Calculations; the funding for the upcoming fiscal year is at 67.5% confidence level.*
- **Review of the 2015/16 Deposit Calculations – Workers’ Compensation Program**  
*The Committee reviewed the 2015/16 Deposit Calculations; the funding for the upcoming fiscal year is at 67.5% confidence level.*
- **Recommending Approval of the 2015/2016 Liability Memorandum of Coverage**  
*The Committee is recommending approval, adding the wording to the MOC’s arbitration provision that makes it clear NCCSIF will not be liable for consequential or “bad faith” damages.*
- **Recommending Approval of the 2015/2016 Workers’ Compensation Memorandum of Coverage**  
*The Committee is recommending approval, adding the similar language to the MOC’s arbitration provision that makes it clear NCCSIF will not be liable for consequential or bad “bad faith” damages.*



BACK TO AGENDA

**Northern California Cities Self Insurance Fund  
Board of Directors Meeting  
June 18, 2015**

**Agenda Item H.1.**

**QUARTERLY FINANCIAL REPORT FOR PERIOD ENDING  
MARCH 31, 2015**

**ACTION ITEM**

**ISSUE:** The Board receives quarterly a report on the financial status of NCCSIF. A presentation will be provided on NCCSIF's Financials for Quarter ending March 31, 2015 to the Board for their review.

**RECOMMENDATION:** Receive and file the Quarterly Financials as presented.

**FISCAL IMPACT:** Unknown.

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

**ATTACHMENT(S):** Quarterly Financial Report for Period Ending March 31, 2015

**FINANCIAL REPORT**

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**MARCH 31, 2015**

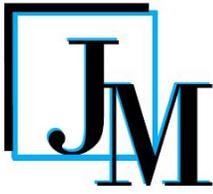
**AND FOR THE NINE MONTHS THEN ENDED**

# **Northern California Cities Self Insurance Fund**

**Northern California Cities Self Insurance Fund**  
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**March 31, 2015**

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**James Marta & Company LLP**

*Certified Public Accountants*

*Accounting, Auditing, Tax, and Consulting*

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**ACCOUNTANT'S REPORT**

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

We have compiled the accompanying statement of net position of Northern California Cities Self Insurance Fund as of March 31, 2015, and the related statement of revenues, expenses and changes in net position for the nine months then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

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

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

A statement of cash flows for the nine months ended March 31, 2015 has not been presented. Accounting principles generally accepted in the United States of America require that such a statement be presented when financial statements purport to present financial position and results of operations. Management has elected to present designations of net position on the Statement of Net Position as of March 31, 2015, contrary to accounting principles generally accepted in the United States of America which bar the presentation of designations of net position on the Statement of Net Position.

The supplementary information on pages 4 through 24 are presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information has been compiled from information that is the representation of management. We have not audited or reviewed the supplementary information and, according, do not express an opinion or provide and assurance on such supplementary information.

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

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

*James Marta & Company LLP*

James Marta & Company LLP  
Certified Public Accountants  
Sacramento, California  
May 1, 2015

**Northern California Cities Self Insurance Fund  
(Governmental Enterprise Fund)  
Statement of Net Position  
March 31, 2015**

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**Assets**

Current Assets	
Cash and Cash Equivalents	\$ 7,555,773
Interest Receivable	167,696
Excess Accounts Receivable	1,068,053
Prepaid Expense	<u>687,814</u>
Total Current Assets	<u>9,479,336</u>
Non-Current Assets	
Investments*	<u>42,234,437</u>
Total Assets	<u>\$ 51,713,773</u>

**Liabilities & Net Position**

Current Liabilities	
Accounts Payable	\$ 74,160
Deferred Revenue	<u>1,346,972</u>
Total Current Liabilities	<u>1,421,132</u>
Non-Current Liabilities	
Outstanding Liabilities*	36,014,223
ULAE*	<u>1,542,409</u>
Total Non-Current Liabilities	<u>37,556,632</u>
Total Liabilities	<u>\$ 38,977,764</u>
Net Position	
Designated for Contingency	200,000
Designated for Safety Grants	249,754
Undesignated	<u>12,286,255</u>
Total Net Position	<u>12,736,009</u>
Liability & Net Position	<u>\$ 51,713,773</u>

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

**Northern California Cities Self Insurance Fund  
(Governmental Enterprise Fund)  
Statement of Revenues, Expenses and Changes in Net Position  
For the Nine Months Ended March 31, 2015**

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Operating Income		
Administration Deposit	\$	629,134
Banking Layer Deposit		5,177,838
Shared Risk Layer		2,975,490
Excess Deposit/Premium		1,450,718
Property/Crime Insurance Income		655,699
Risk Management Grants		91,532
Other Income		11,459
Excess Insurance Refund		251,186
Total Operating Income		<u>11,243,056</u>
Operating Expenses		
Claims Paid		4,941,978
O/S Liability adj.		1,602,449
ULAE		(472,856)
Consultants		43,008
Administration-Other		298
Safety Service		379,622
Claims Administration		582,108
Program Administration		262,772
Board Expenses		8,560
Excess Insurance		1,335,438
Property/Crime Insurance Expense		655,694
Contingency Reserves		10,168
Total Operating Expenses		<u>9,349,239</u>
Operating Income (Loss)		1,893,817
Non-Operating Income		
Change in Fair Market Value		250,730
Investment Income		527,532
Total Non-Operating Income		<u>778,262</u>
Change in Net Position		2,672,079
Beginning Net Position		<u>10,063,930</u>
Ending Net Position	\$	<u><u>12,736,009</u></u>

## **SUPPLEMENTARY INFORMATION**

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

**Northern California Cities Self Insurance Fund  
(Governmental Enterprise Fund)  
Combining Statement of Net Position - Liability  
March 31, 2015**

	<b>Total All Layers</b>	<b>Admin Layer</b>	<b>Shared Layer</b>	<b>Total Banking Layer (Memo)</b>
<b>Current Assets</b>				
Cash and Cash Equivalents	\$ 3,433,650	\$ 84,147	\$ 1,985,041	\$ 1,364,462
Interest Receivable	42,557	618	8,590	33,349
Excess Accounts Receivable	724,541	-	724,541	-
Prepaid Expense	446,686	24,103	422,583	-
<b>Total Current Assets</b>	<b>4,647,434</b>	<b>108,868</b>	<b>3,140,755</b>	<b>1,397,811</b>
<b>Non-Current Assets</b>				
Investments*	8,220,214	211,022	4,116,150	3,893,042
<b>Total Assets</b>	<b>\$ 12,867,648</b>	<b>\$ 319,890</b>	<b>\$ 7,256,905</b>	<b>\$ 5,290,853</b>
<b>Current Liabilities</b>				
Accounts Payable	\$ 56,014	\$ 14,830	\$ 201	\$ 40,983
Deferred Revenue	1,320,968	94,181	797,559	429,228
<b>Total Current Liabilities</b>	<b>1,376,982</b>	<b>109,011</b>	<b>797,760</b>	<b>470,211</b>
<b>Non-Current Liabilities</b>				
Outstanding Liabilities*	9,360,499	-	6,820,359	2,540,140
ULAE*	-	-	-	-
<b>Total Non-Current Liabilities</b>	<b>9,360,499</b>	<b>-</b>	<b>6,820,359</b>	<b>2,540,140</b>
<b>Total Liabilities</b>	<b>\$ 10,737,481</b>	<b>\$ 109,011</b>	<b>\$ 7,618,119</b>	<b>\$ 3,010,351</b>
<b>Net Position</b>				
Designated for Contingency	100,000	100,000	-	-
Undesignated	2,030,167	110,879	(361,214)	2,280,502
<b>Total Net Position</b>	<b>2,130,167</b>	<b>210,879</b>	<b>(361,214)</b>	<b>2,280,502</b>
<b>Liability &amp; Net Position</b>	<b>\$ 12,867,648</b>	<b>\$ 319,890</b>	<b>\$ 7,256,905</b>	<b>\$ 5,290,853</b>

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

**Northern California Cities Self Insurance Fund  
(Governmental Enterprise Fund)  
Combining Statement of Net Position - Liability  
March 31, 2015**

	City of Anderson	City of Auburn	City of Colusa	City of Corning	City of Dixon	City of Folsom	City of Galt	City of Gridley	City of Ione
<b>Current Assets</b>									
Cash and Cash Equivalents	\$ 84,989	\$ 105,489	\$ (2,661)	\$ 26,464	\$ 91,190	\$ 260,860	\$ 213,120	\$ 10,943	\$ 15,149
Interest Receivable	650	1,172	244	418	1,813	10,542	1,939	862	183
Excess Accounts Receivable	-	-	-	-	-	-	-	-	-
Prepaid Expense	-	-	-	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>85,639</b>	<b>106,661</b>	<b>(2,417)</b>	<b>26,882</b>	<b>93,003</b>	<b>271,402</b>	<b>215,059</b>	<b>11,805</b>	<b>15,332</b>
<b>Non-Current Assets</b>									
Investments*	87,029	68,268	-	3,468	110,495	1,476,566	92,285	130,800	5,127
<b>Total Assets</b>	<b>\$ 172,668</b>	<b>\$ 174,929</b>	<b>\$ (2,417)</b>	<b>\$ 30,350</b>	<b>\$ 203,498</b>	<b>\$ 1,747,968</b>	<b>\$ 307,344</b>	<b>\$ 142,605</b>	<b>\$ 20,459</b>
<b>Current Liabilities</b>									
Accounts Payable	\$ 1,095	\$ 1,537	\$ 475	\$ 10	\$ 367	\$ 15,224	\$ 3,939	\$ 140	\$ 5
Deferred Revenue	7,777	19,397	4,371	6,319	9,359	127,935	33,681	13,544	3,583
<b>Total Current Liabilities</b>	<b>8,872</b>	<b>20,934</b>	<b>4,846</b>	<b>6,329</b>	<b>9,726</b>	<b>143,159</b>	<b>37,620</b>	<b>13,684</b>	<b>3,588</b>
<b>Non-Current Liabilities</b>									
Outstanding Liabilities*	53,503	69,044	70,347	77,684	28,225	714,638	116,977	10,663	6,053
ULAE*	-	-	-	-	-	-	-	-	-
<b>Total Non-Current Liabilities</b>	<b>53,503</b>	<b>69,044</b>	<b>70,347</b>	<b>77,684</b>	<b>28,225</b>	<b>714,638</b>	<b>116,977</b>	<b>10,663</b>	<b>6,053</b>
<b>Total Liabilities</b>	<b>\$ 62,375</b>	<b>\$ 89,978</b>	<b>\$ 75,193</b>	<b>\$ 84,013</b>	<b>\$ 37,951</b>	<b>\$ 857,797</b>	<b>\$ 154,597</b>	<b>\$ 24,347</b>	<b>\$ 9,641</b>
<b>Net Position</b>									
Designated for Contingency	-	-	-	-	-	-	-	-	-
Undesignated	110,293	84,951	(77,610)	(53,663)	165,547	890,171	152,747	118,258	10,818
<b>Total Net Position</b>	<b>110,293</b>	<b>84,951</b>	<b>(77,610)</b>	<b>(53,663)</b>	<b>165,547</b>	<b>890,171</b>	<b>152,747</b>	<b>118,258</b>	<b>10,818</b>
<b>Liability &amp; Net Position</b>	<b>\$ 172,668</b>	<b>\$ 174,929</b>	<b>\$ (2,417)</b>	<b>\$ 30,350</b>	<b>\$ 203,498</b>	<b>\$ 1,747,968</b>	<b>\$ 307,344</b>	<b>\$ 142,605</b>	<b>\$ 20,459</b>

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

**Northern California Cities Self Insurance Fund  
(Governmental Enterprise Fund)  
Combining Statement of Net Position - Liability  
March 31, 2015**

	City of Jackson	City of Lincoln	City of Marysville	City of Oroville	City of Paradise	City of Red Bluff	City of Rio Vista	City of Rocklin	City of Willows	City of Yuba City
<b>Current Assets</b>										
Cash and Cash Equivalents	\$ (6,280)	\$ 128,128	\$ 21,898	\$ 74,004	\$ 93,821	\$ 88,886	\$ 25,651	\$ 8,426	\$ 22,834	\$ 101,551
Interest Receivable	530	1,745	1,648	1,131	1,558	1,241	401	3,405	639	3,228
Excess Accounts Receivable	-	-	-	-	-	-	-	-	-	-
Prepaid Expense	-	-	-	-	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>(5,750)</b>	<b>129,873</b>	<b>23,546</b>	<b>75,135</b>	<b>95,379</b>	<b>90,127</b>	<b>26,052</b>	<b>11,831</b>	<b>23,473</b>	<b>104,779</b>
<b>Non-Current Assets</b>										
Investments*	-	312,715	147,745	119,827	171,282	130,165	44,016	399,805	62,049	531,400
<b>Total Assets</b>	<b>\$ (5,750)</b>	<b>\$ 442,588</b>	<b>\$ 171,291</b>	<b>\$ 194,962</b>	<b>\$ 266,661</b>	<b>\$ 220,292</b>	<b>\$ 70,068</b>	<b>\$ 411,636</b>	<b>\$ 85,522</b>	<b>\$ 636,179</b>
<b>Current Liabilities</b>										
Accounts Payable	\$ 1,530	\$ 2,964	\$ 1,088	\$ 3,369	\$ 1,294	\$ 556	\$ 1,240	\$ 2,622	\$ 2,076	\$ 1,452
Deferred Revenue	6,537	32,132	18,999	16,410	15,582	31,267	6,088	33,972	3,103	39,172
<b>Total Current Liabilities</b>	<b>8,067</b>	<b>35,096</b>	<b>20,087</b>	<b>19,779</b>	<b>16,876</b>	<b>31,823</b>	<b>7,328</b>	<b>36,594</b>	<b>5,179</b>	<b>40,624</b>
<b>Non-Current Liabilities</b>										
Outstanding Liabilities*	18,016	141,441	329,547	141,000	181,414	129,142	7,674	177,985	23,361	243,426
ULAE*	-	-	-	-	-	-	-	-	-	-
<b>Total Non-Current Liabilities</b>	<b>18,016</b>	<b>141,441</b>	<b>329,547</b>	<b>141,000</b>	<b>181,414</b>	<b>129,142</b>	<b>7,674</b>	<b>177,985</b>	<b>23,361</b>	<b>243,426</b>
<b>Total Liabilities</b>	<b>\$ 26,083</b>	<b>\$ 176,537</b>	<b>\$ 349,634</b>	<b>\$ 160,779</b>	<b>\$ 198,290</b>	<b>\$ 160,965</b>	<b>\$ 15,002</b>	<b>\$ 214,579</b>	<b>\$ 28,540</b>	<b>\$ 284,050</b>
<b>Net Position</b>										
Designated for Contingency	-	-	-	-	-	-	-	-	-	-
Undesignated	(31,833)	266,051	(178,343)	34,183	68,371	59,327	55,066	197,057	56,982	352,129
<b>Total Net Position</b>	<b>(31,833)</b>	<b>266,051</b>	<b>(178,343)</b>	<b>34,183</b>	<b>68,371</b>	<b>59,327</b>	<b>55,066</b>	<b>197,057</b>	<b>56,982</b>	<b>352,129</b>
<b>Liability &amp; Net Position</b>	<b>\$ (5,750)</b>	<b>\$ 442,588</b>	<b>\$ 171,291</b>	<b>\$ 194,962</b>	<b>\$ 266,661</b>	<b>\$ 220,292</b>	<b>\$ 70,068</b>	<b>\$ 411,636</b>	<b>\$ 85,522</b>	<b>\$ 636,179</b>

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

**Northern California Cities Self Insurance Fund**  
**(Governmental Enterprise Fund)**  
**Combining Statement of Revenues, Expenses and Changes in Net Position - Liability**  
**For the Nine Months Ended March 31, 2015**

	<b>Total All Layers</b>	<b>Admin Layer</b>	<b>Shared Layer</b>	<b>Total Banking Layer (Memo)</b>
Operating Income				
Administration Deposit	\$ 282,542	\$ 282,542	\$ -	\$ -
Banking Layer Deposit	1,287,677	-	-	1,287,677
Shared Risk Layer	1,009,645	-	1,009,645	-
Excess Deposit/Premium	727,334	-	727,334	-
Property/Crime Insurance Income	655,699	-	655,699	-
Other Income	878	-	50	828
Excess Insurance Refund	251,186	-	251,186	-
<b>Total Operating Income</b>	<b>4,214,961</b>	<b>282,542</b>	<b>2,643,914</b>	<b>1,288,505</b>
Operating Expenses				
Claims Paid	1,541,697	-	407,916	1,133,781
O/S Liability adj.	739,410	-	779,233	(39,823)
Consultants	21,504	21,504	-	-
Administration-Other	149	149	-	-
Safety Service	189,555	189,555	-	-
Claims Administration	28,350	28,350	-	-
Program Administration	142,111	142,111	-	-
Board Expenses	4,280	4,280	-	-
Excess Insurance	612,054	-	612,054	-
Property/Crime Insurance Expense	655,694	-	655,694	-
Contingency Reserves	10,168	10,168	-	-
<b>Total Operating Expense</b>	<b>3,944,972</b>	<b>396,117</b>	<b>2,454,897</b>	<b>1,093,958</b>
<b>Operating Income (Loss)</b>	<b>269,989</b>	<b>(113,575)</b>	<b>189,017</b>	<b>194,547</b>
Non-Operating Income				
Change in Fair Market Value	57,864	517	10,875	46,472
Investment Income	139,068	2,115	28,680	108,273
<b>Total Non-Operating Income</b>	<b>196,932</b>	<b>2,632</b>	<b>39,555</b>	<b>154,745</b>
<b>Change in Net Position</b>	<b>466,921</b>	<b>(110,943)</b>	<b>228,572</b>	<b>349,292</b>
<b>Beginning Net Position</b>	<b>1,663,246</b>	<b>321,822</b>	<b>(589,786)</b>	<b>1,931,210</b>
<b>Ending Net Position</b>	<b>\$ 2,130,167</b>	<b>\$ 210,879</b>	<b>\$ (361,214)</b>	<b>\$ 2,280,502</b>

See Accompanying Accountant's Report

**Northern California Cities Self Insurance Fund**  
**(Governmental Enterprise Fund)**  
**Combining Statement of Revenues, Expenses and Changes in Net Position - Liability**  
**For the Nine Months Ended March 31, 2015**

	City of Anderson	City of Auburn	City of Colusa	City of Corning	City of Dixon	City of Folsom	City of Galt	City of Gridley	City of Ione
Operating Income									
Administration Deposit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Banking Layer Deposit	23,331	58,192	13,114	18,956	28,077	383,806	101,042	40,631	10,750
Shared Risk Layer	-	-	-	-	-	-	-	-	-
Excess Deposit/Premium	-	-	-	-	-	-	-	-	-
Property/Crime Insurance Income	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	828
Excess Insurance Refund	-	-	-	-	-	-	-	-	-
<b>Total Operating Income</b>	<b>23,331</b>	<b>58,192</b>	<b>13,114</b>	<b>18,956</b>	<b>28,077</b>	<b>383,806</b>	<b>101,042</b>	<b>40,631</b>	<b>11,578</b>
Operating Expenses									
Claims Paid	1,316	31,474	52,061	26,874	11,357	317,360	33,618	66,006	21,069
O/S Liability adj.	51,125	48,276	14,129	(87,680)	22,692	2,100	(77,682)	(88,984)	(18,067)
Consultants	-	-	-	-	-	-	-	-	-
Administration-Other	-	-	-	-	-	-	-	-	-
Safety Service	-	-	-	-	-	-	-	-	-
Claims Administration	-	-	-	-	-	-	-	-	-
Program Administration	-	-	-	-	-	-	-	-	-
Board Expenses	-	-	-	-	-	-	-	-	-
Excess Insurance	-	-	-	-	-	-	-	-	-
Property/Crime Insurance Expense	-	-	-	-	-	-	-	-	-
Contingency Reserves	-	-	-	-	-	-	-	-	-
<b>Total Operating Expense</b>	<b>52,441</b>	<b>79,750</b>	<b>66,190</b>	<b>(60,806)</b>	<b>34,049</b>	<b>319,460</b>	<b>(44,064)</b>	<b>(22,978)</b>	<b>3,002</b>
<b>Operating Income (Loss)</b>	<b>(29,110)</b>	<b>(21,558)</b>	<b>(53,076)</b>	<b>79,762</b>	<b>(5,972)</b>	<b>64,346</b>	<b>145,106</b>	<b>63,609</b>	<b>8,576</b>
Non-Operating Income									
Change in Fair Market Value	833	1,661	342	620	2,499	14,551	2,781	1,180	257
Investment Income	1,934	3,720	753	1,408	5,770	34,376	6,445	2,716	581
<b>Total Non-Operating Income</b>	<b>2,767</b>	<b>5,381</b>	<b>1,095</b>	<b>2,028</b>	<b>8,269</b>	<b>48,927</b>	<b>9,226</b>	<b>3,896</b>	<b>838</b>
<b>Change in Net Position</b>	<b>(26,343)</b>	<b>(16,177)</b>	<b>(51,981)</b>	<b>81,790</b>	<b>2,297</b>	<b>113,273</b>	<b>154,332</b>	<b>67,505</b>	<b>9,414</b>
<b>Beginning Net Position</b>	<b>136,636</b>	<b>101,128</b>	<b>(25,629)</b>	<b>(135,453)</b>	<b>163,250</b>	<b>776,898</b>	<b>(1,585)</b>	<b>50,753</b>	<b>1,404</b>
<b>Ending Net Position</b>	<b>\$ 110,293</b>	<b>\$ 84,951</b>	<b>\$ (77,610)</b>	<b>\$ (53,663)</b>	<b>\$ 165,547</b>	<b>\$ 890,171</b>	<b>\$ 152,747</b>	<b>\$ 118,258</b>	<b>\$ 10,818</b>

See Accompanying Accountant's Report

**Northern California Cities Self Insurance Fund**  
**(Governmental Enterprise Fund)**  
**Combining Statement of Revenues, Expenses and Changes in Net Position - Liability**  
**For the Nine Months Ended March 31, 2015**

	City of Jackson	City of Lincoln	City of Marysville	City of Oroville	City of Paradise	City of Red Bluff	City of Rio Vista	City of Rocklin	City of Willows	City of Yuba City
Operating Income										
Administration Deposit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Banking Layer Deposit	19,611	96,395	56,996	49,229	46,745	93,800	18,263	101,915	9,309	117,515
Shared Risk Layer	-	-	-	-	-	-	-	-	-	-
Excess Deposit/Premium	-	-	-	-	-	-	-	-	-	-
Property/Crime Insurance Income	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	-	-
Excess Insurance Refund	-	-	-	-	-	-	-	-	-	-
Total Operating Income	19,611	96,395	56,996	49,229	46,745	93,800	18,263	101,915	9,309	117,515
Operating Expenses										
Claims Paid	49,872	27,915	103,323	39,786	27,774	78,982	18,293	132,734	7,329	86,638
O/S Liability adj.	(3,915)	4,944	45,522	82,396	26,112	(49,962)	(15,565)	8,426	(11,908)	8,218
Consultants	-	-	-	-	-	-	-	-	-	-
Administration-Other	-	-	-	-	-	-	-	-	-	-
Safety Service	-	-	-	-	-	-	-	-	-	-
Claims Administration	-	-	-	-	-	-	-	-	-	-
Program Administration	-	-	-	-	-	-	-	-	-	-
Board Expenses	-	-	-	-	-	-	-	-	-	-
Excess Insurance	-	-	-	-	-	-	-	-	-	-
Property/Crime Insurance Expense	-	-	-	-	-	-	-	-	-	-
Contingency Reserves	-	-	-	-	-	-	-	-	-	-
Total Operating Expense	45,957	32,859	148,845	122,182	53,886	29,020	2,728	141,160	(4,579)	94,856
Operating Income (Loss)	(26,346)	63,536	(91,849)	(72,953)	(7,141)	64,780	15,535	(39,245)	13,888	22,659
Non-Operating Income										
Change in Fair Market Value	758	2,451	2,292	1,608	2,125	1,694	568	4,722	898	4,632
Investment Income	1,752	5,873	5,444	3,655	4,754	4,011	1,316	11,061	2,072	10,632
Total Non-Operating Income	2,510	8,324	7,736	5,263	6,879	5,705	1,884	15,783	2,970	15,264
Change in Net Position	(23,836)	71,860	(84,113)	(67,690)	(262)	70,485	17,419	(23,462)	16,858	37,923
Beginning Net Position	(7,997)	194,191	(94,230)	101,873	68,633	(11,158)	37,647	220,519	40,124	314,206
Ending Net Position	\$ (31,833)	\$ 266,051	\$ (178,343)	\$ 34,183	\$ 68,371	\$ 59,327	\$ 55,066	\$ 197,057	\$ 56,982	\$ 352,129

**Northern California Cities Self Insurance Fund**  
**(Governmental Enterprise Fund)**  
**Combining Statement of Net Position – Workers’ Compensation**  
**March 31, 2015**

	<b>Total</b>			<b>Total Banking</b>
	<b>All Layers</b>	<b>Admin Layer</b>	<b>Shared Layer</b>	<b>Layer</b>
				<b>(Memo)</b>
<b>Current Assets</b>				
Cash and Cash Equivalents	\$ 4,122,123	\$ 72,480	\$ 1,348,368	\$ 2,701,275
Interest Receivable	125,139	2,573	48,870	73,696
Excess Accounts Receivable	343,512	-	343,512	-
Prepaid Expense	241,128	-	241,128	-
<b>Total Current Assets</b>	<b>4,831,902</b>	<b>75,053</b>	<b>1,981,878</b>	<b>2,774,971</b>
<b>Non-Current Assets</b>				
Investments*	34,014,223	570,658	16,539,433	16,904,132
<b>Total Assets</b>	<b>\$ 38,846,125</b>	<b>\$ 645,711</b>	<b>\$ 18,521,311</b>	<b>\$ 19,679,103</b>
<b>Current Liabilities</b>				
Accounts Payable	\$ 18,146	\$ 14,881	\$ 1,300	\$ 1,965
Deferred Revenue	26,004	-	26,004	-
<b>Total Current Liabilities</b>	<b>44,150</b>	<b>14,881</b>	<b>27,304</b>	<b>1,965</b>
<b>Non-Current Liabilities</b>				
Outstanding Liabilities*	26,653,724	-	13,994,025	12,659,699
ULAE*	1,542,409	-	809,812	732,597
<b>Total Non-Current Liabilities</b>	<b>28,196,133</b>	<b>-</b>	<b>14,803,837</b>	<b>13,392,296</b>
<b>Total Liabilities</b>	<b>\$ 28,240,283</b>	<b>\$ 14,881</b>	<b>\$ 14,831,141</b>	<b>\$ 13,394,261</b>
<b>Net Position</b>				
Designated for Contingency	100,000	100,000	-	-
Designated for Safety Grants	249,754	249,754	-	-
Undesignated	10,256,088	281,076	3,690,170	6,284,842
<b>Total Net Position</b>	<b>10,605,842</b>	<b>630,830</b>	<b>3,690,170</b>	<b>6,284,842</b>
<b>Liability &amp; Net Position</b>	<b>\$ 38,846,125</b>	<b>\$ 645,711</b>	<b>\$ 18,521,311</b>	<b>\$ 19,679,103</b>

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

See Accompanying Accountant’s Report

**Northern California Cities Self Insurance Fund  
(Governmental Enterprise Fund)  
Combining Statement of Net Position – Workers’ Compensation  
March 31, 2015**

	City of Anderson	City of Auburn	City of Colusa	City of Corning	City of Dixon	City of Elk Grove	City of Folsom	City of Galt	City of Gridley	City of Ione	City of Jackson
<b>Current Assets</b>											
Cash and Cash Equivalents	\$ 62,320	\$ 101,829	\$ 54,317	\$ 90,016	\$ 20,458	\$ 362,079	\$ 493,042	\$ 147,123	\$ 62,518	\$ 89,587	\$ 127,782
Interest Receivable	1,343	2,416	504	861	3,739	1,714	21,740	3,997	1,777	377	1,094
Excess Accounts Receivable	-	-	-	-	-	-	-	-	-	-	-
Prepaid Expense	-	-	-	-	-	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>63,663</b>	<b>104,245</b>	<b>54,821</b>	<b>90,877</b>	<b>24,197</b>	<b>363,793</b>	<b>514,782</b>	<b>151,120</b>	<b>64,295</b>	<b>89,964</b>	<b>128,876</b>
<b>Non-Current Assets</b>											
Investments*	136,630	561,923	110,363	162,515	995,103	390,826	5,191,309	943,965	397,786	27,280	216,857
<b>Total Assets</b>	<b>\$ 200,293</b>	<b>\$ 666,168</b>	<b>\$ 165,184</b>	<b>\$ 253,392</b>	<b>\$ 1,019,300</b>	<b>\$ 754,619</b>	<b>\$ 5,706,091</b>	<b>\$ 1,095,085</b>	<b>\$ 462,081</b>	<b>\$ 117,244</b>	<b>\$ 345,733</b>
<b>Current Liabilities</b>											
Accounts Payable	\$ 31	\$ 64	\$ 13	\$ 23	\$ 98	\$ 64	\$ 577	\$ 109	\$ 47	\$ 10	\$ 29
Deferred Revenue	-	-	-	-	-	-	-	-	-	-	-
<b>Total Current Liabilities</b>	<b>31</b>	<b>64</b>	<b>13</b>	<b>23</b>	<b>98</b>	<b>64</b>	<b>577</b>	<b>109</b>	<b>47</b>	<b>10</b>	<b>29</b>
<b>Non-Current Liabilities</b>											
Outstanding Liabilities*	376,512	527,804	61,980	84,537	702,350	955,306	3,322,558	584,751	58,697	16,820	168,399
ULAE*	21,788	30,543	3,587	4,892	40,644	55,282	192,271	33,839	3,397	973	9,745
<b>Total Non-Current Liabilities</b>	<b>398,300</b>	<b>558,347</b>	<b>65,567</b>	<b>89,429</b>	<b>742,994</b>	<b>1,010,588</b>	<b>3,514,829</b>	<b>618,590</b>	<b>62,094</b>	<b>17,793</b>	<b>178,144</b>
<b>Total Liabilities</b>	<b>\$ 398,331</b>	<b>\$ 558,411</b>	<b>\$ 65,580</b>	<b>\$ 89,452</b>	<b>\$ 743,092</b>	<b>\$ 1,010,652</b>	<b>\$ 3,515,406</b>	<b>\$ 618,699</b>	<b>\$ 62,141</b>	<b>\$ 17,803</b>	<b>\$ 178,173</b>
<b>Net Position</b>											
Designated for Contingency	-	-	-	-	-	-	-	-	-	-	-
Designated for Safety Grants	-	-	-	-	-	-	-	-	-	-	-
Undesignated	(198,038)	107,757	99,604	163,940	276,208	(256,033)	2,190,685	476,386	399,940	99,441	167,560
<b>Total Net Position</b>	<b>(198,038)</b>	<b>107,757</b>	<b>99,604</b>	<b>163,940</b>	<b>276,208</b>	<b>(256,033)</b>	<b>2,190,685</b>	<b>476,386</b>	<b>399,940</b>	<b>99,441</b>	<b>167,560</b>
<b>Liability &amp; Net Position</b>	<b>\$ 200,293</b>	<b>\$ 666,168</b>	<b>\$ 165,184</b>	<b>\$ 253,392</b>	<b>\$ 1,019,300</b>	<b>\$ 754,619</b>	<b>\$ 5,706,091</b>	<b>\$ 1,095,085</b>	<b>\$ 462,081</b>	<b>\$ 117,244</b>	<b>\$ 345,733</b>

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

**Northern California Cities Self Insurance Fund  
(Governmental Enterprise Fund)  
Combining Statement of Net Position – Workers’ Compensation  
March 31, 2015**

	City of Lincoln	City of Marysville	City of Nevada City	City of Oroville	City of Paradise	City of Placerville	City of Red Bluff	City of Rio Vista	City of Rocklin	City of Willows	City of Yuba City
<b>Current Assets</b>											
Cash and Cash Equivalents	\$ 103,890	\$ 82,000	\$ 22,085	\$ 101,791	\$ 44,062	\$ 101,157	\$ 62,716	\$ 22,597	\$ 172,803	\$ 109,070	\$ 268,033
Interest Receivable	3,599	3,399	901	2,332	3,215	2,303	2,561	827	7,021	1,318	6,658
Excess Accounts Receivable	-	-	-	-	-	-	-	-	-	-	-
Prepaid Expense	-	-	-	-	-	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>107,489</b>	<b>85,399</b>	<b>22,986</b>	<b>104,123</b>	<b>47,277</b>	<b>103,460</b>	<b>65,277</b>	<b>23,424</b>	<b>179,824</b>	<b>110,388</b>	<b>274,691</b>
<b>Non-Current Assets</b>											
Investments*	661,615	825,549	290,605	507,492	782,386	682,437	516,158	191,825	1,782,322	268,165	1,261,021
<b>Total Assets</b>	<b>\$ 769,104</b>	<b>\$ 910,948</b>	<b>\$ 313,591</b>	<b>\$ 611,615</b>	<b>\$ 829,663</b>	<b>\$ 785,897</b>	<b>\$ 581,435</b>	<b>\$ 215,249</b>	<b>\$ 1,962,146</b>	<b>\$ 378,553</b>	<b>\$ 1,535,712</b>
<b>Current Liabilities</b>											
Accounts Payable	\$ 94	\$ 89	\$ 24	\$ 63	\$ 84	\$ 62	\$ 65	\$ 23	\$ 187	\$ 35	\$ 174
Deferred Revenue	-	-	-	-	-	-	-	-	-	-	-
<b>Total Current Liabilities</b>	<b>94</b>	<b>89</b>	<b>24</b>	<b>63</b>	<b>84</b>	<b>62</b>	<b>65</b>	<b>23</b>	<b>187</b>	<b>35</b>	<b>174</b>
<b>Non-Current Liabilities</b>											
Outstanding Liabilities*	247,232	740,866	98,690	300,152	561,550	486,409	986,257	73,095	824,893	159,901	1,320,940
ULAE*	14,307	42,873	5,711	17,369	32,496	28,148	57,073	4,230	47,735	9,253	76,441
<b>Total Non-Current Liabilities</b>	<b>261,539</b>	<b>783,739</b>	<b>104,401</b>	<b>317,521</b>	<b>594,046</b>	<b>514,557</b>	<b>1,043,330</b>	<b>77,325</b>	<b>872,628</b>	<b>169,154</b>	<b>1,397,381</b>
<b>Total Liabilities</b>	<b>\$ 261,633</b>	<b>\$ 783,828</b>	<b>\$ 104,425</b>	<b>\$ 317,584</b>	<b>\$ 594,130</b>	<b>\$ 514,619</b>	<b>\$ 1,043,395</b>	<b>\$ 77,348</b>	<b>\$ 872,815</b>	<b>\$ 169,189</b>	<b>\$ 1,397,555</b>
<b>Net Position</b>											
Designated for Contingency	-	-	-	-	-	-	-	-	-	-	-
Designated for Safety Grants	-	-	-	-	-	-	-	-	-	-	-
Undesignated	507,471	127,120	209,166	294,031	235,533	271,278	(461,960)	137,901	1,089,331	209,364	138,157
<b>Total Net Position</b>	<b>507,471</b>	<b>127,120</b>	<b>209,166</b>	<b>294,031</b>	<b>235,533</b>	<b>271,278</b>	<b>(461,960)</b>	<b>137,901</b>	<b>1,089,331</b>	<b>209,364</b>	<b>138,157</b>
<b>Liability &amp; Net Position</b>	<b>\$ 769,104</b>	<b>\$ 910,948</b>	<b>\$ 313,591</b>	<b>\$ 611,615</b>	<b>\$ 829,663</b>	<b>\$ 785,897</b>	<b>\$ 581,435</b>	<b>\$ 215,249</b>	<b>\$ 1,962,146</b>	<b>\$ 378,553</b>	<b>\$ 1,535,712</b>

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

**Northern California Cities Self Insurance Fund  
(Governmental Enterprise Fund)  
Combining Statement of Revenues, Expenses and Changes in Net Position – Workers’ Compensation  
For the Nine Months Ended March 31, 2014**

	<b>Total All Layers</b>	<b>Admin Layer</b>	<b>Shared Layer</b>	<b>Total Banking Layer (Memo)</b>
<b>Operating Income</b>				
Administration Deposit	\$ 346,592	\$ 346,592	\$ -	\$ -
Banking Layer Deposit	3,890,161	-	-	3,890,161
Shared Risk Layer	1,965,845	-	1,965,845	-
Excess Deposit/Premium	723,384	-	723,384	-
Risk Management Grants	91,532	91,532	-	-
Other Income	10,581	-	10,581	-
<b>Total Operating Income</b>	<b>7,028,095</b>	<b>438,124</b>	<b>2,699,810</b>	<b>3,890,161</b>
<b>Operating Expenses</b>				
Claims Paid	3,400,281	-	1,209,255	2,191,026
O/S Liability adj.	863,039	-	1,089,767	(226,728)
ULAE	(472,856)	-	(198,519)	(274,337)
Consultants	21,504	21,504	-	-
Administration-Other	149	149	-	-
Safety Service	190,067	190,067	-	-
Claims Administration	553,758	152,751	-	401,007
Program Administration	120,661	120,661	-	-
Board Expenses	4,280	4,280	-	-
Excess Insurance	723,384	-	723,384	-
<b>Total Operating Expenses</b>	<b>5,404,267</b>	<b>489,412</b>	<b>2,823,887</b>	<b>2,090,968</b>
<b>Operating Income (Loss)</b>	<b>1,623,828</b>	<b>(51,288)</b>	<b>(124,077)</b>	<b>1,799,193</b>
<b>Non-Operating Income</b>				
Change in Fair Market Value	192,866	3,815	73,800	115,251
Investment Income	388,464	7,953	144,169	236,342
<b>Total Non-Operating Income</b>	<b>581,330</b>	<b>11,768</b>	<b>217,969</b>	<b>351,593</b>
<b>Change in Net Position</b>	<b>2,205,158</b>	<b>(39,520)</b>	<b>93,892</b>	<b>2,150,786</b>
Beginning Net Position	8,400,684	670,350	3,596,278	4,134,056
<b>Ending Net Position</b>	<b>\$ 10,605,842</b>	<b>\$ 630,830</b>	<b>\$ 3,690,170</b>	<b>\$ 6,284,842</b>

See Accompanying Accountant’s Report

**Northern California Cities Self Insurance Fund  
(Governmental Enterprise Fund)  
Combining Statement of Revenues, Expenses and Changes in Net Position – Workers’ Compensation  
For the Nine Months Ended March 31, 2014**

	City of Anderson	City of Auburn	City of Colusa	City of Corning	City of Dixon	City of Elk Grove	City of Folsom	City of Galt	City of Gridley	City of Ione	City of Jackson
Operating Income											
Administration Deposit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Banking Layer Deposit	83,196	122,468	43,442	68,149	143,554	557,731	826,435	151,814	39,635	11,538	68,300
Shared Risk Layer	-	-	-	-	-	-	-	-	-	-	-
Excess Deposit/Premium	-	-	-	-	-	-	-	-	-	-	-
Risk Management Grants	-	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	-	-	-
Total Operating Income	83,196	122,468	43,442	68,149	143,554	557,731	826,435	151,814	39,635	11,538	68,300
Operating Expenses											
Claims Paid	184,349	143,637	19,098	49,485	152,820	236,729	224,248	82,038	30,288	526	30,913
O/S Liability adj.	2,455	(139,223)	(9,399)	(88,598)	215,300	477,808	(149,835)	(120,988)	(103,565)	11,707	63,450
ULAE	(7,440)	(21,578)	(1,991)	(8,637)	2,586	17,971	(79,059)	(21,307)	(9,282)	574	1,544
Consultants	-	-	-	-	-	-	-	-	-	-	-
Administration-Other	-	-	-	-	-	-	-	-	-	-	-
Safety Service	-	-	-	-	-	-	-	-	-	-	-
Claims Administration	11,340	15,022	6,024	6,978	14,306	19,697	95,785	22,248	5,331	260	4,269
Program Administration	-	-	-	-	-	-	-	-	-	-	-
Board Expenses	-	-	-	-	-	-	-	-	-	-	-
Excess Insurance	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses	190,704	(2,142)	13,732	(40,772)	385,012	752,205	91,139	(38,009)	(77,228)	13,067	100,176
Operating Income (Loss)	(107,508)	124,610	29,710	108,921	(241,458)	(194,474)	735,296	189,823	116,863	(1,529)	(31,876)
Non-Operating Income											
Change in Fair Market Value	1,901	3,791	782	1,409	5,718	4,042	33,315	6,354	2,704	588	1,731
Investment Income	3,897	7,533	1,518	2,885	11,676	6,480	69,769	13,120	5,479	1,175	3,568
Total Non-Operating Income	5,798	11,324	2,300	4,294	17,394	10,522	103,084	19,474	8,183	1,763	5,299
Change in Net Position	(101,710)	135,934	32,010	113,215	(224,064)	(183,952)	838,380	209,297	125,046	234	(26,577)
Beginning Net Position	(96,328)	(28,177)	67,594	50,725	500,272	(72,081)	1,352,305	267,089	274,894	99,207	194,137
Ending Net Position	\$ (198,038)	\$ 107,757	\$ 99,604	\$ 163,940	\$ 276,208	\$ (256,033)	\$ 2,190,685	\$ 476,386	\$ 399,940	\$ 99,441	\$ 167,560

**Northern California Cities Self Insurance Fund**  
**(Governmental Enterprise Fund)**  
**Combining Statement of Revenues, Expenses and Changes in Net Position – Workers’ Compensation**  
**For the Nine Months Ended March 31, 2014**

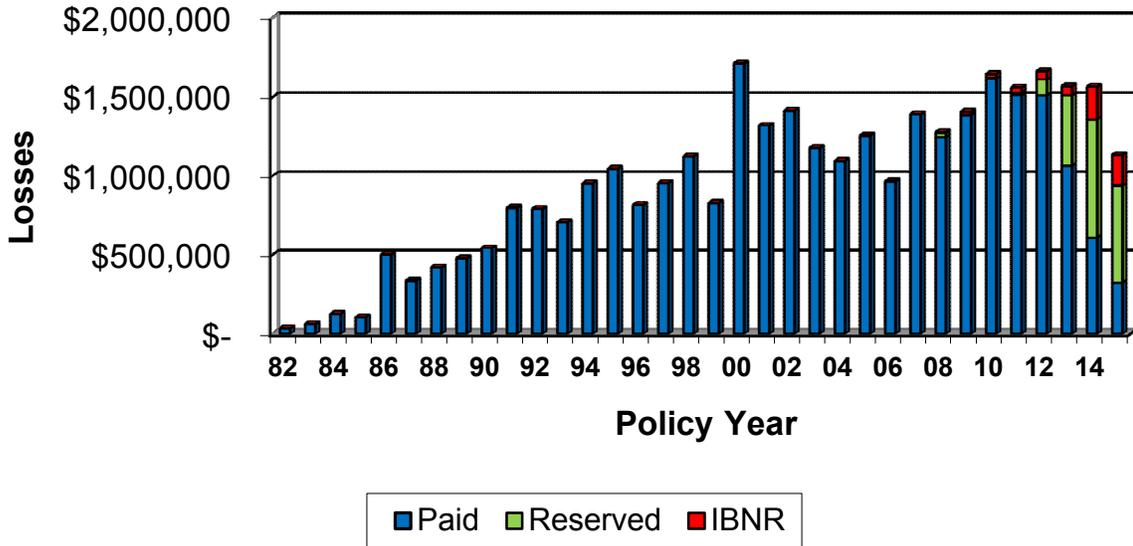
	City of Lincoln	City of Marysville	City of Nevada City	City of Oroville	City of Paradise	City of Placerville	City of Red Bluff	City of Rio Vista	City of Rocklin	City of Willows	City of Yuba City
Operating Income											
Administration Deposit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Banking Layer Deposit	240,404	154,333	36,610	118,946	109,041	112,247	147,496	36,666	297,925	69,509	450,722
Shared Risk Layer	-	-	-	-	-	-	-	-	-	-	-
Excess Deposit/Premium	-	-	-	-	-	-	-	-	-	-	-
Risk Management Grants	-	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	-	-	-
<b>Total Operating Income</b>	<b>240,404</b>	<b>154,333</b>	<b>36,610</b>	<b>118,946</b>	<b>109,041</b>	<b>112,247</b>	<b>147,496</b>	<b>36,666</b>	<b>297,925</b>	<b>69,509</b>	<b>450,722</b>
Operating Expenses											
Claims Paid	64,079	55,466	45,373	80,852	204,300	50,662	127,418	21,881	95,659	15,123	276,082
O/S Liability adj.	(249,195)	10,080	(53,433)	8,220	(218,023)	4,984	182,127	(45,507)	(96,508)	102,294	(30,879)
ULAE	(24,483)	(14,230)	(6,176)	(5,442)	(28,419)	(9,470)	(5,761)	(5,038)	(24,262)	4,752	(29,189)
Consultants	-	-	-	-	-	-	-	-	-	-	-
Administration-Other	-	-	-	-	-	-	-	-	-	-	-
Safety Service	-	-	-	-	-	-	-	-	-	-	-
Claims Administration	13,571	21,269	4,550	12,133	19,997	20,241	32,544	5,149	27,414	6,457	36,422
Program Administration	-	-	-	-	-	-	-	-	-	-	-
Board Expenses	-	-	-	-	-	-	-	-	-	-	-
Excess Insurance	-	-	-	-	-	-	-	-	-	-	-
<b>Total Operating Expenses</b>	<b>(196,028)</b>	<b>72,585</b>	<b>(9,686)</b>	<b>95,763</b>	<b>(22,145)</b>	<b>66,417</b>	<b>336,328</b>	<b>(23,515)</b>	<b>2,303</b>	<b>128,626</b>	<b>252,436</b>
<b>Operating Income (Loss)</b>	<b>436,432</b>	<b>81,748</b>	<b>46,296</b>	<b>23,183</b>	<b>131,186</b>	<b>45,830</b>	<b>(188,832)</b>	<b>60,181</b>	<b>295,622</b>	<b>(59,117)</b>	<b>198,286</b>
Non-Operating Income											
Change in Fair Market Value	5,594	5,236	1,390	3,674	4,863	3,584	3,870	1,300	10,807	2,053	10,545
Investment Income	12,017	11,095	2,672	7,414	9,554	7,300	8,157	2,675	22,437	4,205	21,716
<b>Total Non-Operating Income</b>	<b>17,611</b>	<b>16,331</b>	<b>4,062</b>	<b>11,088</b>	<b>14,417</b>	<b>10,884</b>	<b>12,027</b>	<b>3,975</b>	<b>33,244</b>	<b>6,258</b>	<b>32,261</b>
<b>Change in Net Position</b>	<b>454,043</b>	<b>98,079</b>	<b>50,358</b>	<b>34,271</b>	<b>145,603</b>	<b>56,714</b>	<b>(176,805)</b>	<b>64,156</b>	<b>328,866</b>	<b>(52,859)</b>	<b>230,547</b>
<b>Beginning Net Position</b>	<b>53,428</b>	<b>29,041</b>	<b>158,808</b>	<b>259,760</b>	<b>89,930</b>	<b>214,564</b>	<b>(285,155)</b>	<b>73,745</b>	<b>760,465</b>	<b>262,223</b>	<b>(92,390)</b>
<b>Ending Net Position</b>	<b>\$ 507,471</b>	<b>\$ 127,120</b>	<b>\$ 209,166</b>	<b>\$ 294,031</b>	<b>\$ 235,533</b>	<b>\$ 271,278</b>	<b>\$ (461,960)</b>	<b>\$ 137,901</b>	<b>\$ 1,089,331</b>	<b>\$ 209,364</b>	<b>\$ 138,157</b>

**Northern California Cities Self Insurance Fund  
(Governmental Enterprise Fund)  
Reconciliation of Claims Liability by Program  
As of March 31, 2015 and June 30, 2014**

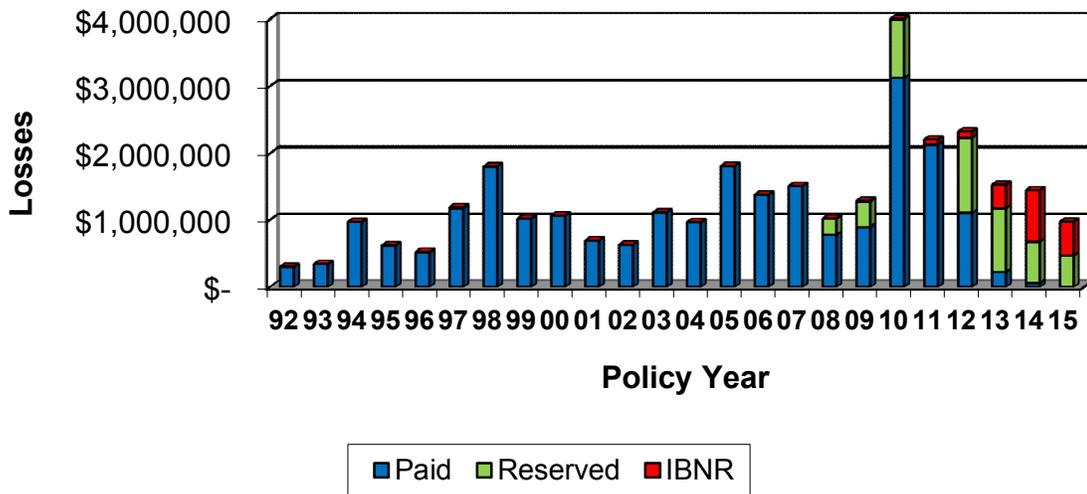
	<b>Liability Banking 2015</b>	<b>Liability Shared Risk 2015</b>	<b>Total Liability Program</b>		<b>WC Banking 2015</b>	<b>WC Shared Risk 2015</b>	<b>Total WC Program</b>		<b>Totals</b>	
			<b>2015</b>	<b>2014</b>			<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Unpaid claims and claim adjustment expenses at beginning of the fiscal year	2,579,981	6,041,127	8,621,108	7,872,023	13,893,362	13,912,620	27,805,982	27,589,496	36,427,090	35,461,519
Adjustment to beginning balance for prior treatment of 4850 and TD voucher difference	-	-	-	-	(509,761)	509,761	-	-	-	-
Incurred claims and claim adjustment expenses:										
Provision for insured events of the current fiscal year	1,131,420	968,031	2,099,451	2,752,547	3,072,076	1,810,166	4,882,242	6,648,142	6,981,693	9,400,689
Increases (Decreases) in provision for insured events of prior fiscal years	(37,462)	219,118	181,656	886,914	(598,015)	(20,905)	(618,920)	(2,238,470)	(437,264)	(1,351,556)
Change in provision for ULAE in current year	-	-	-	-	(274,339)	(198,519)	(472,858)	97,416	(472,858)	97,416
<b>Total incurred claims and claim adjustment expenses</b>	<b>1,093,958</b>	<b>1,187,149</b>	<b>2,281,107</b>	<b>3,639,462.00</b>	<b>1,689,961</b>	<b>2,100,503</b>	<b>3,790,464</b>	<b>4,507,088</b>	<b>6,071,571</b>	<b>8,146,549</b>
Payments:										
Claims and claim adjustment expenses attributable to insured events of the current fiscal year	610,350	-	610,350	331,505	550,673	-	550,673	912,428	1,161,023	1,243,933
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	523,449	407,917	931,366	2,558,872	1,640,354	1,209,286	2,849,640	3,378,174	3,781,006	5,937,046
<b>Total Payments</b>	<b>1,133,799</b>	<b>407,917</b>	<b>1,541,716</b>	<b>2,890,377</b>	<b>2,191,027</b>	<b>1,209,286</b>	<b>3,400,313</b>	<b>4,290,602</b>	<b>4,942,029</b>	<b>7,180,979</b>
<b>Total unpaid claims and claim adjustment expenses at end of the fiscal year</b>	<b>2,540,140</b>	<b>6,820,359</b>	<b>9,360,499</b>	<b>8,621,108</b>	<b>13,392,296</b>	<b>14,803,837</b>	<b>28,196,133</b>	<b>27,805,982</b>	<b>37,556,632</b>	<b>36,427,090</b>
Claims Liability	2,540,140	6,820,359	9,360,499	8,621,108	12,659,699	13,994,025	26,653,724	25,790,716	36,014,223	34,411,824
Claims ULAE	-	-	-	-	732,597	809,812	1,542,409	2,015,266	1,542,409	2,015,266
<b>Total Claim Liabilities</b>	<b>2,540,140</b>	<b>6,820,359</b>	<b>9,360,499</b>	<b>8,621,108</b>	<b>13,392,296</b>	<b>14,803,837</b>	<b>28,196,133</b>	<b>27,805,982</b>	<b>37,556,632</b>	<b>36,427,090</b>

**Northern California Cities Self Insurance Fund**  
**Graphical Summary of Claims**  
**As of March 31, 2015**

**Liability - Banking**



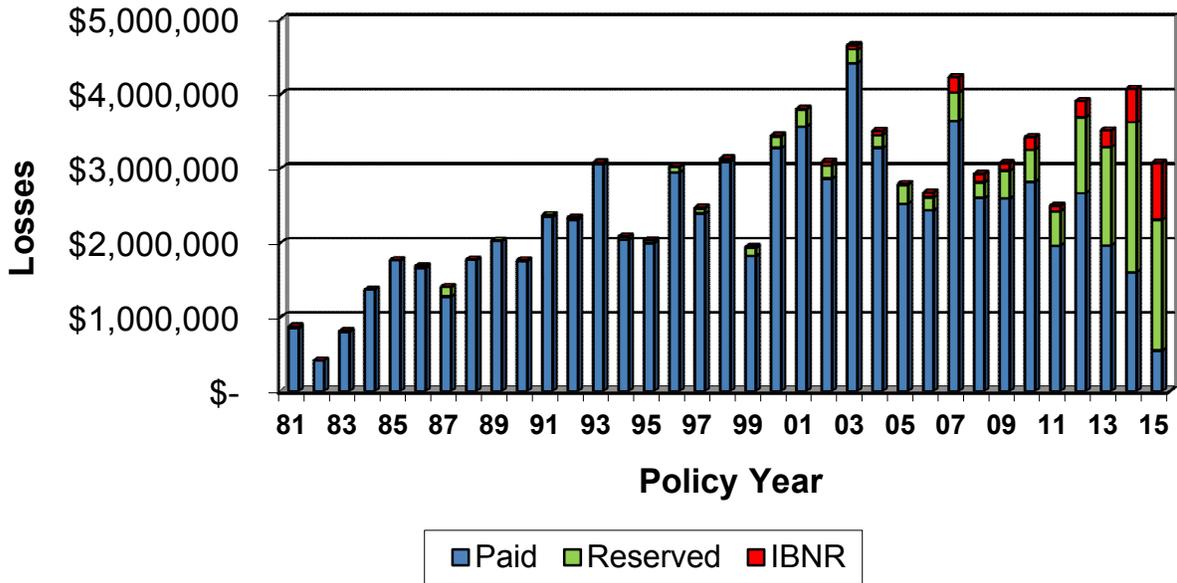
**Liability - Shared**



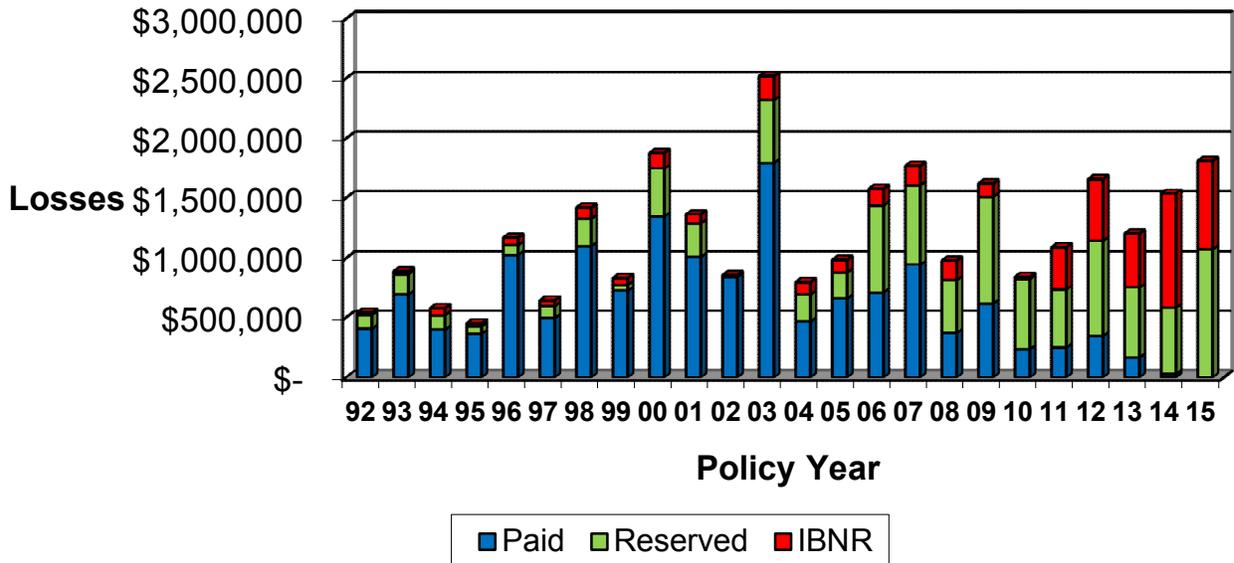
See Accompanying Accountant's Report

**Northern California Cities Self Insurance Fund**  
**Graphical Summary of Claims**  
**As of March 31, 2014**

**Workers Compensation - Banking**



**Workers Compensation - Shared**



**Northern California Cities Self Insurance Fund**  
**Budget to Actual**  
**As of March 31, 2015**

	Budget 2014-2015			YTD Expended 2014-2015			Remaining 2014-2015			
	Total	WC	Liab	Total	WC	Liab	Total \$	Total %	WC	Liab
<b>ADMIN BUDGET</b>										
<b>Administrative Revenue</b>										
41010 Administrative Deposit - See Note 1	\$ 838,846	\$ 462,123	\$ 376,723	\$ 629,134	\$ 346,592	\$ 282,542	\$ 209,712	25%	\$ 115,531	\$ 94,181
44030 Change in Fair Value - See Note 2	-	-	-	4,332	3,815	517	(4,332)		(3,815)	(517)
44040 Interest Income - See Note 2	-	-	-	10,066	7,952	2,114	(10,066)		(7,952)	(2,114)
44080 Risk Management Grants - See Note 3	-	-	-	91,532	91,532	-	(91,532)		(91,532)	-
Total Admin Revenue	\$ 838,846	\$ 462,123	\$ 376,723	\$ 735,064	\$ 449,891	\$ 285,173	\$ 195,314	23%	\$ 12,232	\$ 91,550
<b>Administrative Expenses</b>										
52101 Claims Audit	\$ 7,350	\$ 7,350	\$ -	\$ -	\$ -	\$ -	\$ 7,350	100%	\$ 7,350	\$ -
52102 Financial Audit	27,000	13,500	13,500	26,100	13,050	13,050	900	3%	450	450
52103 Legal Services	10,000	5,000	5,000	8,154	4,077	4,077	1,846	18%	923	923
52104 Actuarial Services	10,500	4,200	6,300	-	-	-	10,500	100%	4,200	6,300
52106 JPA Accreditation	-	-	-	5,850	2,925	2,925	(5,850)		(2,925)	(2,925)
52107 Fidelity Bonds	2,000	1,000	1,000	2,906	1,453	1,453	(906)	-45%	(453)	(453)
52109 Miscellaneous Consultants	5,000	2,500	2,500	-	-	-	5,000	100%	2,500	2,500
Total Admin Expenses	\$ 61,850	\$ 33,550	\$ 28,300	\$ 43,010	\$ 21,505	\$ 21,505	\$ 18,840	30%	\$ 12,045	\$ 6,795
<b>Safety Services</b>										
52200 Safety Service	\$ -	\$ -	\$ -	\$ 16,353	\$ 4,725	\$ 11,628	\$ (16,353)		\$ (4,725)	\$ (11,628)
52201 Risk Mgmt Comm Services	30,000	15,000	15,000	122,354	64,629	57,725	(92,354)	-308%	(49,629)	(42,725)
52202 Risk Mgmt Comm Mtg Expense	1,000	500	500	441	220	221	559	56%	280	279
52203 Police Risk Mgmt Comm Svcs	12,400	6,200	6,200	58	29	29	12,342	100%	6,171	6,171
52204 On Site	178,140	104,230	73,910	4,458	2,229	2,229	173,682	97%	102,001	71,681
52207 Seminars and PARMA	72,600	40,000	32,600	15,425	7,712	7,713	57,175	79%	32,288	24,887
52208 Police Risk Mgmt Manual	96,500	6,500	90,000	72,309	-	72,309	24,191	25%	6,500	17,691
52209 Safety Contingency	50,000	25,000	25,000	63,096	31,548	31,548	(13,096)	-26%	(6,548)	(6,548)
52214 OCCUMED	18,000	18,000	-	13,500	13,500	-	4,500	25%	4,500	-
52215 Online Risk Management Services	14,000	7,000	7,000	12,307	6,153	6,154	1,693	12%	847	846
52217 Wellness Optional	14,150	14,150	-	-	-	-	14,150	100%	14,150	-
Total Safety Services Expenses	\$ 486,790	\$ 236,580	\$ 250,210	\$ 320,301	\$ 130,745	\$ 189,556	\$ 166,489	34%	\$ 105,835	\$ 60,654

**Northern California Cities Self Insurance Fund**  
**Budget to Actual**  
**As of March 31, 2015**

	Budget 2014-2015			YTD Expended 2014-2015			Remaining 2014-2015				
	Total	WC	Liab	Total	WC	Liab	Total	Total %	WC	Liab	
<b>ADMIN BUDGET CONTINUED</b>											
<b>Claims Administration</b>											
52302 Claims Administration Fee	\$ 19,800	\$ -	\$ 19,800	\$ 28,350	\$ -	\$ 28,350	\$ (8,550)	-43%	\$ -	\$ (8,550)	
52305 MPN Services	24,900	24,900	-	-	-	-	24,900	100%	24,900	-	
52304 State Funding/Fraud Assessment	145,000	145,000	-	152,751	152,751	-	(7,751)	-5%	(7,751)	-	
Total Claims Admin Expenses	\$ 189,700	\$ 169,900	\$ 19,800	\$ 181,101	\$ 152,751	\$ 28,350	\$ 8,599	5%	\$ 17,149	\$ (8,550)	
<b>Program Administration</b>											
52401 Program Administration Fee	\$ 286,000	\$ 130,000	\$ 156,000	\$ 214,500	\$ 96,525	\$ 117,975	\$ 71,500	25%	\$ 33,475	\$ 38,025	
52403 Accounting Services	65,826	32,913	32,913	48,272	24,136	24,136	17,554	27%	8,777	8,777	
Total Program Admin Expenses	\$ 351,826	\$ 162,913	\$ 188,913	\$ 262,772	\$ 120,661	\$ 142,111	\$ 89,054	25%	\$ 42,252	\$ 46,802	
<b>Board Expenses</b>											
52501 Executive Committee	\$ 3,000	\$ 1,500	\$ 1,500	\$ 310	\$ 155	\$ 155	\$ 2,690	90%	\$ 1,345	\$ 1,345	
52502 Executive Committee Member Travel	2,000	1,000	1,000	520	260	260	1,480	74%	740	740	
52503 Board of Directors Meetings (includes Travel)	5,000	2,500	2,500	5,376	2,688	2,688	(376)	-8%	(188)	(188)	
XXXX Board of Directors Long Range Planning Session (every 3 years, 2012)	5,000	2,500	2,500	-	-	-	5,000	100%	2,500	2,500	
52504 Association Memberships	4,000	2,000	2,000	1,998	999	999	2,002	50%	1,001	1,001	
Total Board Expenses	\$ 19,000	\$ 9,500	\$ 9,500	\$ 8,204	\$ 4,102	\$ 4,102	\$ 10,796	57%	\$ 5,398	\$ 5,398	
<b>Other Administration Expenses - Not identified with above budget line items</b>											
52000 Administrative Expense	\$ -	\$ -	\$ -	\$ 298	\$ 149	\$ 149	\$ (298)		\$ (149)	\$ (149)	
Total Other Admin	\$ -	\$ -	\$ -	\$ 298	\$ 149	\$ 149	\$ (298)		\$ (149)	\$ (149)	
<b>Total Admin Expenses</b>	\$ 1,109,166	\$ 612,443	\$ 496,723	\$ 815,686	\$ 429,913	\$ 385,773	\$ 293,480	26%	\$ 182,530	\$ 110,950	
<b>TOTAL ADMIN REVENUE OVER EXPENSES</b>	\$ (270,320)	\$ (150,320)	\$ (120,000)	\$ (80,622)	\$ 19,978	\$ (100,600)	\$ (98,166)		\$ (170,298)	\$ (19,400)	

**Northern California Cities Self Insurance Fund**  
**Budget to Actual**  
**As of March 31, 2015**

	Budget 2014-2015			YTD Expended 2014-2015			Remaining 2014-2015			
	Total	WC	Liab	Total	WC	Liab	Total	Total %	WC	Liab
<b>BANKING LAYER BUDGET</b>										
<b>Banking Layer Revenue</b>										
41020 Banking Layer Deposit - See Note 1	\$ 6,903,775	\$ 5,186,876	\$ 1,716,899	\$ 5,177,832	\$ 3,890,159	\$ 1,287,673	\$ 1,725,943	25%	\$ 1,296,717	\$ 429,226
44020 CJPRMA Refund Transfer - See Note 4	(399,360)	-	(399,360)	-	-	-	(399,360)	100%	-	(399,360)
44030 Change in Fair Value - See Note 2	-	-	-	161,722	115,250	46,472	(161,722)		(115,250)	(46,472)
44040 Interest Income - See Note 2	-	-	-	344,621	236,341	108,280	(344,621)		(236,341)	(108,280)
44010 Other Income	-	-	-	11,459	10,581	878	(11,459)		(10,581)	(878)
Total Banking Layer Revenue	\$ 6,504,415	\$ 5,186,876	\$ 1,317,539	\$ 5,695,634	\$ 4,252,331	\$ 1,443,303	\$ 808,781	12%	\$ 934,545	\$ (125,764)
<b>Banking Layer Expenses</b>										
51100 Claims Paid - See Note 5	\$ -	\$ -	\$ -	\$ 3,048,483	\$ 2,191,025	\$ 857,458	\$ (3,048,483)		\$ (2,191,025)	\$ (857,458)
51110 Claims Refunds	-	-	-	(13,430)	(13,393)	(37)	13,430		13,393	37
51000 Claims Adjusting Fee - See Note 5	924,000	540,000	432,000	-	-	-	-		-	-
51050 Voids - claims	-	-	-	(58,208)	(52,991)	(5,217)	58,208		52,991	5,217
51115 Claims Subrogation/Recoveries	-	-	-	(571,777)	(567,377)	(4,400)	571,777		567,377	4,400
51135 Claims Admin - Liability	-	-	-	276,321	-	276,321	(276,321)		-	(276,321)
51140 Claims Excess Adj	-	-	-	227,627	314,686	(87,059)	(227,627)		(314,686)	87,059
51400 OS Liability Adjustment	-	-	-	1,602,401	863,009	739,392	(1,602,401)		(863,009)	(739,392)
51800 ULAE Adjustment	-	-	-	(472,858)	(472,858)	-	472,858		472,858	-
52300 Claims Admin - Monthly WC Only	-	-	-	401,005	401,005	-	(401,005)		(401,005)	-
Total Banking Layer Expenses	\$ 924,000	\$ 540,000	\$ 432,000	\$ 4,439,564	\$ 2,663,106	\$ 1,776,458	\$ (4,439,564)		\$ (2,663,106)	\$ (1,776,458)
<b>TOTAL BANKING REVENUE OVER EXPENSES</b>	<b>\$ 5,580,415</b>	<b>\$ 4,646,876</b>	<b>\$ 885,539</b>	<b>\$ 1,256,070</b>	<b>\$ 1,589,225</b>	<b>\$ (333,155)</b>	<b>\$ 5,248,345</b>		<b>\$ 3,597,651</b>	<b>\$ 1,650,694</b>

**Northern California Cities Self Insurance Fund**  
**Budget to Actual**  
**As of March 31, 2015**

	Budget 2014-2015			YTD Expended 2014-2015			Remaining 2014-2015			
	Total	WC	Liab	Total	WC	Liab	Total	Total %	WC	Liab
<b>SHARED RISK LAYER BUDGET</b>										
<b>Shared Layer Revenue</b>										
41030 Shared Risk Layer Deposit - See Note 1	\$ 3,967,319	\$ 2,621,126	\$ 1,346,193	\$ 2,975,490	\$ 1,965,845	\$ 1,009,645	\$ 991,829	25%	\$ 655,281	\$ 336,548
41040 Excess Deposit/Premium - See Note 1	1,934,290	964,512	969,778	1,450,718	723,384	727,334	483,572	25%	241,128	242,444
44030 Change in Fair Value	-	-	-	84,675	73,800	10,875	(84,675)		(73,800)	(10,875)
44040 Interest Income	-	-	-	172,851	144,171	28,680	(172,851)		(144,171)	(28,680)
44060 Property Premium - See Note 1	850,361	-	850,361	637,775	-	637,775	212,586	25%	-	212,586
44070 Crime Premium - See Note 1	23,897	-	23,897	17,924	-	17,924	5,973	25%	-	5,973
Total Shared Layer Revenue	\$ 6,775,867	\$ 3,585,638	\$ 3,190,229	\$ 5,339,433	\$ 2,907,200	\$ 2,432,233	\$ 1,436,434	21%	\$ 678,438	\$ 757,996
<b>Shared Layer Expenses</b>										
51100 Claims Paid - See Note 5	\$ -	\$ -	\$ -	\$ 2,032,960	\$ 1,528,331	\$ 504,629	\$ (2,032,960)		\$ (1,528,331)	\$ (504,629)
54100 Excess Deposit/Premium Exp - See Note 6	1,934,290	964,512	969,778	1,335,438	723,384	612,054	598,852	31%	241,128	357,724
54200 Safety Grant Fund	-	150,000	-	59,321	59,321	-	(59,321)		(59,321)	-
54150 Member Property Coverage - See Note 6	850,361	-	850,361	637,770	-	637,770	212,591	25%	-	212,591
54150 Member Crime Coverage - See Note 6	23,897	-	23,897	17,924	-	17,924	5,973	25%	-	5,973
Total Shared Layer Expenses	\$ 2,808,548	\$ 1,114,512	\$ 1,844,036	\$ 4,083,413	\$ 2,311,036	\$ 1,772,377	\$ (1,274,865)	-45%	\$ (1,346,524)	\$ 71,659
<b>TOTAL SHARED REVENUE OVER EXPENSES</b>	<b>\$ 3,967,319</b>	<b>\$ 2,471,126</b>	<b>\$ 1,346,193</b>	<b>\$ 1,256,020</b>	<b>\$ 596,164</b>	<b>\$ 659,856</b>	<b>\$ 2,711,299</b>		<b>\$ 2,024,962</b>	<b>\$ 686,337</b>
<b>OTHER INCOME/(EXPENSE)</b>										
44020 Excess Insurance Refund - See Note 4	-	-	-	251,186	-	251,186	(251,186)		-	(251,186)
51900 Claims Expense - Other	-	-	-	(49)	(31)	(18)	49		31	18
52900 Contingency Reserves	(9,853)	-	(9,853)	(10,168)	-	(10,168)	315	-3%	-	315
Rounding	-	-	-	(3)	(1)	(3)	-		-	-
Total Other Income/(Expense)	\$ (9,853)	\$ -	\$ (9,853)	\$ 240,611	\$ (209)	\$ 240,820	\$ (250,467)		\$ 208	\$ (250,676)
<b>TOTAL INCOME/(EXPENSE)</b>	<b>9,277,414</b>	<b>6,967,682</b>	<b>2,101,879</b>	<b>2,672,079</b>	<b>2,205,158</b>	<b>466,921</b>	<b>7,861,478</b>		<b>5,452,523</b>	<b>2,066,955</b>

**Northern California Cities Self Insurance Fund**  
**Notes to Budget to Actual**  
**As of March 31, 2015**

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**1. Revenue Recognition**

The budget presents revenue to be earned during the entire fiscal year. In accordance with the accrual basis of accounting, the YTD Expended columns show only the amount earned by the organization, year-to-date.

**2. Investment Income**

No budget is developed for the Change in Fair Value and Interest Income amounts, as it is difficult to predict the yield on the organization's portfolio.

**3. Risk Management Grants**

Individual members have elected to have amounts withheld from past refunds to fund risk management specific to their City. There is no budget for this income as it will be used for individual members' risk management, not for the organization as a whole.

**4. CJPRMA Refund**

For budgeting purposes, the CJPRMA refund is recorded in the year following its approval. In accordance with the accrual basis of accounting, the refund to the organization is recorded on the books in the period it was declared.

**5. Claims Expenses**

Claims related expenses are budgeted based on the "claims paid" and "claims adjusting fee" estimates only. Claims related expenses are recorded on the books in several additional categories. Review of the budget to actual performance of claims related items should take this into consideration.

**6. Insurance Expense Recognition**

The budget presents excess and other insurance expense based on the policy fee paid for entire fiscal year. In accordance with the accrual basis of accounting, the YTD Expended columns show only the portion of the policy used by the organization, year-to-date. The remainder of the policy fee paid, but not used to date is recorded in Prepaid Expenses on the Statement of Net Position, as applicable.

**Northern California Cities Self Insurance Fund  
Safety Grant Historic Usage Report  
As of March 31, 2015**

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					Total funds available FY 2009 - FY 2014 for ADA grants and Risk Management Grants	Total Disbursements Paid through Last Update	Funds Available
		FY 2010	FY 2011	FY 2012	FY 2013	FY 2014			
Anderson	\$ 6,496.00	\$ 8,039.00	\$ 7,650.00	\$ 7,540.00	\$ 7,451.00	\$ 3,860.00	\$ 41,036.00	\$ 26,478.00	\$ 14,558.00
Auburn	6,397.00	-	-	8,098.00	-	-	14,495.00	6,397.00	8,098.00
Colusa	6,258.00	-	-	5,817.00	5,662.00	-	17,737.00	17,737.00	-
Corning	6,157.00	6,149.00	5,788.00	5,678.00	-	-	23,772.00	23,772.00	-
Dixon	6,592.00	-	-	-	10,379.00	-	16,971.00	11,762.47	5,208.53
Elk Grove	-	-	-	-	-	-	-	-	-
Folsom	16,732.00	62,977.00	-	61,737.00	61,566.00	32,328.00	235,340.00	124,222.92	111,117.08
Galt	7,613.00	14,375.00	14,135.00	14,171.00	14,153.00	11,310.00	75,757.00	64,447.00	11,310.00
Gridley	6,144.00	6,391.00	-	6,507.00	6,476.00	5,152.00	30,670.00	6,144.00	24,526.00
Ione	-	-	-	-	-	514.00	514.00	-	514.00
Jackson	5,627.00	3,510.00	3,487.00	-	-	-	12,624.00	5,500.00	7,124.00
Lincoln	6,303.00	8,638.00	10,028.00	-	10,854.00	-	35,823.00	24,969.00	10,854.00
Marysville	6,758.00	-	-	-	-	-	6,758.00	731.00	6,027.00
Nevada City	5,665.00	-	-	-	3,618.00	1,896.00	11,179.00	5,665.00	5,514.00
Oroville	7,633.00	-	-	-	-	-	7,633.00	7,633.00	-
Placerville	6,883.00	-	-	-	-	9,048.00	15,931.00	6,883.00	9,048.00
Paradise	7,182.00	-	-	-	-	-	7,182.00	7,182.00	-
Red Bluff	7,339.00	12,860.00	12,493.00	12,290.00	-	-	44,982.00	44,982.00	-
Rio Vista	5,818.00	-	4,770.00	4,766.00	-	3,759.00	19,113.00	5,818.00	13,295.00
Rocklin	9,178.00	24,019.00	25,254.00	25,419.00	25,476.00	20,260.00	129,606.00	110,451.00	19,155.00
Willows	5,856.00	4,618.00	4,412.00	-	-	3,405.00	18,291.00	14,886.00	3,405.00
Yuba City	8,607.00	-	-	22,184.00	-	-	30,791.00	30,791.00	-
	<b>\$ 145,238.00</b>	<b>\$ 151,576.00</b>	<b>\$ 88,017.00</b>	<b>\$ 174,207.00</b>	<b>\$ 145,635.00</b>	<b>\$ 91,532.00</b>	<b>\$ 796,205.00</b>	<b>\$ 546,451.39</b>	<b>\$ 249,753.61</b>



BACK TO AGENDA

**Northern California Cities Self Insurance Fund  
Board of Directors Meeting  
June 18, 2015**

**Agenda Item H.2.**

**BUDGET-TO-ACTUAL AS OF MARCH 31, 2015**

**INFORMATION ITEM**

**ISSUE:** Members have asked to review this item at each meeting to ensure NCCSIF's progress. The Program Administrator will address items pertaining to the budget, updating members on the status of the current budget-to-actual.

**RECOMMENDATION:** None; NCCSIF is currently on track with the 2014/15 Budget year-to-date.

**FISCAL IMPACT:** None.

**BACKGROUND:** None.

**ATTACHMENT(S):** Please refer to previous item and pages 19-22 of the Quarterly Financial Report for Period Ending March 31, 2015



## AGENDA POSTING POLICY

### ACTION ITEM

**ISSUE:** To meet the requirements of the Brown Act, and receive a renewal of NCCSIF's CAJPA Accreditation with Excellence, meeting agendas must be posted at least 72 hours before a regular meeting in a location "*freely accessible to members of the public.*" The California Attorney General has interpreted this provision to require posting in locations accessible to the public 24 hours a day during the 72-hour period.

Agendas are posted at Alliant's office but currently there is no space for posting the agenda in an area accessible to the public 24 hours a day. In order to meet this requirement members are asked to approve a policy whereby agendas will be posted at a member's location where they will be accessible 24 hours a day. The Treasurer's location is recommended due to the stability of the position and ability to post the agenda in an accessible location. If the agenda can't be timely posted at the Treasurer's location the backup is the President's location.

**RECOMMENDATION:** Approve the attached policy to meet agenda posting requirements.

**FISCAL IMPACT:** None.

**BACKGROUND:** NCCSIF was recently audited for CAJPA re-accreditation and this is an item that was brought to the Program Administrator's attention as being out of compliance.

**ATTACHMENT(S):** Administrative Policy and Procedure #A-22: Agenda Posting Policy - Draft



**ADMINISTRATIVE POLICY AND PROCEDURE #A-22**

**DRAFT**

**SUBJECT: NCCSIF MEETING AGENDA POSTING POLICY**

Policy Statement:

All regular and special meetings of the Northern California Cities Self Insured Fund (NCCSIF) shall be conducted in accordance with the Ralph M. Brown Act (Government Code Section 54950) as it now exists or may be amended from time to time.

Procedure:

The Secretary shall give notice or cause notice to be given of all meetings and prepare minutes or cause minutes to be prepared and distributed to the NCCSIF members.

The meeting agendas will be posted in a location that is accessible to the public 24/7 during the required time frame. If not accessible at NCCSIF's business address, the meeting agendas shall be provided to and posted at the City of the Treasurer in a place that shall at all times be accessible to the public. If the agenda cannot be posted timely at the Treasurer's location the agenda shall be posted at the City of the President.

Effective Date: tbd – *date passed by the Board*



## 2015/16 NCCSIF LIABILITY MEMORANDUM OF COVERAGE

### ACTION ITEM

**ISSUE:** NCCSIF annually reviews and approves the Liability Memorandum of Coverage (MOC), including any recommended changes based on member feedback and/or changes made to the excess MOC provided by CJPRMA. For 2015/16 legal counsel has suggested adding wording to the MOC's arbitration provision that makes it clear NCCSIF will not be liable for consequential or "bad faith" damages. CJPRMA is expected to add similar language to the Conditions section of their MOC, and while the NCCSIF MOC follows their form unless otherwise noted, CJPRMA does not have an arbitration provision.

After presentation to the Executive Committee the Program Administrators (PAs) were asked to contact legal counsel to confirm the best location(s) for the language. There was concern the language should be in the Insuring Agreement or Limit of Liability section to give it more weight. Legal counsel responded by stating he recommends the arbitration section because that deals with disputes between the member and the pool. It's also fine in the Limit of Liability or Insuring Agreement section but he recommends adding "In the event of a coverage dispute" at the beginning.

The PAs have included the new language in both the Arbitration and Coverage Agreement sections. He also recommends changing Insuring Agreement to Coverage Agreement, and that is included in the attached revisions.

The PAs suggest combining the two endorsements dealing with certain member transit operations in to one endorsement by adding the City of Dixon to the first endorsement.

**RECOMMENDATION:** Review and approve the 2015/16 NCCSIF Liability Memorandum of Coverage with changes noted in the attached.

**FISCAL IMPACT:** None. Adding the suggested language should reduce NCCSIF's exposure in the event of a coverage or related MOC contract dispute.

**BACKGROUND:** Legal counsel's recommended change is based on an arbitration award in favor of the City of Upland arising from a coverage dispute with its coverage provider, ICRMA. The city filed suit for extra contractual damages after the initial arbitration award and the case was settled for an additional payment of almost \$1.25 million from ICRMA.

### ATTACHMENT(S):

1. Legal Counsel email regarding New MOC Consequential Damage Language
2. Draft 2015/16 Liability MOC, with tracked changes

## Marcus Beverly

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**From:** Byrne Conley <abcjr@gibbons-conley.com>  
**Sent:** Friday, May 29, 2015 2:09 PM  
**To:** Marcus Beverly  
**Cc:** Michelle Minnick; Raychelle Maranan  
**Subject:** RE: NCCSIF Consequential Damage Language

For the Liability MOC, I like it in the Arbitration section because that is the section dealing with disputes between the member and the pool. But I think it is also fine in Section II - Limit of Liability or could even go into Section I – Insuring [probably should say Coverage instead] Agreement. The legal effect is the same wherever it is placed. But if we place it in Section I or II, I would probably add “In the event of a coverage dispute,” at the beginning. We don’t need that introduction if it is in the Arbitration section because that deals with coverage disputes.

For the WC memo, the dispute will likely be between the employee/WCAB and the pool, not the Member and the pool, so we should probably take out the part about interest. I would put it in Section A at the end, since that section applies to WC and Employers Liability, and end the sentence at the word “Declarations.”

CJPRMA is going to have this on their June agenda and I am reasonably sure something will be adopted, but I don’t know where the Board will decide to put the language in the CJPRMA MOC.

--Byrne Conley  
Gibbons and Conley  
925/932-3600

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**From:** Marcus Beverly [<mailto:Marcus.Beverly@alliant.com>]  
**Sent:** Friday, May 29, 2015 1:40 PM  
**To:** Byrne Conley ([ABCJR@gibbons-conley.com](mailto:ABCJR@gibbons-conley.com))  
**Cc:** Michelle Minnick; Raychelle Maranan  
**Subject:** NCCSIF Consequential Damage Language

Byrne – the NCCSIF members asked me to come back to you for confirmation of where to add the new consequential damage language.



## LIABILITY

### UNDERLYING MEMORANDUM OF COVERAGE

The Northern California Cities Self Insurance Fund (hereinafter called NCCSIF) is an intergovernmental agency, risk sharing, joint powers authority, duly formed pursuant to California Government Code Sections 6500-6512, and other provisions of law.

This Memorandum of Coverage is a contract between the NCCSIF and its Members which sets forth certain duties, responsibilities and obligations of each party. This Memorandum of Coverage is not an insurance policy or document, and is not necessarily subject to the particular rules of law which apply to an insurance policy or to interpretation of insurance policies or insurance related documents.

#### 1. INSURING COVERAGE AGREEMENT

In consideration of the payment of the required deposit and subject to all the terms of this Memorandum of Coverage, NCCSIF agrees to pay on behalf of the Member a Loss resulting from any occurrence covered by the terms of the California Joint Powers Risk Management Authority (CJPRMA) Memorandum of Coverage effective for the Coverage Period under Item 3 of the Declarations to this Memorandum, except for the Limits of Liability and defense provisions and as amended within this Memorandum or by endorsement. The coverage afforded by this Memorandum shall be primary unless Other Insurance is applicable.

#### 2. LIMIT OF LIABILITY

The Limit of Liability applicable to this Memorandum is as stated under Item 7 of the Declarations.

In the event of a coverage dispute, under no circumstances shall the NCCSIF be liable for consequential damages, "bad faith" damages, or any sums beyond the amounts due under CJPRMA Memorandum of Coverage Section I – Coverages, plus interest at the same rate as NCCSIF earned on investments for the time period involved.

#### 3. EXCLUSIONS

- A. Exclusions No. 25 and No. 36, dealing with Transit Systems, of the CJPRMA Memorandum of Coverage do not apply to this Memorandum of Coverage.
- B. Exclusion No. 22 of the CJPRMA Memorandum of Coverage does not apply under this Memorandum to inverse condemnation liability arising from

accidentally caused physical injury to or destruction of tangible property, including all resulting loss of use of such property, for which the covered party may be legally responsible.

- C. As stated under “Covered Party” definition, coverage does not apply to loss resulting from any employee or volunteer who has five or more than five violation points as valued and enumerated on the Department of Motor Vehicles Negligent Operator Count sheet within the three years immediately preceding the loss.

However, this exclusion shall apply to the covered employee or volunteer only, and not the vicarious liability of the Member, except that if the Member knowingly permits a covered employee or volunteer to operate after accumulating five or more violation points, this exclusion applies to the Member as well.

#### **4. DEFINITIONS**

The conditions of this Memorandum of Coverage shall be applied as if the definitions of words listed below had been included with the word or words each time they appear in this Memorandum.

##### **COVERED PARTY:**

- (a) A member entity of NCCSIF. This includes all entities named in the Declarations page, including any and all commissions, agencies, districts, authorities, boards (including the governing board) or similar entities coming under the entity’s direction or control, or for which the entity’s board members sit as the governing body, except a hospital board or commission, regardless of how it is denominated.
- (b) Any person or entity identified as a covered party holding a certificate of coverage duly issued by the Authority, for occurrences during the coverage period identified in the certificate of coverage; if a particular activity is identified in the certificate of coverage, the person or entity is a covered party only for occurrences arising out of the described activity.
- (c) Any person who is an official, employee or volunteer of a person or entity covered by (a) or (b) herein, whether or not compensated, while acting in an official capacity for or on behalf of such person or entity, including while acting on any commission, regardless of how such body is denominated. Covered Party shall not include any person whose conduct is not within the course and scope of his or her employment or office with the covered party at the time of the act or acts that give rise to liability.
- (d) With respect to any automobile owned or leased by a covered party (described in (a) or (b) above), or loaned to or hired for use by or on behalf of the covered party, any person, while using such automobile, and any person or organization legally responsible for the use thereof, provided the actual use is with the express

permission of the covered party, but this protection does not apply to the covered party as respects:

- 1) any employee or volunteer who has five or more than five violation points, as valued and enumerated on the Department of Motor Vehicles Negligent Operator Count sheet within the three years immediately preceding the “loss.”
- 2) any person or organization, or any agent or employee thereof, operating an automobile sales agency, repair shop, service station, storage garage or public parking place, with respect to an occurrence arising out of the operation thereof; or
- 3) the owner or any lessee, other than the covered party, of any automobile hired by or loaned to the covered party or to any agent or employee of such owner or lessee.

This agreement does not provide uninsured or underinsured motorist coverage.

**LOSS:** The total of all defense costs incurred by the covered parties and all damages for which the covered parties are liable either by adjudication or by compromise with the written consent of NCCSIF, after making proper deduction for all recoveries and salvages, arising from an occurrence to which this coverage applies. Loss does not include attorneys’ fees or costs awarded to the prevailing party in a suit except where such attorneys’ fees or costs are attributable to a claim for damages covered by this Memorandum.

Additionally, for any claim or suit seeking damages that would be potentially covered by this Memorandum of Coverage but for the operation of an Exclusion, NCCSIF shall, upon request, include within the definition of loss, damages for which the covered parties are liable either by adjudication or by compromise up to the limit of coverage in the Member City’s Banking Layer shown on the Declarations.

## **5. OTHER INSURANCE or COVERAGE**

The coverage afforded by this Memorandum shall be excess over any other valid and collectible insurance or coverage available to the Member City and applicable to any part of the ultimate net loss, whether such other insurance or coverage is stated to be primary, excess, contingent or otherwise, unless such other insurance or coverage specifically applies as excess insurance or coverage over the limits provided in this Memorandum of Coverage.

## **6. NOTICE OF OCCURRENCE**

Upon the happening of any occurrence likely to involve NCCSIF under this Memorandum, the Member shall give notice, either written or oral, as soon as practicable to the Claims Administrator of NCCSIF as listed in Item 10 of the Declarations. Such



notice shall contain particulars sufficient to identify the Member and fullest information obtainable at the time. If legal proceedings are begun, the Member shall forward to the NCCSIF Claims Administrator each paper therein, or a copy thereof, received by the

Member or the Member's representative, together with copies of reports or investigations with respect to such claim proceedings.

**7. DEFENSE**

NCCSIF shall assume charge of the investigation, settlement or defense of any claims made, or suits brought, or proceedings instituted against the Member that in the opinion of NCCSIF may create liability on the part of NCCSIF under the terms of this Memorandum of Coverage.

Additionally, for any claim or suit seeking Damages that would be potentially covered by this Memorandum of Coverage but for the operation of Exclusion, NCCSIF shall, upon request, reimburse the Member's cost of defense of the claim, up to the limit of coverage in the Member's Banking Layer shown in the Declarations. This supplemental defense cost coverage shall not apply to coverage in the pooled risk sharing layer shown in the Declarations.

**8. PAYMENT OF LOSS**

Upon final determination of Loss, NCCSIF will promptly pay on behalf of the Member the amount of Loss falling within the terms of this Memorandum of Coverage.

**9. SUBROGATION**

In the event of any payment under this Memorandum of Coverage, NCCSIF will be subrogated to all the Member City's rights of recovery against any person or organization and NCCSIF shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights.

The amount recovered as subrogation shall be apportioned in the inverse order of payment of the Loss to the extent of the actual payment. The expenses of all such recovery proceedings shall be apportioned in the ratio of the respective recoveries.

**10. CANCELLATION**

This Memorandum of Coverage may be canceled in accordance with the terms of the JPA Agreement and Bylaws of NCCSIF.

## 11. ARBITRATION OF COVERAGE DISPUTES

### COVERAGE DETERMINATIONS

The Claims Committee shall make the initial determination whether to deny coverage on all or part of a claim, or to reserve the Authority's right to deny coverage on all or part of a claim, if a loss subsequently exceeds the retained limit.

A decision by the Claims Committee to deny coverage can be appealed to the Board of Directors. Notice of such appeal shall be submitted in writing within thirty (30) calendar days of the date of the Claims Committee's written notice of decision.

The appeal shall be considered by the Board of Directors at the next regular or special meeting following receipt of the written appeal; if the appeal is received too late for inclusion in the agenda packet, it can be postponed to the next following Board meeting. The Program Administrator in conjunction with the Claims Committee and the covered party will have the right to submit written materials and present oral argument to the Board, subject to reasonable time constraints. Any dispute concerning a decision by the Board to deny coverage for all or part of a claim shall not be subject to any court action, but may instead be submitted to binding arbitration in accordance with the procedures set forth below. Notice of a request for binding arbitration by the covered party must be submitted within thirty (30) calendar days from the date of the noticed decision by the Board of Directors.

Under no circumstances shall the NCCSIF be liable for consequential damages, "bad faith" damages, or any sums beyond the amounts due under CJPRMA Memorandum of Coverage Section I – Coverages, plus interest at the same rate as NCCSIF earned on investments for the time period involved.

### (a) ARBITRATION PROCEDURES FOR RESOLVING DISPUTES

#### 1) Selection of Arbitrators:

If an appeal of a Board decision is submitted to arbitration, each side shall, within ten (10) calendar days, select one (1) arbitrator and submit his or her name in writing to the other side. Within ten (10) calendar days after their selection, these two arbitrators shall select a third independent arbitrator. If the two sides cannot agree on the selection of the third arbitrator within ten (10) calendar days, either side may petition the Sacramento County Superior Court for the appointment of the third arbitrator pursuant to the provisions of section 1281.6 of the California Code of Civil Procedure. The third arbitrator shall be an attorney and preside as the Chairperson of the arbitration panel. No arbitrator shall be employed or affiliated with the Authority or the covered party or parties.

The arbitration hearing shall commence within forty-five (45) calendar days from the date of the selection of the Chairperson, unless both sides agree to an extension. Each side shall pay the cost of its selected arbitrator and one-half of the cost of the third selected arbitrator. In addition, each side shall be responsible for its own cost and expense of arbitration.

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

2) Discovery

The procedures set forth in Code of Civil Procedure section 1283.05 relating to depositions and discovery shall apply to any arbitration pursuant to this paragraph (b).

3) Testimony Under Oath

The testimony of witnesses shall be given under oath.

4) Length of Hearing

The panel will endeavor to confine the length of the hearing to two (2) days. A decision of the panel shall be reported in writing. The written decision of the panel shall be given to both sides within thirty (30) calendar days of the close of the hearing.

5) Certified Shorthand Reporter

Either side wishing a certified shorthand reporter record shall make arrangements directly with a certified shorthand reporter and notify the other side of such arrangements in advance of the hearing. The requesting side shall pay the cost of recording the hearing if no transcript is ordered. If a transcript is ordered, the cost of the transcript and of recording the hearing shall be prorated equally among the parties ordering copies.

(b) FUNDING OF DEFENSE AND PAYMENT OF CLAIMS PENDING RESOLUTION OF DISPUTE

During the course of the arbitration proceedings provided herein, the covered party will be responsible for all fees and expenses for investigation, defense or litigation of a claim or lawsuit. In the event the arbitration panel determines that coverage applies for such defense costs, the Authority will reimburse the covered party as directed by the panel.

(c) EFFECTS OF ARBITRATION DECISIONS

All decisions on appeals, whether by the Board of Directors (after the time to request arbitration has expired) or by the arbitration panel, shall be final and binding upon



the parties and shall not be subject to any further appeal or court action, except as provided in Code of Civil Procedures sections 1286.2 and 1286.4 (relating to fraud or corruption, etc.).

(d) GENERAL LAW

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

| 07/01/20142015

| Date

| NCCSIF President

\_\_\_\_\_  
Liz EhrenstromRussell Hildebrand,



## LIABILITY AMENDATORY ENDORSEMENT

### UNDERLYING MEMORANDUM OF COVERAGE

This endorsement is issued to:

**The City of Folsom**

**The City of Lincoln**

**The City of Auburn**

**The City of Dixon**

It is understood and agreed that Section 3, **Exclusion A** is deleted and replaced with the following:

With respect to the Members named above, Exclusions No. 25 and No. 36, dealing with Transit Systems, of the **California Joint Powers Risk Management Authority Memorandum of Coverage** do not apply to the **Northern California Cities Self Insurance Fund (NCCSIF) Underlying Memorandum of Coverage** for Liability. Notwithstanding what is stated in the applicable declarations, the limit of coverage described in this exception will be subject to a sublimit of \$250,000 each occurrence.

All other terms and conditions of this underlying memorandum of coverage are unchanged. If this endorsement is issued after the effective date of this underlying memorandum of coverage, then it must be signed by an Officer of NCCSIF.

**Liz Ehrenstrom Russell Hildebrand**, NCCSIF President

Endorsement Effective Date: July 1, **20142015**

**~~LIABILITY AMENDATORY ENDORSEMENT~~**

**~~UNDERLYING MEMORANDUM OF COVERAGE~~**

This endorsement is issued to:

**~~The City of Dixon~~**

It is understood and agreed that Section 3, **~~Exclusion A~~** is deleted and replaced with the following:

**~~Exclusions No. 25 and No. 36, dealing with Transit Systems, of the California Joint Powers Risk Management Authority Memorandum of Coverage apply to the City of Dixon of the Northern California Cities Self Insurance Fund Underlying Memorandum of Coverage for Liability.~~**

All other terms and conditions of this underlying memorandum of coverage are unchanged. If this endorsement is issued after the effective date of this underlying memorandum of coverage, then it must be signed by an Officer of NCCSIF.

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Liz Ehrenstrom, NCCSIF President

Endorsement Effective Date: July 1, 2014



**2015/16 NCCSIF WORKERS' COMPENSATION  
MEMORANDUM OF COVERAGE**

**ACTION ITEM**

**ISSUE:** NCCSIF annually reviews and approves the Workers' Compensation Memorandum of Coverage (MOC), including any recommended changes based on member feedback and/or changes made to the excess MOC provided by CSAC-EIA.

Although legal counsel for NCCSIF recommended changes to the Liability MOC based on a liability coverage dispute, and although the exposure to such a dispute is much less under Workers' Compensation coverage, the Program Administrators recommend adding similar language to the Workers' Compensation MOC in the arbitration section. Legal counsel was asked to comment and agreed the language should be placed at the end of Section A, though the wording regarding interest should be removed. *The attached WC MOC contains the suggested wording and placement.*

**RECOMMENDATION:** Review and approve the 2015/16 NCCSIF Workers' Compensation Memorandum of Coverage with changes noted in the attached.

**FISCAL IMPACT:** None.

**BACKGROUND:** Legal counsel's recommended change is based on an arbitration award in favor of the City of Upland arising from a coverage dispute with its coverage provider, ICRMA. The city filed suit for extra contractual damages after the initial arbitration award and the case was settled for an additional payment of almost \$1.25 million from ICRMA.

**ATTACHMENT(S):** Draft 2015/16 Workers' Compensation MOC, with tracked changes



## WORKERS' COMPENSATION & EMPLOYER'S LIABILITY

### MEMORANDUM OF COVERAGE

The Northern California Cities Self Insurance Fund (hereinafter called NCCSIF) is an intergovernmental agency, risk sharing, joint powers authority, duly formed pursuant to California Government Code Sections 6500-6512, and other provisions of law.

This Memorandum of Coverage is a contract between the NCCSIF and its Members that sets forth certain duties, responsibilities and obligations of each party. This Memorandum of Coverage is not an insurance policy or document, and is not necessarily subject to the particular rules of law that apply to an insurance policy or to interpretation of insurance policies or insurance related documents.

#### INTRODUCTION

In return for the payment of the premium and subject to all terms and conditions of this agreement, Northern California Cities Self Insurance Fund (NCCSIF) agrees with you (the Member agency named in the Declarations) as follows:

#### GENERAL SECTION

##### A. THE AGREEMENT

This agreement includes the Declarations and all endorsements and schedules attached to it. It is a coverage agreement between you and us. The only agreements relating to this coverage are stated in this coverage agreement.

The terms of this agreement may not be changed or waived except by endorsement issued by us to be part of this agreement. You are responsible for telling us at once when the information contained in this agreement is no longer accurate for your operations.

This agreement, including the Declarations, endorsements and schedules attached to it, and any specified section of the JPA Agreement or Bylaws constitutes the entire coverage agreement. No condition, provision, agreement or understanding not stated in this coverage agreement will affect any rights, duties or privileges in connection with this coverage agreement.

Under no circumstances shall NCCSIF be liable for consequential damages, "bad faith" damages, or any sums beyond the Limit of Liability shown in the Declarations.



**B. WHO IS COVERED**

The Member Agency named in the Declarations is covered for liability to its employees, subject to the provisions of this agreement.

**C. WORKERS' COMPENSATION LAW**

Workers' compensation law means the Workers' Compensation Laws of the State of California (which include injury by both accident and disease). It includes any amendments to that law that are in effect during the coverage period. It does not include the provisions of any law that provide non-occupational disability benefits. The term "Workers' Compensation Law" shall also include the United States' Longshore and Harbor Workers Compensation Act, also known as LHWCA (33 USC Sections 901-950).

**D. LOCATIONS**

This agreement covers all of your workplaces in California and in other states if listed unless you have other insurance, are self-insured or covered under another Joint Powers Authority for such workplaces.

**E. WHO IS ELIGIBLE FOR BENEFITS**

Your employees (or in the event of their death, their dependents) are eligible for benefits under this agreement, except that employees who are excluded under Workers' Compensation Law are not eligible for benefits under this agreement unless they have been included on the Declarations or by endorsement.

**PART ONE — WORKERS' COMPENSATION COVERAGE**

**A. HOW THIS COVERAGE APPLIES**

This workers' compensation coverage applies to bodily injury by accident or bodily injury by disease, including resulting death, subject to the following conditions:

1. Bodily injury by accident must occur during the coverage period.
2. Bodily injury by disease must be caused or aggravated by the conditions of your employment. Your employee's exposure to those conditions causing or aggravating such bodily injury by disease must occur during the coverage period.

**B. WE WILL PAY**



We will pay promptly when due to those eligible under this agreement the benefits required of you by the workers' compensation law, in excess of the Member Retention specified in Item 3 of the Schedule and subject to the limit specified in Item 5 of the Schedule. As respects the United States and Longshore and Harbor Workers Compensation Act (33 USC Sections 901-950), coverage for loss shall be limited, by amount and time of payment, to the benefits which would be available under the Workers' Compensation Act of the state where the injured employee is normally employed, if that law applied.

#### **C. RIGHT TO ASSOCIATE IN DEFENSE**

We have no duty to investigate, handle, settle or defend any claims, suits or proceedings against you. We have the discretionary right—and shall be given the opportunity by you—to associate with you in the defense, investigation or settlement of any claim, suit or proceeding that appears to involve indemnity by NCCSIF. In such association, you and NCCSIF shall cooperate in all aspects of defense, investigation, or settlement.

#### **D. WE WILL ALSO PAY**

Subject to the Member Retention specified in Item 4 and limit specified in Item 6 of the Schedule, we will also pay these costs, in addition to other amounts payable under this coverage as part of any claim, proceeding or suit we defend:

1. Reasonable expenses incurred at our request, but not loss of earnings
2. Premiums for bonds to release attachments and for appeal bonds in bond amounts up to twice the amount payable under this coverage
3. Litigation costs taxed against you
4. Interest on an award or judgment as required by law
5. Expenses we incur

#### **E. OTHER INSURANCE**

We will not pay more than our share of benefits and costs covered by this agreement and other insurance or self-insurance. All shares will be equal until the loss is paid.

#### **F. LIMIT OF LIABILITY**

Our liability to pay for damages is limited. Our limit of liability is shown in Item 6 of the Schedule of Declarations. It is the most we will pay for all damages covered by this coverage because of bodily injury to one or more employees in any one accident or occurrence, or series of accidents or occurrences, arising out of any one event. We will not pay any claims for damages after we have paid the limit of our liability under this coverage as explained above.



## **G. PAYMENTS YOU MUST MAKE**

You are responsible for any payments of benefits required under the Workers' Compensation Law within the retention and those payments in excess of the benefits regularly provided by the workers' compensation law including, but not limited to, those required because:

1. of your serious and willful misconduct;
2. you knowingly employ an employee in violation of law;
3. you fail to comply with a health or safety law or regulation;
4. you discharge, coerce or otherwise discriminate against any employee in violation of the law;
5. of injury to an employee under the minimum age specified in the workers' compensation law and illegally employed at the time of injury;
6. of your obligation to pay salary in lieu of temporary disability benefits as required under Labor Code Section 4850, including to the extent you would be responsible for temporary disability benefits if Labor code Section 4850 did not apply;
7. of your obligations pursuant to Labor Code Section 4856;
8. of your obligations arising out of operations for which you have rejected any Workers' Compensation Law; or
9. of your obligations for discrimination against any employee for the filing of a claim for Workers' Compensation coverage, or for discrimination of an employee that has agreed to testify in another employee's workers' compensation claim.

## **H. RECOVERY FROM OTHERS**

We may enforce your rights, and the rights of persons entitled to the benefits of this coverage, to recover our payments from anyone liable for the injury. You will do everything necessary to protect those rights for us and to help us enforce them.

## **I. STATUTORY PROVISIONS**

These statements apply where they are required by law:

1. As between an injured worker and us, we have notice of injury when you have notice.
2. We are directly and primarily liable to any person entitled to the benefits payable by this coverage, subject to the provisions, conditions and limitations of this agreement.
3. Jurisdiction over you is jurisdiction over us for purposes of the workers' compensation law. We are bound by decisions against you under that law, subject to the provisions of this agreement that are not in conflict with that law.



4. Terms of this coverage that conflict with the workers' compensation insurance law are changed by this statement to conform to that law.
5. Your employee has a first lien upon any amount that becomes owing to you by us because of this agreement and in the case of your legal incapacity or inability to receive the money and pay it to the claimant; we will pay it directly to the claimant.

Nothing in these paragraphs relieves you of your duties under this agreement.

## **PART TWO — EMPLOYER'S LIABILITY COVERAGE**

### **A. HOW THIS COVERAGE APPLIES**

This employer's liability coverage applies to bodily injury by accident or bodily injury by disease, including resulting death, subject to the following conditions:

1. The bodily injury must arise out of and in the course of the injured employee's employment by you.
2. The employment must be necessary or incidental to your work in the State of California.
3. Bodily injury by accident must occur during the coverage period.
4. Bodily injury by disease must be caused or aggravated by the conditions of your employment. The employee's last day of exposure to the conditions causing or aggravating such bodily injury by disease OR the date upon which the employee first suffered disability and either knew, or in the exercise of reasonable diligence should have known, that such disability was caused by his or her employment which ever comes first and must occur during the coverage period.
5. If you are sued, the suit and any related legal actions for damages for bodily injury by accident or by disease must be brought under the laws of the State of California.

### **B. WE WILL PAY**

We will pay all sums over the amount stated as the Members' Retained Limit in Item 3 of the Schedule you legally must pay as damages because of bodily injury to your employees eligible for benefits under this agreement, provided the bodily injury is covered by this employer's liability coverage and subject to the limit specified in Item 6 of the Schedule.

The damages we will pay over the amount stated as the Members' Retained Limit in Item 3 of the Schedule, where recovery is permitted by law, include damages:

1. for which you are liable to a third party by reason of a claim or suit against you by that third party to recover the damages claimed against such third party as a result of injury to your employee;



2. for care and loss of services; and
3. for consequential bodily injury to a spouse, child, parent, brother or sister of the injured employee;

provided that these damages are the direct consequence or bodily injury that arises out of and in the course of the injured employee's employment by you, and

4. because of bodily injury to your employee that arises out of and in the course of employment claimed against you in a capacity other than as employer.

### **C. EXCLUSIONS**

This agreement does not cover:

1. liability assumed under a contract. This exclusion does not apply to a warranty that your work will be done in a workmanlike manner;
2. punitive or exemplary damages where coverage for such liability is prohibited by law or contrary to public policy;
3. bodily injury to an employee while employed in violation of law with your actual knowledge or the actual knowledge of any of your executive officers;
4. any obligation imposed by a workers' compensation, occupational disease, unemployment compensation or disability benefits law, or any similar law;
5. bodily injury intentionally caused or aggravated by you;
6. damages arising out of the discharge of, coercion, criticism, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination against, or termination of any employee, or any personnel practices, policies, acts or omissions;
7. damages for discrimination against any employee for the filing of a claim or for discrimination of an employee that has agreed to testify in another employee's workers' compensation claim.

### **D. RIGHT TO ASSOCIATE IN DEFENSE**

We have no duty to investigate, handle, settle or defend any claims, suits or proceedings against you.

We have the discretionary right—and shall be given the opportunity by you—to associate with you in the defenses, investigation, or settlement of any claim, suit or proceeding which appears to involve indemnity by NCCSIF. In such association, you and NCCSIF shall cooperate in all aspects of defense, investigation or settlement.



**E. WE WILL ALSO PAY**

Subject to the Member Retention specified in Item 3 of the Schedule and subject to the limit specified in Item 6 of the Schedule, we will also pay these costs, in addition to other amounts payable under this coverage, as part of any claim, proceeding or suit we defend;

1. reasonable expenses incurred at our request, but not loss of earnings;
2. premiums for bonds to release attachments and for appeal bonds in bond amounts up to twice the limit of our liability under this coverage;
3. litigation costs taxed against you;
4. interest on a judgment as required by law; and
5. expenses we incur.

**F. OTHER INSURANCE**

We will not pay more than our share of damages and costs covered by this coverage and any other insurance, self-insurance or any other employers' liability by a Joint Powers Authority. Subject to any limits of liability that apply, all shares will be equal until the loss is paid. If any insurance or self-insurance is exhausted, the shares of all remaining insurance and self insurance will be equal until the loss is paid.

**G. LIMIT OF LIABILITY**

Our liability to pay for damages is limited. Our limit of liability is shown in Item 6 of the Schedule of Declarations. It is the most we will pay for all damages covered by this coverage because of bodily injury to one or more employees in any one accident or occurrence, or series of accidents or occurrences, arising out of any one event.

We will not pay any claims for damages after we have paid the limit of our liability under this coverage as explained above.

**H. RECOVERY FROM OTHERS**

We may enforce your rights to recover our payment from anyone liable for an injury covered by this coverage. You will do everything necessary to protect those rights for us and to help us enforce them.

**I. ACTIONS AGAINST US**

There will be no right of action against us under this coverage unless;



1. you have complied with all the terms of this agreement; and
2. the amount you owe has been determined with our consent or by actual trial and final judgment.

This coverage does not give anyone the right to add us as a defendant in an action against you to determine your liability.

### **PART THREE — COVERAGE OUTSIDE OF CALIFORNIA**

This coverage is identical to Part One (Workers' Compensation Coverage) of this agreement. It applies to your employees who are hired in California and are eligible for benefits under this agreement while they are working anywhere outside of California.

### **PART FOUR — YOUR DUTIES IF INJURY OCCURS**

Tell us at once if injury occurs which may be covered by this agreement. Your other duties are listed here:

1. Provide for immediate medical and other services required by the workers' compensation law.
2. Give us or our representative the names and addresses of the injured persons and of witnesses, and other information we may need.
3. Promptly give us all notices, demands and legal papers related to the injury, claim, proceeding or suit.
4. Cooperate with us and assist us, as we may request, in the investigation, settlement or defense of any claim, proceeding or suit.
5. Do nothing after an injury occurs that would interfere with our right to recover from others.
6. Do not voluntarily make payments, assume obligations or incur expenses within our layer of coverage, except at your own cost.

### **PART FIVE — PREMIUM**

#### **A. PREMIUM**

1. All premiums for this agreement will be determined by the Northern California Cities Self Insurance Fund.



2. Remuneration is part of the premium basis. This premium basis includes payroll and all other remuneration paid or payable during the coverage period for the services of:
  - a. all your employees eligible for benefits under this agreement while engaged in work covered by this agreement; and
  - b. all other persons engaged in work that could make us liable under Part One (Worker's Compensation Coverage) of this agreement. If you do not have the payroll records for these persons, the contract price for their services and materials may be used as the premium basis. This paragraph will not apply if you give us proof that the employers of these persons lawfully secured their workers' compensation obligations.

## **B. PREMIUM PAYMENTS**

You will pay all premium when due.

## **C. FINAL PREMIUM**

The premium shown on the Declarations and on the schedules and endorsements, if any, is an estimate. The final premium will be determined after this agreement ends by using the actual, not the estimated, premium basis and actual losses. If the final premium is more than the premium you paid to us, you must pay us the balance. If it is less, we will refund the balance to you. The final premium will not be less than the minimum premium for this agreement as determined by the various layer funding formulas.

## **D. RECORDS**

You will keep records of information needed to compute premium. You will provide us with copies of those records when we ask for them.

## **E. AUDIT**

You will let us examine and audit all your records that relate to this agreement. These records include ledgers, journals, registers, vouchers, contracts, tax reports, payroll and disbursement records and programs for storing and retrieving data. We may conduct the audits during regular business hours during the coverage period and within three years after the coverage period ends. Information developed by audit will be used to determine final premium.

## **F. RATE CHANGES**

This agreement is issued by us and accepted by you with the agreement that you will accept any increase in premium or in the rates of premium which may be promulgated under any rating plan approved by the Northern California Cities Self Insurance Fund, and that the effective date of any such increase shall be the effective date thereof fixed in accordance with the provisions of



any such rating plan approved by the Executive Committee. Also the rates used to determine the premium are subject to increase during the term of the agreement if an increase in rates applicable to agreements in force is approved by the Executive Committee of Northern California Cities Self Insurance Fund, and that the effective date of any such increase shall be the date fixed by the Executive Committee.

## **PART SIX — CONDITIONS**

### **A. INSPECTION**

We have the right, but are not obliged, to inspect your workplaces at any reasonable time. Our inspections relate to the workplaces and the premiums to be charged. We may give you reports on the conditions we find. We may also recommend changes. While they may help to reduce losses, we do not undertake to perform the duty of any person to provide for the health and safety of your employees or the public. We do not warrant that your workplaces are safe or healthful or that they comply with laws regulations, codes or standards.

### **B. LONG TERM POLICY**

If this policy is written for a period longer than one year, all the provisions of this agreement shall apply separately to each consecutive twelve month period, or if the first or last period is less than twelve months, in the same manner as if a separate agreement had been written for each consecutive period. Until your policy terminates, your deposit premium will be transferred to each consecutive coverage period to act as a deposit in the same manner as if a separate agreement had been written.

### **C. TRANSFER OF YOUR RIGHTS AND DUTIES**

Your rights or duties under this agreement may not be transferred without our written consent.

### **D. OUR NOTICE TO YOU**

Mailing documents that relate to this agreement to you at the mailing address shown in the Declarations will be sufficient to prove notice to you of that document.

### **E. CANCELLATION AND WITHDRAWAL**

You may withdraw as a party to this agreement and as a participant in the coverage provided you meet the requirements, as specified in the Joint Exercise of Power Agreement, Bylaws and Participation Agreement.

If cancellation by Northern California Cities Self Insurance Fund or you is effective before the end of the coverage year, Northern California Cities Self Insurance Fund will return to you the



amount of any unearned premium payment from you for the coverage year. Such amount will be computed on a pro-rata basis from the effective date of cancellation.

## **F. ARBITRATION OF COVERAGE DISPUTES**

### **1. Coverage Determinations**

The Third Party Administrator or JPA Counsel shall make the initial determination whether to deny coverage on all or part of a claim, or to reserve the Northern California Cities Self Insurance Fund's right to deny coverage on all or part of a claim, if a loss subsequently exceeds the retained limit.

A decision to deny coverage can be appealed to the Board of Directors. Notice of such appeal shall be submitted in writing within thirty (30) calendar days of the date of written notice of decision.

The appeal shall be considered by the Board of Directors at the next regular or special meeting following receipt of the written appeal; if the appeal is received too late for inclusion in the agenda packet, it can be postponed to the next following Board meeting. The Program Administrator and the covered party will have the right to submit written materials and present oral argument to the Board, subject to reasonable time constraints. Any dispute concerning a decision by the Board to deny coverage for all or part of a claim shall not be subject to any court action, but may instead be submitted to binding arbitration in accordance with the procedures set forth below. Notice of a request for binding arbitration by the covered party must be submitted within thirty (30) calendars days from the date of the noticed decision by the Board of Directors.

#### **(a) Arbitration Procedures for Resolving Disputes**

##### **1) Selection of Arbitrators**

If an appeal of a Board decision is submitted to arbitration, each side shall, within ten (10) calendar days, select one (1) arbitrator and submit his or her name in writing to the other side. Within ten (10) calendar days after their selection, these two arbitrators shall select a third independent arbitrator. If the two sides cannot agree on the selection of the third arbitrator within ten (10) calendar days, either side may petition the Sacramento County Superior Court for the appointment of the third arbitrator pursuant to the provisions of section 1281.6 of the California Code of Civil Procedure. The third arbitrator shall be an attorney and preside as the Chairperson of the arbitration panel. No arbitrator shall be employed or affiliated with you or NCCSIF.

The arbitration hearing shall commence within forty-five (45) calendar days from the date of the selection of the Chairperson, unless both sides agree to an extension.

Each side shall pay the cost of its selected arbitrator and one-half of the cost of the third selected arbitrator. In addition, each side shall be responsible for its own cost and expense of arbitration.

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

2) **Discovery**

The procedures set forth in Code of Civil Procedure section 1283.05 relating to depositions and discovery shall apply to any arbitration pursuant to this paragraph (b).

3) **Testimony Under Oath**

The testimony of witnesses shall be given under oath.

4) **Length of Hearing**

The panel will endeavor to confine the length of the hearing to two (2) days. A decision of the panel shall be reported in writing. The written decision of the panel shall be given to both sides within thirty (30) calendar days of the close of the hearing.

5) **Certified Shorthand Reporter**

Either side wishing a certified shorthand reporter record shall arrange directly with a certified shorthand reporter and notify the other side of such arrangements in advance of the hearing. The requesting side shall pay the cost of recording the hearing if no transcript is ordered. If a transcript is ordered, the cost of the transcript and of recording the hearing shall be prorated equally among the parties ordering copies.

(b) **Funding of Defense and Payment of Claims Pending Resolution of Dispute**

During the course of the arbitration proceedings provided herein, the *covered party* will be responsible for all fees and expenses for investigation, defense or litigation of a claim or lawsuit. In the event the arbitration panel determines that coverage applies for such *defense costs*, the *Authority* will reimburse the *covered party* as directed by the panel.



(c) **Effects of Arbitration Decisions**

All decisions on appeals, whether by the Board of Directors (after the time to request arbitration has expired) or by the arbitration panel, shall be final and binding upon the parties and shall not be subject to any further appeal or court action, except as provided in Code of Civil Procedures sections 1286.2 and 1286.4 (relating to fraud or corruption, etc.).

(d) **General Law**

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

| July 1, 2015

| Date

NCCSIF President

\_\_\_\_\_  
Liz Ehrenstrom Russell Hildebrand,



## 2015/16 NCCSIF PROPERTY RENEWAL PROPOSAL

### ACTION ITEM

**ISSUE:** The Board annually reviews and approves the Property Renewal Proposal. NCCSIF Property Program members are covered through the Alliant Property Insurance Program (APIP) which renews July 1, 2015.

Total Insurable Values (**TIV**) **increased 15.4%**, from \$852,917,151 to \$984,437,381, due to various changes throughout the year. The property rates have **decreased 5.2%** from the prior year, from \$0.079 to \$0.075 per \$100 of TIV. These changes result in a **total premium increase of 12.3%**, from \$850,361.59 to \$954,745.60.

The attached Executive Summary provides a listing of changes to the coverage for 2015/16. Most of the changes are clarifications of the policy language. There are two enhancements to the vehicle deductibles for earthquake and flood, limiting them to \$10,000 versus a sliding scale up to \$100,000. There are no new reductions or restrictions in coverage.

**RECOMMENDATION:** The Program Administrator recommends approval of the 2015/16 Property Program Renewal with the Alliant Property Insurance Program (APIP).

**FISCAL IMPACT:** The projected total premium of \$954,745.60 is based on TIV of \$984,437,381.

**BACKGROUND:** NCCSIF provides optional property insurance for their members through the Alliant Property Insurance Program. This is a joint purchase insurance program currently providing members up to \$1,000,000,000 in all risk limits. Premiums are based on each member's exposures which are provided via a schedule of insured locations.

### ATTACHMENT(S):

1. 2015/16 NCCSIF Property Deposit Calculations
2. 2015/16 NCCSIF APIP Property Renewal Proposal

NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND  
PROPERTY PROGRAM  
July 1, 2015 to June 30, 2016

Member	Property Deductible	Property Values (Real, Pers, BI and FA)	Primary Property Premium	Excess Property Premium	Course Of Construction	Excess Boiler Premium	Contractor's Equipment	Contractor's Equipment Premium	Cyber Liability Premium	Pollution Liability Premium	Terrorism Premium	Estimated ABS Fees	Estimated SLT&F	Total All Risk Property Premium
Rate Per \$100 or Amount		Values	\$0.0590916	\$0.0160008		\$0.0012430	Values	\$0.0621798	\$0.0005128	\$0.0005315	\$0.0000825	\$24,217	\$28,854	
Anderson	\$5,000	31,248,597	\$18,465	\$5,073		\$388	453,620	\$282	\$163	\$168	\$26	\$833	\$993	\$26,392
Auburn	\$5,000	26,999,206	\$15,954	\$4,369		\$336	51,670	\$32	\$140	\$145	\$23	\$720	\$858	\$22,577
Colusa	\$5,000	36,413,147	\$21,517	\$5,829		\$453	14,296	\$9	\$187	\$194	\$30	\$971	\$1,157	\$30,346
Dixon	\$5,000	33,794,001	\$19,969	\$5,506		\$420	618,989	\$385	\$176	\$183	\$28	\$901	\$1,074	\$28,644
Folsom	\$5,000	185,626,279	\$109,690	\$33,520		\$2,300	12,873,748	\$8,005	\$1,074	\$1,113	\$173	\$4,951	\$5,898	\$166,724
Galt	\$5,000	66,015,903	\$39,010	\$10,676		\$821	474,957	\$295	\$342	\$355	\$55	\$1,761	\$2,098	\$55,412
Gridley	\$5,000	25,298,247	\$14,949	\$4,131		\$314	516,649	\$321	\$132	\$137	\$21	\$675	\$804	\$21,485
Ione	\$5,000	10,524,919	\$6,219	\$1,946		\$131	110,338	\$69	\$62	\$65	\$10	\$281	\$334	\$9,117
Lincoln	\$5,000	130,123,962	\$76,892	\$23,086		\$1,617	3,154,392	\$1,961	\$740	\$767	\$119	\$3,470	\$4,135	\$112,788
Marysville	\$5,000	25,506,620	\$15,072	\$4,173		\$317	572,792	\$356	\$134	\$139	\$22	\$680	\$810	\$21,703
Oroville	\$5,000	32,314,936	\$19,095	\$5,266		\$402	597,633	\$372	\$169	\$175	\$27	\$862	\$1,027	\$27,394
Paradise	\$5,000	10,808,608	\$6,387	\$1,812		\$134	516,650	\$321	\$58	\$60	\$9	\$288	\$343	\$9,414
Red Bluff	\$5,000	43,546,294	\$25,732	\$8,382	\$1,046	\$541	2,448,060	\$1,522	\$269	\$278	\$43	\$1,161	\$1,384	\$40,359
Rocklin	\$5,000	68,176,018	\$40,286	\$12,598		\$847	10,555,159	\$6,563	\$404	\$418	\$65	\$1,818	\$2,166	\$65,166
Yuba City	\$5,000	181,653,510	\$107,342	\$31,151		\$2,258	0	\$0	\$998	\$1,035	\$161	\$4,845	\$5,772	\$153,561
Subtotal Prop/Boiler		\$908,050,247	\$536,581	\$157,518	\$1,046	\$11,280	\$32,958,953	\$20,494	\$5,048	\$5,232	\$812	\$24,217	\$28,854	\$791,082

<b>FLOOD COVERAGE</b>	<b>Flood Limit</b>	<b>2015-2016 Flood Values</b>	<b>2015-2016 Flood Premium</b>
<b>Rate or Amount</b>	<b>Limit</b>	<b>Values</b>	<b>\$ 0.0208152</b>
<b>Auburn</b>	\$17,000,000	27,305,581	<b>\$5,684</b>
<b>Ione</b>	\$10,000,000	12,164,994	<b>\$2,532</b>
<b>Marysville Flood</b>	\$15,000,000	26,079,412	<b>\$5,428</b>
<b>Yuba City Flood</b>	\$10,000,000	194,683,126	<b>\$40,524</b>
<b>Subtotal Flood</b>		<b>\$260,233,113</b>	<b>\$54,168</b>

<b>VEHICLE COVERAGE</b>	<b>Vehicle Deductible</b>	<b>2015-2016 Vehicle Values</b>	<b>Vehicle Premium</b>
<b>Rate Per \$100 or Amount</b>			<b>\$ 0.2628399</b>
<b>Auburn</b>	\$10,000	\$254,705	<b>\$669</b>
<b>Folsom Vehicles</b>	\$5,000	10,987,681	<b>\$28,880</b>
<b>Galt</b>	\$5,000	232,283	<b>\$611</b>
<b>Ione</b>	\$5,000	\$1,529,737	<b>\$4,021</b>
<b>Lincoln Vehicles</b>	\$7,500	\$11,001,013	<b>\$28,915</b>
<b>Red Bluff Vehicles</b>	\$5,000	4,623,146	<b>\$12,151</b>
<b>Yuba City Vehicles</b>	\$5,000	13,029,616	<b>\$34,247</b>
<b>Subtotal Vehicles</b>		<b>\$41,658,181</b>	<b>\$109,494</b>

**July 1, 2015 – July 1, 2016**  
**Northern California Cities Self Insurance Fund**  
**EXECUTIVE SUMMARY**

We are pleased to provide you with the 2015–2016 Alliant Property Insurance Program (APIP) attached renewal material.

The property market has been in a soft cycle for the last year with underwriters willing to give decreases based on the lack of catastrophe losses worldwide, and record capacity and surplus in the marketplace. Sadly, while physical and human catastrophes abound, in recent years most of these have occurred in regions of the world that are not significantly insured. Therefore, as we enter the 2015/16 renewal, most insureds will see rate decreases. For those insureds, however that have experienced significant or attritional loss history, rates may increase. In keeping with the programs’ general history, we expect rates to remain below what can be achieved in the market for similar coverage.

The primary \$2.5M layer will continue to be placed with our long-term partner, Lexington, A.M. Best Rated A XV, and Lexington will also continue to provide the majority of capacity in the \$22.5M x/s \$2.5M layer, with Lloyd’s of London, A.M. Best Rated A XV, as its quota-share partner. Excess limits up to \$1,000,000,000 will be placed with London, Bermudian, European and U.S Domestic markets, all A.M. Best Rated at least of A- VII. Members should note several key highlights for this year’s renewal:

- Boiler & Machinery for participating members of the APIP Boiler Program maintained
- Cyber (Privacy Liability) Coverage for both 1st and 3rd parties from the Beazley Syndicate at Lloyd’s, Best Rated A XV, (for those members eligible) with some improvements in coverage as outlined on the following summary
- Pollution Coverage for both 1<sup>st</sup> and 3<sup>rd</sup> parties from ACE – Illinois Union Insurance Company, Best Rated A++ XV, (for those members eligible) with some improvements in coverage as outlined on the following summary

Alliant Business Services (ABS) will continue to play a significant role not only in providing various types of loss control services, but also in providing appraisal services. For the 2015-2016 policy year property valuations will continue to be a key focus. As a reminder, it is underwriters’ intent to have all buildings with a scheduled value of \$5,000,000 or more appraised once every five years. This service is included in the total annual cost. Members may also choose to have lower valued buildings appraised. The cost to have all or specific buildings appraised between \$25,000 and \$5,000,000 will be quoted at the time the request is made. The following table depicts key statistics relative to last year:

**Year-over-Year Rate and Premium Comparison**

<b><u>Northern California Cities Self Insurance Fund</u></b>	<b><u>14-15</u></b> (at 02/19/2015)	<b><u>15-16</u></b>	<b><u>Variance</u></b>
Total Insured Values:	\$ 852,917,151	\$ 984,437,381	15.42%
Account Rate (per hundred dollars):	0.0997004	0.0969839	-2.72%
Earthquake TIV:	\$ 0	\$ 0	N/A
Earthquake Limit:	Not Covered	Not Covered	N/A
*Total Annual Cost:	\$ 850,361.59	\$ 954,745.60	12.28%

\* TOTAL COST includes: all premiums (except Cyber Enhancement option, if purchased), underwriting fees, commissions, loss control expenses, program administration charges, and applicable taxes

Thank you for your continued support of APIP. We look forward to working with you this next year. Please let us know if you have any questions about your Renewal Proposal.

Coverage	2014 - 2015	2015 - 2016	Pending
APIP Coverage Documents	All references to “ <u>Member(s)/Entity(ies)</u> ” or where the word “ <u>Member</u> ” is referenced and not directly associated to a JPA or Pool	The word “ <u>Named Insured</u> ” or “ <u>Named Insured(s)</u> ” has replaced the words “ <u>Member(s)/Entity(ies)</u> ” or where the word “ <u>Member</u> ” is referenced throughout all APIP coverage documents and is not associated to a JPA or Pool	Clarification
Specific Limits of Liability and Individual Member Terms and Conditions	<u>Specific Limits of Liability and Individual Member Terms and Conditions</u> To the extent there exists any discrepancy between the limits and/or sublimits described below and the <u>Certificates of Insurance</u> or Insurance policies, the Policies shall control. <u>We recommend that you carefully review the Certificates or Policies for a complete list of limits and sublimits.</u>	Limits of Liability  To the extent there exists any discrepancy between the limits and/or sub-limits described below and the <u>Declaration Page</u> or Insurance policies, the <u>Declaration Page or Policies</u> shall control.	Clarification
All Risk Limit of Liability	Per Occurrence: all Perils, Coverages (subject to policy exclusions) and <u>Insureds/Members</u> combined, subject to the following per occurrence and/or aggregate sub-limits as noted	Per Occurrence: all Perils, Coverages (subject to policy exclusions) and <u>all Named Insureds (as defined in the policy) combined, per Declaration, regardless of the number of Named Insureds, coverages, extensions of coverage, or perils insured,</u> subject to the following per occurrence and/or aggregate sub-limits as noted <u>below.</u>	Clarification
Sub-Limits of Liability as respects: Boiler Explosion and Machinery Breakdown	<u>For members that purchase coverage see schedule on file with Alliant Insurance Services</u> Boiler Explosion and Machinery Breakdown, (for those Named Insured’s that purchase this optional dedicated coverage) as respects Combined Property Damage and Business Interruption/Extra Expense (Including Bond Revenue Interest Payments where Values Reported and excluding Business Interruption for power generating facilities unless otherwise specified). Limit includes loss adjustment agreement and electronic computer or electronic data processing equipment with the following sub-limits	Boiler Explosion and Machinery Breakdown, (for those Named Insureds that purchase this optional dedicated coverage) as respects Combined Property Damage and Business Interruption/Extra Expense (Including Bond Revenue Interest Payments where Values Reported and excluding Business Interruption for power generating facilities unless otherwise specified). Limit includes loss adjustment agreement and electronic computer or electronic data processing equipment with the following sub-limits	Clarification
Primary Terrorism	USD 100,000,000 per <u>Member /Entity</u> Per Occurrence subject to USD200,000,000 Annual Aggregate of Declarations 1-14, 18- <u>21</u> , 25-30 and 32- 34 combined as respects Property Damage, Business Interruption, Rental Income and Extra Expense Combined for Terrorism (Primary Layer)	USD 100,000,000 per <u>Named Insured</u> Per Occurrence subject to USD200,000,000 Annual Aggregate of Declarations 1-14, 18- <u>22</u> , 25-30 and 32- 34 combined as respects Property Damage, Business Interruption, Rental Income and Extra Expense Combined for Terrorism (Primary Layer)	Clarification

Coverage	2014 - 2015	2015 - 2016	Pending
Excess Terrorism	Per Occurrence, All <u>Members</u> combined in Declarations 1-9, 11, 12, 13, 14, 19, 20, <u>21</u> , 26, 27, 28, 30, 32, 33 and 34 for Terrorism (Excess Layer) subject to;  Annual Aggregate shared by all <u>Members/Entities</u> Insureds combined in Declarations 1-9, 11-14, 18-22, 25-30 and 32-34, as respects Property Damage, Business Interruption, Rental Income and Extra Expense combined for Terrorism (Excess Layer)	Per Occurrence, All <u>Named Insureds</u> combined in Declarations 1-9, 11-14, 18- <u>22</u> , 25-30 and 32-34 for Terrorism (Excess Layer) subject to;  Annual Aggregate shared by all Named Insureds combined in Declarations 1-9, 11-14, 18-22, 25-30 and 32-34, as respects Property Damage, Business Interruption, Rental Income and Extra Expense combined for Terrorism (Excess Layer)	Clarification
Deductible as respects: Basic All Risk	'Basic' All Perils and Coverages, except for those referenced in Specified Perils or Coverages Deductible(s) and Special Terms & Conditions as set forth below:	<u>Unspecified "Basic" or "All Risk" Perils and Coverages Deductible (Meaning for perils not referenced in the "Specified Perils or Coverages Deductible(s)" or "Special Terms &amp; Conditions" as set forth below):</u>	Clarification
Deductible as respects: JPA / Pool Maintenance Deductible	Maintenance Deductible after Annual Aggregate Deductible is reached. Maintenance deductible does not apply to those items listed in the Deductibles for Specific Perils and Coverages or Special Terms section below	<u>Pool Maintenance Deductible applicable to each occurrence after the Annual Aggregate Deductible is reached. The specific deductibles for Flood, Earthquake and Wind will always apply to losses caused by those perils regardless if it is greater or less than the Pool Maintenance Deductible. The maintenance deductible does not apply to those items listed in the Deductibles for Specific Perils and Coverages or Special Terms section below if those perils did not erode the annual aggregate deductible.</u>	Clarification
Deductible as respects: All Risk Deductible (Other):	\$10,000 <u>Minimum subject</u> to \$100,000 Maximum per Vehicle or Item for Licensed Vehicles, Unlicensed Vehicles and Contractors Equipment Per Occurrence <u>and Annual aggregate and shared by all members of this Declaration</u> for the peril of Earthquake for members who do not purchase dedicated Earthquake limits	\$10,000 Per Vehicle or Item for Licensed Vehicles, Unlicensed Vehicles and Contractors Equipment subject to \$100,000 Maximum Per Occurrence, <u>Per Named Insured</u> for the peril of Earthquake for <u>Named Insured(s)</u> who do not purchase dedicated Earthquake limits	Enhancement
Deductible as respects: All Risk Deductible (Other):	\$10,000 <u>Minimum subject</u> to \$100,000 Maximum per Vehicle or Item for Licensed Vehicles, Unlicensed Vehicles and Contractor's Equipment Per Occurrence <u>and Annual Aggregate and shared by all members of this Declaration</u> for the peril of Flood for members who do not purchase dedicated Flood limits	\$10,000 Per Vehicle or Item for Licensed Vehicles, Unlicensed Vehicles and Contractor's Equipment subject to \$100,000 Maximum Per Occurrence, <u>Per Named Insured</u> for the peril of Flood for <u>Named Insured(s)</u> who do not purchase dedicated Flood limits	Enhancement
Deductibles as respects: All Risk Deductible (Other):	2.5% of Annual Tax Value per Location for Tax Interruption	2.5% of Annual Tax <u>Revenue</u> Value per Location for Tax Interruption	Clarification

Coverage	2014 - 2015	2015 - 2016	Pending
APIP Reinsurance Named Insured coverage wording	Not previously listed on Named Insured's specific coverage documents	Coverage wording added under "Special Terms":  As a Reinsurance placement in no circumstance will the coverages, terms, conditions, limits, sub-limits, deductibles, exclusions or endorsements be extended or broadened by the Named Insured's Memorandum of Coverage or underlying insurance documents.	Clarification

**Master Policy Form Wording**

Policy Term	July 1, 2014 to July 1, 2015	July 1, 2015 to July 1, 2016	Renewal item
PEPIP Master Policy Form	All references to " <u>Member(s)/Entity(ies)</u> " or where the word " <u>Member</u> " is referenced and not directly associated to a JPA or Pool	The word " <u>Named Insured</u> " or " <u>Named Insured(s)</u> " has replaced the words " <u>Member(s)/Entity(ies)</u> " or where the word " <u>Member</u> " is referenced and not associated to a JPA or Pool throughout the Master Policy Form 11	Clarification
Section I, Item B. Named Insured	As per Declaration page <u>and its</u> member(s), entity(ies), agency(ies), organization(s), enterprise(s) and/or individual(s) for whom the Named Insured is required to provide coverage, as so named in the "Named Insured – <u>Member</u> Schedule" <u>attached to this policy and/or</u> on file with Alliant Insurance Services, Inc., as their interests may appear which now exist or which hereafter may be created or acquired and which are owned, financially controlled or actively managed by the herein named interest, all jointly, severally or in any combination of their interests, for account of whom it may concern.	<u>Per Declaration page all Named Insureds listed in the Declaration Schedule Addendum attached to this policy.</u>  <u>Member(s), entity(ies), agency(ies), organization(s), enterprise(s) and/or individual(s) for whom the Named Insured is required or has agreed to provide coverage, or as so named in the "Named Insured Schedule" on file with Alliant Insurance Services, Inc., as their interests may appear which now exist or which hereafter may be created or acquired and which are owned, financially controlled or actively managed by the herein named interest, all jointly, severally or in any combination of their interests, for account of whom it may concern, are covered within the limits Terms and Conditions provided to the individual Named Insured's limits.</u>	Clarification
Section I, Item C. Mailing Address of Insured	C. Mailing Address of Insured	C. Mailing Address of <u>Named</u> Insured	Clarification
Section I, Item E. Limits of Liability	1. SPECIFIC LIMITS OF LIABILITY  The Specific Limits of Liability as described in the Declaration Page apply per occurrence unless indicated otherwise.	1. LIMITS OF LIABILITY  The Specific Limits of Liability as described in the Declaration Page apply per occurrence unless indicated otherwise.	Clarification

Coverage	2014 - 2015	2015 - 2016	Pending
Section II, Item B. 22. Terrorism Coverage	a. USD 100,000,000 per <u>member(s) / entity(ies)</u> of <u>declaration number 1-14, 18- 21, 25- 30 and 32-34</u> per occurrence subject to USD200,000,000 in the annual aggregate which shared by all <u>member(s) / entity(ies)</u> of <u>declaration numbers 1-14, 18-21, 25-30 and 32- 34</u> combined; and	a. USD 100,000,000 per <u>Named Insured(s)</u> of <u>Declaration number 1-14, 18- 22, 25- 30 and 32-34</u> per occurrence subject to USD200,000,000 in the annual aggregate which shared by all <u>Named Insured(s)</u> of <u>Declaration numbers 1-14, 18-22, 25-30 and 32- 34</u> combined; and	Clarification
Section II, Item C. 6. Property Not Covered	Power transmission lines, feeder lines <u>and underground pipes</u> more than 1,000 feet from the premises of the Insured unless specifically approved by the Company.	Removed “Underground pipes” from #6  Added #7: Underground pipes more than 1,000 feet from the premises of the Insured unless specifically approved by the Company.	Clarification
Section II, Item C. 7. Property Not Covered	<u>7.</u> <u>Unscheduled tunnels, bridges, dams, catwalks</u> (except those not for public use), roadways, highways, streets, sidewalks, culverts, streetlights, and traffic signals, excess of the sub-limit terms provided on the Declaration Page.	<u>8.</u> <u>Unscheduled tunnels, bridges, dams, catwalks</u> (except those not for public use), roadways, highways, streets, sidewalks, culverts, streetlights, and traffic signals, excess of the sub-limit terms provided on the Declaration Page.	Clarification
Section II, Item C. 8. Property Not Covered	<u>8.</u> <u>Offshore property, oilrigs, underground mines, caverns and their contents.</u> Railroad track is excluded unless values have been reported by the Insured.	<u>9.</u> <u>Offshore property, oilrigs, underground mines, caverns and their contents.</u> Railroad track is excluded unless values have been reported by the Insured.	Clarification
Section IV, Item B. 19. Exclusions	Fines, penalties or cost incurred or sustained by the Insured or imposed on the Insured at the order of any Government Agency, Court <u>of</u> other Authority, in connection with any kind or description of environmental impairment including seepage or pollution or contamination from any cause.	Fines, penalties or cost incurred or sustained by the Insured or imposed on the Insured at the order of any Government Agency, Court <u>or</u> other Authority, in connection with any kind or description of environmental impairment including seepage or pollution or contamination from any cause.	Clarification
Section IV, Item D. Territorial Limits	This Policy insures Real and Personal Property within the United States. Personal Property is extended to Worldwide coverage. The coverage provided by this clause for Personal Property is sublimited to USD as per Declaration Page.	This Policy insures Real and Personal Property within the United States <u>of America</u> . Personal Property is extended to Worldwide coverage. The coverage provided by this clause for Personal Property is <u>sub</u> -limited to USD as per Declaration Page.	Clarification
Section IV, Item M. Subrogation	<u>This Policy shall not be prejudiced by agreement made by the Insured releasing or waiving the Insured’s rights to recovery against third parties responsible for the loss if made before the loss has occurred.</u> Notwithstanding the above wording, the insured has the right to enter into an agreement that releases or waives the Insured’s right to recovery against third parties responsible for the loss if made before the loss occurred.	Notwithstanding the above wording, the insured has the right to enter into an agreement that releases or waives the Insured’s right to recovery against third parties responsible for the loss if made before the loss occurred.	Clarification

Coverage	2014 - 2015	2015 - 2016		Pending
Section IV, Item AE. Service of Suit Clause (USA) Applicable to Excess Carriers	Messre Mendes and Mount of 750 Seventh Avenue, New York NY 10019 6829 (applicable to all markets except as noted below)	<u>FLWA Service Corp, c/o Foley and Lardner LLP, 555 California Street, Suite 1700, San Francisco, CA 94104-1520 (applicable to all markets except as noted below)</u>		Update
Section IV, Item 6 Tier I Windstorm Counties	The following items in the next column are not currently listed in the Master Policy Form Wording 10	State	Tier I Counties, Parishes or Independent Cities	Clarification
		Florida	All Counties	
		Hawaii	All Counties	
		Louisiana	Assumption	
		Virginia	Charles City, New Kent, Prince George and Sussex	
Hospital All Risk Property Program	Specific policy endorsements provided for Hospital All Risk Property Program Declarations	<u>Hospital All Risk Property Program Master Policy Form 11</u> created		Enhancement
Pollution Liability Coverage		A Summary of Pollution Liability is included with the Coverage Proposal		Enhancement

Northern California Cities Self Insurance Fund  
c/o Alliant Insurance Services  
1792 Tribute Rd Suite 450  
Sacramento, CA 95815

**NAMED INSURED:**

Northern California Cities Self-Insurance Fund

City of Anderson

City of Auburn

City of Colusa

City of Dixon

City of Folsom

City of Galt

City of Gridley

City of Ione

City of Lincoln

City of Marysville

City of Oroville

City of Red Bluff

City of Rocklin

City of Yuba City

Town of Paradise

**TYPE OF INSURANCE:**     Insurance     Reinsurance

**NAMED INSURED:**        Northern California Cities Self Insurance Fund

**DECLARATION:**            4-Cities 4

**POLICY PERIOD:**         July 1, 2015 to July 1, 2016

**COMPANIES:**              See Attached List of Companies

**TOTAL INSURED  
VALUES:**                    \$ 984,437,381 as of June 03, 2015

**ALL RISK  
COVERAGES &  
LIMITS:**

- \$        1,000,000,000    Per Occurrence: all Perils, Coverages (subject to policy exclusions) and all Named Insureds (as defined in the policy) combined, per Declaration, regardless of the number of Named Insureds, coverages, extensions of coverage, or perils insured, subject to the following per occurrence and/or aggregate sub-limits as noted below.
  
- \$        15,000,000        For City of Marysville only; \$10,000,000 For City of Yuba City only; \$17,000,000 For City of Auburn only; \$10,000,000 For City of Ione only Flood Limit - Per Occurrence and in the Annual Aggregate (for those Named Insured(s) that purchase this optional dedicated coverage)
  
- \$        15,000,000        For City of Marysville only; \$10,000,000 For City of Yuba City only; \$17,000,000 For City of Auburn only; \$10,000,000 For City of Ione only Per Occurrence and in the Annual Aggregate for all locations in Flood Zones A & V (inclusive of all 100 year exposures). This Sub-limit does not increase the specific flood limit of liability for those Named Insured(s) that purchase this optional dedicated coverage.
  
- Not Covered        Earthquake Shock - Per Occurrence and in the Annual Aggregate (for those Named Insured(s) that purchase this optional dedicated coverage)

\$	100,000,000	Combined Business Interruption, Rental Income and Tax Revenue Interruption and Tuition Income (and related fees). However, if specific values for such coverage have not been reported as part of the Named Insured's schedule of values held on file with Alliant Insurance Services, Inc., this sub-limit amount is limited to \$500,000 per Named Insured subject to maximum of \$2,500,000 Per Occurrence for Business Interruption, Rental Income and Tuition Income combined, and \$5,000,000 per occurrence for Tax Revenue Interruption. Coverage for power generating plants is excluded, unless otherwise specified.
\$	50,000,000	Extra Expense
\$	25,000,000	Miscellaneous Unnamed Locations for existing Named Insured's Excluding Earthquake coverage for Alaska and California Named Insureds. If Flood coverage is purchased for all scheduled locations, this extension will extend to include Flood coverage for any location not situated in Flood Zones A or V.
	180 Days	Extended Period of Indemnity
See Policy Provisions		\$25,000,000 Automatic Acquisition up to \$100,000,000 or a Named Insured's Policy Limit of Liability if less than \$100,000,000 for 90 days excluding licensed vehicles for which a sub-limit of \$10,000,000 applies per policy Automatic Acquisition and Reporting Condition. Additionally a sub-limit of \$2,500,000 applies for Tier 1 Wind Counties, Parishes and Independent Cities for 60 days for the states of Virginia, North Carolina, South Carolina, Georgia, Alabama, Mississippi, Louisiana, Texas and/or situated anywhere within the states of Florida and Hawaii. The peril of EQ is excluded for the states of Alaska and California. If Flood coverage is purchased for all scheduled locations, this extension will extend to include Flood coverage for any location not situated in Flood Zones A or V.
\$	1,000,000	Unscheduled Landscaping, tees, sand traps, greens and athletic fields and further subject to \$25,000 / 25 gallon maximum per item
\$	5,000,000	or 110% of the scheduled values, whichever is greater, for Scheduled Landscaping, tees, sand traps, greens and athletic fields and further subject to \$25,000 / 25 gallon maximum per item.
\$	50,000,000	Errors & Omissions - This extension does not increase any more specific limit stated elsewhere in this policy or Declarations.
\$	25,000,000	Course of Construction and Additions (including new) for projects with completed values not exceeding the sub-limit shown. Projects valued between \$25,000,001 and \$50,000,000 can be added for an additional premium with underwriting approval

\$	2,500,000	Money & Securities for named perils only as referenced within the policy
\$	2,500,000	Unscheduled Fine Arts
\$	250,000	Accidental Contamination per occurrence and annual aggregate per Named Insured with \$500,000 annual aggregate for all Named Insureds per Declaration
\$	2,000,000	Unscheduled Tunnels, Bridges, Dams, Catwalks (except those not for public use), Roadways, Highways, Streets, Sidewalks, Culverts, Street Lights and Traffic Signals unless a specific value has been declared (excluding coverage for the peril of Earthquake Shock, and excluding Federal Emergency Management Agency (FEMA) and/or Office of Emergency Services (OES) declared disasters, providing said declaration provides funding for repairs)
\$	25,000,000	Increased Cost of Construction due to the enforcement of building codes/ ordinance or law (includes All Risk and Boiler & Machinery)
\$	25,000,000	Transit
\$	2,500,000	Unscheduled Animals; not to exceed \$50,000 per Animal, per Occurrence
\$	2,500,000	Unscheduled Watercraft up to 27 feet
	Included	Per Occurrence for Off Premises Vehicle Physical Damage
\$	25,000,000	Off Premises Services Interruption including Extra Expense resulting from a covered peril at non-owned/operated locations
\$	5,000,000	Per Occurrence Per Named Insured subject to an Annual Aggregate of \$10,000,000 for Earthquake Shock on Licensed Vehicles, Unlicensed Vehicles, Contractor's Equipment and Fine Arts combined for all Named Insured(s) in this Declaration combined that do not purchase optional dedicated Earthquake Shock coverage, and/or where specific values for such items are not covered for optional dedicated Earthquake Shock coverage as part of the Named Insured's schedule of values held on file with Alliant Insurance Services, Inc.
\$	5,000,000	Per Occurrence Per Named Insured subject to an Annual Aggregate of \$10,000,000 for Flood on Licensed Vehicles, Unlicensed Vehicles, Contractor's Equipment and Fine Arts combined for all Named Insured(s) in this Declaration combined that do not purchase optional dedicated Flood coverage, and/or where specific values for such items are not covered for optional dedicated Flood coverage as part of the Named Insured's schedule of values held on file with Alliant Insurance Services, Inc.

\$	3,000,000	Contingent Business Interruption, Contingent Extra Expense, Contingent Rental Values and Contingent Tuition Income separately
\$	500,000	Jewelry, Furs, Precious Metals and Precious Stones Separately
\$	1,000,000	Claims Preparation Expenses
\$	50,000,000	Expediting Expenses
\$	1,000,000	Personal Property Outside of the USA
\$	100,000,000	Per Named Insured Per Occurrence subject to \$200,000,000 Annual Aggregate of Declarations 1-14, 18-22, 25-30 and 32-34 combined as respects Property Damage, Business Interruption, Rental Income and Extra Expense Combined for Terrorism (Primary Layer)
\$	300,000,000	Per Named Insured for Terrorism (Excess Layer) subject to;
\$	800,000,000	Per Occurrence, All Named Insureds combined in Declarations 1-9, 11-14, 18-22, 25-30 and 32-34 for Terrorism (Excess Layer) subject to;
\$	800,000,000	Annual Aggregate shared by all Named Insureds combined in Declarations 1-9, 11-14, 18-22, 25-30 and 32-34, as respects Property Damage, Business Interruption, Rental Income and Extra Expense combined for Terrorism (Excess Layer)
	Not Covered	Per Occurrence Per Declaration Upgrade to Green Coverage subject to the lesser of, the cost of upgrade, an additional 25% of the applicable limit of liability shown in the schedule of values or this sub limit.
	Included	Information Security & Privacy Insurance with Electronic Media Liability Coverage. See Cyber Coverage Summary for details of coverage terms, limits and deductibles
	Included	See Alliant Property Insurance Program (APIP) Pollution Liability Insurance Summary for applicable limits and deductibles

**VALUATION:**

- Repair or Replacement Cost
- Actual Loss Sustained for Time Element Coverages
- Contractor's Equipment / either Replacement Cost or Actual Cash Value (ACV) as declared by each member. If not declared, valuation will default to Actual Cash Value (ACV)

**EXCLUSIONS**

**(Including but not limited to):**

- Seepage & Contamination
- Cost of Clean-up for Pollution
- Mold

**Deductibles: If two or more deductible amounts provided in the Declaration Page apply for a single occurrence the total to be deducted shall not exceed the largest per occurrence deductible amount applicable. (The Deductible amounts set forth below apply Per Occurrence unless indicated otherwise).**

<b>“ALL RISK” DEDUCTIBLE:</b>	\$	5,000	Per Occurrence, which to apply in the event a more specific deductible is not applicable to a loss
<b>DEDUCTIBLES FOR SPECIFIC PERILS AND COVERAGES:</b>	\$	100,000	All Flood Zones Per Occurrence excluding Flood Zones A & V
	\$	250,000	Per Occurrence for Flood Zones A & V (inclusive of all 100 year exposures)
		Not Covered	Earthquake Shock: If the stated deductible is a flat dollar amount, the deductible will apply on a Per Occurrence basis, unless otherwise stated. If the stated deductible is on a percentage basis, the deductible will apply Per Occurrence on a Per Unit basis, as defined in the policy form, subject to the stated minimum.
	\$	1,000	Per Occurrence for Specially Trained Animals
	\$	500,000	Per Occurrence for Unscheduled Tunnels, Bridges, Dams, Catwalks (except those not for public use), Roadways, Highways, Streets, Sidewalks, Culverts, Street Lights and Traffic Signals unless a specific value has been declared (excluding coverage for the peril of Earthquake Shock, and excluding Federal Emergency Management Agency (FEMA) and/or Office of Emergency Services (OES) declared disasters)
	\$	10,000	Per Vehicle or Item for Licensed Vehicles, Unlicensed Vehicles and Contractor’s Equipment subject to \$100,000 Maximum Per Occurrence, Per Named Insured for the peril of Earthquake for Named Insured(s) who do not purchase dedicated Earthquake limits
	\$	50,000	Per Occurrence per Named Insured for this Declaration for Fine Arts for the peril of Earthquake for Named Insured(s) who do not purchase dedicated Earthquake limits
	\$	10,000	Per Vehicle or Item for Licensed Vehicles, Unlicensed Vehicles and Contractor's Equipment subject to \$100,000 Maximum Per Occurrence, Per Named Insured for the peril of Flood for Named Insured(s) who do not purchase dedicated Flood limits
	\$	50,000	Per Occurrence per Named Insured for this Declaration for Fine Arts for the peril of Flood for Named Insured(s) who do not purchase dedicated Flood limits
		24 Hour Waiting Period	for Service Interruption for All Perils and Coverages
		2.5% of Annual Tax Revenue Value	per Location for Tax Interruption
	\$	5,000	for City of Galt for 2015 Tymco Model 600 Street Sweeper, Yuba City, City of Ione, City of Red Bluff, City of Folsom; \$7,500 for City of Lincoln ONLY; \$10,000 for City of Auburn, Not Covered for all others. Per Occurrence for Off Premises Vehicle Physical Damage. If Off-Premises coverage is

included/purchased, the stated deductible will apply to vehicle physical damage both on and off-premises on a Per Occurrence basis, unless otherwise stated. If Off-Premises coverage is not included, On-Premises/In-Yard coverage is subject to the All Risk (Basic) deductible.

RC Vehicle Valuation Basis

\$ 5,000 Per Occurrence for Contractor's Equipment  
 \$ 5,000 Per Occurrence for Primary Terrorism  
 \$ 500,000 Per Occurrence for Excess Terrorism (Applies only if the Primary Terrorism Limit is exhausted)

Included Information Security & Privacy Insurance with Electronic Media Liability Coverage. See Cyber Coverage Summary for details of coverage terms, limits and deductibles. (Cyber Liability)

**TERMS & CONDITIONS:**

25% Minimum Earned Premium and cancellations subject to 10% penalty

Except Cyber Liability Premium is 30% Earned at Inception

Except Pollution Liability Premium is 100% Earned at Inception

**NOTICE OF CANCELLATION:**

90 Days except 10 Days for non-payment of premium

	Annual Cost*
<b>Total Property Premium:</b>	\$ 890,394.00
<b>Excess Boiler:</b>	\$ 11,281.00
<b>ABS Fee:</b>	\$ 24,217.00
<b>SLT&amp;F's (Estimate)</b>	\$ 28,853.60
<b>Broker Fee:</b>	\$ 0.00
<b>TOTAL COST †: (Including Taxes and Fees)</b>	\$ 954,745.60

\*Premiums are based on valid selectable options and the TIV's above. Changes in TIV's will require a premium adjustment.

† TOTAL COST includes: premiums, underwriting fees, commissions, loss control expenses, program administration charges, and applicable taxes (excluding the Cyber Enhancement premium - should you have elected to purchase this coverage)

**IMPORTANT NOTICE:** THE NONADMITTED & REINSURANCE REFORM ACT (NRRA) WENT INTO EFFECT ON JULY 21, 2011. ACCORDINGLY, SURPLUS LINES TAX RATES AND REGULATIONS ARE SUBJECT TO CHANGE WHICH COULD RESULT IN AN INCREASE OR DECREASE OF THE TOTAL SURPLUS LINES TAXES AND/OR FEES OWED ON THIS PLACEMENT. IF A CHANGE IS REQUIRED, WE WILL PROMPTLY NOTIFY YOU. ANY ADDITIONAL TAXES AND/OR FEES OWED MUST BE PROMPTLY REMITTED TO ALLIANT INSURANCE SERVICES, INC.

**IMPORTANT NOTICE:** THE FOREIGN ACCOUNT TAX COMPLIANCE ACT (FATCA) REQUIRES THE NOTIFICATION OF CERTAIN FINANCIAL ACCOUNTS TO THE UNITED STATES INTERNAL REVENUE SERVICE. ALLIANT DOES NOT PROVIDE TAX ADVICE SO PLEASE CONTACT YOUR TAX CONSULTANT FOR YOUR OBLIGATIONS REGARDING FATCA.

**PROPOSAL VALID**

**UNTIL:** July 1, 2015

**BROKER:** **ALLIANT INSURANCE SERVICES, INC.**

**License No.** 0C36861

Marcus Beverly, CPCU, AIC, ARM-P  
First Vice President, Producer

Joan Crossley  
Account Manager - Lead

**NOTES:**

- *Major pending and approved changes to the APIP Program are described in the Executive Summary.*
- *Change in Total Insurable Values will result in adjustment in premium*
- *Some coverage, sub-limits, terms and conditions could change until negotiations with the insurance carriers have been finalized*
- *Coverage outlined in this Proposal is subject to the terms and conditions set forth in the policy. Please refer to Policy for specific terms, conditions and exclusions*

**This proposal of insurance is provided as a matter of convenience and information only. All information included in this proposal, including but not limited to personal and real property values, locations, operations, products, data, automobile schedules, financial data and loss experience, is based on facts and representations supplied to Alliant Insurance Services, Inc. by you. This proposal does not reflect any independent study or investigation by Alliant Insurance Services, Inc. or its agents and employees.**

**Please be advised that this proposal is also expressly conditioned on there being no material change in the risk between the date of this proposal and the inception date of the proposed policy (including the occurrence of any claim or notice of circumstances that may give rise to a claim under any policy which the policy being proposed is a renewal or replacement). In the event of such change of risk, the insurer may, at its sole discretion, modify, or withdraw this proposal whether or not this offer has already been accepted.**

**This proposal is not confirmation of insurance and does not add to, extend, amend, change, or alter any coverage in any actual policy of insurance you may have. All existing policy terms, conditions, exclusions, and limitations apply. For specific information regarding your insurance coverage, please refer to the policy itself. Alliant Insurance Services, Inc. will not be liable for any claims arising from or related to information included in or omitted from this proposal of insurance**

Alliant embraces a policy of transparency with respect to its compensation from insurance transactions. Details on our compensation policy, including the types of income that Alliant may earn on a placement, are available on our website at [www.alliant.com](http://www.alliant.com). For a copy of our policy or for any inquiries regarding compensation issues pertaining to your account you may also contact us at: Alliant Insurance Services, Inc., Attention: General Counsel, 701 B Street, 6th Floor, San Diego, CA 92101.

Analyzing insurers' over-all performance and financial strength is a task that requires specialized skills and in-depth technical understanding of all aspects of insurance company finances and operations. Insurance brokerages such as Alliant Insurance typically rely upon rating agencies for this type of market analysis. Both A.M. Best and Standard and Poor's have been industry leaders in this area for many decades, utilizing a combination of quantitative and qualitative analysis of the information available in formulating their ratings.

A.M. Best has an extensive database of nearly 6,000 Life/Health, Property Casualty and International companies. You can visit them at [www.ambest.com](http://www.ambest.com). For additional information regarding insurer financial strength ratings visit Standard and Poor's website at [www.standardandpoors.com](http://www.standardandpoors.com).

Our goal is to procure insurance for you with underwriters possessing the financial strength to perform. Alliant does not, however, guarantee the solvency of any underwriters with which insurance or reinsurance is placed and maintains no responsibility for any loss or damage arising from the financial failure or insolvency of any insurer. We encourage you to review the publicly available information collected to enable you to make an informed decision to accept or reject a particular underwriter. To learn more about companies doing business in your state, visit the Department of Insurance website for that state.

### *NY Regulation 194 Disclosure and General Broker Compensation Disclosure*

Alliant Insurance Services, Inc. is an insurance producer licensed by the State of New York and other States. Insurance producers are authorized by their license to confer with insurance purchasers about the benefits, terms and conditions of insurance contracts; to offer advice concerning the substantive benefits of particular insurance contracts; to sell insurance; and to obtain insurance for purchasers. The role of the producer in any particular transaction typically involves one or more of these activities.

Compensation will be paid to the producer, based on the insurance contract the producer sells. Depending on the insurer(s) and insurance contract(s) the purchaser selects, compensation will be paid by the insurer(s) selling the insurance contract or by another third party. Such compensation may vary depending on a number of factors, including the insurance contract(s) and the insurer(s) the purchaser selects. In some cases, other factors such as the volume of business a producer provides to an insurer or the profitability of insurance contracts a producer provides to an insurer also may affect compensation.

The insurance purchaser may obtain information about compensation expected to be received by the producer based in whole or in part on the sale of insurance to the purchaser, and (if applicable) compensation expected to be received based in whole or in part on any alternative quotes presented to the purchaser by the producer, by requesting such information from the producer.

**NAMED INSURED:** Northern California Cities Self Insurance Fund

**POLICY PERIOD:** July 1, 2015 to July 1, 2016

**COMPANIES:** See Attached List of Companies

**TOTAL INSURED VALUES:** \$ 984,437,381 as of June 3, 2015

**STATUS/RATING:** See Attached List of Companies

**COVERAGES & LIMITS:** \$ 100,000,000 Boiler Explosion and Machinery Breakdown, (for those Named Insureds that purchase this optional dedicated coverage) as respects Combined Property Damage and Business Interruption/Extra Expense (Including Bond Revenue Interest Payments where Values Reported and excluding Business Interruption for power generating facilities unless otherwise specified). Limit includes loss adjustment agreement and electronic computer or electronic data processing equipment with the following sub-limits:

- Included Jurisdictional and Inspections
- \$ 10,000,000 Per Occurrence for Service/Utility/Off Premises Power Interruption
  - Included Per Occurrence for Consequential Damage/Perishable Goods/Spoilage
- \$ 10,000,000 Per Occurrence for Electronic Data Processing Media and Data Restoration
- \$ 2,000,000 Per Occurrence, Per Named Insured and in the Annual Aggregate per Declaration for Earthquake Resultant Damage for Members who purchase Dedicated Earthquake Coverage
- \$ 10,000,000 Per Occurrence for Hazardous Substances/ Pollutants/Decontamination
  - Included Per Occurrence for Machine or Apparatus used for Research, Diagnosis, Medication, Surgical, Therapeutic, Dental or Pathological Purposes

**NEWLY ACQUIRED**

**LOCATIONS:** \$ 25,000,000 Automatic Acquisition for Boiler & Machinery values at newly acquired locations. Values greater than \$25,000,000 or Power Generating Facilities must be reported within 90 days and must have prior underwriting approval prior to binding

**VALUATION:** Repair or Replacement except Actual Loss sustained for all Time Element coverages

**EXCLUSIONS**

**(Including but not limited to):**

- Testing
- Explosion, except for steam or centrifugal explosion
- Explosion of gas or unconsumed fuel from furnace of the boiler

**OBJECTS EXCLUDED:**

**(Including but not limited to):**

- Insulating or refractory material
- Buried Vessels or Piping
- Furnace, Oven, Stove, Incinerator, Pot Kiln

**NOTICE OF**

**CANCELLATION:** 90 days except 10 days for non-payment of premium

**DEDUCTIBLES:**

\$ 2,500 Except as shown for Specific Objects or Perils

\$ 2,500 Electronic Data Processing Media

\$ 2,500 Consequential Damage

\$ 2,500 Objects over 200 hp, 1,000 KW/KVA/Amps or Boilers over 5,000 square feet of heating surface

\$ 50,000 Objects over 350 hp, 2,500 KW/KVA/Amps or Boilers over 10,000 square feet of heating surface

\$ 100,000 Objects over 500 hp, 5,000 KW/KVA/Amps or Boilers over 25,000 square feet of heating surface

\$ 250,000 Objects over 750 hp, 10,000 KW/KVA/Amps or Boilers over 75,000 square feet of heating surface

\$ 350,000 Objects over 25,000 hp, 25,000 KW/KVA/Amps or Boilers over 250,000 square feet of heating surface

10 per foot / \$2,500 Minimum Deep Water Wells

24 Hours Business Interruption/Extra Expense Except as noted below

30 Days Business Interruption – Revenue Bond

24 Hour Waiting Period – Utility Interruption

5 x 100% of Daily Value – Business Interruption – All Objects over 750 hp or 10,000 KW/KVA/Amps or 10,000 Square feet Heating Surface

5 x 100% of Daily Value – Business Interruption – All Objects at Waste Water Treatment Facilities and All Utilities

	<b>Annual Cost*</b>
<b>COST:</b>	Cost is included on Property Proposal

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**IMPORTANT NOTICE:** THE FOREIGN ACCOUNT TAX COMPLIANCE ACT (FATCA) REQUIRES THE NOTIFICATION OF CERTAIN FINANCIAL ACCOUNTS TO THE UNITED STATES INTERNAL REVENUE SERVICE. ALLIANT DOES NOT PROVIDE TAX ADVICE SO PLEASE CONTACT YOUR TAX CONSULTANT FOR YOUR OBLIGATIONS REGARDING FATCA.

**BROKER:** **ALLIANT INSURANCE SERVICES, INC.**  
**License No. 0C36861**

Marcus Beverly, CPCU, AIC, ARM-P  
 First Vice President, Producer

Joan Crossley  
 Account Manager - Lead

**NOTES:**

- *Major pending and approved changes to the APIP Program are described in the Executive Summary.*
- *Change in Total Insurable Values will result in adjustment in premium*
- *Some coverage, sublimits, terms and conditions could change until negotiations with the insurance carriers have been finalized*
- *Coverage outlined in this Proposal is subject to the terms and conditions set forth in the policy. Please refer to Policy for specific terms, conditions and exclusions*

**This proposal of insurance is provided as a matter of convenience and information only. All information included in this proposal, including but not limited to personal and real property values, locations, operations, products, data, automobile schedules, financial data and loss experience, is based on facts and representations supplied to Alliant Insurance Services, Inc. by you. This proposal does not reflect any independent study or investigation by Alliant Insurance Services, Inc. or its agents and employees.**

**Please be advised that this proposal is also expressly conditioned on there being no material change in the risk between the date of this proposal and the inception date of the proposed policy (including the occurrence of any claim or notice of circumstances that may give rise to a claim under any policy which the policy being proposed is a renewal or replacement). In the event of such change of risk, the insurer may, at its sole discretion, modify, or withdraw this proposal whether or not this offer has already been accepted.**

**This proposal is not confirmation of insurance and does not add to, extend, amend, change, or alter any coverage in any actual policy of insurance you may have. All existing policy terms, conditions, exclusions, and limitations apply. For specific information regarding your insurance coverage, please refer to the policy itself. Alliant Insurance Services, Inc. will not be liable for any claims arising from or related to information included in or omitted from this proposal of insurance**

Alliant embraces a policy of transparency with respect to its compensation from insurance transactions. Details on our compensation policy, including the types of income that Alliant may earn on a placement, are available on our website at [www.alliant.com](http://www.alliant.com). For a copy of our policy or for any inquiries regarding compensation issues pertaining to your account you may also contact us at: Alliant Insurance Services, Inc., Attention: General Counsel, 701 B Street, 6th Floor, San Diego, CA 92101.

Analyzing insurers' over-all performance and financial strength is a task that requires specialized skills and in-depth technical understanding of all aspects of insurance company finances and operations. Insurance brokerages such as Alliant Insurance typically rely upon rating agencies for this type of market analysis. Both A.M. Best and Standard and Poor's have been industry leaders in this area for many decades, utilizing a combination of quantitative and qualitative analysis of the information available in formulating their ratings.

A.M. Best has an extensive database of nearly 6,000 Life/Health, Property Casualty and International companies. You can visit them at [www.ambest.com](http://www.ambest.com). For additional information regarding insurer financial strength ratings visit Standard and Poor's website at [www.standardandpoors.com](http://www.standardandpoors.com).

Our goal is to procure insurance for you with underwriters possessing the financial strength to perform. Alliant does not, however, guarantee the solvency of any underwriters with which insurance or reinsurance is placed and maintains no responsibility for any loss or damage arising from the financial failure or insolvency of any insurer. We encourage you to review the publicly available information collected to enable you to make an informed decision to accept or reject a particular underwriter. To learn more about companies doing business in your state, visit the Department of Insurance website for that state.

#### *NY Regulation 194 Disclosure and General Broker Compensation Disclosure*

Alliant Insurance Services, Inc. is an insurance producer licensed by the State of New York and other States. Insurance producers are authorized by their license to confer with insurance purchasers about the benefits, terms and conditions of insurance contracts; to offer advice concerning the substantive benefits of particular insurance contracts; to sell insurance; and to obtain insurance for purchasers. The role of the producer in any particular transaction typically involves one or more of these activities.

Compensation will be paid to the producer, based on the insurance contract the producer sells. Depending on the insurer(s) and insurance contract(s) the purchaser selects, compensation will be paid by the insurer(s) selling the insurance contract or by another third party. Such compensation may vary depending on a number of factors, including the insurance contract(s) and the insurer(s) the purchaser selects. In some cases, other factors such as the volume of business a producer provides to an insurer or the profitability of insurance contracts a producer provides to an insurer also may affect compensation.

The insurance purchaser may obtain information about compensation expected to be received by the producer based in whole or in part on the sale of insurance to the purchaser, and (if applicable) compensation expected to be received based in whole or in part on any alternative quotes presented to the purchaser by the producer, by requesting such information from the producer.

**TYPE OF COVERAGE:** Information Security & Privacy Insurance with Electronic Media Liability Coverage

**PROGRAM:** **Alliant Property Insurance Program (APIP) inclusive of Public Entity Property Insurance Program (PEPIP), and Hospital All Risk Property Program (HARPP)**

**NAMED INSURED:** Any member(s), entity(ies), agency(ies), organizations(s), enterprise(s) and/or individuals(s) attached to each Declaration insured as per schedule on file with Insurer.

**DECLARATION:** Various Declarations as on file with Insurer

**POLICY PERIOD:** July 1, 2015 to July 1, 2016

**TERRITORY:** WORLD-WIDE

**RETROACTIVE DATE:** **APIP/PEPIP**  
*For new members – the retro active date will be the date of addition*  
 July 1, 2015 For existing members included on the July 1, 2015/16 policy  
 July 1, 2014 For existing members included on the July 1, 2014/15 policy  
 July 1, 2013 For existing members included on the July 1, 2013/14 policy  
 July 1, 2012 For existing members included on the July 1, 2012/13 policy  
 July 1, 2011 For existing members included on the July 1, 2011/12 policy  
 July 1, 2010 For existing members included on the July 1, 2010/11 policy

**HARPP**  
*For new members – the retro active date will be the date of addition*  
 July 1, 2009 For members endorsed onto the July 1, 2009/10 policy at a \$500,000 limit except for those members who did not provide a “No Known Losses Letter” then the retro date is the date that the member was added  
 July 1, 2010 For \$1,500,000 excess \$500,000

**CSU**  
 July 1, 2008 California State University and CSU Auxiliary Organizations

**COMPANIES:** Lloyd’s of London - Beazley Syndicate:  
 Syndicates 2623 - 623 - 100%

**COVERAGES & LIMITS:**

<b>THIRD PARTY LIABILITY</b>	Ai.	\$	25,000,000	<b>Annual Policy and Program Aggregate Limit of Liability</b> (subject to policy exclusions) for all Insured's/Members combined (Aggregate for all coverage's combined, including Claims Expenses), subject to the following sub-limits as noted.
	Aii.	\$	2,000,000	<b>Annual Aggregate Limit of Liability</b> for each Insured/Member for <b>Information Security &amp; Privacy Liability</b> . <b>Each Member of a JPA will have a \$2,000,000 Limit Each</b> (Aggregate for all coverages combined, including Claim Expenses) but sublimited to:
	B.	\$	500,000	<b>Annual Policy Aggregate Limit of Liability</b> for each Insured/Member <b>Privacy Notification Costs</b> coverage. Limit is \$1,000,000 if Beazley vendor services are used.
	C.	\$	2,000,000	<b>Annual Policy Aggregate Limit of Liability</b> for each Insured/Member for all Claims Expenses and <b>Penalties for Regulatory Defense and Penalties</b>  <b>PCI Fines and Penalties</b> coverage added with sub-limit of \$100,000.
	D.	\$	2,000,000	<b>Annual Policy Aggregate Limit of Liability</b> for each Insured/Member for all Damages and Claims Expenses for <b>Website Media Content Liability</b> (Occurrence Based)
<b>FIRST PARTY COMPUTER SECURITY</b>	E.	\$	2,000,000	<b>Policy Aggregate Sublimit of Liability</b> for each Insured/Member for <b>Cyber Extortion Loss</b>
	F.	\$	2,000,000	<b>Policy Aggregate Sublimit of Liability</b> for each Insured/Member for <b>Data Protection Loss and Business Interruption Loss</b>
	G.			<b>First Party Business Interruption Sub-Limits of Liability</b> for each Insured/Member
		\$	50,000	1) Hourly Sublimit
	\$	50,000	2) Forensic Expense Sublimit	
	\$	150,000	3) Dependent Business Interruption Sublimit.	

The sub-limits of liability displayed above in Items B, C and D are part of, and not in addition to, the overall Annual Aggregate Limit of Liability for each Insured/Member (Item Aii)

<b>RETENTION:</b>	\$	25,000	CSU Auxiliary Organizations only
	\$	50,000	Per Occurrence for each Insured/Member with TIV up to \$500,000,000 at the time of loss
		8	Hour waiting period for first party claims
	\$	100,000	Per Occurrence for each Insured/Member with TIV greater than \$500,000,000 at time of loss
		8	Hour waiting period for first party claims

**NOTICE:**

**Policy coverage sections I.A - Information Security & Privacy Liability, I.B.- Privacy Notification Costs and I.C.-Regulatory Defense & Penalties of this policy provide coverage on a claims made and reported basis; except as otherwise provided, coverage under these insuring agreements applies only to claims first made against the insured and reported to underwriters during the policy period.** Claims expenses shall reduce the applicable limit of liability and are subject to the applicable retention.

**EXTENDED REPORTING PERIOD:**

For First Named Insured - To be determined at the time of election (additional premium will apply)

**SPECIFIC COVERAGE PROVISIONS:**

- A. Information Security and Privacy Liability** pays on behalf of the Insured/Member damages and claims expenses excess of the retention which the Insured/Member shall become legally obligated to pay because of any claim, including a claim for violation of a privacy law first made against the Insured/Member and reported to underwriters during the policy period for
- theft, loss or unauthorized disclosure of personally identifiable non-public information or third party corporate information that is in the care, custody or control of the Insured/Member, or an independent contractor that is holding, processing or transferring such information on behalf of the Insured/Member.
  - Acts or incidents that directly result from the failure of computer security to prevent a security breach including
    - Alteration, corruption, destruction, deletion, or damage to a data asset stored on computer systems
    - Failure to prevent transmission of malicious code from computer systems to third party computer systems
    - Participation in a denial of service attack directed against a third party computer system
  - The failure to timely disclose any of the above in violation of any breach notice law
  - The failure to comply with a privacy policy involving the disclosure, sharing or selling of personally identifiable non-public information
  - The failure to administer an identity theft prevention program
- B. Privacy Notification Costs** pay the Insured/Member for reasonable and necessary costs to comply with a breach notice law because of an incident that first takes place on or after the retroactive date and before the end of the policy period. Privacy Notification Costs means costs incurred within one year of the reporting of the incident or suspected incident to the Underwriters:
- To hire security experts;
  - Notification provisions,
  - Public relations mitigation up to \$50,000 subject to Nil coinsurance
  - Credit monitoring for the purpose of mitigating potential damages and are subject to Nil coinsurance
    - Credit file monitoring,
    - Mailing and third party administrative costs

**SPECIFIC  
COVERAGE  
PROVISIONS:  
(Continued)**

To provide notification to:

- (a) Individuals who are required to be notified by the **Insured Organization** under the applicable **Breach Notice Law**; and
  - (b) In the Underwriters' discretion, to individuals affected by an incident in which their **Personally Identifiable Non-Public Information** has been subject to theft, loss, or Unauthorized Disclosure in a manner which compromises the security or privacy of such individual by posing a significant risk of financial, reputational or other harm to the individual.
- C. Regulatory Defense and Penalties** pays on behalf of the Insured/Member claims expenses and penalties which the Insured/Member shall become legally obligated to pay because of any claim in the form of a regulatory proceeding resulting from a violation of a privacy law and caused by an incident described under certain sections of the information security and privacy liability section of the policy.
- D. Website Media Content Liability** (occurrence based) pays on behalf of the insured damages and claims expenses resulting from any claim made against the Insured/Member for one or more of the following acts committed in the course of covered media activities:
- Defamation, libel, slander, trade libel
  - Privacy violation
  - Invasion or interference with publicity
  - Plagiarism, piracy, misappropriation of ideas under implied contract
  - Infringement of copyright
  - Infringement of domain name, trademark
  - Improper deep-linking or framing within electronic content
- E. Cyber Extortion** indemnifies the Insured/Member for costs incurred as a result of an extortion threat by a person other than employees, directors, officers, principals, trustees, governors, managers, members, etc.
- F. First Party Data Protection** indemnifies the Insured/Member for data protection loss as a result of alteration, corruption, destruction, deletion, damage or inability to access data assets.
- G. First Party Network Business Interruption** indemnifies the Insured/Member for business interruption loss as a direct result of the actual and necessary interruption or suspension of computer systems and is directly caused by a failure of computer security to prevent a security breach.

**EXCLUSIONS:**  
**(Including but not limited to)**

Coverage does not apply to any claim or loss from

- Bodily Injury or Property Damage
- Any employer-employee relations, policies, practices
- Contractual Liability or Obligation
- Any actual or alleged act, error or omission or breach of duty by any director, officer, manager if claim is brought by principals, officers, directors, stockholders and the like
- Anti-Trust violations
- Unfair trade practices
- Unlawful collection or acquisition of Personally Identifiable Non-Public Information
- Distribution of unsolicited e-mails, facsimile, audio or video recording
- Prior knowledge or previously reported incidents
- Incidents occurring prior to retroactive date/continuity date
- Any act, error, omission, of computer security if occurred prior to policy inception
- Collusion
- Securities Act Violations
- Fair Labor Act Violations
- Discrimination
- Intentional Acts with regard to Privacy and Security Breach
- Infringement - Patent and Copyright
- Federal Trade Commission and related state, federal, local and foreign governmental activities
- Insured vs. Insured
- Money/Securities/Funds Transfer
- Broadcasting, Publications and Advertising
- War and Terrorism
- Pollution
- Nuclear Incident
- Radioactive Contamination

**NOTICE OF CLAIM:**

- **IMMEDIATE NOTICE** must be made to Beazley NY of all potential claims and circumstances (assistance, and cooperation clause applies)
- Claim notification under this policy is to:  
Beazley Group  
Attn: Beth Diamond  
1270 Avenue of the Americas  
New York, NY 10020  
tmbclaims@beazley.com

**NOTICE OF CANCELLATION:**

10 days for non-payment of premium

**REINSTATEMENT PROVISIONS:**

Optional reinstatement at 125% of the annual premium

Exhaustion of \$2,000,000 Annual Aggregate Limit of Liability for Each Insured/Member for Information Security & Privacy Liability:  
Reinstatement of Aggregate Limits for each Insured/Member will be automatic and subject to additional premium

**CYBER COST:** Cost is included in Total Property Premium  
30% Earned Premium at Inception

**OTHER SERVICES** Unlimited Access to e-Place Solutions as per attached brochure.

**PROPOSAL VALID  
UNTIL:** July 1, 2015

**BROKER:** ALLIANT INSURANCE SERVICES, INC.

License No. 0C36861

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**Alliant Property Insurance Program (APIP)  
POLLUTION LIABILITY COVERAGE PROPOSAL**

**TYPE OF INSURANCE:**  Insurance  Reinsurance

**TYPE OF COVERAGE:** Claims Made and Reported Pollution Liability

**PROGRAM:** **Alliant Property Insurance Program (APIP)**

**NAMED INSURED:** Any member(s), entity(ies), agency(ies), organization(s), enterprise(s), pool(s), Joint Powers Authority(ies) and/or individual(s) attached to each Declaration insured as per Named Insured Schedule on file with Insurer, listed below.

**POLICY PERIOD:** July 1, 2015 to July 1, 2016

**RETROACTIVE DATE:** July 1, 2011 for existing members included on the 2011-2012 policy at inception; For all other members the retroactive date is the date of addition to the Program.

**COMPANY:** Illinois Union Insurance Company

**A.M. BEST INSURANCE RATING::** A++, Superior, Financial Category XV (\$2 Billion or greater)  
Effective April 11, 2014

**STANDARD & POORS RATING:** AA (Very Strong) *as of April 6, 2015*

**ADMITTED STATUS:** Non-Admitted in all states except Illinois

**COVERAGE LOCATION:** Per the following SOVs submitted on 1/16/2015:

1. PEPiP DEC 1 – SOVs
2. PEPiP DEC 2 – SOVs
3. PEPiP DEC 3 – SOVs
4. PEPiP DEC 4 – SOVs
5. PEPiP DEC 5 – SOVs
6. PEPiP DEC 8 – SOVs (Excludes SPIP)
7. PEPiP DEC 11 – SOVs
8. PEPiP DEC 12 – SOVs
9. PEPiP DEC 19 – SOVs
10. PEPiP DEC 20 – SOVs
11. PEPiP DEC 21 – SOVs
12. PEPiP DEC 25 – SOVs
13. PEPiP DEC 26 – SOVs
14. PEPiP DEC 27 – SOVs
15. PEPiP DEC 28 – SOVs
16. PEPiP DEC 30 – SOVs
17. PEPiP DEC 33 – SOVs
18. PEPiP DEC 34 – SOVs

Covered locations include any location owned, operated, managed, leased or maintained by the Insured at policy inception. Covered locations also include any subsurface potable water, wastewater or storm water pipes to or from a covered location, that is not a pipe, provided that such pipes are located within a one thousand (1,000) foot radius of such covered location.

**COVERAGES & LIMITS:**                    **\$25,000,000 Policy Program Aggregate (all members combined)**  
   **\$ 2,000,000 Per Pollution Condition**  
   **\$ 2,000,000 Per Named Insured Aggregate**  
   **\$ 2,000,000 Per Indoor Environmental Condition (including mold, fungi and legionella pneumophila) Sublimit**

**SUBLIMITS:**

\$ 500,000 Per Bacteria / Virus Indoor Environmental Condition Member Aggregate Sublimit\*  
\$ 250,000 Catastrophe Management Costs Sublimit\*

\*Note: the above sublimits payable under this coverage do not increase and are not in addition to the applicable limit of liability.

**EXTENDED REPORTING PERIOD:**

For First Named Insured - To be determined at the time of election (additional premium can apply); Ninety (90) day basic extended reporting period available without additional premium

**SPECIFIC COVERAGE PROVISIONS:**

**CLAIMS MADE AND REPORTED**

Coverage A – New Pollution Conditions or Indoor Environmental Conditions Coverage:

First-party and third-party coverage for claims arising out of a pollution condition on, at, under or migrating from a covered location, or an indoor environmental condition at a covered location, provided the claim is first made or the Insured first discovers such pollution condition or indoor environmental condition during the policy period.

Coverage B – Transportation Coverage:

First-party and third-party coverage for claims arising out of a pollution condition resulting from transportation, provided the claim is first made or the Insured first discovers such pollution condition during the policy period.

Coverage C – Non-Owned Disposal Site Coverage:

Third-party coverage for claims arising out of a pollution condition on, at, under or migrating from a non-owned disposal site, provided the claim is first made during the policy period.

Supplemental coverage for First-party and Third-party claims arising out of pollution conditions and indoor environmental conditions resulting from covered operations is included. Covered operations are defined as the intended operations within the capacity of a public entity and/or any operation(s) performed by or on behalf of a “named insured” outside the physical boundaries of a covered location.

Coverage for catastrophe management costs and emergency response costs (first-party remediation costs incurred within seven (7) days following the discovery of a pollution condition) included, provided that the costs are reported to the insurer within fourteen (14) days.

Supplemental coverage for Products Pollution is included for potable, reclaimed and recycled water processed at any covered location that is also a potable water or wastewater treatment plant. This coverage covers Third-party claims arising out of product pollution, provided the claim is first made during the policy period.

**SPECIFIC  
COVERAGE  
PROVISIONS (cont.):**

All Named Insureds scheduled on this policy have the same rights as the First Named Insured; this includes any member of a pool or Joint Powers Authority specifically scheduled onto this policy.

Coverage for mid-term transactions for values that are less than \$25,000,000 shall automatically be added as a covered location, upon the closing date of such acquisition, or the effective date of such lease, management, operation or maintenance right or obligation, respectively.

Automatic Acquisition and Due Diligence – Property purchased in the amount of or in excess of \$25,000,000 need to be reported within 90 days, along with a Phase I Environmental Site Assessment, or two (2) years of property insurance loss runs or a completed, signed application.

Illicit Abandonment is included in the definition of pollution condition.

Mold, fungi and legionella pneumophila are included in the definition of a indoor environmental condition.

Defense Costs and Expenses are within Limits of Liability.

The insurance afforded by this Policy shall apply in excess of any other valid, collectible insurance, with the exception of policies specifically written to be in excess of this policy.

Underground Storage Tanks coverage included, with a self-insured retention of \$750,000. **Note: This is not financial assurance coverage.**

Loss covered pursuant to a Federal, State, County or Municipality administered underground storage tank fund, or any functional equivalent to such fund, shall be considered primary insurance, to which the coverage afforded pursuant to this Policy shall only apply in excess. Under such primary insurance policy shall erode the \$750,000 per pollution condition self-insured retention. *This includes storage tank pollution liability insurance.*

Blanket Coverage included for Non-Owned Disposal Sites. Includes Any properly permitted and licensed non-owned disposal sites that has not been identified by the United States EPA National Priorities List, CERCLIS list or any functional equivalent of those listings, and is not undergoing voluntary or regulatory required remediation at the time the waste was received for disposal.

**EXCLUSIONS  
(including but not  
limited to):**

Coverage does not apply to any claim or loss from:

- *Asbestos and Lead Based Paint. This exclusion does not apply to Third-party claims for Bodily Injury, Property Damage or any associated legal defense expenses. Also does not apply to first-party remediation costs that first commenced during the policy period, do not arise out of or relate to any pollution conditions which existed prior to policy inception, are sudden, unintended and unexpected by the Insured and discovered within seven (7) days of commencement, as long as they are reported to the Insurer within twenty-one (21) days of discovery. This does not include coverage for asbestos or lead-based paint abatement, removal, or disposal resulting from the maintenance, renovation or physical improvement of a covered location.*
- *Contractual Liability – does not apply to environmental indemnity obligations, or to liability of others that would have attached to the Insured in the absence of a contract or agreement.*
- Divested Property
- Employers Liability
- Criminal Fines and Criminal Penalties
- Fraud or Misrepresentation

**EXCLUSIONS  
(including but not limited to, cont.):**

- Sewage Backup – *applies to the reverse flow of sewage via subsurface sewer lines, to or from a covered location into or onto locations that are not covered locations including, but not limited to, third-party residences, businesses, or any other structures on land or into any soil, groundwater, surface water or air associated with such third-party residences, businesses, or any other structures.*
- First Party Property Damage – *Does not apply to remediation costs, emergency response costs, business interruption costs or catastrophe management costs.*
- Insured’s Internal Expenses - *does not apply to emergency response costs, along with any associated catastrophe management costs.*
- Insured vs. Insured
- Intentional Non-Compliance
- Known Conditions
- Landfills, Recycling Facilities, or Oil and/or Gas Producing or Refining Facilities
- Ports – *defined as a location on the coast or any other body of water where ships or watercraft can dock and transfer cargo to or from land and engages in the business of importing/exporting of goods.*
- Airports – *defined as a location whereby enplanement occurs and/or cargo is moved for a fee and the following operations are conducted: storage, transportation and dispensing of fuel and/or de-icing solutions.*
- Material Change in Risk – *does not apply to covered operations that are performed with respect to uses and operations that are within the capacity of a Public Entity.*
- Products Liability. *Does not apply to a pollution condition that first commences during transportation, or to pollution conditions resulting from the use of potable, reclaimed or recycled water processed at any covered location that is also a potable water or wastewater treatment plant, if applicable. Also does not apply to coverage afforded for product pollution pursuant to the Products Pollution Coverage Endorsement attached to this policy.*
- Professional Liability
- Regulatory Compliance – *does not apply to any such non-compliance that occurs subsequent to release from a covered underground storage tank.*
- Work Product
- Property damage to any automobile, aircraft, watercraft, railcar or other conveyance utilized for transportation.
- War or Terrorism
- Workers’ Compensation
- Any subsurface potable water, wastewater or storm water pipes leading to or exiting from a covered location, that is not a pipe, provided that such pipe sections are located beyond a one thousand (1,000) foot radius of such covered location.

**RETENTION:**

\$ 75,000	Per Pollution Condition or Indoor Environmental Condition
\$375,000	Per Named Insured Aggregate retention applicable to all Pollution Conditions or Indoor Environmental Conditions
\$ 37,500	Per Named Insured maintenance retention applicable to all Pollution Conditions or Indoor Environmental Conditions
\$750,000	Underground Storage Tanks Specific
10 Days	Waiting Period for Business Income and Extra Expense

**CLAIMS REPORTING NOTICE**

**PLEASE NOTE THAT POLLUTION LIABILITY POLICIES CONTAIN EXTREMELY STRICT CLAIM REPORTING PROCEDURES.** Below please find your policy specific claim reporting requirements - Please make sure you understand these obligations. Contact your Alliant Service Team with any questions.

**THIS IS A CLAIMS MADE POLICY**

This claims-made policy contains a requirement stating that this policy applies only to any claim first made against the Insured and reported to the insurer during the policy period or applicable extended reporting period. Claims must be submitted to the insurer during the policy period, or applicable extended reporting period, as required pursuant to the Claims/Loss Notification Clause within the policy in order for coverage to apply. Late reporting or failure to report pursuant to the policy's requirements could result in a disclaimer of coverage by the insurer.

**LOSS REPORTING REQUIREMENTS:**

Written notice of any claim or pollution condition, within seven (7) days of discovery for pollution conditions requiring immediate emergency response. Concurrently, please send to:

- 1) ACE Environmental Risk Claims Manager  
ACE USA Claims  
P.O. Box 5103  
Scranton, PA 18505-0510  
Environmental Emergency: 888-310-9553  
(800) 951-4119(Fax)  
CasualtyRiskEnvironmentalFirstNotice@acegroup.com
- 2) ACE Alert Program  
Sign up for ACE Alert at <https://ace.spillcenter.net/>  
24/7 incident reporting via phone, web or mobile device  
App Available on Apple App Store, Google Play and Blackberry App World
- 3) Martin Fox-Foster  
Alliant Insurance Services, Inc.  
100 Pine Street, 11th Floor  
San Francisco, CA 94111-5101  
415-403-1417  
415-403-1466 – fax  
[Martin.Fox-Foster@alliant.com](mailto:Martin.Fox-Foster@alliant.com)

**NOTICE OF CANCELLATION:**

90 days except 15 days for non-payment of premium

**REINSTATEMENT PROVISIONS:**

Not Provided.

**POLLUTION LIABILITY COST:**

Cost is included in Total Property Premium  
100% Earned Premium at Inception

- OTHER SERVICES:** Value-Added Engineering Package:
- Mold Awareness Training
    - ACE will offer a single Mold Awareness Training Presentation, provided by ACE ESIS personnel, for little or no additional cost. Must be held at one central location or online.
  - Due Diligence Program Overview
    - ACE will provide up to 50 First Search Reports of government environmental databases for no additional charge
  - Asbestos-Containing Materials (ACM)/Lead Based Paint (LBP) Plan
    - ACE will assist the member in the creation of a single ACM/LBP plan for a minimal additional cost
  - Mold Operations & Maintenance (O&M) Plan
    - ACE will assist the member in the creation of a single Mold O&M plan for a minimal additional cost

**PROPOSAL VALID UNTIL:** July 1, 2015

**BROKER:** **ALLIANT INSURANCE SERVICES, INC.**  
**License No. 0C36861**

This proposal of insurance is provided as a matter of convenience and information only. All information included in this proposal, including but not limited to personal and real property values, locations, operations, products, data, automobile schedules, financial data and loss experience, is based on facts and representations supplied to Alliant Insurance Services, Inc. by you. This proposal does not reflect any independent study or investigation by Alliant Insurance Services, Inc. or its agents and employees.

Please be advised that this proposal is also expressly conditioned on there being no material change in the risk between the date of this proposal and the inception date of the proposed policy (including the occurrence of any claim or notice of circumstances that may give rise to a claim under any policy which the policy being proposed is a renewal or replacement). In the event of such change of risk, the insurer may, at its sole discretion, modify, or withdraw this proposal whether or not this offer has already been accepted.

This proposal is not confirmation of insurance and does not add to, extend, amend, change, or alter any coverage in any actual policy of insurance you may have. All existing policy terms, conditions, exclusions, and limitations apply. For specific information regarding your insurance coverage, please refer to the policy itself. Alliant Insurance Services, Inc. will not be liable for any claims arising from or related to information included in or omitted from this proposal of insurance

Alliant embraces a policy of transparency with respect to its compensation from insurance transactions. Details on our compensation policy, including the types of income that Alliant may earn on a placement, are available on our website at [www.alliant.com](http://www.alliant.com). For a copy of our policy or for any inquiries regarding compensation issues pertaining to your account you may also contact us at: Alliant Insurance Services, Inc., Attention: General Counsel, 701 B Street, 6th Floor, San Diego, CA 92101.

Analyzing insurers' over-all performance and financial strength is a task that requires specialized skills and in-depth technical understanding of all aspects of insurance company finances and operations. Insurance brokerages such as Alliant Insurance typically rely upon rating agencies for this type of market analysis. Both A.M. Best and Standard and Poor's have been industry leaders in this area for many decades, utilizing a combination of quantitative and qualitative analysis of the information available in formulating their ratings.

A.M. Best has an extensive database of nearly 6,000 Life/Health, Property Casualty and International companies. You can visit them at [www.ambest.com](http://www.ambest.com). For additional information regarding insurer financial strength ratings visit Standard and Poor's website at [www.standardandpoors.com](http://www.standardandpoors.com).

Our goal is to procure insurance for you with underwriters possessing the financial strength to perform. Alliant does not, however, guarantee the solvency of any underwriters with which insurance or reinsurance is placed and maintains no responsibility for any loss or damage arising from the financial failure or insolvency of any insurer. We encourage you to review the publicly available information collected to enable you to make an informed decision to accept or reject a particular underwriter. To learn more about companies doing business in your state, visit the Department of Insurance website for that state.

#### **NY REGULATION 194 DISCLOSURE**

Alliant Insurance Services, Inc. is an insurance producer licensed by the State of New York. Insurance producers are authorized by their license to confer with insurance purchasers about the benefits, terms and conditions of insurance contracts; to offer advice concerning the substantive benefits of particular insurance contracts; to sell insurance; and to obtain insurance for purchasers. The role of the producer in any particular transaction typically involves one or more of these activities.

Compensation will be paid to the producer, based on the insurance contract the producer sells. Depending on the insurer(s) and insurance contract(s) the purchaser selects, compensation will be paid by the insurer(s) selling the insurance contract or by another third party. Such compensation may vary depending on a number of factors, including the insurance contract(s) and the insurer(s) the purchaser selects. In some cases, other factors such as the volume of business a producer provides to an insurer or the profitability of insurance contracts a producer provides to an insurer also may affect compensation.

The insurance purchaser may obtain information about compensation expected to be received by the producer based in whole or in part on the sale of insurance to the purchaser, and (if applicable) compensation expected to be received based in whole or in part on any alternative quotes presented to the purchaser by the producer, by requesting such information from the producer.

#### **FATCA DISCLOSURE**

**IMPORTANT NOTICE** - The Foreign Account Tax Compliance Act (FATCA) requires the notification of certain financial accounts to the United States Internal Revenue Service. Alliant does not provide tax advice so please contact your tax consultant for your obligation regarding FATCA.

#### **NRRA DISCLOSURE**

**IMPORTANT NOTICE:** THE NONADMITTED & REINSURANCE REFORM ACT (NRRA) WENT INTO EFFECT ON JULY 21, 2011. ACCORDINGLY, SURPLUS LINES TAX RATES AND REGULATIONS ARE SUBJECT TO CHANGE WHICH COULD RESULT IN AN INCREASE OR DECREASE OF THE TOTAL SURPLUS LINES TAXES AND/OR FEES OWED ON THIS PLACEMENT. IF A CHANGE IS REQUIRED, WE WILL PROMPTLY NOTIFY YOU. ANY ADDITIONAL TAXES AND/OR FEES OWED MUST BE PROMPTLY REMITTED TO ALLIANT INSURANCE SERVICES, INC.

## Proposed Changes for 2015-2016 Policy Term

The following items are to be revised for the 2015-2016 policy term.

Coverage	2014-2015 Pollution Coverage	2015-2016 Pollution Coverage
Covered Locations	Per the SOV submitted on 6/30/2014	Per the SOV submitted on 6/30/2015. Covered locations also include any subsurface potable water, wastewater or storm water pipes to or from a covered location, that is not a pipe, provided that such pipes are located within a one thousand (1,000) foot radius of such covered location.
Coverages and Limits	<p>\$1,000,000 Per Pollution Condition</p> <p>\$1,000,000 Per member Aggregate</p> <p>\$1,000,000 Fungi and Legionella Sublimit</p> <p>Not Covered Catastrophe Management Costs</p> <p>Not Covered Per Bacteria / Virus Indoor Environmental Condition Member Aggregate</p> <p>\$1,000,000 Business Interruption &amp; Extra Expense Sublimit</p>	<p>\$2,000,000 Per Pollution Condition</p> <p>\$2,000,000 Per Named Insured Aggregate</p> <p>\$2,000,000 Per Indoor Environmental Condition (including mold, fungi and legionella pneumophila)</p> <p>\$250,000 Catastrophe Management Costs Sublimit</p> <p>\$500,000 Per Bacteria / Virus Indoor Environmental Condition Member Aggregate</p> <p>No Sublimit Business Interruption &amp; Extra Expense</p>
Self-Insured Retention	\$75,000 Per Pollution Condition	<p>\$ 75,000 Per Pollution Condition or Indoor Environmental Condition</p> <p>\$375,000 Per Named Insured Aggregate retention applicable to all Pollution Conditions or Indoor Environmental Conditions</p> <p>\$37,500 Per Named Insured maintenance retention applicable to all Pollution Conditions or Indoor Environmental Conditions</p>
Products Liability	Coverage for pollution conditions directly related to reclaimed or recycled water processed at any covered location that is also a wastewater treatment plant.	Coverage for potable, reclaimed and recycled water processed at any covered location that is also a potable water or wastewater treatment plant. This coverage covers Third-party claims arising out of product pollution, provided the claim is first made during the policy period.

Coverage	2014-2015 Pollution Coverage	2015-2016 Pollution Coverage
Sewage Backup	(policy silent)	Sewage Backup excluded, applies to the reverse flow of sewage via subsurface sewer lines, to or from a covered location into or onto locations that are not covered locations including, but not limited to, third-party residences, businesses, or any other structures on land or into any soil, groundwater, surface water or air associated with such third-party residences, businesses, or any other structures. Does not apply to scheduled sewer lines.
Asbestos and Lead-based Paint	Coverage for Third-party claims for Bodily Injury, Property Damage (non-governmental claims for property damage only) and any associated legal defense costs. Also does not apply to remediation costs for asbestos or lead-based paint discovered in soil or groundwater (not arising out of a water storage tank).	Coverage for Third-party claims for Bodily Injury, Property Damage or any associated legal defense expenses. Also does not apply to first-party remediation costs that first commenced during the policy period, do not arise out of or relate to any pollution conditions which existed prior to policy inception, are sudden, unintended and unexpected by the Insured and discovered within seven (7) days of commencement, as long as they are reported to the Insurer within twenty-one (21) days of discovery. This does not include coverage for asbestos or lead-based paint abatement, removal, or disposal resulting from the maintenance, renovation or physical improvement of a covered location.



Environmental releases can happen unexpectedly and at any moment. When these events occur companies are faced with the responsibility of cleanup and site remediation, not to mention the additional cost factors and regulatory implications that can be involved.

ACE ALERT<sup>SM</sup> is a complimentary program developed to assist ACE Environmental Risk clients find and dispatch qualified incident response contractors, monitor cleanup costs (in real time) and mitigate potential liabilities associated with environmental releases.

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#### ACEALERT<sup>SM</sup> Services

- Incident Reporting
- Contractor Referrals
- Response Coordination Assistance
- Incident Documentation
- Invoice Review
- Customized Alerts
- Contractor Registration
- Subject - Relevant E-Marketing communications

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#### Key Highlights

- 24/7 incident reporting via phone, web or mobile device
- Access to a database of over 3,500 response contractors that clients can independently engage for services
- Assistance with Federal/State/Local Regulatory reporting (through an ACE vendor)
- Response coordination assistance (multilingual capabilities)
- Capability of establishing customized alerts via email and/or text message when the system is activated
- Complete data package delivered electronically
- Business Continuity – minimize disruption to the clients' business and focus on returning to normal operations

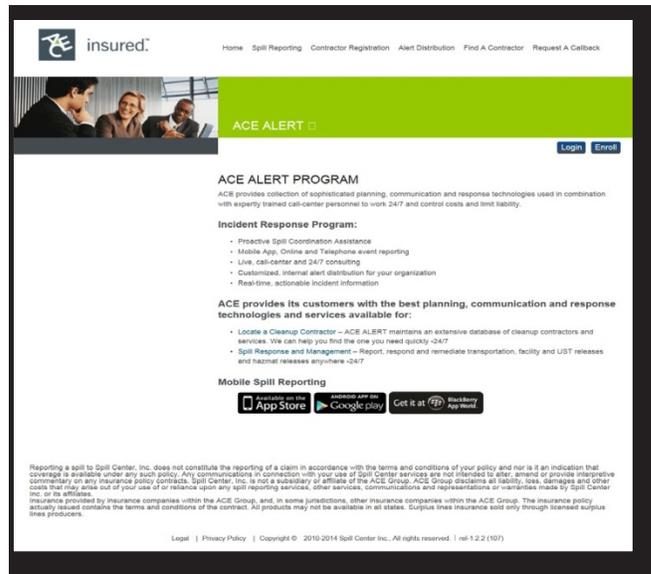


Insured.™

## How to Access

- Details of the program, including access to where ACE Environmental Risk clients can complete their enrollment, is available online at <https://ace.spillcenter.net>
- Once enrollment is complete, clients can report an environmental incident either online, by telephone or mobile device via the ACE ALERT<sup>SM</sup> application available on iPhone, Android and certain Blackberry models.

Visit <https://ace.spillcenter.net> to learn more about ACE ALERT<sup>SM</sup>



## CONTACT US

**Bob Winterburn**  
215 640-1451  
[Robert.Winterburn@esis.com](mailto:Robert.Winterburn@esis.com)

**Steve Piatkowski**  
215 640-4890  
[Steven.Piatkowski@acegroup.com](mailto:Steven.Piatkowski@acegroup.com)

[www.acegroup.com/us](http://www.acegroup.com/us)

ACE ALERT<sup>SM</sup> is offered through Spill Center, a North American leader in environmental regulatory reporting and spill support that draws from a database of more than 3,500 environmental cleanup contractors throughout North America who are experienced and equipped to react to particular kinds of spills.

Reporting a spill using Spill Center services does not constitute the reporting of a claim in accordance with the terms and conditions of your policy and nor is it an indication that coverage is available under any such policy. Any communications in connection with your use of Spill Center services are not intended to alter, amend or provide interpretive commentary on any insurance policy contracts. Spill Center is not a subsidiary or affiliate of the ACE Group. ACE Group disclaims all liability, loss, damages and other costs that may arise out of your use of or reliance upon any spill reporting services, other services, communications and representations or warranties made by Spill Center or its affiliates.

ACE USA is the U.S.-based retail operating division of the ACE Group, a global leader in insurance and reinsurance, serving a diverse group of clients. Headed by ACE Limited (NYSE: ACE), a component of the S&P 500 stock index, the ACE Group conducts its business on a worldwide basis with operating subsidiaries in more than 50 countries. Additional information can be found at [www.acegroup.com/us](http://www.acegroup.com/us)

Insurance provided by ACE American Insurance Company, Philadelphia, PA and in some jurisdictions, other insurance companies within the ACE Group. The product information above is a summary only. The insurance policy actually issued contains the terms and conditions of the contract. All products may not be available in all states. Surplus lines insurance sold only through licensed surplus lines producers.

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617392 03/2014





Environmental Risk

IN THE EVENT OF AN

## ENVIRONMENTAL EMERGENCY:

- 1) *Follow your company procedures for reporting and responding to an incident*
- 2) *Alert local emergency authorities, as appropriate*
- 3) *Report the incident to ACE Environmental Risk immediately:*

**888-310-9553 or use ACE Alert app**

- 4) *Report the incident to Alliant*

Martin Fox-Foster  
415-403-1417  
415-403-1466 – fax  
Martin.Fox-Foster@alliant.com

Be prepared to give basic information about the location and nature of the incident, as well as steps which have been taken in response to the incident. You will be contacted by a trained representative of ACE to discuss further response steps as soon as possible.

DO follow your company's detailed response plan  
DO contact your management as well as appropriate authorities  
DO ensure anyone who could come in contact with a spill or release is kept away

DO NOT ignore a potential spill or leak  
DO NOT attempt to respond beyond your level of training or certification



# ACE ENVIRONMENTAL RISK FIRST NOTICE OF LOSS FORM

**SEND TO:** ACE Environmental Risk Claims Manager  
**BY MAIL:** ACE USA Claims, P.O. Box 5103, Scranton, PA 18505-0510  
**BY FAX:** (800) 951-4119  
**BY EMAIL:** [CasualtyRiskEnvironmentalFirstNotice@acegroup.com](mailto:CasualtyRiskEnvironmentalFirstNotice@acegroup.com)  
**CC Alliant Insurance:** [martin.fox-foster@alliant.com](mailto:martin.fox-foster@alliant.com)  
**And your Alliant representative**

**Today's Date:** \_\_\_\_\_

**Notice of: (check all that apply)**

- Pollution Incident                       Potential Claim                       Other \_\_\_\_\_  
 Third-Party Claim                       Litigation Initiated

### Insured's Name & Contact Information

Company Name: \_\_\_\_\_ Point of Contact: \_\_\_\_\_  
Address: \_\_\_\_\_  
Phone #: \_\_\_\_\_

### Broker/Agent's Name & Contact Information

Company Name: Alliant Insurance Services - Claims Point of Contact: Martin Fox-Foster  
Address: 100 Pine Street, 11<sup>th</sup> Floor, San Francisco, CA 94111  
Phone #: 1-877-725-7695

### Policy Information

Policy Number: \_\_\_\_\_ Policy Period: 07/01/2015 - 07/01/2016  
Limits of Liability: \$2,000,000 per \$25,000,000 agg Self-Insured Retention/Deductible \$75,000

### Loss Information

Date of Incident/Claim: \_\_\_\_\_ Location: \_\_\_\_\_  
Claimant Name/Address: \_\_\_\_\_  
Description of Loss: \_\_\_\_\_  
\_\_\_\_\_

Please list all attached or enclosed documentation:  (check if none provided) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Name of Person Completing This Form:** \_\_\_\_\_ **Signature:** \_\_\_\_\_

Company	A.M. Best's I.D. #	A.M. Best's Guide Rating	Standard and Poor's	State of California
ACE – Illinois Union Insurance Company	003510	A++, Superior; Financial Size Category 15; \$2,000,000,000 or greater (As of 4/30/15)	AA (As of 5/19/14)	Non-Admitted
ACE European Group Limited	086485	A++ , Superior; Financial Size Category 14; \$1,500,000,000 to \$2,000,000,000 (As of 4/30/15)	AA (As of 5/9/14)	Non-Admitted
Allied World Assurance Company	12525	A, Excellent; Financial Size Category 15; \$2,000,000,000 or Greater (As of 12/16/14)	A (As of 7/7/11)	Admitted
Arch Specialty Insurance Company	012523	A+, Superior; Financial Size Category 11; \$250,000,000 to \$500,000,000 (As of 3/20/14)	A+ (As of 7/29/10)	Non-Admitted
Axis Surplus Insurance Company	012515	A+, Superior; Financial Size Category 15; \$2,000,000,000 or greater (As of 1/26/15)	A+ (As of 2/2/09)	Non-Admitted
Axis Specialty Europe Ltd	083007	A+, Superior; Financial Size Category 15; \$2,000,000,000 or greater (As of 1/26/15)	A+ (As of 2/2/09)	Non-Admitted
Empire Indemnity Insurance Company	002148	A+, Superior; Financial Size Category 15; \$2,000,000,000 or greater (As of 11/26/15)	AA- (As of 6/19/07)	Non-Admitted
Endurance Worldwide Insurance Limited	083234	A, Excellent; Financial Size Category 15; \$2,000,000,000 or greater (As of 5/6/14)	A (As of 12/5/06)	Non-Admitted
Essex Insurance Company	002732	A, Excellent; Financial Size Category 14; \$1,500,000,000 to \$2,000,000,000 (As of 5/15/15)	A (As of 10/14/13)	Non-Admitted
Hartford Steam Boiler Inspec & Ins	000465	A++, Superior; Financial Size Category 10 \$500,000,000 to \$750,000,000 (As of 2/6/15)	A+ (As of 4/17/15)	Admitted
Homeland Insurance Company of New York	010604	A, Excellent; Financial Size Category 11; \$750,000,000 to \$1,000,000,000 (As of 10/3/14)	A- (As of 7/2/10)	Non-Admitted
Interstate Fire & Casualty Company	02267	A, Excellent; Financial Size Category 15; \$2,000,000,000 or greater (As of 7/18/14)	A (As of 12/4/12)	Non-Admitted
Ironshore Indemnity Inc. (AZ only)	013847	A, Excellent; Financial Size Category 14; \$1,500,000,000 to \$2,000,000,000 (As of 8/20/14)	Not Rated (As of 5/22/15)	Non-Admitted
Ironshore Specialty Insurance Company	013866	A, Excellent; Financial Size Category 14; \$1,500,000,000 to \$2,000,000,000 (As of 8/20/14)	Not Rated (As of 5/22/15)	Admitted

Company	A.M. Best's I.D. #	A.M. Best's Guide Rating	Standard and Poor's	State of California
Lancashire Insurance Company (UK) Ltd.	078390	A, Excellent; Financial Size Category 13; \$1,250,000,000 to \$1,500,000,000 (As of 6/30/14)	A- (As of 5/18/10)	Non-Admitted
Lexington Ins. Company	002350	A, Excellent; Financial Size Category 15; \$2,000,000,000 or greater (As of 2/27/15)	A+ (As of 5/6/13)	Non-Admitted
Liberty Surplus Insurance Corporation	12078	A, Excellent; Financial Size Category 15; \$2,000,000,000 or Greater (As of 9/24/14)	A (As of 7/17/14)	Non-Admitted
Lloyd's of London	085202	A, Excellent; Financial Size Category 15; \$2,000,000,000 or Greater (As of 7/24/14)	A+ (As of 4/23/07)	Non-Admitted
Maxum Indemnity Company	012563	A-, Excellent; Financial Size Category 8; \$100,000,000 to \$250,000,000 (As of 6/14/13)	Not Rated (As of 5/22/15)	Non-Admitted
National Fire & Marine Insurance Company	02428	A++, Superior; Financial Size Category 15; \$2,000,000,000 or Greater (As of 5/21/14)	AA+ (As of 2/4/10)	Non-Admitted
Partner Re Ireland Insurance Ltd.	78853	A+, Superior Financial Size Category 15; \$2,000,000,000 or Greater (As of 1/26/15)	A+ (As of 2/17/12)	Non-Admitted
QBE Specialty Insurance Company	012562	A, Excellent; Financial Size Category 14; \$1,500,000,000 to \$2,000,000,000 (As of 1/15/15)	A+ (As of 7/22/09)	Non-Admitted
RSUI Indemnity Company	012603	A+, Superior; Financial Size Category 14; \$1,500,000,000 to \$2,000,000,000 (As of 4/24/15)	A (As of 4/13/15)	Admitted
Scottsdale Surplus Lines Insurance Company	012121	A+, Superior; Financial Size Category 15; \$2,000,000,000 or greater (As of 3/19/15)	A+ (As of 6/17/13)	Non-Admitted
Swiss Reinsurance America Corporation	003263	A+, Superior; Financial Size Category 15; \$2,000,000,000 or greater (As of 11/6/14)	AA- (As of 10/28/11)	Admitted
United States Fire Insurance Company	02136	A, Excellent; Financial Size Category 13; \$1,250,000,000 to \$1,500,000,000 (As of 5/30/14)	A- (As of 11/20/09)	Admitted
XL Insurance America Inc.	002423	A, Excellent; Financial Size Category 15; \$2,000,000,000 or greater (As of 5/1/15)	A+ (As of 10/30/13)	Admitted

June 2, 2015

Named Insured: **Northern California Cities Self Insurance Fund**

We are required to send you this notice pursuant to federal legislation concerning terrorism insurance.

You are hereby notified that under the Terrorism Risk Insurance Act of 2002, as amended ("TRIA"), that you now have a right to purchase insurance coverage for losses arising out of acts of terrorism, **as defined in Section 102(1) of the Act, as amended:** The term "act of terrorism" means any act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States, to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of an air carrier or vessel or the premises of a United States mission; and to have been committed by an individual or individuals, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion. Any coverage you purchase for "acts of terrorism" shall expire at 12:00 midnight December 31, 2020, the date on which the TRIA Program is scheduled to terminate, or the expiry date of the policy whichever occurs first, and shall not cover any losses or events which arise after the earlier of these dates.

YOU SHOULD KNOW THAT COVERAGE PROVIDED BY THIS POLICY FOR LOSSES CAUSED BY CERTIFIED ACTS OF TERRORISM IS PARTIALLY REIMBURSED BY THE UNITED STATES UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THIS FORMULA, THE UNITED STATES PAYS 85% THROUGH 2015; 84% BEGINNING ON JANUARY 1, 2016; 83% BEGINNING ON JANUARY 1, 2017; 82% BEGINNING ON JANUARY 1, 2018; 81% BEGINNING ON JANUARY 1, 2019 AND 80% BEGINNING ON JANUARY 1, 2020; OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURER(S) PROVIDING THE COVERAGE. YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A USD100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS' LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS USD100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED USD100 BILLION, YOUR COVERAGE MAY BE REDUCED.

THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

LMA9104  
12 January 2015

***SELECTION OR REJECTION OF TERRORISM INSURANCE COVERAGE***

**WHAT YOU NEED TO DO NOW:**

**PLEASE "X" ONE OF THE BOXES BELOW AND RETURN THIS FORM TO YOUR INSURANCE BROKER.**

	I am interested in receiving a quote for Terrorism coverage as required to be offered under the Act. Please provide me with a quote.
	I decline to purchase the Terrorism coverage as required to be offered under the Act.

\_\_\_\_\_  
**Policyholder/applicant signature**

\_\_\_\_\_  
**Print Name**

\_\_\_\_\_  
**Date**

**Northern California Cities Self Insurance Fund**

**NOTICE:**

- 1. THE INSURANCE POLICY THAT YOU ARE APPLYING TO PURCHASE IS BEING ISSUED BY AN INSURER THAT IS NOT LICENSED BY THE STATE OF CALIFORNIA. THESE COMPANIES ARE CALLED “NONADMITTED” OR “SURPLUS LINE” INSURERS.**
- 2. THE INSURER IS NOT SUBJECT TO THE FINANCIAL SOLVENCY REGULATION AND ENFORCEMENT THAT APPLY TO CALIFORNIA LICENSED INSURERS.**
- 3. THE INSURER DOES NOT PARTICIPATE IN ANY OF THE INSURANCE GUARANTEE FUNDS CREATED BY CALIFORNIA LAW. THEREFORE, THESE FUNDS WILL NOT PAY YOUR CLAIMS OR PROTECT YOUR ASSETS IF THE INSURER BECOMES INSOLVENT AND IS UNABLE TO MAKE PAYMENTS AS PROMISED.**
- 4. THE INSURER SHOULD BE LICENSED EITHER AS A FOREIGN INSURER IN ANOTHER STATE IN THE UNITED STATES OR AS A NON-UNITED STATES (ALIEN) INSURER. YOU SHOULD ASK QUESTIONS OF YOUR INSURANCE AGENT, BROKER, OR “SURPLUS LINE” BROKER OR CONTACT THE CALIFORNIA DEPARTMENT OF INSURANCE AT THE FOLLOWING TOLL-FREE TELEPHONE NUMBER: 1-800-927-4357. ASK WHETHER OR NOT THE INSURER IS LICENSED AS A FOREIGN OR NON-UNITED STATES (ALIEN) INSURER AND FOR ADDITIONAL INFORMATION ABOUT THE INSURER. YOU MAY ALSO CONTACT THE NAIC’S INTERNET WEB SITE AT [WWW.NAIC.ORG](http://WWW.NAIC.ORG)**
- 5. FOREIGN INSURERS SHOULD BE LICENSED BY A STATE IN THE UNITED STATES AND YOU MAY CONTACT THAT STATE’S DEPARTMENT OF INSURANCE TO OBTAIN MORE INFORMATION ABOUT THAT INSURER.**
- 6. FOR NON-UNITED STATES (ALIEN) INSURERS, THE INSURER SHOULD BE LICENSED BY A COUNTRY OUTSIDE OF THE UNITED STATES AND SHOULD BE ON THE NAIC’S INTERNATIONAL**

**INSURERS DEPARTMENT (IID) LISTING OF APPROVED NONADMITTED NON-UNITED STATES INSURERS. ASK YOUR AGENT, BROKER, OR “SURPLUS LINE” BROKER TO OBTAIN MORE INFORMATION ABOUT THAT INSURER.**

**7. CALIFORNIA MAINTAINS A LIST OF APPROVED SURPLUS LINE INSURERS. ASK YOUR AGENT OR BROKER IF THE INSURER IS ON THAT LIST, OR VIEW THAT LIST AT THE INTERNET WEB SITE OF THE CALIFORNIA DEPARTMENT OF INSURANCE: WWW.INSURANCE.CA.GOV.**

**8. IF YOU, AS THE APPLICANT, REQUIRED THAT THE INSURANCE POLICY YOU HAVE PURCHASED BE BOUND IMMEDIATELY, EITHER BECAUSE EXISTING COVERAGE WAS GOING TO LAPSE WITHIN TWO BUSINESS DAYS OR BECAUSE YOU WERE REQUIRED TO HAVE COVERAGE WITHIN TWO BUSINESS DAYS, AND YOU DID NOT RECEIVE THIS DISCLOSURE FORM AND A REQUEST FOR YOUR SIGNATURE UNTIL AFTER COVERAGE BECAME EFFECTIVE, YOU HAVE THE RIGHT TO CANCEL THIS POLICY WITHIN FIVE DAYS OF RECEIVING THIS DISCLOSURE. IF YOU CANCEL COVERAGE, THE PREMIUM WILL BE PRORATED AND ANY BROKER’S FEE CHARGED FOR THIS INSURANCE WILL BE RETURNED TO YOU.**

**Date:** \_\_\_\_\_

**Insured:** \_\_\_\_\_

**D-1 (Effective July 21, 2011)**



BACK TO AGENDA

**Northern California Cities Self Insurance Fund  
Board of Directors Meeting  
June 18, 2015**

**Agenda Item I.4.b.**

**APIP CLAIMS REPORTING ACKNOWLEDGEMENTS**

**INFORMATION ITEM**

**ISSUE:** Members are asked to review and acknowledge receipt of the Claims Reporting Requirements for the Alliant Property Insurance Program (APIP). It is critical that members and their staff recognize and respond to property claims in a timely manner so as to mitigate the damages and ensure they receive the full benefits of their property coverage.

**RECOMMENDATION:** Review and acknowledge receipt by signing a copy of the attached notice.

**FISCAL IMPACT:** None.

**BACKGROUND:** Given the importance of responding quickly to property claims, and the threat of reduced or denied coverage for late reporting of claims, Alliant has requested that all APIP members understand and acknowledge the claim reporting requirements.

**ATTACHMENT(S):** APIP Claims Reporting Acknowledgements



## ALLIANT INSURANCE SERVICES

### APIP Claims Reporting Acknowledgement(s) Receipt Form

The Claims Reporting Forms are being included with your packet to ensure claims reporting procedures are known and available for future reference. Please review the information. We ask that you share these critical documents with all members of your team (and Pool Members and their staffs where applicable.)

We request that you review the items indicated attached, then complete the bottom portion, sign and submit to your Alliant Insurance Services representative either by a scanned email or mail to have it be included in your insurance records.

APIP Property Claims Reporting

Cyber Claims Reporting (*this is a claims made policy*) if coverage is purchased

Pollution Liability Claims Reporting (*this is a claims made policy*) if coverage is purchased

#### Acknowledgement for Claims reporting procedures under Alliant Property Insurance Programs

**In effect: July 1, 2015 until further notice**

I have read and been informed about these separate reporting requirements under the coverage parts that apply to our entity as indicated above and provided through APIP by Alliant.

**Insured Entity Name:** Northern California Cities Self Insurance Fund

**Authorized Signature:** \_\_\_\_\_

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title



## ALLIANT INSURANCE SERVICES, INC. PUBLIC ENTITY PROPERTY INSURANCE PROGRAM (PEPIP)

Claim notifications need to be sent to Robert Frey, Diana Walizada and Cathryn O'Meara. In the event this is a *Cyber* loss please include item III contact, for a *Pollution* loss please include item IV contact in addition to Alliant Insurance Services contacts.

- I. During regular business hours (between 8:30 AM and 5:00 PM PST), First Notice of Claim should be reported to Alliant Insurance Services via telephone, fax, mail or e-mail to our San Francisco Office:

Robert A. Frey, RPA  
Senior Vice President, Regional Claims Director  
Voice: (415) 403-1445 Cell: (415) 518-8490  
Email: [rfrey@alliant.com](mailto:rfrey@alliant.com)

Address:

Diana L. Walizada, AIC, CPIW, RPA, AINS  
Vice President, Claims Unit Manager  
Voice: (415) 403-1453  
Email: [dwalizada@alliant.com](mailto:dwalizada@alliant.com)

Alliant Insurance Services, Inc.  
100 Pine St, 11<sup>th</sup> Floor  
San Francisco CA 94111  
Toll Free Voice: (877) 725-7695 Fax: (415) 403-1466

- II. Please be sure to include PEPIP's Claim Administrator as a CC on all Claims correspondence:

Cathryn O'Meara  
McLaren's  
Address: 1301 Dove St., Suite 200  
Newport Beach, CA 92660  
Voice: (949) 757-1413 Fax: (949) 757-1692  
Email: [cathryn.omeara@mcclarens.com](mailto:cathryn.omeara@mcclarens.com)

- III. Cyber Liability Carrier Beazley NY needs to also be provided with Notice of Claim immediately (if purchased):

Beth Diamond  
Beazley Group  
Address: 1270 Avenue of the America's, Suite 1200  
New York, NY 10020  
Telephone: (646) 943-5900 Fax: (546) 378-4039  
Email: [tmbclaims@beazley.com](mailto:tmbclaims@beazley.com)

Address:

Elaine G. Kim, CISR  
Assistant Vice President, Claims Advocate  
100 Pine Street, 11<sup>th</sup> Floor  
San Francisco, CA 94111-5101  
Voice: (415) 403-1458 Fax: (415) 403-1466  
Email: [ekim@alliant.com](mailto:ekim@alliant.com)

- IV. Pollution Liability Carrier ACE Environmental, Risk Claims Manager (for those who have coverage):

Address:

ACE USA Claims  
PO Box 5103  
Scranton, PA 18505-0510  
Environmental Emergency: (888) 310-9553  
Fax: (800) 951-4119  
Email: [CasualtyRiskEnvironmentalFirstNotice@acegroup.com](mailto:CasualtyRiskEnvironmentalFirstNotice@acegroup.com)

Address:

Martin Fox-Foster  
Claims Advocate  
100 Pine Street, 11<sup>th</sup> Floor  
San Francisco, CA 94111-5101  
Voice: (415) 403-1417 Fax: (415) 403-1466  
Email: [martin.fox-foster@alliant.com](mailto:martin.fox-foster@alliant.com)

Please include the Member /JPA name along with the following information when reporting claims:

- Time, date and specific location of property damaged
- A description of the incident that caused the damage (such as fire, theft or water damage)
- Estimated amount of loss in dollars
- Contact person for claim including name, title, voice & fax numbers
- Complete and return the Property Loss Notice for processing.
- Mortgagee or Loss Payee name, address, and account number

**IN THE EVENT OF A**

## **PROPERTY LOSS:**

- 1) Follow your company procedures for reporting and responding to an incident*
- 2) Alert local emergency authorities, as appropriate*
- 3) Report the incident to Alliant Insurance Services immediately at:*

**877-725-7695**

**All property losses must be reported as soon as practicable upon knowledge within the risk management or finance division of the insured that a loss has occurred.**

Be prepared to give basic information about the location and nature of the incident, as well as steps which have been taken in response to the incident.

- 4) Report the incident to McLarens Global AND your Alliant representative*



# PROPERTY FIRST NOTICE OF LOSS FORM

**SEND TO:** Alliant Insurance Services, Inc.

**BY MAIL:** 100 Pine Street, 11<sup>th</sup> Floor, San Francisco, CA 94111

**BY FAX:** (415) 403-1466

**BY EMAIL:** [rfrey@alliant.com](mailto:rfrey@alliant.com) AND [dwalizada@alliant.com](mailto:dwalizada@alliant.com)

**Carbon Copy PEP/IP Claims Administrator:** [cathryn.omeara@mclarens.com](mailto:cathryn.omeara@mclarens.com) and your Alliant representative

**Today's Date:** \_\_\_\_\_

**Type of Claim: (check all that apply)**

- Real Property                       Vehicles
- Personal Property                       Other

## Insured's Name & Contact Information

**Company Name:** \_\_\_\_\_

**Point of Contact:** \_\_\_\_\_

**Phone #:** \_\_\_\_\_

**Address:** \_\_\_\_\_

## Broker/Agent's Name & Contact Information

Company Name: Alliant Insurance Services - Claims                      Point of Contact: Robert A. Frey OR Diana L. Walizada

Address: 100 Pine Street, 11<sup>th</sup> Floor, San Francisco, CA 94111

Phone #: 1-877-725-7695                      Fax #: 415-403-1466

## Policy Information

Policy Number: \_\_\_\_\_                      Policy Period: 07/01/2015 to 07/01/2016

Limits of Liability: \_\_\_\_\_ per \_\_\_\_\_ agg                      Self-Insured Retention/Deductible: \_\_\_\_\_

## Loss Information

Date of Incident/Claim: \_\_\_\_\_ Location: \_\_\_\_\_

Description of Loss: \_\_\_\_\_

**Please list all attached or enclosed documentation:**  (check if none provided) \_\_\_\_\_

**Name of Person Completing This Form:** \_\_\_\_\_ **Signature:** \_\_\_\_\_

Per the PEPPIP USA Form Master Policy Wording, Section IV General Conditions;

**J. NOTICE OF LOSS**

In the event of loss or damage insured against under this Policy, the Insured shall give notice thereof to ALLIANT INSURANCE SERVICES, INC., 100 Pine Street, 11th Floor, San Francisco, CA 94111-1073. TEL NO. (877) 725-7695, FAX NO. (415) 403-1466 of such loss. Such notice is to be made as soon as practicable upon knowledge within the risk management or finance division of the insured that a loss has occurred.

IN THE EVENT OF A  
**CYBER LOSS:**

- 1) *Follow your company procedures for reporting and responding to an incident*
- 2) *Alert authorities, as appropriate*
- 3) *Report the incident to Beazley Group immediately at:*

**646-943-5900**

**All Cyber losses must be reported as soon as practicable upon knowledge by the insured that a loss has occurred.**

Be prepared to give basic information about the location and nature of the incident, as well as steps which have been taken in response to the incident.

- 4) *Report the incident to Alliant Claims Department and your Alliant representative*

***SPECIAL NOTE REGARDING PRIVACY NOTIFICATION COSTS:***

The policy provides a \$500,000 Aggregate Limit for Privacy Notification Costs. If you utilize a Beazley vendor, the limit is increased to \$1,000,000.

Please contact Beazley for a list of approved vendors.



**CYBER FIRST NOTICE OF LOSS FORM**

**SEND TO:** Beazley Group

**BY MAIL:** 1270 Avenue of the America's, Suite 1200, New York, NY 10020

**BY FAX:** (546) 378-4039

**BY EMAIL:** [tmbclaims@beazley.com](mailto:tmbclaims@beazley.com)

**CC Alliant Claims Department:** [rfrey@alliant.com](mailto:rfrey@alliant.com) AND [dwalizada@alliant.com](mailto:dwalizada@alliant.com)  
**And your Alliant representative**

**Today's Date:** \_\_\_\_\_

**Insured's Name & Contact Information**

Company Name: \_\_\_\_\_ Point of Contact: \_\_\_\_\_

Address: \_\_\_\_\_

Phone #: \_\_\_\_\_

**Broker/Agent's Name & Contact Information**

Company Name: Alliant Insurance Services - Claims Point of Contact: Robert A. Frey OR Diana L. Walizada

Address: 100 Pine Street, 11<sup>th</sup> Floor, San Francisco, CA 94111

Phone #: 877-725-7695 Fax #:415-403-1466

**Policy Information**

Policy Number: \_\_\_\_\_ Policy Period: 7/1/15 to 7/1/16

Limits of Liability: \_\_\_\_\_ per \_\_\_\_\_ agg Self-Insured Retention/Deductible \_\_\_\_\_

**Loss Information**

Date of Incident/Claim: \_\_\_\_\_ Location: \_\_\_\_\_

Description of Loss: \_\_\_\_\_

\_\_\_\_\_

Please list all attached or enclosed documentation:  (check if none provided) \_\_\_\_\_

\_\_\_\_\_

**Name of Person Completing This Form:** \_\_\_\_\_ **Signature:** \_\_\_\_\_

#### A. NOTICE OF CLAIM, LOSS OR CIRCUMSTANCE THAT MIGHT LEAD TO A CLAIM

1. If any **Claim** is made against the **Insured**, the **Insured** shall, as soon as practicable upon knowledge by the **Insured**, forward to the Underwriters through persons named in Item 9.A. of the Declarations written notice of such **Claim** in the form of a telecopy, or express or certified mail together with every demand, notice, summons or other process received by the **Insured** or the **Insured's** representative; provided that with regard to coverage provided under Insuring Agreements I.A. and I.C., all **Claims** made against any **Insured** must be reported no later than the end of the **Policy Period**, in accordance with the requirements of the **Optional Extension Period** (if applicable), or within thirty (30) days after the expiration date of the **Policy Period** in the case of **Claims** first made against the Insured during the last thirty (30) days of the **Policy Period**.
2. With respect to Insuring Agreement I.B. for a legal obligation to comply with a **Breach Notice Law** because of an incident (or reasonably suspected incident) described in Insuring Clause I.A.1 or I.A.2, such incident or reasonably suspected incident must be reported as soon as practicable during the **Policy Period** after discovery by the Insured. For such incidents or suspected incidents discovered by the **Insured** within 60 days prior to expiration of the Policy, such incident shall be reported as soon as practicable, but in no event later than 60 days after the end the **Policy Period**, provided; if this Policy is renewed by Underwriters and covered **Privacy Notification Costs** are incurred because of such incident or suspected incident reported during the 60 day post **Policy Period** reporting period, then any subsequent **Claim** arising out of such incident or suspected incident is deemed to have been made during the **Policy Period**.
3. With respect to Insuring Agreements I.A. and I.C., if during the **Policy Period**, the **Insured** first becomes aware of any circumstance that could reasonably be the basis for a **Claim** it may give written notice to Underwriters in the form of a telecopy, or express or certified mail through persons named in Item 9.A. of the Declarations as soon as practicable during the **Policy Period** of:
  - a. the specific details of the act, error, omission, or **Security Breach** that could reasonably be the basis for a **Claim**;
  - b. the injury or damage which may result or has resulted from the circumstance; and
  - c. the facts by which the **Insured** first became aware of the act, error, omission or **Security Breach**

Any subsequent **Claim** made against the **Insured** arising out of such circumstance which is the subject of the written notice will be deemed to have been made at the time written notice complying with the above requirements was first given to the Underwriters.
4. A **Claim** or legal obligation under section X.A.1 or X.A.2 above shall be considered to be reported to the Underwriters when written notice is first received by Underwriters in the form of a telecopy, or express or certified mail or email through persons named in Item 9.A. of the Declarations of the **Claim** or legal obligation, or of an act, error, or omission, which could reasonably be expected to give rise to a **Claim** if provided in compliance with sub-paragraph X.A.3. above.



Environmental Risk

IN THE EVENT OF AN

## ENVIRONMENTAL EMERGENCY:

- 1) *Follow your company procedures for reporting and responding to an incident*
- 2) *Alert local emergency authorities, as appropriate*
- 3) *Report the incident to ACE Environmental Risk immediately at:*

**888-310-9553 or use ACE Alert app**

- 4) *Report the incident to Alliant*

Martin Fox-Foster  
415-403-1417  
415-403-1466 – fax  
Martin.Fox-Foster@alliant.com

Be prepared to give basic information about the location and nature of the incident, as well as steps which have been taken in response to the incident. You will be contacted by a trained representative of ACE to discuss further response steps as soon as possible.

DO follow your company's detailed response plan  
DO contact your management as well as appropriate authorities  
DO ensure anyone who could come in contact with a spill or release is kept away

DO NOT ignore a potential spill or leak  
DO NOT attempt to respond beyond your level of training or certification



### ACE ENVIRONMENTAL RISK FIRST NOTICE OF LOSS FORM

**SEND TO:** ACE Environmental Risk Claims Manager

**BY MAIL:** ACE USA Claims, P.O. Box 5103, Scranton, PA 18505-0510

**BY FAX:** (800) 951-4119

**BY EMAIL:** [CasualtyRiskEnvironmentalFirstNotice@acegroup.com](mailto:CasualtyRiskEnvironmentalFirstNotice@acegroup.com)

**CC Alliant Insurance:** [martin.fox-foster@alliant.com](mailto:martin.fox-foster@alliant.com)  
And your Alliant representative

**Today's Date:** \_\_\_\_\_

### Notice of: (check all that apply)

- Pollution Incident
- Third-Party Claim
- Potential Claim
- Litigation Initiated
- Other \_\_\_\_\_

### Insured's Name & Contact Information

Company Name: \_\_\_\_\_ Point of Contact: \_\_\_\_\_

Address: \_\_\_\_\_

Phone #: \_\_\_\_\_

### Broker/Agent's Name & Contact Information

Company Name: Alliant Insurance Services - Claims Point of Contact: Martin Fox-Foster

Address: 100 Pine Street, 11<sup>th</sup> Floor, San Francisco, CA 94111

Phone #: 1-877-725-7695

### Policy Information

Policy Number: \_\_\_\_\_ Policy Period: 7/1/15 to 7/1/16

Limits of Liability: \_\_\_\_\_ per \_\_\_\_\_ agg Self-Insured Retention/Deductible \_\_\_\_\_

### Loss Information

Date of Incident/Claim: \_\_\_\_\_ Location: \_\_\_\_\_

Claimant Name/Address: \_\_\_\_\_

Description of Loss: \_\_\_\_\_

Please list all attached or enclosed documentation:  (check if none provided) \_\_\_\_\_

Name of Person Completing This Form: \_\_\_\_\_ Signature: \_\_\_\_\_

## VII. REPORTING AND COOPERATION

A. The “insured” must see to it that the Insurer receives written notice of any “claim” or “pollution condition”, as soon as practicable, at the address identified in Item 7.a. of the Declarations to this Policy. Notice should include reasonably detailed information as to:

1. The identity of the “insured”, including contact information for an appropriate person to contact regarding the handling of the “claim” or “pollution condition”;
2. The identity of the “covered location” or “covered operations”;
3. The nature of the “claim” or “pollution condition”; and
4. Any steps undertaken by the “insured” to respond to the “claim” or “pollution condition”. In the event of a “pollution condition”, the “insured” **must also take all reasonable measures to provide immediate verbal notice to the Insurer.**

B. The “insured” must:

1. As soon as practicable, send the Insurer copies of any demands, notices, summonses or legal papers received in connection with any “claim”;
2. Authorize the Insurer to obtain records and other information;
3. Cooperate with the Insurer in the investigation, settlement or defense of the “claim”;
4. Assist the Insurer, upon the Insurer’s request, in the enforcement of any right against any person or organization which may be liable to the “insured” because of “bodily injury”, “property damage”, “remediation costs” or “legal defense expense” to which this Policy may apply; and
5. Provide the Insurer with such information and cooperation as it may reasonably require.

C. No “insured” shall make or authorize an admission of liability or attempt to settle or otherwise dispose of any “claim” without the written consent of the Insurer. **Nor shall any “insured” retain any consultants or incur any “remediation costs” without the prior express written consent of the Insurer, except in the event of an “emergency response”. (Emergency Response coverage is limited to the first 7 days)**

D. Upon the discovery of a “pollution condition”, the “insured” shall make every attempt to mitigate any loss and comply with applicable “environmental law”. The Insurer shall have the right, but not the duty, to mitigate such “pollution conditions” if, in the sole judgment of the Insurer, the “insured” fails to take reasonable steps to do so. In that event, any “remediation costs” incurred by the Insurer shall be deemed incurred by the “insured”, and shall be subject to the “self-insured retention” and Limits of Liability identified in the Declarations to this Policy.

# APIP Pollution: Claim Reporting Fact Sheet

This page outline the steps that should be taken BY YOU, at the time of an environmental incident, to assure that the Pollution coverage offered with ACE through PEPiP is not jeopardized. We ask that you review this document and provide copies to all appropriate colleagues in advance of a possible incident.

Coverage under Pollution policies is dependent on specific compliance with claims and loss reporting; *especially* in the case of “Emergency Response” expenses that you may incur to address a pollution loss. For these “Emergency Response” expenses there is a strict seven (7) day window, following discovery of a “Pollution Condition” by the “Insured”, after which reasonable expenses will not be reimbursed unless the carrier has given prior consent. It is **extremely important** pollution exposures be reported **immediately**; and clearly no later than seven (7) days.

Although we ask that you fully review your policy and all its’ Terms and Conditions, we have highlighted some key sections of the ACE policy which address the **Emergency Response** issue and the reporting provisions:

**III. DEFENSE AND SETTLEMENT C.** The “insured” shall have the right and duty to retain a qualified environmental consultant to perform any investigation and/or remediation of any “pollution condition” covered pursuant to this Policy. The “insured” must receive the written consent of the Insurer prior to the selection and retention of such consultant, except in the event of an “emergency response”. Any costs incurred prior to such consent shall not be covered pursuant to this Policy, or credited against the “self-insured retention”, except in the event of an “emergency response”.

## V. DEFINITIONS

**F. “Emergency response”** means actions taken and reasonable “remediation costs” 7 days following the discovery of a “pollution condition” by an “insured” in order to abate or respond to an imminent and substantial threat to human health or the environment arising out of such “pollution condition”.

**T. “Pollution condition”** means: **2.** The discharge, dispersal, release, escape, migration, or seepage of any solid, liquid, gaseous or thermal irritant, contaminant, or pollutant, including smoke, soot, vapors, fumes, acids, alkalis, chemicals, hazardous substances, hazardous materials, or waste materials, on, in, into, or upon land and structures thereupon, the atmosphere, surface water, or groundwater.

**V. “Remediation costs”** means reasonable expenses incurred to investigate, quantify, monitor, mitigate, abate, remove, dispose, treat, neutralize, or immobilize “pollution conditions” to the extent required by “environmental law”.

## VII. REPORTING AND COOPERATION

**A.** The “insured” must see to it that the Insurer receives written notice of any “claim” or “pollution condition”, as soon as practicable, at the address identified in Item **7.a.** of the Declarations to this Policy. Notice should include reasonably detailed information as to: **1.** The identity of the “insured”, including contact information for an appropriate person to contact regarding the handling of the “claim” or “pollution condition”;

**B.** The “insured” must: **1.** As soon as practicable, send the Insurer copies of any demands, notices, summonses or legal papers received in connection with any “claim”;

**C.** No “insured” shall make or authorize an admission of liability or attempt to settle or otherwise dispose of any “claim” without the written consent of the Insurer. Nor shall any “insured” retain any consultants or incur any “remediation costs” without the prior express written consent of the Insurer, except in the event of an “emergency response”. (Emergency Response coverage is limited to the first 7 days)

**D.** Upon the discovery of a “pollution condition”, the “insured” shall make every attempt to mitigate any loss and comply with applicable “environmental law”. The Insurer shall have the right, but not the duty, to mitigate such “pollution conditions” if, in the sole judgment of the Insurer, the “insured” fails to take reasonable steps to do so. In that event, any “remediation costs” incurred by the Insurer shall be deemed incurred by the “insured”, and shall be subject to the “self-insured retention” and Limits of Liability identified in the Declarations to this Policy.

The bottom line is; if you have a Pollution event, please contact us **immediately** so that we can report the Incident and properly protect coverage for these unexpected events; please refer to the Claims Reporting form for proper contact information.



## CYBER LIABILITY OPTIONAL COVERAGE ENHANCEMENT

### INFORMATION ITEM

**ISSUE:** The Board of Directors should review the Cyber Liability coverage enhancement option and decide if the JPA is interested in obtaining a quote for this coverage option.

**RECOMMENDATION:** None - Information Item. Provide direction to Program Administrator to obtain quote per member interest.

**FISCAL IMPACT:** To be determined

**BACKGROUND:** The JPA's Property policy includes Cyber Liability coverage. Each member of the JPA has its own \$2 million Cyber Liability annual aggregate limit with sublimit of \$1 million for Privacy Notification costs. The Privacy Notification costs erode the annual aggregate. The Cyber Liability program as a whole has a \$25 million annual aggregate for all insureds or members in the program combined.

With the increase in cyber-attacks, a Cyber Liability coverage enhancement is now available and can be purchased at any time throughout the policy period. The coverage enhancement provides two options:

- Option #1 would replace the monetary limit with a per person limit for Privacy Notification costs. The per person limit is outside the policy's current dollar limits so that Privacy Notification costs do not erode the Cyber annual aggregate limit. This per person limit provides an unlimited dollar amount for notification services subject to the number of notified individuals that is selected. The additional premium is based on the annual revenue or operating budget and the number of notified individuals that would be covered.
- Option #2 is available only if Option #1 has been purchased. Option #2 provides Excess Cyber Liability limits up to \$5 million.

This coverage option may be purchased by the JPA as a whole or by individual members of the JPA. An application will need to be completed to obtain a quote.

**ATTACHMENT(S):** Cyber Liability Optional Coverage Enhancement

# APIP CEO Coverage – Option # 1

## Two Towers of Coverage

### LIABILITY SUITS, FINES & PENALTIES

**\$2,000,000**

- Regulatory Defense & Penalties
- ~~Privacy Notification~~ →
- Website Media Content Liability
- Cyber Extortion
- Data Protection / BI

**\$100,000 (sublimit)**

- PCI Fines and Penalties

**Deductibles**

1. TIV up to \$500M
  - **\$50,000**
2. TIV greater than \$500M
  - **\$100,000**

### TOWER I

Current APIP Coverage  
 \$2,000,000 Per Member Limit  
 \$25,000,000 Program Aggregate

### BREACH RESPONSE

**Limits based on Notified Individuals**

- Notification – dependent upon Notified Individual's declared
  - 50K, 100K, 250K, 500K, 1M, 2M+
- Credit/Identity Monitoring & Call Center Services per N.I.'s

**\$250,000 - \$1M\***

- Legal, Computer Forensics, Crisis Management/PR firm

**Deductibles**

1. Computer Forensics, Crisis Management/PR
  - \*\$10,000 - \$40,000
  - Legal - \$5,000
2. Notified Individuals – From 50 to 250 (sliding scale)

### TOWER II – dedicated limits Cyber Enhancement Option

*\* Depending on annual revenue or operating budget*



# CEO Estimated Premium Matrix Option #1



**STEP #1**

**STEP #2**

APIP Member Level	Annual Revenue/ Operating Budget	Legal/Forensic/ CM/PR Aggregate Limit	50K Notified Individuals	100K Notified Individuals	250K Notified Individuals	500K Notified Individuals	1M Notified Individuals	2M Notified Individuals	3M Notified Individuals
Level I \$0-\$15M	\$15,000,000	\$250,000	\$968	\$1,452	\$2,323	\$3,484	\$5,226	\$25,806	Subject to Underwriting
Level II \$0-\$35M	\$35,000,000	\$250,000	\$1,468	\$2,202	\$3,523	\$5,284	\$7,926	\$25,806	
Level III \$35M-\$50M	\$50,000,000	\$250,000	\$2,516	\$3,774	\$6,039	\$9,058	\$13,587	\$25,806	
Level IV \$50M-\$100M	\$100,000,000	\$250,000	\$3,742	\$5,613	\$8,981	\$13,471	\$20,206	\$30,310	
Level V \$100M-\$250M	\$250,000,000	\$500,000	\$6,129	\$9,194	\$14,710	\$22,065	\$33,097	\$49,645	
Level VI \$250M-\$500M	\$500,000,000	\$500,000	\$9,677	\$14,516	\$23,226	\$34,839	\$48,387	\$70,968	
Level VII \$500M-\$750M	\$750,000,000	\$500,000	\$13,548	\$20,323	\$32,516	\$48,774	\$61,290	\$93,548	
Level VIII \$750M-\$1B	\$1,000,000,000	\$1,000,000	\$16,774	\$25,161	\$40,258	\$60,387	\$80,645	\$116,129	
Greater than \$1B									
Terms available subject to underwriting review									

“APIP Member Level” based on Annual Revenue or Operating Budget



# APIP CEO Option #2

## PCI Fines & Penalties Sublimit Matrix



Primary	XS Limits	Primary PCI Sublimit	XS PCI Sublimit
\$2,000,000	\$1,000,000	\$100,000	\$100,000
	\$2,000,000		\$200,000
	\$3,000,000		\$300,000
	\$4,000,000		\$400,000
	\$5,000,000		\$400,000



Dear valued APIP client:

Beazley Insurance Group has been a trusted partner to the APIP program over the last 5 years, providing cyber coverage to Insureds at a nominal cost.

In the last few years there has been a noted increase in the number of cyber attacks. Due to the current cyber climate, Alliant believes it is important to review the limits and coverages available to our insureds and to provide additional options and services.

Alliant and Beazley working together have created an option to augment your current cyber coverage through a new APIP Cyber Enhancement Option (CEO). Even if you believe the current cyber limits available through APIP are sufficient, it may be worth investing time to have your Alliant broker discuss the benefits of enhanced coverage. Organizations with the most robust software protection are still susceptible to human error, a third party mishandling your information, or a rogue employee.

Currently, APIP insureds have \$2 million in cyber limits to include all services related to a data breach with a sub-limit up to \$1 million for Privacy Notification Costs. There are two options available to enhance your coverage through CEO; however, **you must purchase Option 1 first in order to access Option 2**. The increased coverages and services available include:

**Option 1 –**

- Separating breach notifications from the dollar limit and specifying the number of covered notifications so that notifications do not erode the APIP limit
- No monetary cap for credit monitoring and call center services
- Lower deductibles for privacy notification services
- Separate, standalone limits for Legal, Forensics, Crisis Management or Public Relations Firms
- Hands-on pre and post loss consultation from an expert team of cyber risk professionals.
- Extensive risk management resources available for your organizations' stakeholders (Legal, IT, Risk, Compliance, etc.)
- Short form application

**Option 2 – Excess Limits available, up to \$5 Million for:**

- Regulatory Defense & Penalties
- Website Media Content Liability
- Cyber Extortion
- Data Protection Loss & Business Interruption
- Increased PCI Fines and Penalties (sub-limited)

A Cyber Enhancement Option indication can be provided in 5-7 business days with little information. Contact your Alliant broker or Account Representative for more information by returning the attached document. Thank you.

# APIP CYBER ENHANCEMENT OPTION (CEO)

Insurance for the digital age



## APIP Cyber Enhancement Option (CEO):

Request:

Our Entity requests a proposal for the APIP Cyber Enhancement Option.

Declination:

Our Entity is not interested in the APIP Cyber Enhancement Option (CEO) that has been offered to us. We understand that Alliant has access to cyber insurance markets and can provide a quote for us in the future if we become interested. We decline to purchase the APIP Cyber Enhancement Option at this time.

---

Entity Name

---

Signature

---

Date

---

Print Name and Title

Please return this page to your Alliant representative.

*\*Premium for C.E.O. is excluded from the APIP Property Proposal. See separate C.E.O. proposal*



## 2015/16 CRIME RENEWAL

### ACTION ITEM

**ISSUE:** NCCSIF's Crime coverage program renews July 1, 2015. This program offers coverage for NCCSIF members' monetary loss due to Employee Dishonesty, including Faithful Performance and fraud exposures. The current coverage is placed through National Union Fire Insurance Co. of Pittsburgh, an AIG subsidiary.

**RECOMMENDATION:** The Program Administrator recommends approval of the 2015/16 Crime Renewal with National Fire Union Insurance of Pittsburg PA.

**FISCAL IMPACT:** Total Premium is \$24,605 for the participating NCCSIF Members (see below).

**BACKGROUND:** The NCCSIF Crime Policy is through National Union Fire Insurance Co. of Pittsburg. Chartis carries an A.M. Best rating of A, XV (\$2 billion or greater). Member costs are allocated based on number of employees.

Current members in the Crime program are: Cities of Anderson, Auburn, Colusa, Corning, Dixon, Galt, Gridley, Ione, Lincoln, Marysville, Oroville, Red Bluff, Rocklin, Yuba City and the Town of Paradise.

### ATTACHMENT(S):

1. NCCSIF 2015/16 Crime Proposal
2. NCCSIF 2015/16 Crime Coverage Allocation

**POLICY PERIOD:** July 1, 2015 to July 1, 2016

**INSURANCE COMPANY:** National Union Fire Insurance of Pittsburgh, PA

**A.M. BEST GUIDE RATING:** A (Excellent); Financial Size Category: XV (\$2 Billion or greater) as of February 27, 2015

**STANDARD & POOR'S RATING:** A+ (Strong) pulled as of 6/9/2015

**CALIFORNIA STATUS:** Admitted

**INSURED:** Northern California Cities Self Insurance Fund  
City of Anderson  
City of Auburn  
City of Colusa  
City of Corning  
City of Dixon  
City of Galt  
City of Gridley  
City of Ione  
City of Lincoln  
City of Marysville  
City of Oroville  
City of Red Bluff  
City of Rocklin  
City of Yuba City  
Town of Paradise

**POLICY LIMITS:** \$ 1,000,000 per occurrence

**DEDUCTIBLE:** \$5,000 per occurrence except \$15,000 per occurrence for City of Gridley

**COVERAGE:**

- ◆ Employee Theft , Including Faithful Performance
- ◆ Forgery or Alteration
- ◆ Computer Fraud
- ◆ Add Credit, Debit Or Charge Card Forgery: \$1,000,000
- ◆ Employee Post Termination Coverage (90 Days unless termination due to theft)
- ◆ Coverage is provided to Treasurers or Tax Collectors
- ◆ Coverage is provided to Non Compensated Officers of the Members
- ◆ Coverage is provided to Bonded Employees
- ◆ Coverage is provided to Chairperson and Members of Specified Committees as Employees

- ◆ Coverage is provided to Designated Persons or Classes of Persons as employees
- ◆ Coverage is provided to all leased employees working for a Named Insured.
- ◆ Include Volunteer Workers as Employees
- ◆ Include Expenses Incurred to Establish Amount of Covered Loss at \$25,000

**POLICY FORM:** Loss Sustained Policy Form

**EXCLUSIONS (including but not limited to):**

- ◆ Acts of employees learned of by you prior to the policy period
- ◆ Governmental Action
- ◆ Indirect Loss
- ◆ Legal Fees, Costs and Expenses
- ◆ Nuclear
- ◆ Pollution
- ◆ War and Military Actions

**ANNUAL PREMIUM:** \$ 24,605

**BROKER:** **ALLIANT INSURANCE SERVICES, INC.**  
 Marcus Beverly, Vice President

**CLAIMS REPORTING NOTICE:** YOUR POLICY WILL COME WITH SPECIFIC CLAIM REPORTING REQUIREMENTS. PLEASE MAKE SURE YOU UNDERSTAND THESE OBLIGATIONS. CONTACT YOUR ALLIANT SERVICE TEAM WITH ANY QUESTIONS.

**IMPORTANT NOTICE:** THE FOREIGN ACCOUNT TAX COMPLIANCE ACT (FATCA) REQUIRES THE NOTIFICATION OF CERTAIN FINANCIAL ACCOUNTS TO THE UNITED STATES INTERNAL REVENUE SERVICE. ALLIANT DOES NOT PROVIDE TAX ADVICE SO PLEASE CONTACT A CONSULTANT FOR YOUR OBLIGATION REGARDING FATCA.

This proposal of insurance is provided as a matter of convenience and information only. All information included in this proposal, including but not limited to personal and real property values, locations, operations, products, data, automobile schedules, financial data and loss experience, is based on facts and representations supplied to Alliant Insurance Services, Inc. by you. This proposal does not reflect any independent study or investigation by Alliant Insurance Services, Inc. or its agents and employees.

Please be advised that this proposal is also expressly conditioned on there being no material change in the risk between the date of this proposal and the inception date of the proposed policy (including the occurrence of any claim or notice of circumstances that may give rise to a claim under any policy which the policy being proposed is a renewal or replacement). In the event of such change of risk, the insurer may, at its sole discretion, modify, or withdraw this proposal whether or not this offer has already been accepted.

This proposal is not confirmation of insurance and does not add to, extend, amend, change, or alter any coverage in any actual policy of insurance you may have. All existing policy terms, conditions, exclusions, and limitations apply. For specific information regarding

your insurance coverage, please refer to the policy itself. Alliant Insurance Services, Inc. will not be liable for any claims arising from or related to information included in or omitted from this proposal of insurance

Alliant embraces a policy of transparency with respect to its compensation from insurance transactions. Details on our compensation policy, including the types of income that Alliant may earn on a placement, are available on our website at [www.alliant.com](http://www.alliant.com). For a copy of our policy or for any inquiries regarding compensation issues pertaining to your account you may also contact us at: Alliant Insurance Services, Inc., Attention: General Counsel, 701 B Street, 6th Floor, San Diego, CA 92101.

Analyzing insurers' over-all performance and financial strength is a task that requires specialized skills and in-depth technical understanding of all aspects of insurance company finances and operations. Insurance brokerages such as Alliant Insurance typically rely upon rating agencies for this type of market analysis. Both A.M. Best and Standard and Poor's have been industry leaders in this area for many decades, utilizing a combination of quantitative and qualitative analysis of the information available in formulating their ratings.

A.M. Best has an extensive database of nearly 6,000 Life/Health, Property Casualty and International companies. You can visit them at [www.ambest.com](http://www.ambest.com). For additional information regarding insurer financial strength ratings visit Standard and Poor's website at [www.standardandpoors.com](http://www.standardandpoors.com).

Our goal is to procure insurance for you with underwriters possessing the financial strength to perform. Alliant does not, however, guarantee the solvency of any underwriters with which insurance or reinsurance is placed and maintains no responsibility for any loss or damage arising from the financial failure or insolvency of any insurer. We encourage you to review the publicly available information collected to enable you to make an informed decision to accept or reject a particular underwriter. To learn more about companies doing business in your state, visit the Department of Insurance website for that state.

#### *NY Regulation 194 Disclosure*

Alliant Insurance Services, Inc. is an insurance producer licensed by the State of New York. Insurance producers are authorized by their license to confer with insurance purchasers about the benefits, terms and conditions of insurance contracts; to offer advice concerning the substantive benefits of particular insurance contracts; to sell insurance; and to obtain insurance for purchasers. The role of the producer in any particular transaction typically involves one or more of these activities.

Compensation will be paid to the producer, based on the insurance contract the producer sells. Depending on the insurer(s) and insurance contract(s) the purchaser selects, compensation will be paid by the insurer(s) selling the insurance contract or by another third party. Such compensation may vary depending on a number of factors, including the insurance contract(s) and the insurer(s) the purchaser selects. In some cases, other factors such as the volume of business a producer provides to an insurer or the profitability of insurance contracts a producer provides to an insurer also may affect compensation.

The insurance purchaser may obtain information about compensation expected to be received by the producer based in whole or in part on the sale of insurance to the purchaser, and (if applicable) compensation expected to be received based in whole or in part on any alternative quotes presented to the purchaser by the producer, by requesting such information from the producer.

**NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND  
CRIME PROGRAM  
July 1, 2015 to June 30, 2016**

<b>MEMBER</b>	<b>DEDUCTIBLE</b>	<b># EMPLOYEES</b>	<b>PREMIUM</b>
Anderson	\$5,000	54	\$822
Auburn	\$5,000	73	\$1,111
Colusa	\$5,000	34	\$518
Corning	\$5,000	50	\$761
Dixon	\$5,000	95	\$1,446
Galt	\$5,000	160	\$2,436
Gridley	\$5,000	60	\$914
Ione	\$5,000	21	\$320
Lincoln	\$5,000	160	\$2,436
Marysville	\$5,000	64	\$974
Oroville	\$5,000	100	\$1,523
Paradise	\$5,000	67	\$1,020
Red Bluff	\$5,000	153	\$2,330
Rocklin	\$5,000	231	\$3,517
Yuba City	\$5,000	294	\$4,476
<b>Total</b>		<b>1616</b>	<b>\$24,605</b>



## 2015/16 IDENTITY FRAUD REIMBURSEMENT COVERAGE RENEWAL

### ACTION ITEM

**ISSUE:** NCCSIF first purchased ID Fraud coverage for the 2014/15 policy year. The coverage renews July 1, 2015. The Board is provided the 2015/16 Identity Fraud Reimbursement Proposal for their review and approval.

**RECOMMENDATION:** The Program Administrator recommends approval of the 2015/16 Identity Fraud Reimbursement Coverage Renewal with Travelers Excess and Surplus Lines Company.

**FISCAL IMPACT:** \$11,114 annual premium plus \$355.65 Surplus Line Taxes and Fees for a total of \$11,469.65.

**BACKGROUND:** The limit of liability is \$25,000 per insured person with \$0 retention per insured person for Identity Fraud Reimbursement Coverage per attached proposal.

ID Fraud Coverage provides all NCCSIF employees with the tools to recover from ID Theft in the event they fall victim to ID Fraud. The coverage provides:

- Expense reimbursement for expenses associated with resolving a fraud event
- Online education resources to help prevent becoming a victim
- 24/7 access to an expert fraud specialist
- Document replacement help (social security card, birth certificate, passport, etc.)
- Help through the resolution process

**ATTACHMENT(S):** 2015/16 Identity Fraud Reimbursement Renewal Proposal

**POLICY PERIOD:** July 1, 2015 to July 1, 2016

**INSURANCE COMPANY:** Travelers Excess and Surplus Lines Company

**A.M. BEST GUIDE RATING:** A++ (Superior); Financial Size Category: XV (\$2 Billion or greater) as of 5/28/2015

**STANDARD & POOR'S RATING:** AA (Very Strong) pulled as of 6/9/2015

**CALIFORNIA STATUS:** Non-Admitted

**INSURED:** Northern California Cities Self Insurance Fund and all its members

**POLICY LIMITS:** \$ 25,000 per insured person

**RETENTION:** \$0 per insured person

**COVERAGE:**

- ◆ Identity Fraud Expense Reimbursement  
For Full Time and Part Time Employees and their spouses, children under 25 years of age and parents
- ◆ Reimburses the costs and expenses associated with identity recovery, including lost wages, attorney fees, and document replacement fees

**EXCLUSIONS (including, but not limited to)**

- ◆ Fraudulent, dishonest or criminal acts
- ◆ Loss other than expenses
- ◆ Former employees
- ◆ Nuclear
- ◆ War

**ANNUAL PREMIUM:**

**\$ 11,114.00 Annual Premium**  
**\$ 333.42 Surplus Line Taxes**  
**\$ 22.23 Stamping Fee**  
**\$ 11,469.65 TOTAL**

**BROKER:** **ALLIANT INSURANCE SERVICES, INC.**  
 Marcus Beverly, Vice President

**IMPORTANT NOTICE:** THE NONADMITTED & REINSURANCE REFORM ACT (NRRRA) GOES INTO EFFECT ON JULY 21, 2011. ACCORDINGLY, SURPLUS LINES TAX RATES AND REGULATIONS ARE SUBJECT TO CHANGE WHICH COULD RESULT IN AN INCREASE OR DECREASE OF THE TOTAL SURPLUS LINES TAXES AND/OR FEES OWED ON THIS PLACEMENT. IF A CHANGE IS REQUIRED, WE WILL PROMPTLY NOTIFY YOU. ANY ADDITIONAL TAXES AND/OR FEES OWED MUST BE PROMPTLY REMITTED TO ALLIANT INSURANCE SERVICES, INC.

**CLAIMS REPORTING NOTICE: YOUR POLICY WILL COME WITH SPECIFIC CLAIM REPORTING REQUIREMENTS. PLEASE MAKE SURE YOU UNDERSTAND THESE OBLIGATIONS. CONTACT YOUR ALLIANT SERVICE TEAM WITH ANY QUESTIONS.**

**IMPORTANT NOTICE: THE FOREIGN ACCOUNT TAX COMPLIANCE ACT (FATCA) REQUIRES THE NOTIFICATION OF CERTAIN FINANCIAL ACCOUNTS TO THE UNITED STATES INTERNAL REVENUE SERVICE. ALLIANT DOES NOT PROVIDE TAX ADVICE SO PLEASE CONTACT A CONSULTANT FOR YOUR OBLIGATION REGARDING FATCA.**

This proposal of insurance is provided as a matter of convenience and information only. All information included in this proposal, including but not limited to personal and real property values, locations, operations, products, data, automobile schedules, financial data and loss experience, is based on facts and representations supplied to Alliant Insurance Services, Inc. by you. This proposal does not reflect any independent study or investigation by Alliant Insurance Services, Inc. or its agents and employees.

Please be advised that this proposal is also expressly conditioned on there being no material change in the risk between the date of this proposal and the inception date of the proposed policy (including the occurrence of any claim or notice of circumstances that may give rise to a claim under any policy which the policy being proposed is a renewal or replacement). In the event of such change of risk, the insurer may, at its sole discretion, modify, or withdraw this proposal whether or not this offer has already been accepted.

This proposal is not confirmation of insurance and does not add to, extend, amend, change, or alter any coverage in any actual policy of insurance you may have. All existing policy terms, conditions, exclusions, and limitations apply. For specific information regarding your insurance coverage, please refer to the policy itself. Alliant Insurance Services, Inc. will not be liable for any claims arising from or related to information included in or omitted from this proposal of insurance

Alliant embraces a policy of transparency with respect to its compensation from insurance transactions. Details on our compensation policy, including the types of income that Alliant may earn on a placement, are available on our website at [www.alliant.com](http://www.alliant.com). For a copy of our policy or for any inquiries regarding compensation issues pertaining to your account you may also contact us at: Alliant Insurance Services, Inc., Attention: General Counsel, 701 B Street, 6th Floor, San Diego, CA 92101.

Analyzing insurers' over-all performance and financial strength is a task that requires specialized skills and in-depth technical understanding of all aspects of insurance company finances and operations. Insurance brokerages such as Alliant Insurance typically rely upon rating agencies for this type of market analysis. Both A.M. Best and Standard and Poor's have been industry leaders in this area for many decades, utilizing a combination of quantitative and qualitative analysis of the information available in formulating their ratings.

A.M. Best has an extensive database of nearly 6,000 Life/Health, Property Casualty and International companies. You can visit them at [www.ambest.com](http://www.ambest.com). For additional information regarding insurer financial strength ratings visit Standard and Poor's website at [www.standardandpoors.com](http://www.standardandpoors.com).

Our goal is to procure insurance for you with underwriters possessing the financial strength to perform. Alliant does not, however, guarantee the solvency of any underwriters with which insurance or reinsurance is placed and maintains no responsibility for any loss or damage arising from the financial failure or insolvency of any insurer. We encourage you to review the publicly available information collected to enable you to make an informed decision to accept or reject a particular underwriter. To learn more about companies doing business in your state, visit the Department of Insurance website for that state.

#### *NY Regulation 194 Disclosure*

Alliant Insurance Services, Inc. is an insurance producer licensed by the State of New York. Insurance producers are authorized by their license to confer with insurance purchasers about the benefits, terms and conditions of insurance contracts; to offer advice concerning the substantive benefits of particular insurance contracts; to sell insurance; and to obtain insurance for purchasers. The role of the producer in any particular transaction typically involves one or more of these activities.

Compensation will be paid to the producer, based on the insurance contract the producer sells. Depending on the insurer(s) and insurance contract(s) the purchaser selects, compensation will be paid by the insurer(s) selling the insurance contract or by another third party. Such compensation may vary depending on a number of factors, including the insurance contract(s) and the insurer(s) the purchaser selects. In some cases, other factors such as the volume of business a producer provides to an insurer or the profitability of insurance contracts a producer provides to an insurer also may affect compensation.

The insurance purchaser may obtain information about compensation expected to be received by the producer based in whole or in part on the sale of insurance to the purchaser, and (if applicable) compensation expected to be received based in whole or in part on any alternative quotes presented to the purchaser by the producer, by requesting such information from the producer.



## ACI CONTRACT RENEWAL

### ACTION ITEM

**ISSUE:** The contract with ACI Specialty Benefits for Employee Assistance Program (EAP) and Wellness Services is up for Renewal as of July 1, 2015.

**RECOMMENDATION:** The Program Administrator recommends approval of the 2015/16 EAP and Wellness Services Coverage Renewal with ACI Specialty Benefits.

**FISCAL IMPACT:** NCCSIF pays for Member Wellness Services in the amount of \$15,072 as part of the administration budget. Individual members pay for the EAP services directly based on employee count.

**BACKGROUND:** The EAP and Wellness Services are well-utilized by NCCSIF members. The utilization rate for 2014 was 4.6%, great utilization considering that the national average is between 3% and 5%. Summary of Benefits for both EAP and Wellness Services are attached.

### ATTACHMENTS:

1. ACI Service Renewal Letter 7/1/2015 – 7/1/2016
2. Summary of Benefits - EAP Program 7/1/2015 – 7/1/2016
3. Summary of Benefits - CORE Wellness: Virtual Program 7/1/2015 – 7/1/2016
4. Utilization Summary and Analysis 1/1/2014 – 12/31/2014

**NCCSIF Service Renewal 2015**

March 6, 2015

Marcus Beverly  
 Vice President  
**Alliant Insurance Services, Inc.**  
 1792 Tribute Road, Suite 450  
 Sacramento, CA 95815

It has been a pleasure to provide service to your employees and their family members for the past 13 years. NCCSIF and ACI have demonstrated a successful partnership measured by the 4.6% utilization of the benefit. This is exceptional as the national average is 3%-5%. Other program highlights include utilizing on-site and webinar training opportunities with topics such as “Leadership vs. Management” and “Personalities in the Workplace”. On behalf of the entire ACI staff, we appreciate your continued trust in ACI’s benefits and services.

**Wellness Utilization Highlights**

ACI was excited to implement the Annual Walking Challenge for NCCSIF. This challenge was designed to encourage employees to increase their physical activity, by walking or other modes of aerobic exercise, over the course of four weeks. The challenge was a huge success with great results (below). In 2014, three additional cities joined the fall Walking Challenge. Overall, participation increased by 263% than 2013! Feedback from the cities reported it was a fun event and they enjoyed the customized maps, interaction, and content provided throughout the challenge.

**2014**

Logins: 206 employees logged in 3,267 times  
 Walking Challenge: 174 employees in 7 cities walked 44,860,442 steps

**2013**

Logins: 59 employees logged in 1,324 times  
 Walking Challenge: 44 employees in 5 cities walked 12,138,154 steps

**See separate report for EAP utilization.**

Please take a moment to review and confirm the renewal terms.

Renewal Terms	NCCSIF
Renewal Date	July 1, 2015
Renewal Term	One Year
Programs Provided	Employee Assistance Program & CORE Wellness
Renewal Rate	EAP: Rate Pass, One-year rate guarantee CORE Wellness: \$1.00 PEPM, One-year rate guarantee
Employee Count	See chart below

### City Participants

<b>EAP Only</b>				
City of Anderson	EAP	56	3 Session	\$2.16
City of Colusa	EAP	35	6 Session	\$2.34
City of Corning	EAP	55	6 Session	\$2.34
City of Lincoln	EAP	164	6 Session	\$2.34
City of Jackson	EAP	65	6 Session	\$2.34
<b>EAP &amp; Wellness</b>				
City of Dixon	EAP & Wellness	104	6 Session + CORE Wellness	\$2.34 + \$1.00
City of Folsom	EAP & Wellness	410	3 Session + CORE Wellness	\$2.16 + \$1.00
City of Gridley	EAP & Wellness	48	6 Session + CORE Wellness	\$2.34 + \$1.00
City of Ione	EAP & Wellness	18	3 session + CORE Wellness	\$2.34 + \$1.00
City of Marysville	EAP & Wellness	65	3 Session + CORE Wellness	\$2.16 + \$1.00
City of Red Bluff	EAP & Wellness	114	6 Session + CORE Wellness	\$2.34 + \$1.00
City of Rio Vista	EAP & Wellness	47	3 Session + CORE Wellness	\$2.16 + \$1.00
Town of Paradise	EAP & Wellness	62	6 Session + CORE Wellness	\$2.34 + \$1.00
<b>Wellness Only</b>				
City of Auburn	Wellness	79	AppleCore	\$1.00
City of Galt	Wellness	159	AppleCore	\$1.00
City of Nevada City	Wellness	36	AppleCore	\$1.00
City of Placerville	Wellness	79	AppleCore	\$1.00
City of Willows	Wellness	35	AppleCore	\$1.00
<b>EAP Total</b>		<b>1243</b>		
<b>Wellness Total</b>		<b>1256</b>		

This service renewal is subject to the same terms and conditions as the [Master Service Agreement](#). Non-renewal notices must be sent in writing 60 days prior to termination date.

Attached please find the updated Exhibit A which outlines the current service offerings. After reviewing the Service Renewal and initialing Exhibit A, please sign and return this document. Please keep a copy of each for your records.

If you have any questions or comments about this renewal, please contact your Account Manager, Kathryn Mullis.

Signature

Title

Date

### Love ACI's Employee Assistance Program?

As a valued client,

# SAVE UP TO 25%

when you bundle with an additional program!



Contact your Account Manager to

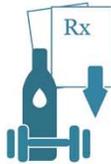
## BUNDLE & SAVE



### Leverage Concierge

Give employees a virtual assistant to handle personal services while boosting productivity and your bottom line:

- Unlimited discounts and referrals for personal services
- Access to 24/7 concierge website, [myACIonline.com](#)
- Attract and retain top talent



### CORE Wellness

Is employee health affecting claims costs and productivity? Give them something to get active about with ACI's CORE Wellness:

- Personalized wellness coaching
- 100% PPACA compliance
- Incentives that work



### Ethics Hotline

Provide a confidential way to report misconduct through ACI, known and trusted by your employees:

- Confidential reporting through phone, email, and web
- Take corrective action before issues become public
- 24/7 Hotline: live-answer within two rings

# EXHIBIT A

## SUMMARY OF BENEFITS

Prepared for: NCCSIF  
Provider: ACI Specialty Benefits  
Policy: Employee Assistance Program: Corporate  
Summary Date: 3/6/2015  
Start Date: 7/1/2015  
Anniversary Date: 7/1/2016



NCCSIF

### Benefit Description

ACI Specialty Benefits (ACI) will provide employee assistance program (EAP) services, including assessment, referral and short-term problem resolution. Following assessment, the employee or family member may be referred for therapy or other professional services.

ACI will also provide comprehensive work/life referrals, resources and services.

### Problem Assessment

- Face-to-Face Sessions

### EAP Work/Life Services

- **Legal assistance** for *unlimited* number of issues per year. Includes 60-minute in-office or telephonic consultation with local attorney and 25% discount for continued services
- Telephonic **financial assistance** for *unlimited* number of issues per year. Includes 30-day financial coaching benefit with 90-day action plan take-away.
- *Unlimited* **child care, elder care, pet care and education** referrals
- *Unlimited* referrals and resources for **personal services**
- **Veteran Connection**
- **Identity theft prevention/recovery**. Includes 60-minute consultation
- **Affinity™ Online** work/life website services
- **100% Follow-up** for all requests, referrals and services utilized

### Training and Orientations



Virtual and Onsite\*

- *Unlimited* Employee Orientations
- *Unlimited* Manager and Supervisor Trainings
- *Unlimited* Live 'N Learn Seminars
- Just-Do-It Training consultation and facilitation tools for onsite management
- 24/7 access to training videos on ACI's YouTube Channel

### Clinical Services

- *Unlimited* clinical consulting on difficult employee issues
- Access to panel of in-house clinicians

### Provider Network Availability

- Over 40,000 providers nationwide



## HR Support Services

- Critical Incident Response\*
  - Onsite Critical Incident Stress Debriefing (CISD)
  - Critical Incident Stress Management (CISM)
  - Disaster Contingency Consultation Materials
- Consultation for substance abuse case management and support for return-to-work transition
- Direct supervisory referrals for work performance problems
- Management consultation regarding difficult employee issues
- Consultation and development of policies to prevent workplace violence and manage high risk situations
- Support to Human Resources during workforce reductions, management changes, reorganizations, plant closures, and other transitions

## Program Promotion and Web Services



ACI's comprehensive promotional plan includes:

- **Digital Marketing:** EAP flyers, brochures, summary plan descriptions, wallet cards, and supervisory resource manuals
- **Social Media and Content Marketing:** Social@ACI platforms, videos on YouTube, regularly updated content on ACI's Blog, and monthly HealthYMail™ e-newsletter
- **Mobile Marketing:** myACI App and Quick Response (QR) Codes
- **Web Services:**
  - **Landing Page:** website with access to services
  - **Virtual Folder:** HR and management resource center – By request of individual city
  - **Affinity™ Online** work/life website services
  - Online access to ACI's website: [www.acispecialtybenefits.com](http://www.acispecialtybenefits.com)
- Co-branding with client's logo available

## Program Access: Mobile Apps and Intuitive Technology

- 24-hour, 365 day-a-year nationwide toll free number (800.932.0034)
- Always live-answer
- Multilingual assistance, 175 languages
- **myACI App** and QR codes for mobile access
- **Social@ACI platforms** and **online portals** for convenient access

## Reporting

- Quarterly utilization reports with executive overview
- Annual cost analysis available on request
- Full-color graphs and charts display key metrics and demographic data

## Eligibility

- **Easy Access:** No cumbersome membership IDs or Social Security Numbers required
- **All Employees**
- **Dependents:** Spouse, domestic partners, dependents, *all family members regardless of location*

## Termination of Benefits

30 days from employee termination date at no cost to employer



### Rate Summary

Program	Session Model	Employee Count	Per Employee Per Month
Corporate EAP and Work/Life	(See chart on Renewal Letter)	1,243	(See chart)
CORE Wellness	N/A	1,256	\$1.00

### \*Program Assumptions

**Rate:**

- Rates guaranteed for one year
- Quote valid for one month
- Rates assume no broker commission
- Commissions paid first year only

**Onsite:**

- CISD and Layoff/RIF Support limited to 2 onsite hours per incident
- Trainer's travel fees are included
- Attendance minimums may apply to onsite services (15 person attendee minimum)

**Materials:**

- ACI Specialty Benefits provides unlimited virtual marketing materials from ACI's library of templates. Printed and custom materials may be available at an additional cost

**Compliance:**

- In adherence of HIPAA regulations, ACI Specialty Benefits does not provide written utilization reporting to groups of under 115 employees. Account managers will provide telephonic quarterly usage summaries
- Six session model limited to 3 sessions per 6 months for CA employees

### Additional Onsite Fees

ACI provides a variety of services over and above package inclusions, available on a fee-for-service basis.

Type of Service	Fee-for-service
Onsite Critical Incident Stress Debriefing (CISD)	Over contracted hours: \$325 per hour
Conflict Resolution/Mediation	\$350 per hour
Onsite Lay-Off and RIF Support	Over contracted hours: \$325 per hour
Executive Coaching	\$350 per hour
Late Cancellation Fee	\$225 per hour



# SUMMARY OF BENEFITS

Prepared for:  
**NCCSIF**

Provider:  
**ACI Specialty Benefits**

Policy:  
**Virtual Program**

Summary Date:  
**3/4/2015**

Start Date:  
**7/1/2015**

Anniversary Date:  
**7/1/2016**



**NCCSIF**



**ACI**  
SPECIALTY  
BENEFITS

## PROGRAM INCLUSIONS

### Benefit Description

ACI Specialty Benefits (ACI) will provide **CORE Wellness: Virtual Program**, a cost-effective wellness program featuring a user-friendly online portal that offers 24/7 access to employee wellness benefits and services.

### CORE Wellness Program Overview

- CORE Wellness web portal
- Incoming telephonic and virtual wellness coaching
- CORE Wellness account management
- Weekly and monthly newsletters
- Customized promotional materials
- Participation reports

### CORE Wellness Web Portal



- User-friendly online platform with employer-branded options
- Personal wellness dashboard uniquely tailored to each employee and family member
- Health Assessments (i.e. Personal Health Assessment (PHA), Risk Advisor, Progress Report, My Health Articles, Screening Results, Body Mass Index (BMI), Analyze My Diet, My Nutritional Needs)
- Wellness workshops
- Wellness library
- Trackers: diet and exercise
- Meal and exercise planners
- Event registration and notification
- Mobile website
- Mobile app
- FitBit and iPhone Health App Integration
- **Annual Walking Challenge**

### Training & Orientations

- Orientation: Recorded webinar or video
- 4 Engage Hours: Webinar
- Unlimited "Just Do It" Trainings



### Coaching

- 3 inbound CORE Wellness coaching sessions via phone, email, text, and IM/Chat per 6 months



# SUMMARY OF BENEFITS

Prepared for:  
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**NCCSIF**



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SPECIALTY  
BENEFITS

## Program Access



- 24/7, 365 days-a-year
- Online portals for convenient and unlimited access
- Live answer in 175 languages
- Mobile website access
- Phone, text, IM, chat
- Quick Response (QR) Codes
- HealthyNow App for convenient mobile access to services

## Eligibility

- Easy Access: No cumbersome membership IDs or Social Security numbers required
- All family members included

## Reporting

- PHA aggregate reporting
- Annual utilization reports



# SUMMARY OF BENEFITS

Prepared for:  
**NCCSIF**

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**NCCSIF**



**ACI**  
SPECIALTY  
BENEFITS

## OPTIONAL ENHANCEMENTS or ADD-ONS

<b>Onsite Biometric Screenings</b>	Biometric screenings typically measure total cholesterol, HDL, glucose, blood pressure, BMI and waist-to-hip ratio. In addition, employees have access to immediate counseling with a health professional to review results and answer questions. Aggregate group reporting will be provided to employer.	Varies by screening type and biometric vendor selected.
<b>Onsite Flu Shots</b>	CORE Wellness will arrange for flu shots to be administered onsite.	TBD costs
<b>Onsite Orientations</b>	Kick-off your wellness program with a fun, engaging onsite party! A CORE Wellness Specialist will visit your worksite to provide a thorough explanation and demonstration of your company wellness benefits. Orientation includes games, prizes, and more!	\$250 per hour
<b>Wellness Seminars or Trainings</b>	Bring a local health or wellness professional onsite to provide customized and interactive seminars.	Start at \$250 per hour
<b>Onsite Health Coaching</b>	A certified health coach will come onsite to deliver one-on-one or group-based wellness coaching.	\$225 per hour
<b>Stress Management Program</b>		



# SUMMARY OF BENEFITS

Prepared for:  
**NCCSIF**  
 Provider:  
**ACI Specialty Benefits**  
 Policy:  
**Virtual Program**

Summary Date:  
**3/4/2015**

Start Date:  
**7/1/2015**

Anniversary Date:  
**7/1/2016**



**NCCSIF**



**ACI**  
 SPECIALTY  
 BENEFITS

Tobacco Cessation Program

Financial Wellness Program

Health Behavior Change  
 Program

## RATE SUMMARY

Employee Group	Program Model	Employee Count	PEPM
All Employees	CORE Wellness: Virtual	1256	\$1.00

**Assumptions:**

- Rates assume no broker commission
- Quote valid for 1 month
- 3 business day cancellation notice required for onsite services
- Rate guaranteed for one year



# Employee Assistance Program Utilization Report Utilization Summary and Analysis



## NCCSIF

January 1, 2014 - December 31, 2014

Projected Annual Rate:

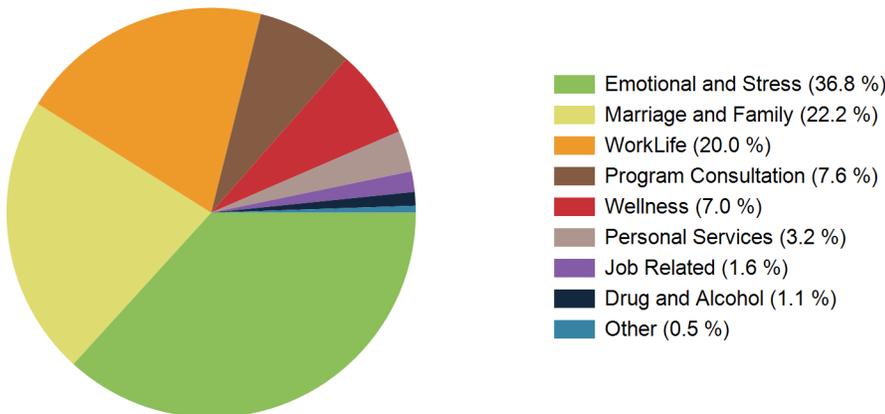
# 4.6%

### Overall Utilization

There were 185 new contacts. 3 were referred by Other Employee, 4 were referred by CORE Wellness, 1 was referred by Orientation / Training, 13 were referred by Website, 20 were referred by Family Member, 46 were referred by Human Resources, 38 were referred by Poster / Brochure, 2 were referred by Supervisor - Formal, 58 had Used Before.

The presenting problems were: Alcohol, Drugs, Emotional, Family / Child, Job Performance, Marital / Relationship, Other, Personal Services, Program Consultation, Wellness, Work Stress and WorkLife.

19 new contacts were for a Family Member and 165 new contacts were self-initiated.



## Employee Assistance Program Utilization Report

### Work/Life Utilization

In this time period there were 37 cases that were opened: 2.7 % of the cases were Elder Care, 10.8 % of the cases were Financial, 86.5 % of the cases were Legal.

Legal was the most utilized with 32 cases.

According to a recent Gallup Poll, only 30% of employees are truly engaged and focused at work. The Harvard Business Review also claims that happier employees have 31% higher productivity, and are three times more creative than their unmotivated counterparts. In a world of incessantly rising demand, employers are seeking new ways of investing in their employees' success. ACI's work/life benefits offer complimentary assistance with a variety of personal issues, which ultimately lessens employee stress and increases job satisfaction and productivity.

The growing trend of "homing from work" dominates the office landscape, with employees spending significant time during work hours taking care of important personal tasks. As many as two hours per employee per workday are used for things like finding a pet sitter or searching for affordable after-school programs—that's up to 25 percent of a regular 40-hour work week. ACI's comprehensive work/life benefits help employers get back that time, with professional and highly-personalized referrals and resources for all employee and family member needs.

Nearly 70% of employees report that work is a significant source of stress in their lives, leaving little time to take care of personal or family needs. As a result, from paying bills online to scheduling doctor's appointments, busy professionals are now spending over 25% of their 40-hour work week tackling a variety of non-work-related tasks. ACI's comprehensive work/life benefits help employers get back that time, with professional and highly-customized referrals and resources for all employee and family member needs.

Approximately 46% of employees report that job demands interfere with family life "sometimes" or "often," and one in three workers have passed up a job because it conflicted with family obligations. From child, pet and elder care responsibilities to legal and financial concerns, employees are spending multiple hours at work each week taking care of personal and family business. ACI's comprehensive work/life benefits help employers get back that time, with professional and highly-customized referrals and resources for all employee and family member needs.

### Training and Onsite Services

#### January 2014

Topic	Date	Start	Duration	Type	Location
Personalities in the Workplace	1/29/2014	1:00 PM	1.00	Onsite	Paradise, CA
Personalities in the Workplace	1/29/2014	2:00 PM	1.00	Onsite	Paradise, CA

#### February 2014

Topic	Date	Start	Duration	Type	Location
Understanding the Troubled Employee	2/19/2014	10:00 AM	1.00	Webinar	
Understanding the Troubled Employee	2/19/2014	10:00 AM	1.00	Webinar	
Understanding the Troubled Employee	2/19/2014	10:00 AM	1.00	Webinar	
Understanding the Troubled Employee	2/19/2014	1:00 PM	1.00	Webinar	

### Training and Onsite Services (continued)

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#### April 2014

Topic	Date	Start	Duration	Type	Location
Cancer Awareness	4/30/2014	2:00 PM	1.00	Webinar	

#### August 2014

Topic	Date	Start	Duration	Type	Location
Leadership vs. Management	8/20/2014	2:00 PM	1.00	Onsite	Paradise, CA
Leadership vs. Management	8/20/2014	1:00 PM	1.00	Onsite	Paradise, CA
Workplace Bullying	8/20/2014	10:00 AM	1.00	Webinar	N/A

#### October 2014

Topic	Date	Start	Duration	Type	Location
Benefits Fair	10/1/2014	11:00 AM	2.00	Fairs	Folsom, CA

#### Training Comment:

ACI is pleased to have provided training services that met your needs during the fourth quarter of 2014. This quarter, ACI delivered the Quarterly Management Training Series with How to Respond to a Critical Incident. Next quarter, look for the upcoming How to Run Effective Meetings webinar. Visit ACI's YouTube channel for 24/7 access to more trainings and popular videos. For consultation, support services and flexible training options tailored for your workplace, contact ACI at 800-932-0034 and ask to speak with a member of the training team, or email us at [training@acieap.com](mailto:training@acieap.com).

#### Newsletters

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ACI provided the following HealthY-mails this quarter: How to Think Less and Do More; Demystifying 4 Myths of Happiness; Financially Fit in 5 Simple Steps; Spring Clean Your Life in 5 Simple Steps; The Impact of Obsession on Daily Life; Digital Detox in 4 Simple Steps; Readjusting to Relationships; Address Workplace Bullying in 4 Simple Steps; 4 Ways to Ease Back-to-School Stress; Ease Holiday Stress with 4 Simple Tips; 7 Easy Ways to Pay it Forward; A Holiday Message from Dr. Ann Clark.

**Formal Referrals**

---

The Supervisory Referral process is a powerful yet easy-to-use tool for managers to address employee behavior concerns. Examples of workplace issues that can be resolved through this process include: difficulty working with others, anger management, substance abuse, loss of productivity, absenteeism, and more.

The Supervisory Referral process reduces the amount of time managers spend dealing with workplace issues and maximizes the potential for issues to be resolved.

To begin a Supervisory Referral, or for more information or consultation, contact the ACI Clinical Department at 800-932-0034.

Number of Formal Referrals: 2  
Number of Informal Referrals: 0

1/1/2014 - 12/31/2014

**Employee Assistance Program Utilization Report****Utilization Hours**

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Onsite Services and Webinars	7.00
Employee Assessment	94.00
Consultation: Work/Life & Concierge	28.00
Consultation: Employee Consultation	11.00
Consultation: Supervisor, Management and Outside Consultants	213.00
<hr/> Total Program Hours this Period:	<hr/> 353.00

**Utilization Comments**

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1/1/2014 - 12/31/2014

## Employee Assistance Program Utilization Report

ACI customers can now instantly access benefits and services with the tap of a touchscreen using the myACI app. Available for free download on both IOS and Android, the myACI app allows customers to make direct requests for services and choose their preferred method of response, by either text, phone or email. Once a request is submitted, customers will hear back from one of ACI's intake specialists in seconds. Customers will have to enter a company code to get started, and ACI's Account Management Team has all the details, information and promotional materials ready to share. An added bonus, all of ACI's mobile apps are available for all family members – even abroad! ACI encourages all customers to download and use the myACI app, provide ACI with any feedback on the user experience, and contact ACI's account managers for any specific questions or additional support.

ACI Specialty Benefits thanks you for your partnership that has helped us achieve 30 years of excellence – truly a milestone and certainly a tribute to the loyalty, trust and confidence you have placed in ACI.

ACI recently unveiled the new and improved Veteran Connection, a one-stop site that offers extensive links and resources tailored to meet the needs of a broad spectrum of service members. Redesigned and updated with exclusive multimedia content, Veteran Connection is the ultimate guide for veterans and active duty military. Visit <http://veteran-connection.com/>.

Have you tried the myACI app? Available for free download on both IOS and Android, the myACI app allows customers to make direct requests for services. Once a request is submitted, customers will receive a prompt response from one of ACI's intake specialists. ACI encourages all customers to download the myACI app, provide ACI with any feedback on the user experience and contact ACI's dedicated account managers for any specific concerns.

Did you know that the average employee checks their phone over 150 times a day? That equates to at least once every 6.5 minutes of daily waking hours. Additionally, email is opened on average 48 hours after it is sent, compared to text messages opened on average within four minutes of being sent – making SMS 720 times faster and more effective than traditional email communication. ACI Specialty Benefits meets the current mobile demand in benefits with apps that provide instant access to benefits, a website with responsive design for mobile devices, and new text reminder services to improve the customer experience. ACI encourages all customers to download the myACI app, provide ACI with any feedback on the user experience and contact ACI's dedicated account management team for any specific concerns.

About 60% of all Internet activity in the U.S. originates from mobile devices, and 86% of mobile usage is within apps. With mobile, global, and social features and access, ACI Specialty Benefits meets business and employee needs through transformative technology. Employee landing pages, mobile apps, websites with responsive design, text message reminders, a YouTube channel, and Virtual Folders for benefits management provide instant, 24/7 access to information and services. ACI encourages all customers to download the myACI app to take full advantage of EAP benefits, and ACI's dedicated account management team is always available to answer specific questions and provide additional support.

From 1/1/2014 to 12/31/2014, NCCSIF achieved an annualized utilization rate of 4.6%. With ACI's data calculated in real-time, annualized utilization rates presented in this report may be subject to a <2% variation.

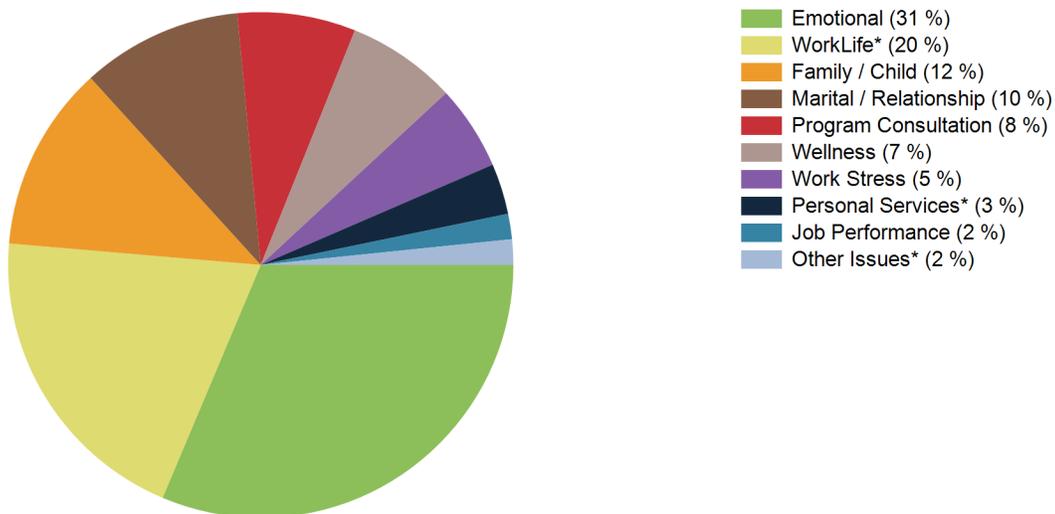
This decreased from the previous Utilization period which was 6.8%.

## Primary Issue for Assessment

Primary Issue	New	Previous Quarter	Year To Date
Alcohol	1	0	1
Drugs	1	0	1
Emotional	58	21	58
Family / Child	22	4	22
Job Performance	3	3	3
Marital / Relationship	19	11	19
Other	1	0	1
Personal Services*	6	1	6
Program Consultation	14	0	14
Wellness	13	23	13
Work Stress	10	1	10
WorkLife*	37	5	37

Nearly \$44 billion is lost by businesses and corporations each year due to the effects of depression, including lost productivity and lost work days (according to the Journal of AMA). Utilizing ACI's Employee Assistance Program services helps employees and family members better address everyday work and life issues affecting mental, emotional, and/or behavioral health.

New Issues this Quarter



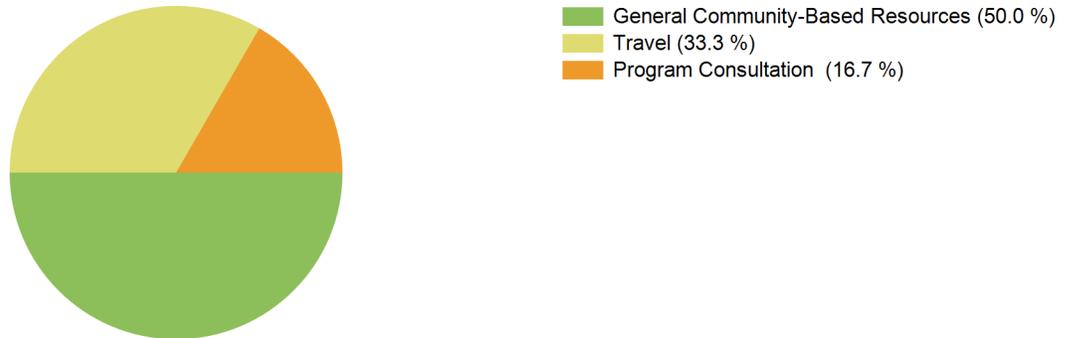
\*Any WorkLife and Personal Services cases are detailed later in the report, and 'Other Issues' includes issues <1%.

## Employee Assistance Program Utilization Report

### Primary Issue Breakout for Personal Services

Referral Made	New	Previous Quarter	Year To Date
General Community-Based Resources	3	1	3
Program Consultation	1	0	1
Travel	2	0	2

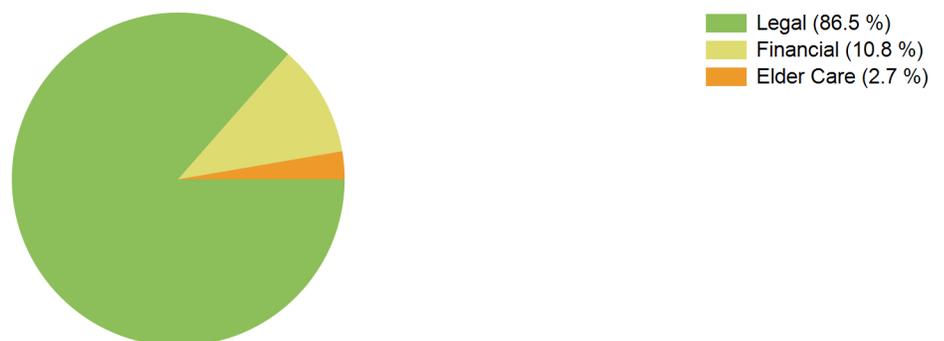
#### New Issues this Quarter



### Primary Issue Breakout for WorkLife

Referral Made	New	Previous Quarter	Year To Date
Elder Care	1	0	1
Financial	4	1	4
Legal	32	4	32

#### New Issues this Quarter

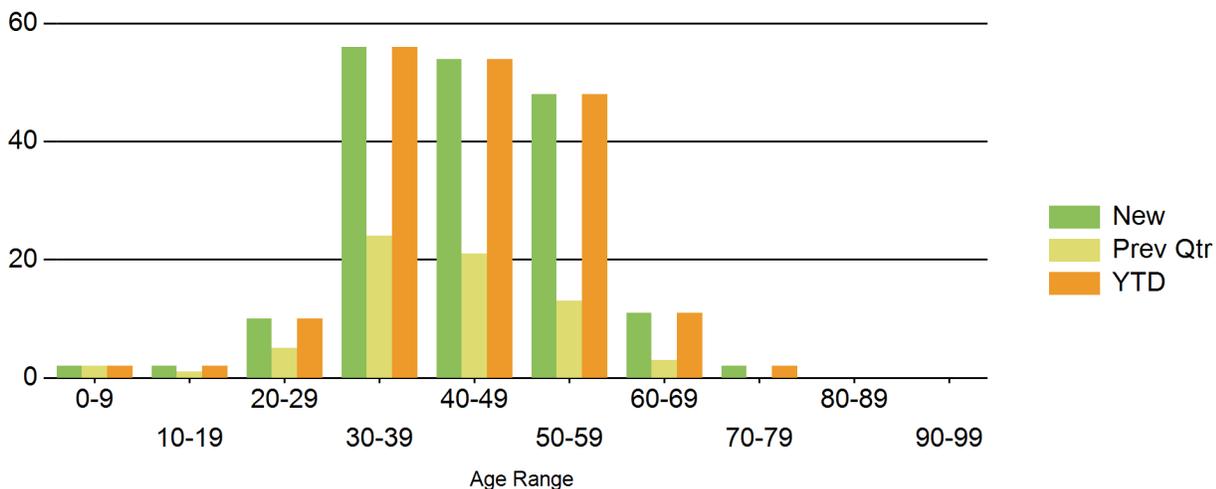


## Demographic Data

Gender	New	Previous Quarter	Year To Date
Female	99	40	99
Male	84	29	84
Unknown	2	0	2

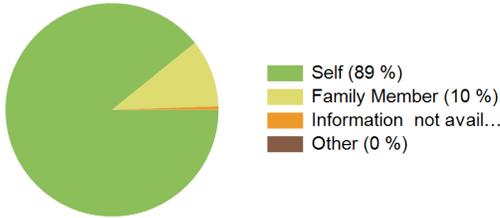


Age Range	New	Previous Quarter	Year To Date
0-9	2	2	2
10-19	2	1	2
20-29	10	5	10
30-39	56	24	56
40-49	54	21	54
50-59	48	13	48
60-69	11	3	11
70-79	2	0	2
80-89	0	0	0
90-99	0	0	0



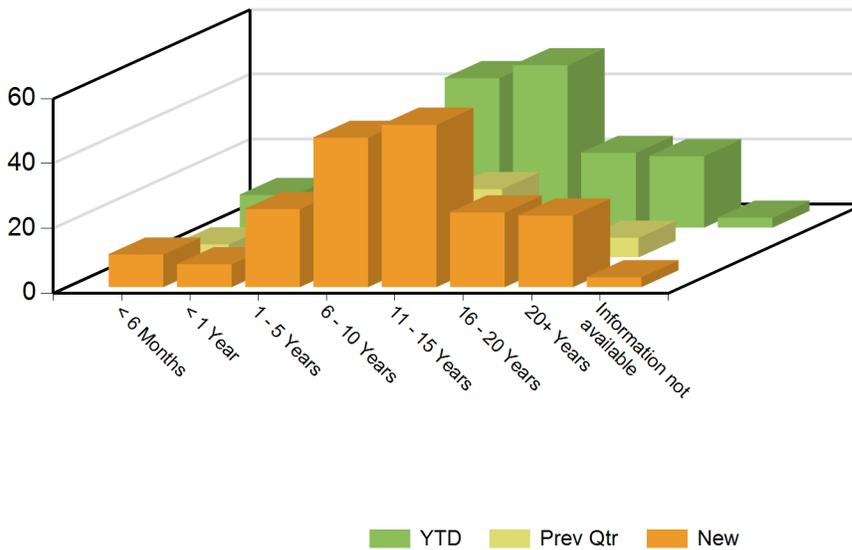
Who is Initiating Contact with ACI	New	Previous Quarter	Year To Date
Information not available	1	0	1
Self	165	63	165
Family Member	19	6	19
Other	0	0	0

## Employee Assistance Program Utilization Report



### Employment Data

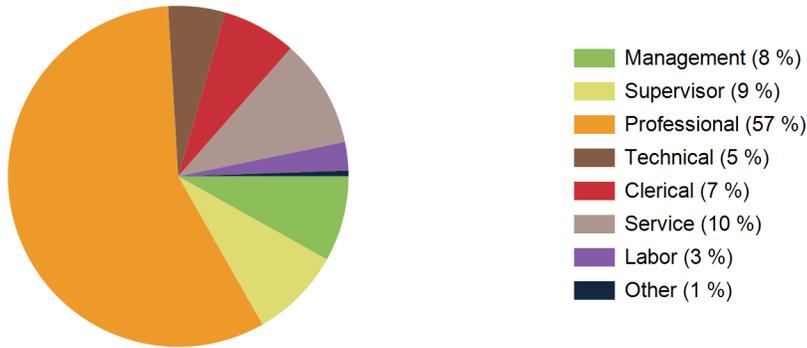
Years Employed	New	Previous Quarter	Year To Date
< 6 Months	10	4	10
< 1 Year	7	2	7
1 - 5 Years	24	7	24
6 - 10 Years	46	22	46
11 - 15 Years	50	21	50
16 - 20 Years	23	7	23
20+ Years	22	6	22
Information not available	3	0	3



Job Category	New	Previous Quarter	Year To Date
Management	15	0	15
Supervisor	16	4	16
Professional	106	32	106
Technical	10	4	10
Clerical	13	8	13
Production	0	0	0
Service	19	14	19
Sales	0	0	0
Labor	5	3	5
Other	1	4	1

1/1/2014 - 12/31/2014

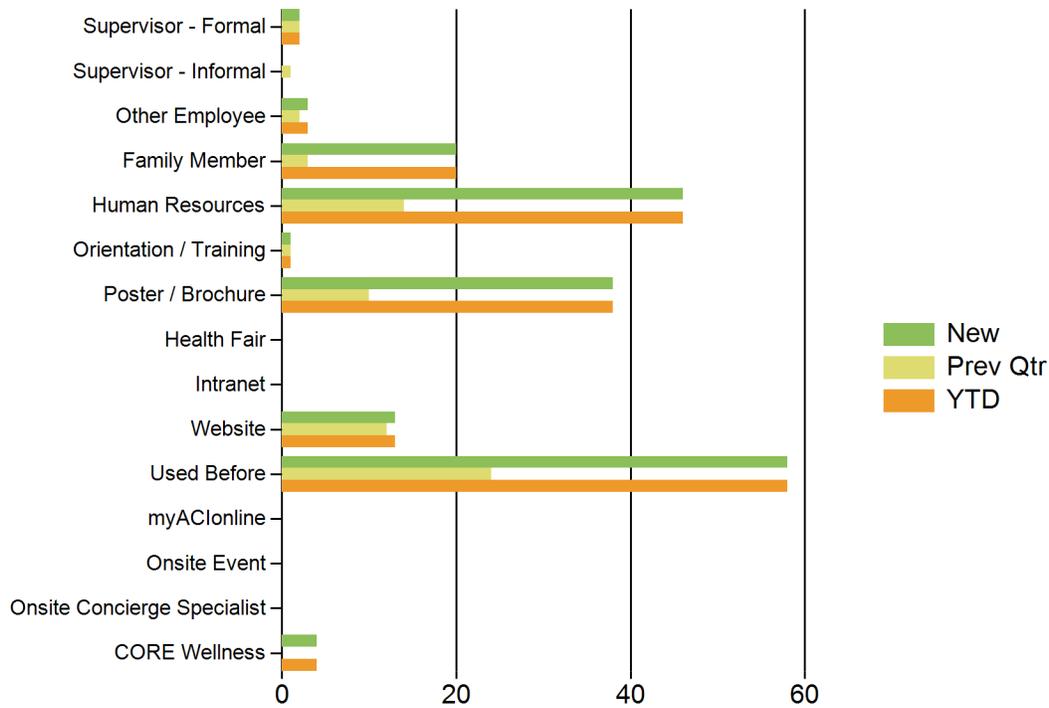
## Employee Assistance Program Utilization Report



### Referral Source

Referral Source	New	Previous Quarter	Year To Date
Supervisor - Formal	2	2	2
Supervisor - Informal	0	1	0
Other Employee	3	2	3
Family Member	20	3	20
Human Resources	46	14	46
Orientation / Training	1	1	1
Poster / Brochure	38	10	38
Health Fair	0	0	0
Intranet	0	0	0
Website	13	12	13
Used Before	58	24	58
myACIonline	0	0	0
Onsite Event	0	0	0
Onsite Concierge Specialist	0	0	0
CORE Wellness	4	0	4

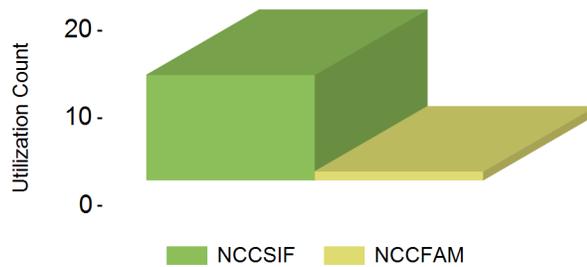
## Employee Assistance Program Utilization Report



### Comparison by Location

#### Top Locations

Location	Utilization Count
NCCSIF	12
NCCFAM	1



#### Top Issues by Location:

Location	Issue	Utilization Count
NCCFAM	Wellness Consultation	1
NCCSIF	CORE Wellness Website	4
	Tech Support - Telephonic	4
	Counseling	3



BACK TO AGENDA

**Northern California Cities Self Insurance Fund  
Board of Directors Meeting  
June 18, 2015**

**Agenda Item I.8.**

**RISK MANAGEMENT SERVICES AND BUDGET**

The following items, 8.a through 8.e., are the same as being presented to the Risk Management Committee (RMC) in their meeting immediately prior to the Board Meeting.

The Program Administrator and Committee members will provide feedback and recommendations to the Board based on the RMC feedback.



## SEWER RISK MANAGEMENT PROPOSAL

### ACTION ITEM

**ISSUE:** DKF Solutions Group (*DKF*) has provided NCCSIF with a revised proposal (*attached*) addressing sanitary sewer overflows (*SSOs*) and backups impacting private property (*SBU*s) prevention and emergency response, including claims handling procedures. The Risk Management Committee (RMC) was presented a previous proposal at their last meeting, on April 16, 2015, and provided direction to obtain more information regarding member current practices and needs before making a recommendation for funding.

A survey of members was conducted and the DKF proposal was revised to reflect the needs expressed in the responses. The survey and revised proposal were provided to the Executive Committee at their meeting on May 21, 2015, with further questions and direction provided in the following areas:

- Should we solicit bids or conduct RFP?
- How do we identify which, if any, services are most effective?
- How do we fairly allocate the costs, particularly to those members who have good programs?
- Should we subsidize cost at all, given most items are state regulatory requirements? *Perhaps a stick rather than carrot approach is called for.*

The Program Administrators (PAs) will address the topics of discussion below and seek further direction or consensus from the RMC and Board.

**Bids/RFP** – not recommended due to “sole source” nature of the services provided by DKF. They have developed this niche through years of working with the California Sanitation Risk Management Authority (CSRMA), a risk sharing pool of sanitary districts throughout the state.

The PAs contacted the City of Belmont because they issued an RFP in April 2015 requesting help in developing SOPs related to their sewer and general public works operations, including the components in the DKF proposal. They sent the RFP to at least eight consultants and received only two proposals, one from DKF and one that was deemed incomplete. One large consulting engineering firm specializing in water resources asked to partner with any respondent who could provide the SSMP components that are a main focus of the DKF proposal because they could not.

Based on the services being sought and the response received by the City of Belmont the Program Administrators believe an RFP would not yield viable options and is not necessary.



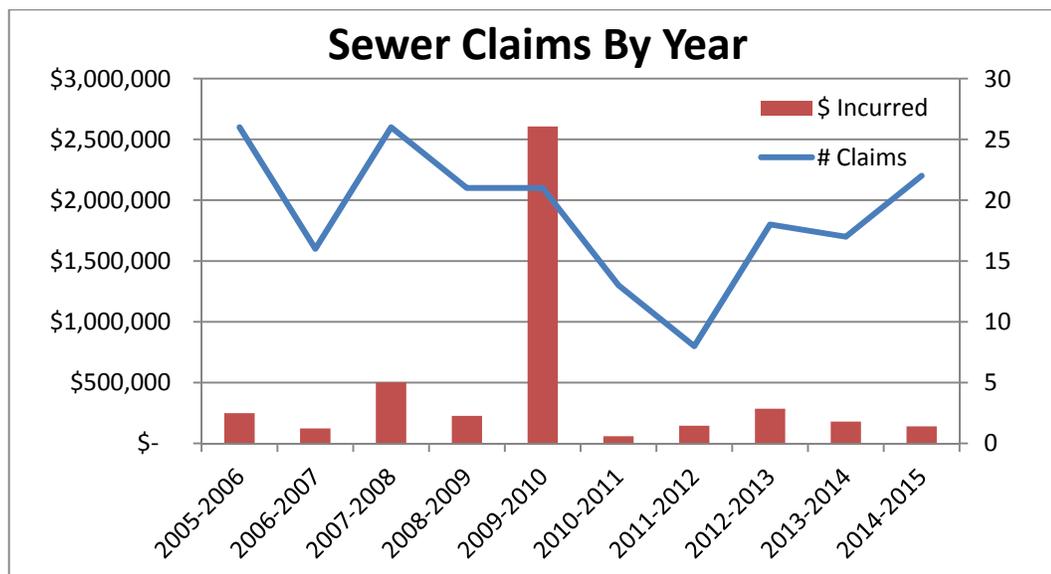
Northern California Cities Self Insurance Fund  
 Board of Directors Meeting  
 June 18, 2015

**Are the Services Effective?** Based on the PAs experience with another JPA the answer is yes, though as with any risk management initiative it is difficult to prove causation. By implementing the services under consideration the other JPA was able to reduce their claims by over \$2 million per year.

In late 2009 and early 2010 DKF assisted some NCCSIF members with backup response training and procedure guides, and for a couple of years both the number and severity of backups decreased, only to creep up again over the last three years (see accompanying table and charts below). The members also implemented Risk Management P&P # 9, Model Sewer Overflow and Backup Response (attached) in late 2009, though it is listed as advisory and doesn't provide concrete help.

Sewer Backup Claims By Year			
FY	# Claims	\$ Incurred	Average
2005-2006	26	\$ 248,960	\$ 9,575
2006-2007	16	\$ 122,989	\$ 7,687
2007-2008	26	\$ 500,800	\$ 19,262
2008-2009	21	\$ 226,824	\$ 10,801
2009-2010*	21	\$ 2,606,712	\$ 124,129
2010-2011	13	\$ 58,277	\$ 4,483
2011-2012	8	\$ 145,639	\$ 18,205
2012-2013	18	\$ 284,695	\$ 15,816
2013-2014	17	\$ 178,689	\$ 10,511
2014-2015	22	\$ 140,193	\$ 6,372
<b>Grand Total</b>	<b>188</b>	<b>\$ 4,513,780</b>	<b>\$ 24,009</b>

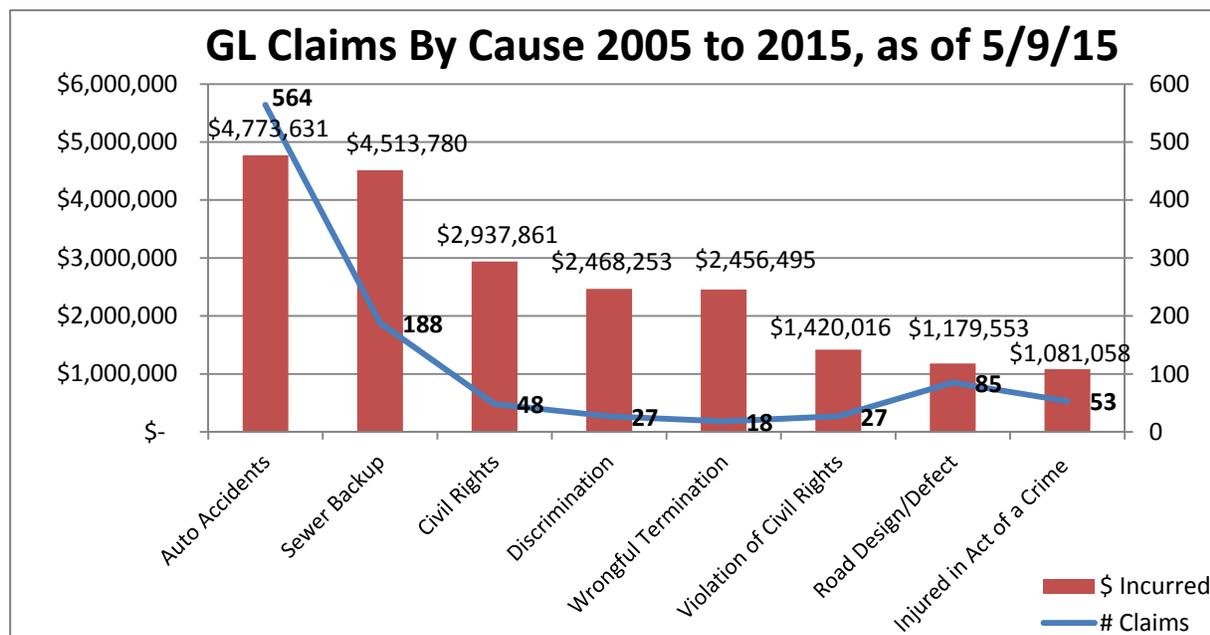
\* Includes one claim with incurred of \$2,400,000  
 Average without above = \$10,336.





Northern California Cities Self Insurance Fund  
 Board of Directors Meeting  
 June 18, 2015

The PAs believe a sustained effort at sewer risk management for all members, including best practices related to sewer ordinances, will pay off in reduced frequency and severity of claims. Given the overall budget of about \$80,000, with a matching fund of half that amount currently being considered, even a small reduction in losses would prove to be cost effective. It's worth noting that the largest claim ever incurred by NCCSIF (*twice* the amount of the next largest claim) was a sewer backup, and per the chart below, sewer backups are one of the most frequent and severe types of claims members experience. Given this, not to take action to address this exposure is to miss one of NCCSIF's greatest opportunities to improve its results.



**Allocation of Costs:** the Executive Committee also discussed an equitable allocation of the estimated costs of the services. The cost will vary based on participation but the PAs estimated them at \$80,000 and recommended funding half of the costs, on a matching basis, until the funds ran out. The EC was provided the following breakdown of the \$40,000 by member if the standard allocation is used.



Northern California Cities Self Insurance Fund  
 Board of Directors Meeting  
 June 18, 2015

<b>NCCSIF Liability Funding 2015-16</b>			
<b>Member Entity</b>	<b>Without Sewer RM</b>	<b>With Sewer RM</b>	<b>Difference</b>
Anderson	\$ 98,996	\$ 100,308	\$ 1,312
Auburn	\$ 212,095	\$ 213,959	\$ 1,864
Colusa	\$ 58,885	\$ 59,983	\$ 1,098
Corning	\$ 93,614	\$ 94,863	\$ 1,249
Dixon	\$ 157,159	\$ 159,107	\$ 1,948
Elk Grove	\$ -	\$ -	\$ -
Folsom	\$ 1,081,904	\$ 1,089,678	\$ 7,774
Galt	\$ 333,545	\$ 335,844	\$ 2,300
Gridley	\$ 118,816	\$ 120,267	\$ 1,450
Ione	\$ 42,878	\$ 43,842	\$ 964
Jackson	\$ 94,125	\$ 94,125	\$ -
Lincoln	\$ 371,008	\$ 373,682	\$ 2,674
Marysville	\$ 168,762	\$ 170,035	\$ 1,274
Nevada City			\$ -
Oroville	\$ 199,594	\$ 201,620	\$ 2,026
Town of Paradise	\$ 135,199	\$ 136,623	\$ 1,424
Placerville			\$ -
Red Bluff	\$ 279,348	\$ 280,963	\$ 1,615
Rio Vista	\$ 84,819	\$ 86,053	\$ 1,234
Rocklin	\$ 494,208	\$ 498,514	\$ 4,306
Willows	\$ 58,075	\$ 59,140	\$ 1,065
Yuba City	\$ 514,064	\$ 518,487	\$ 4,423
<b>Total:</b>	<b>\$ 4,597,092</b>	<b>\$ 4,637,092</b>	<b>\$ 40,000</b>

Discussion included the fact that members who have model programs (Folsom) or don't have sewer systems (Rocklin and Paradise) are asked to pay a substantial portion of the costs. Given that much of the work centers on regulatory compliance there is concern that members should pay for that themselves, or members who are in compliance should receive other services instead. This led to the last point of discussion – given there is a significant risk NCCSIF should address, what is the best approach to reduce it?

**Approach to Solution:** Does this risk call for a carrot or stick approach, or perhaps some combination? Discussion of “stick” options included raising a member’s SIR for sewer backup claims if they don’t meet the recommended guidelines by a certain date.



**Northern California Cities Self Insurance Fund  
Board of Directors Meeting  
June 18, 2015**

This discussion brought up a number of policy issues related to how NCCSIF funds risk management services and what those services should be. The discussion is a healthy one and these issues should be addressed whenever new services are recommended. Given that sewer backups are a major cause of loss, and NCCSIF's mission includes providing members quality services in risk and claims management, the PAs believe this is an underserved area that deserves funding. How much funding, for which services, and at what cost to individual members are questions to be decided by the members.

**RECOMMENDATION:** Update the Sewer Risk Management Policy and Procedure to include a model sewer ordinance and include that in the Best Practices that are audited by Bickmore.

Agree to fund up to \$40,000 for sewer risk management but focus initially on training to respond to backups and overflows and maintenance of the system (items 2, 4 and 5 of the proposal), while encouraging members to work with DKF as needed to bring them up to regulatory standards.

Consider additional services or funding as a bonus to those agencies who are already in compliance or don't have the exposure themselves.

**FISCAL IMPACT:** TBD. The revised proposal ranges from \$70,000 to \$80,000 if all services are implemented and a minimum number of members participate. Savings are expected based on reducing the frequency and severity of sewer backup claims, avoiding watchdog lawsuits, and regulatory compliance.

**BACKGROUND:** SSOs and SBUs impacting private property are a significant cause of loss to public agencies operating sewer systems resulting from property damage claims, Clean Water Act Citizen Suits and regulatory fines and penalties. As sanitary sewer infrastructure ages, the frequency and severity of SSOs and SBUs can be expected to increase in the absence of aggressive and strategic preventive maintenance and repair/replacement programs.

The State Water Resources Control Board (*SWRCB*) requires sanitary sewer system operators to have a Sanitary Sewer Management Plan (*SSMP*). The *SSMP* must address several elements, which when taken together, describe how an organization will budget, staff, provide preventive maintenance and repair/replace its sanitary sewer system to provide reliable performance of the system to minimize the likelihood of SSOs and SBUs. The *SSMP* must also include an Overflow Emergency Response Plan to address SSOs that occur.

**ATTACHMENTS:**

1. Revised Proposal for Sanitary Sewer Risk Management Services
2. Sanitary Sewer Risk Control Survey Results as of 5/12/2015
3. Policy and Procedure RM-9, Model Sewer Overflow and Backup Response



**~Proposal From DKF Solutions Group, LLC For Services To~  
Northern California Cities Self Insurance Fund (NCCSIF)  
Proposal No. 031615-1-2**

This PROPOSAL is made on February 12, 2015 by and between DKF Solutions Group, LLC and the Northern California Cities Self Insurance Fund (hereafter referred to as NCCSIF). This PROPOSAL is valid until 12am, July 30, 2015.

**SCOPE: Provide the following California State Water Resources Control Board (SWRCB) Related services** (Note: All SWRCB policy/procedure development will utilize DKF Solutions Group's policies/procedures and, unless otherwise noted below, not involve site time. DKF Solutions Group will collect necessary information from the member utilizing a combination of web meetings, phone call and email. If a NCCSIF member requests site time for additional assistance and/or meetings, time will be billed at one-half travel plus site at a rate of \$145/hour or the hourly rate of the subcontractor, whichever is higher.)

1. Perform an audit of each member's Sanitary Sewer Management Plan audit against the SWRCB's Waste Discharge Requirements, updated Monitoring and Reporting Program (MRP) Requirements and the SWRCB Pre-SSMP Inspection Questionnaire. The audit will include one on site meeting and will provide the member with a detailed report listing, by SSMP Element, those items missing, deficient or not in compliance with SWRCB requirements or in conformance with generally accepted best practices for sewer collection system management.

**FEE: \$4,500 per member with a minimum of 8 participating members**

2. Develop and/or update NCCSIF Members' Sanitary Sewer Overflow/Backup Response Plans (OERP) to reflect SWRCB Waste Discharge Requirements, September 2013 SWRCB updated Monitoring and Reporting Program requirements, the California Sanitation Risk Management Authority's model Sewer Overflow and Backup Response Plan Best Practices and NCCSIF's sewer backup claims handling procedures.

Completed OERPs will be delivered to members electronically as a secure PDF file. Members utilizing this service will use the DKF OERP template tailored to NCCSIF sewer backup claims handling procedures and are limited to one draft review.

**Fee: \$1,900 per member with a minimum of 8 participating members**

\*Costs associated with member-requested hardcopy deliverables (i.e. SSO and Backup Response Packets, OERP Summary Wall Posters, Computer Training Module on Completed OERPs, etc) to be the responsibility of the member.

3. Develop pump station emergency response plans (PSERP) meeting SWRCB requirements.

**Fee:** The following pricing assumes a minimum of 10 PSERPs are developed and can be a combination of large and small pump stations.

- Small stations (no on site generator and/or fewer than 3 pumps) = \$1,700/station
- Large stations (on site generator and/or 3 or more pumps) = \$2,400/station

Note: Any member wishing to contract directly with DKF Solutions Group for the development of PSERPs beyond the limit established by NCCSIF will be offered the same pricing.

\*Costs associated with member-requested hardcopy deliverables (i.e. Waterproof and bound copies, Computer Training Module on Completed PSERPs, etc) to be the responsibility of the member.

4. Provide one NCCSIF-branded interactive computer training module to each member having their OERP updated as part of Item 2, above, addressing:
  - The member's final OERP
  - SWRCB OERP training requirements for sewer collection workers
  - SSO volume estimation techniques and documentation in accordance with SWRCB requirements

- Tactical communication skills for sewer collection workers when interacting with citizens following a sewer overflow or backup

The training module will be delivered electronically to each member for storage on the member's computer network. The training module will operate on any major internet browser, with or without an internet connection.

**Fee: \$1,500 per member with a minimum of 8 participating members**

**SUBCONTRACTORS:** DKF Solutions Group routinely subcontracts with subject matter experts in order to provide the highest quality policy and procedure development and training services. DKF Solutions Group reserves the right to subcontract subject matter experts in instances where the NCCSIF member will be best served by subcontracting a particular service.

**DELIVERABLE(S):** All policies, procedures and other documents will be delivered as secure pdf files. All electronic training modules will be delivered electronically and is capable of running on any major internet browser.

**CLIENT RESPONSIBILITIES:**

1. Each Member will provide a on-site staff time to work with DKF SOLUTIONS GROUP to gather technical information and photos necessary to complete SCOPE. The staff provided by each Member will have the technical knowledge, expertise, and/or written materials necessary for DKF SOLUTIONS GROUP to make technically correct evaluations.
2. All meetings or other work involving DKF SOLUTIONS GROUP, Member, and Member-provided vendors will be scheduled at mutually agreeable dates and times.

**COMPENSATION:** DKF Solutions Group, LLC reserves the right to collect reimbursable expenses. Reimbursable expenses include, but are not limited to, administrative costs such as postage and certificates of insurance. Additionally, DKF Solutions Group reserves the right to be reimbursed for all reasonable travel expenses related to work at the Member locations. All travel will be approved by NCCSIF prior to any travel expenses being incurred.

DKF Solutions Group, LLC will invoice CLIENT 75% of fixed fee items upon delivery of any draft documents.

Each Member must submit any required document review comments and edits within 60 days. If comments/edits are not received within 60 days, DKF SOLUTIONS GROUP reserves the right to finalize the last draft as the final product and be compensated accordingly. The Member will then be allowed up to another 30 days to submit review comments and edits without further fees, after which, additional fees at an hourly rate of \$145 will be assessed.

**AVAILABILITY:** DKF Solutions Group is available on or after June 1, 2015 to provide the services described in SCOPE.

**TERMS:** DKF Solutions Group shall retain all copyright, patent, trade secret and other intellectual property rights in all Content/products created pursuant to the services contracted-for and rendered under the Agreement. Subject to its receipt of all compensation due under the Agreement, DKF Solutions Group grants Client a nonexclusive, nontransferable license, authorizing Client to use the WORK for its own purposes once payment in full is received.

**STANDARD OF CARE/WARRANTY:** DKF SOLUTIONS GROUP will perform the work under this Agreement as an independent contractor and in accordance with generally accepted professional practices. DKF SOLUTIONS GROUP will utilize reasonable care and skill consistent with and equal to that customarily possessed by environmental, health and safety consulting professionals in the community.

The parties to this agreement recognize the complex, subjective, and performance based nature of many environmental, occupational safety and health laws and regulations and the administrative interpretations thereof. In performance of the work, DKF SOLUTIONS GROUP must rely upon information derived from secondary sources and personal interviews. Except as specifically required in the scope of work, DKF SOLUTIONS GROUP will make no independent investigation as to the accuracy of completeness of the information derived from the secondary sources and personal interviews, and will assume that such information is accurate and complete.

All recommendations, findings, and conclusions will be based upon information and circumstances as they existed at the time of preparation (e.g. Federal, state, and local laws; political climate; and other matters that DKF Solutions Group, LLC deemed relevant). A change in any fact or circumstance may adversely affect the recommendations, findings, and conclusions expressed in the WORK. Accordingly, except as set forth in the first paragraph of this section, DKF SOLUTIONS GROUP makes no other representation, warranty or guarantee, express or implied.

**ACCEPTANCE:** To accept this proposal from DKF Solutions Group, LLC, for services described in SCOPE under the terms and conditions described herein, please sign below and return.

\_\_\_\_\_  
Name and Title of NCCSIF Representative

\_\_\_\_\_  
Date

Quetsion #	2	3	4	5	6	7
Proposal #			<b>Proposal Item 1</b>	<b>Item 3</b>	<b>Item 3</b>	
Member	Has your Sanitary Sewer Management Plan (SSMP) been audited by the State Water Resources Control Board (SWRCB), Regional Water Quality Control Board (RWQCB) or contracted SSMP consultant in the last two years?	Has your SSMP been updated to reflect the regulatory changes effective 9/13?	Would you like to have your SSMP reviewed for compliance before the SWRCB or RWQCB performs your SSMP audit?	Do you have emergency response plans <b>specific</b> to each pump/lift station?	Has your Overflow Emergency Response Plan (OERP) been updated to reflect the regulatory changes effective 9/13?	When was your OERP last updated?
Auburn	Y	Y	N	Y	Y	/2014
Colusa	N	Y	Y	Y	Y	/2014
Dixon	N	Y	N	Y	Y	/2014
Folsom	Y	Y	N	N	Y	/2014
Galt	N	N	Y	N	Y	2014
Gridley	N	N	Y	N	N	/?
Ione	N	N	Y	N	N	?
Jackson	N	Y	Y	Y	N	2009
Oroville	N	N	Y	N	N	/2009
Red Bluff	N	N	Y	N	N	/2009
Rio Vista	Y	N	N	N	N	?
Yuba City	Y	Y	N	N	Y	/2013
<b>TOTALS:</b>	<b>4Y/8N</b>	<b>6Y/6N</b>	<b>7Y/5N</b>	<b>4Y/8N</b>	<b>6Y/6N</b>	

**NOTES:** 14 members responded. 5 Members with sewer operations did not respond.  
 Rocklin has sewer district. Paradise septic only.  
 Folsom has model program

Question #	8	9	11
Proposal #	Items 2 & 3	Item 4	Item #5
Member	Would you like to have your OERP updated to reflect <u>current</u> regulatory requirements and NCCSIF procedures for responding to sewer backups impacting private property?	Have your sewer collections workers received training in the last two years on different methods of calculating sewer overflow volumes, including the degree of detail the SWRCB requires in the documentation describing how you arrived at the volume that is reported to CIWQS?	Do you have written SOPs for each piece of equipment requiring specialized knowledge that may be involved in an emergency response to an SSO?
Auburn	N	Y	Y
Colusa	Y	Y	Y
Dixon	N	Y	Y
Folsom	N	Y	Y
Galt	N	Y	N
Gridley	Y	N	N
Ione	Y	Y	N
Jackson	Y	N	N
Oroville	Y	Y	N
Red Bluff	Y	N	N
Rio Vista	Y	N	N
Yuba City	N	Y	Y
<b>TOTALS:</b>	<b>7Y/5N</b>	<b>8Y/4N</b>	<b>5Y/7N</b>

**NOTES:**

Question #	12	10	10	10	10
Proposal #	Not an NCCSIF Exposure	Ordinance Best Practices			
Member	Do you have a written Water Quality Monitoring Plan for sampling surface waters following a sewer spill of 50,000 gallons or more that meets the requirements of the amended SWRCB Monitoring and Reporting Program, effective 9/13?	Does your sewer ordinance clearly identify who owns AND is responsible for maintenance of the lower lateral, up to and including the fittings and connection to the main?	Does your sewer ordinance require the installation of a backflow prevention device when the lowest dwelling plumbing fixture is 12" or less above the rim of the nearest upstream manhole	Does your sewer ordinance require the installation of a backflow prevention device when property has been damaged by a sewer backup due to a problem in the main?	Does your sewer ordinance require the property owner to maintain backflow prevention devices on private laterals?
Auburn	Y	Y	Y	Y	Y
Colusa	N	Y	N	N	N
Dixon	N	Y	Y	Y	Y
Folsom	Y	N	N	N	N
Galt	N	N	N	N	N
Gridley	N	Y	N	N	N
Ione	Y	N	N	N	N
Jackson	N	Y	N	N	N
Oroville	N	Y	Y	Y	Y
Red Bluff	N	Y	Y	Y	Y
Rio Vista	N	?	?	?	?
Yuba City	Y	Y	Y	NA	NA
<b>TOTALS:</b>	<b>4Y/8N</b>	<b>8Y/3N</b>	<b>5Y/6N</b>	<b>4Y/6N</b>	<b>4Y/6N</b>

NOTES:



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**RISK MANAGEMENT POLICY AND PROCEDURE #RM-9**

**SUBJECT:** MODEL SEWER OVERFLOW AND BACKUP RESPONSE

**PURPOSE:** This purpose of this Policy and Procedure is to ensure that members establish guidelines in cleaning up and decontaminating sewer spills which may occur within a members' service area. Members will follow reporting procedures in regards to sewer spills as set forth by Proposition 65 and California Code of Regulations Title 19.

**POLICY:** Employees are required to report all wastewater overflows found and to take the appropriate action to secure the wastewater overflow area, relieve the cause of the overflow, and ensure that the affected area is cleaned as soon as possible to minimize health hazards to the public and to protect the environment. Our goal is to respond to sewer system overflows as soon as possible following notification.

**This model policy and procedure is advisory.**

**Effective Date:** April 28, 2006



## EMPLOYMENT PRACTICES LIABILITY (EPL) HOTLINE

### ACTION ITEM

**ISSUE:** Members asked the Program Administrators (PAs) to provide an option for Employment Practices Liability (EPL) risk management, primarily a hotline service to provide legal advice as needed, particularly prior to any decision related to discipline or termination of employment. The PAs reached out to Liebert Cassidy for a quote based on prior experience with them, the training consortium they offer that includes hotline services, and the fact that nine members are already members of their consortium.

The attached proposal from Liebert Cassidy outlines their services and pricing for NCCSIF members, a total annual cost of \$53,900. If all members except Nevada City and Placerville (PARSAC pays for their membership) join the average cost per member would be \$2695. That figure would be adjusted based on a member's size, so that those members whose consortiums are less than the average would pay less.

**FISCAL IMPACT:** Annual cost of \$53,900 if all members join. NCCSIF budgets to subsidize the cost and allocation to members TBD. The average Wrongful Termination claim over the last ten years is \$136,472, so preventing one claim per year through this service would result in a return on investment of 253%.

**RECOMMENDATION:** Review and provide direction regarding proposal and funding.

### ATTACHMENT(S):

1. Liebert Cassidy Whitmore EPL Proposal
2. Current NCCSIF Membership List and Proposed Pricing
3. Liebert Cassidy Whitmore Consortium Description

May 22, 2015

**VIA EMAIL**

**Marcus.Beverly@alliant.com**

Mr. Marcus Beverly  
First Vice President, Public Entity Group  
Alliant Insurance Services, Inc.  
1792 Tribute Road, Suite 450  
Sacramento, CA 95815

**Re: *Liebert Cassidy Whitmore Services***

Dear Mr. Beverly:

Thank you for contacting me about Liebert Cassidy Whitmore's hotline services. We are excited about the possibility of providing these services to the Northern California Cities Self Insurance Fund (NCCSIF) members. This letter and the enclosures will provide an overview of our services.

**Hotline Services**

Liebert Cassidy Whitmore provides hotline services to hundreds of public agencies annually through our Employment Relations Consortiums. We also provide hotline services to the members of various associations including the California Sanitation Risk Management Authority (CSRMA). We would welcome the opportunity to assist the NCCSIF members reduce their liability by providing a hotline service for their use.

Members would be welcome to speak with any of our attorneys. If you would like us to assign specific attorneys to your hotline, we are happy to do so. We have offices throughout the state, including our recently opened Sacramento office. Your members could call any office or email in their questions – either to the firm's general number/email address or to a specific attorney.

We propose a blended rate of \$250 for these calls (our current hourly rates range from \$190 - \$325.) NCCSIF could establish a cap on the number of hours member may use the service (i.e. 12 hours a year or 1 hour per month for each member) or leave it unlimited.

For those NCCSIF members that are already receiving hotline services through their consortium membership (see next section) we would continue to provide that through the consortium and not bill for those calls.

Work above the allotted hours or outside of the hotline service (i.e. reviewing documents or preparing documents), if any, would be billed at the attorney's standard hourly rate and we can bill this directly to the member.

**Consortium Services**

Since our inception in 1980, LCW has provided preventative labor and employment law training to public entities throughout California. Our consortiums are groups of entities geographically close to one another that pool their resources to provide training to their employees. Member agencies receive:

- A set number of classes annually, to which they may send their employees
- Reference material for all attendees
- Unlimited, complimentary telephone consultation
- Our monthly newsletter, Client Update
- Reduced fees on non-consortium seminars and webinars
- The ability to participate in any of the other 33 consortiums' workshops around the state, space permitting

These benefits help agencies minimize their liability, increase employee morale, and reduce legal fees. The workshops are presented by practicing attorneys who incorporate best practices along with legal theory. The presenters undergo a communication training course as well as an apprenticeship prior to becoming an LCW presenter.

Currently, more than 670 entities participate in our 33 consortiums statewide, including the following NCCSIF members:

City of Anderson	City of Placerville*
City of Elk Grove	City of Red Bluff
City of Galt	City of Willows
City of Lincoln	City of Yuba City
City of Nevada City*	

\*These agencies consortium memberships are paid by PARSAC

Enclosed for your reference is a chart of all NCCSIF members that reflects the exact cost for each of your members had they contacted us directly. The chart includes the nearest consortium, days of training received by that consortium and the annual cost of membership. The consortium fee is dependent upon the number of agencies in the consortium along with the

Mr. Marcus Beverly  
**Re: *Liebert Cassidy Whitmore Services***  
May 22, 2015  
Page 3

number of days the consortium receives. Additionally, some consortiums have a sliding scale fee based on the size of the agency.

You'll note that the rates range from \$1,738 to \$4,100 per year. If all NCCSIF members were to join, the cost would be \$67,370. If NCCSIF would like to provide the consortium service for all of their members, we can offer a group discount of 20% which would bring the total cost to \$53,900, which is \$2,450 for all 22 members or \$2,695 for 20 members (I removed the two that are paid by PARSAC). All NCCSIF members are near fiscal year consortiums whose next contract year begins July 1, 2015. We would welcome them at any point during the year and will prorate membership fees should NCCSIF choose to participate later in the year.

The NCCSIF members can join the consortium nearest to them to keep any drive time to the workshops to a minimum. This will also allow the members the opportunity to network with other public agencies near them. For those members that have already paid, I would suggest LCW refunding them upon receipt of NCCSIF's payment. I would rather not advertise to the consortium members that NCCSIF is receiving a discount. Should NCCSIF choose not to renew memberships in the future, those agencies would be billed the listed rate (and not the discounted rate) should they choose to continue.

### **Liebert Library**

Another option available to NCCSIF is the Liebert Library. The Library, which launched earlier this year, is an online source of all of our reference materials. A list of current Library holdings is attached for your reference. We offer two annual subscription levels:

**Basic (\$450 per year):** this membership gives users access to view, search and download all of our sample forms, policies, checklists that are used in our workbooks. These are available in both PDF and Word formats. Currently there are more than 200 sample forms, policies and checklists in the library. Many of these are sample personnel policies.

**Premium (\$995 per year):** this membership gives users access to all of our workbooks, as well as the sample forms, policies, checklists listed above. Additionally, Premium Members also receive a \$15 discount on any workbook they choose to purchase. In addition to the aforementioned forms and policies, the library contains more than 3,500 pages of legal and best practices text.

All members of our Employment Relation Consortiums (ERCs) are eligible to receive 10% off their Library subscription.

The membership fee covers the entire agency – anyone at the agency who may want to access the Library. The agency can decide who has access to this resource – HR Staff, managers, department heads, etc. We're finding that many members are utilizing the sample forms to update their personnel policies as well as research quick questions.

Currently the City of Yuba City is the only NCCSIF member that is also a Liebert Library subscriber.

Should NCCSIF be interested in providing the Liebert Library to all of their members in lieu of the Consortium, we'll honor the 10% discount. Should NCCSIF want to offer this in addition to the Consortium service, we'll honor a 20% group discount for the Liebert Library. Again, I would rather not advertise the discount to the NCCSIF members. Should NCCSIF opt out of renewing the subscription, the members would be billed the standard rates, should they wish to continue.

### **Firm Qualifications**

We've had the opportunity to work with NCCSIF members through the years in the provision of legal services, hotline calls and training services. We are leaders in public agency employment and labor law – it is not a subsection of our practice, it IS our practice. Our attorneys understand not only the law impacting public entities but also the practical implementations of the law. Additionally, we offer our clients one of the most comprehensive public sector employment and labor law training programs and reference materials.

With five offices we're well situated to assist agencies across the state. Our 80+-attorney firm makes us one of the largest labor and employment law firms. NCCSIF and its members would benefit from our depth and breadth of experience as well as our passion for this area of the law.

### **Summary**

Liebert Cassidy Whitmore welcomes the opportunity to expand our relationship with NCCSIF and its members. We are offering NCCSIF the following options, either separately or bundled:

- Hotline Services billed at \$250/hour
- Consortium membership for all 22 members at a discounted rate of \$53,900
- Liebert Library subscription for all members:
  - With Consortium Membership – 20% discount
  - Without Consortium Membership – 10% discount
    - Basic Membership for all NCCSIF members = \$8,910
    - Premium Membership = \$19,701

Mr. Marcus Beverly

**Re: *Liebert Cassidy Whitmore Services***

May 22, 2015

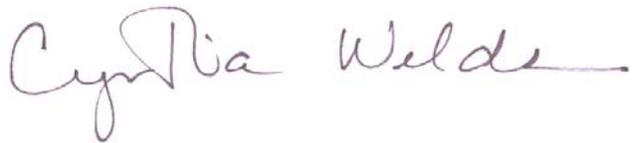
Page 5

We believe that NCCSIF members would benefit from the hotline service, consortium membership and/or Liebert Library options as they each reduce liability and improve performance.

If I can answer any questions, please do not hesitate to contact me at 310.981.2055 or [cweldon@lcwlegal.com](mailto:cweldon@lcwlegal.com).

Very truly yours,

LIEBERT CASSIDY WHITMORE

A handwritten signature in cursive script that reads "Cynthia Weldon". The signature is written in a dark ink and is positioned above the typed name and title.

Cynthia S. Weldon

Director of Marketing and Training

CSW:

Attachments

Agency	Nearest Consortium (ERC) to Agency	# of Days of Training	Price of that Consortium	Refreshment Fee (Additional)	Current Member?	Library Subscriber?
Anderson	North State (fiscal year)	5	\$4,100		Yes	No
Auburn	Gold Country (fiscal year)	5	\$2,547	\$100.00	No	No
Colusa	Gold Country (fiscal year)	5	\$2,547	\$100.00	No	No
Corning	North State (fiscal year)	5	\$4,100		No	No
Dixon	Napa/Solano/Yolo (fiscal year)	4	\$4,480	\$95.00	No	No
Elk Grove	Gold Country (fiscal year)	5	\$2,547	\$100.00	Yes	No
Folsom	Gold Country (fiscal year)	5	\$3,434	\$200.00	No	No
Galt	Gold Country (fiscal year)	5	\$2,547	\$100.00	Yes	No
Gridley	North State (fiscal year)	5	\$4,100		No	No
Ione	San Joaquin Valley (fiscal year)	4	\$2,205	\$50.00	No	No
Jackson	Gold Country (fiscal year)	5	\$1,738	\$100.00	No	No
Lincoln	Gold Country (fiscal year)	5	\$2,547	\$100.00	Yes	No
Marysville	Gold Country (fiscal year)	5	\$1,738	\$100.00	No	No
Nevada City*	Gold Country (fiscal year)	5	\$1,738	\$100.00	Yes	No
Oroville	North State (fiscal year)	5	\$4,100		No	No
Paradise	North State (fiscal year)	5	\$4,100		No	No
Placerville*	Gold Country (fiscal year)	5	\$1,738	\$100.00	Yes	No
Red Bluff	North State (fiscal year)	5	\$4,100		Yes	No
Rio Vista	NorCal (Calendar Year)	5	\$2,175		No	No
Rocklin	Gold Country (fiscal year)	5	\$2,547	\$100.00	No	No
Willows	North State (fiscal year)	5	\$4,100	\$150.00	Yes	No
Yuba City	Gold Country (fiscal year)	5	\$2,547	\$100.00	Yes	Yes

\*Paid by PARSAC



## CONSORTIUM

### What is an Employment Relations Consortium (ERC)?

An ERC is a number of local agencies (cities, counties and special districts), or school and community college districts, in a geographic area joining together for the purpose of securing quality employment relations training, consultation and informational services on a very economical basis. Currently there are over 650 cities, counties, school districts, community college districts, universities and other public sector agencies involved with Liebert Cassidy Whitmore's 32 consortiums.

Click here to view our current [Consortium List](#).

Click here to view the list of our current [Consortium Members](#).

### What Kinds of Services are Provided in an ERC?

The three kinds of services covered by consortium membership are:

1. Training workshops with reference material for all attendees
2. Monthly newsletters
3. Complimentary telephone consultation

Workshops are conducted at, or near, one of the member agencies. Attendees receive comprehensive reference material. [Click here](#) to see a list of available workshop topics.

ERC members are entitled to complimentary telephone consultation with attorneys in matters relating to employment and labor law questions.

### The Trainers

Our workshop leaders are attorneys who are accomplished trainers and experienced in the subjects of their presentations. They are widely recognized for their ability to translate their legal expertise into everyday language, and are adept at demonstrating how you can apply important legal principles in on-the-job situations.

### Establishing an ERC in Your Area

The annual per member agency fee is dependent upon the number of agencies and the number of workshops scheduled. For complete information on our training services, including establishing a new ERC or joining an existing ERC, contact [Cynthia Weldon](#), Director of Marketing and Training, at 310.981.2000.

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To Contact Liebert Cassidy Whitmore:

Los Angeles 310.981.2000 | Fresno 559.256.7800 | San Francisco 415.512.3000 | San Diego 619.481.5900 [info@lcwlegal.com](mailto:info@lcwlegal.com)

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**POLICE RISK MANAGEMENT COMMITTEE  
UPDATE AND BUDGET**

**ACTION ITEM**

**ISSUE:** Mr. Tom Kline will provide a summary of the May 7, 2015 Police Risk Management Committee and activities completed since the last Board meeting on April 16, 2015.

Members have expressed the desire for funding to purchase more body cameras and/or to address the issue of data storage. There are several bills in the state legislature addressing body cameras and there is activity at the federal level that could significantly impact the best way to use the police grant funds. Currently we are budgeting \$50,000 in police risk management funds as a contingency until more information about the status of the bills is known. Body cameras and data storage would most likely be top priorities.

**FISCAL IMPACT:** Budget of \$50,000 for police risk management funding.

**RECOMMENDATION:** Continue funding at \$50,000 pending further discussion and determination of member needs regarding cameras and storage options.

**BACKGROUND:** The Police Risk Management Committee (PRMC) meets once a quarter to review and discuss claims and risk management issues, recommend programs, training and equipment to reduce losses, and provide training for attendees. Last year the Board approved a budget of \$50,000 for the purchase of body cameras for NCCSIF's police agencies. The PRMC has recommended continuing the purchase of body cameras while also dedicating some resources to improving data storage options.

**ATTACHMENT(S):** None



## RISK MANAGEMENT GRANT POLICY REVISION

### ACTION ITEM

**ISSUE:** The Program Administrators (PAs) were asked by Executive Committee members to provide more details regarding how the Risk Management Grant Program is funded and administered. In addition, a request was made to change the name from “grant” to another term to avoid any concern or misunderstanding regarding “strings” that may be attached to a grant.

In reviewing the current policy and funding process the PAs realized the current Administrative Policy & Procedure, #A-19, Risk Management Grant, needed updating to reflect current practices and claim causes. In addition, more direction could be provided for members in how to apply for and receive the grants. The PAs also see this as an opportunity to outline and improve the way the program is funded by allocating reserves to risk management prior to disbursement or application to program deficits. The PAs have created a *draft* Policy & Procedure to replace the current one. The new policy includes an expanded list of approved activities, a process for applying for the funds, including appeal of any denied requests, and a process for funding the program as part of any Shared Risk Layer adjustments.

The funding process is recommended to ensure that all members have some reserve funds for risk management purposes. Currently, if a member has a Shared Layer refund but has a deficit in the Banking Layer or another program that exceeds that refund there are no funds available to allocate to risk management unless they want to add more to their total program funding for that purpose. In the draft policy Members may receive a Risk Management Reserve allocation “off the top” and can choose to contribute more to the reserve fund than is allocated by the Board. Committee members are asked to review and make a recommendation to accept or revise the *draft* Policy & Procedure #A-19 regarding the funding of the program and how members request use of those funds.

**FISCAL IMPACT:** TBD

**RECOMMENDATION:** Review, revise and provide direction or approval of the proposed changes.

**BACKGROUND:** At the last Executive Committee meeting members had questions regarding Grant Program funding. The Program Administrator was asked to review the Policy & Procedure to clarify the allocation of funds to the Risk Management Grants has changed since its inception.

### ATTACHMENTS:

1. Current Policy and Procedure A-19 Risk Management Grant
2. Current Policy and Procedure A-19 ATTACHMENT
3. DRAFT Policy and Procedure A-19 Risk Management Reserve Program REDLINE version
4. DRAFT Policy and Procedure A-19 Risk Management Reserve Program Final



**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



## Safety Grant Fund Application

Member Name: \_\_\_\_\_

Submission Date: \_\_\_\_\_

Submitted by: \_\_\_\_\_

Available Funds: \_\_\_\_\_

Requested Funds: \_\_\_\_\_

Please use the following lines to describe the proposed use for your funds, and be sure to attach any applicable backup data, such as quotes, receipts, etc. for work to be performed:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

If additional room is needed, please attach separate sheet.

\*\*\*\*\*

### STAFF USE ONLY

Program Administrator Approval: \_\_\_\_\_

Date: \_\_\_\_\_

Board President Approval: \_\_\_\_\_

Date: \_\_\_\_\_

Submitted to Accounting: \_\_\_\_\_

Paid?: Y / N

Check No.: \_\_\_\_\_

Check Issue Date: \_\_\_\_\_



## ADMINISTRATIVE POLICY AND PROCEDURE #A-19

**SUBJECT:** RISK MANAGEMENT GRANT-RESERVE PROGRAM

### Policy Statement:

It shall be the policy of the Northern California Cities Self Insurance Fund ~~Executive Committee~~ to establish a "Risk Management Grant Reserve Program" to reimburse members for costs of activities undertaken to:

- ~~B~~bring member facilities into compliance with Americans With Disabilities Act standards, or to
- Purchase equipment that promotes employee safety or premises safety.
- Purchase equipment, materials, training and professional services that facilitate OSHA or other regulatory compliance.
- ~~A~~address other top frequency and severity types of claims ~~issues~~.

The Board will establish annually the ~~maximum-minimum~~ funds to be set aside for each member, available to each member. ~~A~~ quarterly report will be developed to chronicle the activity of the Risk Management Reserve Funds which will be presented to the Board of Directors quarterly, and include all activities. Annually, top loss claims will be updated and provided to the Board.

Funding will be secured from the Shared Risk Layer Adjustments prior to any member refund in an amount determined by the Board of Directors (BOD). The amount is subject to annual approval by the BOD as part of any shared risk layer adjustment per Administrative Policy and Procedure A-12.

Example: If the total refund available in the Shared Risk Layer is \$1 million and the Board of Directors approves a 10% allocation to the Risk Management Reserves (RMR), then 10% (\$100,000) of the refund will be allocated to each member's RMR and the remaining amount of \$900,000 will be returned to members in accordance with Administrative Policy and Procedure A-12.

Members will not be limited in the amount they may set aside in the Risk Management Reserve Program in excess of the minimum allocation.

1. Projects may span multiple years as long as they are approved in advance and funds continue to be available.
2. Any unused portion of funds will continue to remain available to the member in the next policy year.
3. The NCCSIF accountant will monitor the use of the funds and shall present a usage summary to the BOD on a quarterly basis.

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, per the following procedures:

1. A Member will write a request to the Program Administrators for the use of Risk Management Reserve funds-. The Request will:
  - a. Include a justification of the funds, and
  - b. How these funds will lead to the reduction of frequency or severity or will mitigate liability risks of the Member Agency.
  - c. State the specific amount needed and not just request the full reserve amount.
2. The Program Administrator will review each request and, if found to be appropriate and consistent with the purpose of the Risk Management Reserve Program, will approve the request and funds will be disbursed to the member agency. *If funds requested exceed a member's allocation, continue to #3 below, otherwise move on to #4.*
3. In the event that the requested amount exceeds the member's total or remaining allocated funds, the Administrator will contact the Member and ask if they:
  - a) Wish to submit a revised request; or
  - b) Request that NCCSIF consider payment over multiple years as funds become available.
4. Once approved, the Member will become eligible for reimbursement by NCCSIF upon submitting the supplier or service provider invoice to the Program Administrator.
5. The Program Administrator will submit the reimbursement request and appropriate documentation to NCCSIF's accountant and/or Treasurer.
6. NCCSIF's accountant and/or Treasurer will reimburse the Member up to the maximum allowable amount and debit the reimbursement expense from the Member's Reserve Funds.
  - a) If a request exceeds the Reserve funds available to a Member, only the amount available for reimbursement will be paid.
7. If any request is denied, the member may submit a new or amended request, or appeal the denial to the Board of Directors, which will make the final determination on whether the request should be granted. The Board decision shall be final.

The following is a list of NCCSIF's top claims causes by frequency and severity for [reference the Fiscal Year 2010-11](#):

**Liability - Severity**

Auto [Accidents](#)

- ~~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 [Accidents](#)

- ~~Mise 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~~[Auto Accidents](#)

**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.~~

The **Risk Management** Reserve Program will begin as a standalone program, with no matching contribution required from the requesting Member. Its composition may change, at the Board's discretion, to include a requirement for the requesting Member to co-finance or share the cost of the good or service being reimbursed.

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  
**Second Revision Date:** \_\_\_\_\_ June 8, 2015 **DRAFT**



## **ADMINISTRATIVE POLICY AND PROCEDURE #A-19**

**SUBJECT: RISK MANAGEMENT RESERVE PROGRAM**

### Policy Statement:

It shall be the policy of the Northern California Cities Self Insurance Fund to establish a “Risk Management Reserve Program” to reimburse members for costs of activities undertaken to:

- Bring member facilities into compliance with Americans With Disabilities Act standards, or to
- Purchase equipment that promotes employee safety or premises safety,
- Purchase equipment, materials, training and professional services that facilitate OSHA or other regulatory compliance,
- Address other top frequency and severity types of claims.

The Board will establish annually the minimum funds to be set aside for each member. A quarterly report will be developed to chronicle the activity of the Risk Management Reserve Funds which will be presented to the Board of Directors quarterly. Annually, top loss claims will be updated and provided to the Board.

Funding will be secured from the Shared Risk Layer Adjustments prior to any member refund in an amount determined by the Board of Directors (BOD). The amount is subject to annual approval by the BOD as part of any shared risk layer adjustment per Administrative Policy and Procedure A-12.

Example: If the total refund available in the Shared Risk Layer is \$1 million and the Board of Directors approves a 10% allocation to the Risk Management Reserves (RMR), then 10% (\$100,000) of the refund will be allocated to each member’s RMR and the remaining amount of \$900,000 will be returned to members in accordance with Administrative Policy and Procedure A-12.

Members will not be limited in the amount they may set aside in the Risk Management Reserve Program in excess of the minimum allocation.

1. Projects may span multiple years as long as they are approved in advance and funds continue to be available.
2. Any unused portion of funds will continue to remain available to the member in the next policy year.
3. The NCCSIF accountant will monitor the use of the funds and shall present a usage summary to the BOD on a quarterly basis.

### Procedure:

In order to access funds under this Program, the member must submit a brief written request explaining the intended use of the requested funds, per the following procedures:

1. A Member will write a request to the Program Administrators for the use of Risk Management Reserve funds. The Request will:
  - a. Include a justification of the funds, and
  - b. How these funds will lead to the reduction of frequency or severity or will mitigate liability risks of the Member Agency.
  - c. State the specific amount needed and not just request the full reserve amount.
2. The Program Administrator will review each request and, if found to be appropriate and consistent with the purpose of the Risk Management Reserve Program, will approve the request and funds will be disbursed to the member agency. *If funds requested exceed a member's allocation, continue to #3 below, otherwise move on to #4.*
3. In the event that the requested amount exceeds the member's total or remaining allocated funds, the Administrator will contact the Member and ask if they:
  - a) Wish to submit a revised request; or
  - b) Request that NCCSIF consider payment over multiple years as funds become available.
4. Once approved, the Member will become eligible for reimbursement by NCCSIF upon submitting the supplier or service provider invoice to the Program Administrator.
5. The Program Administrator will submit the reimbursement request and appropriate documentation to NCCSIF's accountant and/or Treasurer.
6. NCCSIF's accountant and/or Treasurer will reimburse the Member up to the maximum allowable amount and debit the reimbursement expense from the Member's Reserve Funds.
  - a) If a request exceeds the Reserve funds available to a Member, only the amount available for reimbursement will be paid.
7. If any request is denied, the member may submit a new or amended request, or appeal the denial to the Board of Directors, which will make the final determination on whether the request should be granted. The Board decision shall be final.

The following is a list of NCCSIF's top claims causes by frequency and severity for reference:

**Liability - Severity**

**Liability – Frequency**

Auto Accidents  
Employment Practices  
Civil Rights/Excessive Force  
Sewer Blockage/Backup  
Road Conditions/Design Defect

Auto Accidents  
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  
Auto Accidents

**Workers' Compensation – Frequency**

Slips & Falls  
Lifting  
Repetitive Motion

The Risk Management Reserve Program will begin as a standalone program, with no matching contribution required from the requesting Member. Its composition may change, at the Board's discretion, to include a requirement for the requesting Member to co-finance or share the cost of the good or service being reimbursed.

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 Program and consider the merits of future additions of funds.

**Effective Date:** June 26, 2009  
**First Revision Date:** April 15, 2010  
**Second Revision Date:** June 8, 2015 DRAFT



## **RISK MANAGEMENT SERVICES BUDGET**

### **ACTION ITEM**

**ISSUE:** Risk Control Services make up 42% of the total Administrative Services budget for NCCSIF, estimated at \$475,192 for FY 2015/16. At the last meetings of both the Risk Management and Executive Committees members discussed the Risk Control Services Budget and asked for further information regarding what was included in various expense categories and whether or not the budget needs to be revised.

The Program Administrators (PAs) provide the attached draft budget with updated account numbers and descriptions for review and discussion. The PAs are working with NCCSIF's accountant to re-classify certain payments before June 30 to make certain the final budget-to-actual numbers are accurate.

**FISCAL IMPACT:** TBD – estimated minimum of \$475,192 for FY 2015/16.

**RECOMMENDATION:** Review and discuss budget for risk management services for FY 2015/16.

**BACKGROUND:** The budget for risk management services increased from under \$200,000 in FY 06/07 to over \$300,000 in 08/09 and has remained steady at approximately \$465,000 per year since 09/10.

**ATTACHMENT(S):** DRAFT FY 15/16 Budget for Risk Management Services – *Handout at the meeting*



## 2015/16 NCCSIF BUDGET

### ACTION ITEM

**ISSUE:** The Board reviews and approves the budget for the next fiscal year. Attached is the budget for review and discussion. The Administrative Costs are discussed in more detail below.

### ADMINISTRATIVE EXPENSES

- The Claims Audits – Every year either the Liability or Workers’ Compensation claims are audited. The Liability claims audit was performed in FY13/14 and will be conducted in FY15/16. Current costs of \$7,350 are allocated to the Workers’ Compensation Claims Audit.
- The Financial Audit amount has been increased in accordance with the current contract with Crowe Horwath
- Legal Services has increased from \$10,000 to \$13,000.
- Actuarial Services are included at \$6,800 for liability and \$5,000 for WC, including the \$2,000 credit we received from CSAC for the actuarial each year.
- NCCSIF is currently renewing their CAJPA accreditation with excellence. This cost occurs every three years.
- Fidelity Bonds are expected to remain the same at \$2,000. This is the bond for the JPA/Treasurer.
- Miscellaneous Consultants remains the same at \$5,000.
- Bickmore’s services have been broken out this year and have been increased from a total of \$160,220 to 164,720 to reflect a projected additional increase of 2%. Their agreement allows for annual adjustment.
- Lexipol Law Enforcement Policy Manual was increased from \$96,500 to \$106,250 to reflect current costs.
- Wellness was increased from \$14,150 to \$15,072 to reflect increase in new agreement with ACI.



**Northern California Cities Self Insurance Fund  
Board of Directors Meeting  
June 18, 2015**

- State Funding/Fraud Assessment has been increased from \$145,000 to \$165,000 in anticipation of 8% increase.
- Total Program Administration costs have been increased from \$351,826 to \$357,370 to anticipate increases in coverage renewals and the program administration agreement.

**RECOMMENDATION:** Review and approve the 2015/16 Budget.

**FISCAL IMPACT:** Total administrative expenses are estimated to be \$1,095,212 compared to \$1,083,546 last year, an increase of 1.1%. Last year's increase was 0.01%

Total revenues are estimated at \$14,410,665 compared to \$14,651,448 last year, a decrease of 1.6%

**BACKGROUND:** None

**ATTACHMENT(S):** 2015/16 NCCSIF Budget – *Handout at the meeting*



## 2015/16 DEPOSIT CALCULATIONS LIABILITY PROGRAM

### ACTION ITEM

**ISSUE:** The 2015/16 Deposit Calculations for Liability are provided to the EC for their review and discussion as necessary. This year the Liability deposits are capped at a 25% maximum increase over the prior year. The Administrative Surplus offset has been applied to the Liability Administrative Expenses in the amount of \$120,000. The Board has increased the Confidence Level funding from 65% to 67.5% and the interest discount rate remains flat at 1.5%.

**RECOMMENDATION:** The Program Administrator and the EC recommend approval of the 2015/16 Deposit Calculations for Liability as presented.

**FISCAL IMPACT:** Total funding for the Liability program **deposit is \$4,241,390 which is 4.6%** higher than last year's deposit of \$4,052,451. A CJPRMA refund of \$131,789 and the administrative surplus offset of \$120,000 are being applied to this year's deposit calculations. Assessments have not been included in these calculations but have been provided for members' records.

**BACKGROUND:** At the April 16, 2015 Board of Directors meeting the Board approved a final deposit of \$4,372,543 at the 67.5% confidence level. They also approved a Shared Risk Layer Assessment of \$332,429, Banking Layer Refunds of \$167,128 and Banking Layer Assessments of \$134,887.

On an annual basis, NCCSIF approves the allocation of program costs to the Members. Allocated costs are based on payroll and historical losses. The Banking layer is 75% loss sensitive and the Shared risk layer uses an experience modification formula to spread costs. CJPRMA or excess liability costs are based on the Banking layer calculation, but are only 25% loss sensitive. The Administrative costs are allocated 65% based on a percentage of the Banking, Shared and Excess costs and 35% allocated evenly.

### ATTACHMENT(S):

1. 2015/16 Liability Deposit Calculations – *Handout at the meeting*
2. 2015/16 Total Liability Funding per member – *Handout at the meeting*



**2015/16 DEPOSIT CALCULATIONS  
WORKERS' COMPENSATION PROGRAM**

**ACTION ITEM**

**ISSUE:** The FY 2015/2016 Deposit Calculations for Workers' Compensation are provided to the EC for their review and discussion as necessary. This year the Workers' Compensation deposits are capped at a 40% maximum increase over the prior year. The Administrative Surplus offset has been applied to the Workers' Compensation Administrative Expenses in the amount of \$120,000. The Board has increased the Confidence Level funding from 65% to 67.5% and the interest discount rate remains flat at 1.5%.

**RECOMMENDATION:** The Program Administrator and the EC recommend approval of the 2015/16 Deposit Calculations for Workers' Compensation as presented.

**FISCAL IMPACT:** Total funding for the Workers' Compensation program deposit is \$9,259,126 which is 7.82% higher than last year's deposit of \$8,587,289. An Administrative Surplus offset of \$120,000 has been applied to this year's deposit calculations. Assessments have not been included in these calculations but have been provided for members' records.

**BACKGROUND:** At the April 16, 2015 Board of Directors meeting the Board approved a final deposit of \$9,359,396 at the 67.5% confidence level. They also approved a Shared Risk Layer Refund of \$131,757 and a Banking Layer Assessment of \$337,636.

On an annual basis, NCCSIF develops costs per Member based upon rating formulas adopted by NCCSIF. The annual cost for all Members combined is based on Actuarial projections, excess workers' compensation quotation and administrative costs. Member's individual costs are based on payroll and the most recent six years of loss history.

**ATTACHMENT(S):**

1. 2015/16 Workers' Compensation Deposit Calculations – *Handout at the meeting*
2. 2015/16 Total Workers' Compensation Funding per member – *Handout at the meeting*



## MARYSVILLE REQUEST FOR QUARTERLY PAYMENTS

### ACTION ITEM

**ISSUE:** The City of Marysville has provided a written notice to the NCCSIF Program Administrator requesting a quarterly installment payment plan for their 2015/16 Liability contributions.

**RECOMMENDATION:** Review and approve or provide direction.

**FISCAL IMPACT:** None - quarterly payments not a significant fiscal impact.

**BACKGROUND:** The City of Marysville joined NCCSIF in 1992 and has paid their premiums in full on a timely basis in the past.

**ATTACHMENT(S):** City of Marysville Request Letter for Quarterly Payments



# CITY OF MARYSVILLE

526 "C" Street • P.O. Box 150 • Marysville, CA 95901 • (530)749-3901 • Fax (530)749-3992

June 10, 2015

NCCSIF

701 Howe Ave, Suite E3

Sacramento, CA 95825

RE: Liability Premiums

The City of Marysville would like to request an approval to pay our Liability Premiums on a quarterly basis for Fiscal Year 15/16. The first payment would be paid on September 30, 2015. 2<sup>nd</sup> on December 31, 2015. 3<sup>rd</sup> on March 31, 2016 and the final payment on June 15, 2016. If at all possible we will accelerate payments, but unfortunately we are having cash flow issues at this time. Thank you for your consideration of accepting The City's offer for quarterly payments. If you have any questions please feel free to contact me,

Best regards,

Walter Munchheimer, City Manager

Satwant Takhar, Admin Services Director



BACK TO AGENDA

**Northern California Cities Self Insurance Fund  
Board of Directors Meeting  
June 18, 2015**

**Agenda Item I.11.**

**ROUND TABLE DISCUSSION**

**INFORMATION ITEM**

**ISSUE:** The floor will be open to the Board for discussion.

**RECOMMENDATION:** None.

**FISCAL IMPACT:** None.

**BACKGROUND:** The item is to the Board members for any topics or ideas that members would like to address.

**ATTACHMENT(S):** None.



## INFORMATION ITEMS

**ISSUE:** The following items are being presented as information for NCCSIF members.

**RECOMMENDATION:** None. This item is offered as information only.

**FISCAL IMPACT:** None.

**BACKGROUND:** None

**ATTACHMENT(S):**

1. NCCSIF Organizational Chart
2. NCCSIF 2015 Meeting Calendar
3. NCCSIF Travel Reimbursement Form
4. NCCSIF Resource Contact Guide

## NCCSIF Organizational Chart

BOARD OF DIRECTORS		
Jeff	Kiser	City of Anderson
Dylan	Feik	City of Auburn
Toni	Benson	City of Colusa
John	Brewer	City of Corning
Michelle	Pellegrino	S / EC / CC City of Dixon
Brad	Koehn	EC City of Elk Grove
Bruce	Cline	VP / EC / CC City of Folsom
Paula	Islas	EC / CC City of Galt
Matt	Michaelis	City of Gridley
Dave	Andres	EC City of Ione
Michael	Daly	EC / CC City of Jackson
John	Lee	City of Lincoln
Satwant	Takhar	City of Marysville
Corey	Shaver	City of Nevada City
Liz	Ehrenstrom	City of Oroville
Gina	Will	Town of Paradise
Dave	Warren	EC City of Placerville
Sandy	Ryan	City of Red Bluff
Tim	Chapa	EC City of Rio Vista
Russell	Hildebrand	P / EC / CC City of Rocklin
Tim	Sailsbery	T / EC City of Willows
Natalie	Walter	City of Yuba City

**P = President**                      **VP = Vice President**  
**S = Secretary**  
**EC = Executive Committee**        **T = Treasurer**  
**CC - Claims Committee**

PROGRAM ADMINISTRATORS		
Marcus	Beverly	Alliant Insurance Services
Michael	Simmons	Alliant Insurance Services
Michelle	Minnick	Alliant Insurance Services
Joan	Crossley	Alliant Insurance Services
Raychelle	Maranan	Alliant Insurance Services

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

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

ALTERNATES		
TBD		City of Anderson
Tim	Rundel	City of Auburn
TBD		City of Colusa
Tom	Watson	City of Corning
George	Silva	City of Dixon
Jonathan	Hobbs	City of Elk Grove
Kristine	Wilfong	City of Folsom
Jason	Behrmann	City of Galt
Elisa	Arteaga	City of Gridley
Jane	Wright	City of Ione
Dalacie	Blankenship	City of Jackson
Sheila	Vanzandt	City of Lincoln
Walter	Munchheimer	City of Marysville
Catrina	Olson	City of Nevada City
TBD		City of Oroville
Crystal	Peters	Town of Paradise
John	Driscoll	City of Placerville
Cheryl	Smith	City of Red Bluff
Marni	Rittburg	City of Rio Vista
Kimberly	Sarkovich	City of Rocklin
Steve	Holsinger	City of Willows
Robin	Bertagna	City of Yuba City

RISK MANAGEMENT COMMITTEE		
Juanita	Barnett	City of Anderson
Dylan	Feik	City of Auburn
Shelly	Kittle	City of Colusa
Tom	Watson	City of Corning
Kim	Stalie	City of Dixon
Jim	Ramsey	City of Elk Grove
Bruce	Cline	City of Folsom
Paula	Islas	City of Galt
Matt	Michaelis	City of Gridley
Dave	Andres	City of Ione
Dalacie	Blankenship	City of Jackson
John	Lee	City of Lincoln
Satwant	Takhar	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
Natalie	Walter	City of Yuba City

# NCCSIF 2015 MEETING CALENDAR

BOARD OF DIRECTORS 12:00 p.m.	EXECUTIVE COMMITTEE 10:30 a.m.	CLAIMS COMMITTEE 12:30 p.m.
April 16	March 19	March 19
June 18	May 21	May 21
October 15	September 24	September 24
December 10	November 19	November 19

RISK MANAGEMENT COMMITTEE 10:30 a.m.	POLICE RISK MANAGEMENT COMMITTEE 10:30 a.m.	FINANCE COMMITTEE 10:30 a.m.
April 16	February 5	As Needed
June 18	May 7	
October 15	August 6	
December 10	September 24	
	December 10	

## ALL MEETINGS ARE SCHEDULED ON THURSDAYS

*Risk Management Committee meetings are scheduled for 10:30 a.m.*

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

**NOTE:** The location of the meeting has changed this year. All meetings for the rest of this year will be held at the **Rocklin Event Center – Garden Room**

2650 Sunset Boulevard  
Rocklin, CA 95677

## CJPRMA 2015 MEETING DATES

EXECUTIVE COMMITTEE	BOARD OF DIRECTORS
January 15	March 19
April 16	May 19-21
July 16	June 18
September 18	October 22
November 19	December 17

# 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 \_\_\_\_\_



# 2015 NCCSIF RESOURCE CONTACT GUIDE

<p><b><u>CLAIMS ADMINISTRATION</u></b>                  York Risk Services Group, Inc.  <a href="http://www.yorkrsg.com">www.yorkrsg.com</a></p> <p>P.O. Box 619058                  Roseville, CA 95661-9058                  (800) 922-5020 · Fax (800) 921-7683</p>	<p><b><u>LOSS CONTROL</u></b>                  Bickmore Risk Control Services  <a href="http://www.bickmore.net">www.bickmore.net</a></p> <p>Henri Castro  <a href="mailto:hcastro@bickmore.net">hcastro@bickmore.net</a> Phone: (916) 244-1107</p> <p>Police Risk Management - Tom Kline  <a href="mailto:tkline@bickmore.net">tkline@bickmore.net</a> Phone: (916) 244-1121</p>
<b>LIABILITY CONTACTS</b>	<b>WORKERS' COMPENSATION</b>
<p><b>Jennifer Nogosek</b>                  Unit Manager                  (916) 960-0997  <a href="mailto:jennifer.nogosek@yorkrsg.com">jennifer.nogosek@yorkrsg.com</a></p> <p><b>Cameron Dewey</b>                  Senior Adjuster - Redding                  (530) 243-3249  <a href="mailto:cameron.dewey@yorkrsg.com">cameron.dewey@yorkrsg.com</a></p> <p><b>Shawn Millar</b>                  Senior Adjuster - Chico                  (530) 345-5998  <a href="mailto:shawn.millar@yorkrsg.com">shawn.millar@yorkrsg.com</a></p> <p><b>Dan Lamb</b>                  Senior Adjuster - Foothills                  (209) 795-0742  <a href="mailto:dan.lamb@yorkrsg.com">dan.lamb@yorkrsg.com</a></p>	<p><b>Kelley Winters</b>                  Adjuster - Roseville                  (916) 960-1024  <a href="mailto:Kelley.winters@yorkrsg.com">Kelley.winters@yorkrsg.com</a></p> <p><b>Erica Nichols</b>                  Adjuster - Roseville                  (916) 960-1026  <a href="mailto:erica.nichols@yorkrsg.com">erica.nichols@yorkrsg.com</a></p> <p><b>Sammie Curry</b>                  Adjuster - Roseville                  (916) 960-0964  <a href="mailto:Sammie.curry@yorkrsg.com">Sammie.curry@yorkrsg.com</a></p> <p><b>John Tucker</b>                  Senior Adjuster - Stockton                  (209) 320-0804  <a href="mailto:john.tucker@yorkrsg.com">john.tucker@yorkrsg.com</a></p>
<p style="text-align: center;"><b><u>RESOURCES</u></b></p> <p><b>Tom Baber</b>                  Vice President                  Liability                  (916) 746-8834  <a href="mailto:tom.baber@yorkrsg.com">tom.baber@yorkrsg.com</a></p>	<p><b>Sara Marshall</b>                  Senior Claims Examiner                  (916) 960-0982  <a href="mailto:sara.marshall@yorkrsg.com">sara.marshall@yorkrsg.com</a>                  Folsom, Anderson, Auburn, Galt,                  Colusa, Corning, Placerville, Rio Vista,                  Gridley, Ione, Jackson, Lincoln, Nevada                  City, Town of Paradise</p> <p><b>Kara Kennedy</b>                  Senior Claims Examiner                  (916) 742-3100  <a href="mailto:kara.kennedy@yorkrsg.com">kara.kennedy@yorkrsg.com</a>                  Elk Grove, Yuba City, Marysville,</p> <p><b>Lela Casey</b>                  Senior Claims Examiner                  (916) 960-0983  <a href="mailto:lela.casey@yorkrsg.com">lela.casey@yorkrsg.com</a>                  Red Bluff</p> <p><b>Elaina Cordova</b>                  Medical Only Examiner                  (916) 960-0919  <a href="mailto:elaina.cordova@yorkrsg.com">elaina.cordova@yorkrsg.com</a></p>
<p><b>Mike Berndt</b>                  Assistant Vice President                  Liability - Roseville                  (925) 349-3891  <a href="mailto:mike.berndt@yorkrsg.com">mike.berndt@yorkrsg.com</a></p>	<p><b>Teresa Utterback</b>                  Senior Claims Examiner                  (916) 960-0975  <a href="mailto:teresa.utterback@yorkrsg.com">teresa.utterback@yorkrsg.com</a>                  Oroville, Rocklin, Dixon</p> <p><b>Christine Stillwell</b>                  Future Medical Examiner                  (916) 960-0950  <a href="mailto:christine.stillwell@yorkrsg.com">christine.stillwell@yorkrsg.com</a></p> <p><b>Cristal Rhea</b>                  Senior Claims Examiner                  (916) 746-6307  <a href="mailto:crsital.rhea@yorkrsg.com">crsital.rhea@yorkrsg.com</a>                  Willows</p> <p><b>Ben Burg</b>                  Unit Manager                  (916) 960-0946  <a href="mailto:ben.burg@yorkrsg.com">ben.burg@yorkrsg.com</a></p>
<p></p>	<p style="text-align: center;"><b><u>RESOURCES</u></b></p> <p><b>Jeff Ponta</b>                  Regional Vice President                  Workers' Compensation                  (916) 960-0965  <a href="mailto:jeff.ponta@yorkrsg.com">jeff.ponta@yorkrsg.com</a></p>
<p></p>	<p><b>Dori Zumwalt</b>                  Senior Account Manager                  Client Services                  (916) 960-1017  <a href="mailto:dorienne.zumwalt@yorkrsg.com">dorienne.zumwalt@yorkrsg.com</a></p>